

EIGHTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(2000-2001)

(THIRTEENTH LOK SABHA)

**EXCESSES OVER VOTED GRANTS AND
CHARGED APPROPRIATIONS (1994-95)**

*[Action Taken on the First Report of Public Accounts Committee
(11th Lok Sabha)]*



*Presented to Lok Sabha on 25.08.2000
Laid in Rajya Sabha on 25.08.2000*

**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2000/Sravana, 1922 (Saka)

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PUBLIC ACCOUNTS COMMITTEE
(2000-2001)

Shri Narayan Datt Tiwari—*Chairman*

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3. Shri Devender Singh —*Deputy Secretary*
4. Shri Rajeev Sharma —*Additional Secretary*

* Elected w.e.f. 2 August, 2000 *vice* Shri Rajesh Pilot expired.

** Shri Vayalar Ravi—Ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 1 July, 2000.

INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee to present the Report on their behalf, do present this Eighth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their First Report (11th Lok Sabha) on "Excesses over Voted Grants and Charged Appropriations (1994-95)".

2. The Report was considered and adopted by the Public Accounts Committee at their sitting held on 22nd August, 2000. Minutes of the sitting form Part-II of the Report.

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

4. 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;
22 August, 2000

31 *Sravana*, 1922 (*Saka*)

NARAYAN DATT TIWARI,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by the Government on the Recommendations and Observations of the Public Accounts Committee of Eleventh Lok Sabha contained in their First Report on Excesses Over Voted Grants and Charged Appropriations (1994-95).

2. The First Report (11th Lok Sabha) of the Public Accounts Committee on Excesses Over Voted Grants and Charged Appropriations for the year 1994-95 was presented to Lok Sabha on 20 December, 1996. The Report contained 16 recommendations/observations. Of these, 5 recommendations [Sl. Nos. 1 (Para 61), 4(Para 64), 10(Para 70), 12(Para 72) & 16(Para 76)] pertain to more than one Ministry/Department.

3. Action Taken Notes (ATNs) on these recommendations/observations received from various Ministries/Departments of the Government are reproduced at the Appendix and have been categorised as follows:—

(i) Recommendations/observations that have been accepted by the Government:

Sl.Nos.1 (Paragraph 61), 2 (Paragraph 62), 4 (Paragraph 64), 8 (Paragraph 68), 9 (Paragraph 69), 10 (Paragraph 70), 11 (Paragraph 71), 12 (Paragraph 72), 13 (Paragraph 73), 14 (Paragraph 74), 16 (Paragraph 76)

(ii) Recommendations/observations which the Committee do not desire to pursue in view of the replies received from the Government:

Sl. Nos. 3 (Paragraph 63), 6 & 7 (Paragraph 66 & 67)

(iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration:

Sl. Nos. 5 (Paragraph 65), 15 (Paragraph 75)

(iv) Recommendations/observations to which the Government have furnished interim replies or furnished no replies:

-NIL-

4. The Committee will now deal with action taken by the Government on some of their Recommendations/Observations.

Delay in submission of Action Taken Notes

5. As per the time limit of six months for submission of Action Taken Notes as prescribed by the Public Accounts Committee (Fifth Report — 4th Lok Sabha), the Action Taken Notes on recommendations contained in the First Report (11th Lok Sabha) were required to be furnished to the Committee by the concerned Ministries/Departments by 19 June, 1997. A scrutiny of the receipt of Action Taken Notes from the various Ministries/Departments in respect of the recommendations relating to them, however, depicts the following position:—

Name of the Ministry/ Department	Date of extension allowed by the Committee for submission of ATNs	Date when complete ATNs furnished
Communications (Deptt. of Post)		5.9.1997
Defence		20.6.1997
External Affairs	—	4.6.1997
Finance	18.03.2000	31.07.2000
Home Affairs		27.5.1997
Petroleum & Natural Gas		20.6.1997
Rajya Sabha Secretariat		26.6.1997
Railways	26.6.1998	3.7.1998
Surface Transport	26.6.1998	25.6.1998

6. The Committee have been impressing upon the various Ministries/Departments the urgency of submitting the ATNs within six months of the presentation of a Report to the House. The Committee, however, regret to point out that despite their repeated exhortations in various earlier reports no appreciable improvement has been made in this direction. In some of the cases the position has even deteriorated as is evident from the table in the preceding paragraph. There are instances also where the submission of these ATNs has been pending for more than two years. Out of nine Ministries/Departments which were required to furnish the Action Taken Notes on the recommendations/observations only five Ministries namely Defence, External Affairs, Home Affairs, Petroleum and Natural Gas, and the Rajya Sabha Secretariat furnished complete Action Taken Notes within the stipulated period of six months. While the Ministries of Railways and Surface Transport sought extension of time for furnishing their replies and submitted the same within the extended period, the complete action taken notes from the Ministry of Communications (Department of Post) were received after a delay of about two and a half months. The Committee are concerned over the inordinate delay of three years in submission of action taken replies particularly in the case of Ministry of Finance which is deemed

to be a role model for other Ministries/Departments in so far it concerns responses to, and implementation of, the recommendations of the PAC. The Committee would like the Ministry of Finance to state the reasons for its failure to furnish the replies within the extended time and fix responsibility. A Report in the matter may be furnished to the Committee within three months of presentation of this Report.

**Suitable mechanism for tightening exchequer control
(Sl.No. 2, Paragraph 62)**

7. Noticing negligence and callous attitude by the various Ministries/Departments towards rules prescribed for containing the expenditure within the sanctioned provisions, the Committee had in paragraph 62 of their first Report observed as under:—

“Yet another disturbing feature noticed by the Committee is that excess expenditure of over Rs. one crore each had occurred in as many as nine cases out of total 15 excess registering Grants/Appropriations. What is still worse is the fact that excess expenditure had exceeded Rs. one crore each under voted portion of both Revenue and Capital Sections of the lone Grant operated by the Department of Post. Significantly, the Ministry of Railways had also incurred excess expenditure of over Rs. one crore in three out of five cases where excess expenditure had been incurred. An analysis of the reasons for excess expenditure during 1994-95, which have been discussed in some detail in the succeeding paragraph of the Report, indicate that the lack of proper monitoring of the progress of expenditure, inadequate review and analysis of the financial requirement of terms of committed liabilities and non-observance of the prescribed financial rules were the main contributory factors in the incurrence of excess expenditure of such a high magnitude. Although General Financial Rules clearly provide that the grant administering authorities shall be fully accountable for control of expenditure and clear-cut instructions have also been laid down for the detailed procedures to be followed for checks against provision of funds, the Committee cannot help observing from the facts brought to their notice during examination of this subject that the concerned authorities in the various Ministries/Departments continue to display their negligence and callous attitude towards rules prescribed for containing the expenditure within the sanctioned provisions. The Committee view this situation with grave concern and emphasise that the Ministry of Finance should strongly impress upon all the Departmental Heads concerned to strictly observe the instructions issued under the financial rules so as to ensure that no expenditure is incurred in excess of the authorised limits. The Committee would also like the Ministry of Finance to devise suitable mechanism for tightening the exchequer

control and to deal sternly with cases where any slackness in following the prescribed financial rules is noticed.”

8. In their action taken note, the Ministry of Finance (Department of Expenditure) have stated as follows:

“The responsibility of framing Budget Estimates on realistic basis and also to ensure that there is neither considerable short-fall nor unforeseen excess expenditure rests on Ministries/Departments. To achieve this, the Financial Advisers are required to ensure that prescribed Financial Rules and procedures are followed scrupulously. The Heads of the Departments have been advised accordingly *vide* D.O. letter No. 12 (1) E-Coord/97 dated 1.4.97 (copy enclosed) from Secretary (Expenditure) to all the Secretaries of the Government of India. The Ministries/Departments have also been advised to devise suitable mechanism for tightening the exchequer control so that it does not lead to excess expenditure and deal sternly with cases where any slackness in following the prescribed financial rules is noticed.”

Comments of the Committee

9. The Committee note that in pursuance of their recommendation, the Ministry of Finance have tried to impress upon the Heads of the Departments to observe the financial rules strictly but regret to observe that instead of devising a suitable mechanism for tightening the exchequer control, the Ministry have merely advised the Heads of the Ministries/Departments to evolve the same. The Committee therefore reiterate that the Ministry of Finance should evolve and establish a suitable mechanism at their own level and issue it to all Departments so that stricter exchequer control could be exercised by all Ministries/Departments. The Committee would also like to be informed of the progress made in this regard at the earliest.

Fixing responsibility for delay in Submission of explanatory notes (Sl. No. 5, Paragraph 65)

10. Commenting on the need for holding the Secretaries of the administrative Ministries/Departments concerned personally responsible for any delay in submission of the requisite explanatory notes, the Public Accounts Committee had in Para 65 of their Report recommended as follows:

“Presently, the task of coordination and submission of corrective/remedial action taken notes on the paragraphs from the reports of the C&AG not examined by the Committee is assigned to the Monitoring Cell in the Department of Expenditure. The Committee desire that in future the Monitoring Cell should be entrusted with the task of coordination, collection and timely submission to the Committee of the relevant explanatory notes, duly vetted by audit,

on excess expenditure/savings of Rs. 100 crores and above made in respect of all the Annual Appropriation Accounts of the Union Government for the year 1995-96 onwards. Further, the Secretaries of the administrative Ministries/Departments concerned should be held personally responsible for any delay in submission of the requisite explanatory notes. They would like the Ministry of Finance to take necessary action in the matter.”

11. The Ministry of Finance (Department of Expenditure) have in their action taken notes stated as under:

“In pursuance of the recommendations of the PAC the Secretaries of the concerned Departments/Ministries were addressed on 31.1.1997 for furnishing the relevant explanatory notes duly vetted by audit by the end of February 1997. The Ministries/Departments concerned have been reminded at regular intervals. The matter was also taken up with the D.G. Audit to expedite the vetting of explanatory notes and reply received from him, was accordingly conveyed to the concerned Ministries/Departments. The explanatory notes received from the concerned Ministries/Departments except Department of Economic Affairs, Industrial Development and Ministry of Surface Transport have already been sent to the Lok Sabha Secretariat. The matter is being pursued with the remaining Departments and the explanatory notes will be furnished to the Lok Sabha Secretariat, as soon as these are received from the concerned Departments/Ministries.”

Comments of the Committee

12. A perusal of the action taken note furnished by the Ministry of Finance reveals that while the Ministry had brought the recommendation to the notice of Secretaries of the concerned Ministries/Departments on 31 January, 1997 followed by regular reminders, the Committee find that the action taken note is conspicuously silent on the implementation of the recommendation of the Committee making the Secretaries of the concerned Ministries/Departments personally responsible for the delay in submission of the requisite Explanatory Notes. The Committee reiterate their earlier recommendation and would like to be apprised of the precise action taken in the matter.

Misclassification of expenditure (Sl. No. 15, Paragraph 75)

13. While commenting on some cases of misclassification of expenditure by the Ministry of Railways during 1994-95, the Committee in paragraph 75 of their First Report (11th Lok Sabha) had recommended:

“What has further concerned the Committee is the repeated instances of misclassification of expenditure unabatedly occurring in the accounts of the Ministry of Railways. Even the Appropriation

Accounts of the year under review revealed two such cases of misclassification of expenditure which effected the quantum of excess expenditure. Distressingly, an error in one of these cases of misclassification was further brought to the notice of the Committee only during oral deposition of the representatives of the Ministry of Railways when they informed that a figure of Rs. 26 lakhs was inadvertently taken as Rs. 26 crores at the time of compilation of accounts. The Committee take a serious view of the perfunctory manner in which the accounts are being maintained by the Railway Authorities revealing lapses at all levels including the scrutiny of accounts. They, therefore, desire that stringent measures be taken for avoiding such misclassifications in future and responsibility fixed for the lapses in all such cases."

14. In their action taken note, the Ministry of Railways have stated as under:

"Instructions already exist for close and concurrent review of the booking of the expenditure at various levels; test check of allocations recorded on vouchers; prescription of suitable levels at which approvals for transactions of specified value should be taken before carrying out adjustments and fixing responsibility for clear lapses at suitable levels. These instructions have been reiterated with a view to ensuring proper maintenance of accounts and more stringent scrutiny while communicating instructions for compiling the Appropriation Accounts for 1995-96. It is expected that the incidence of avoidable misclassifications will come down. The Ministry of Railways would like to submit, at the same time, that total elimination of misclassifications may be extremely difficult to achieve in practice, partly because a vast number of staff handle an immense volume of transactions, leading some probability, however small, of errors occurring especially when time is constraint, and partly because they are sometimes due to genuine errors in interpretation of the accounting rules and, occasionally there is a difference of perception, wherein the Audit's view ultimately tends to prevail. As regards the circumstances under which a figure of Rs. 26 lakh was inadvertently taken as Rs. 26 crore at the time of compilation of the Appropriation Accounts for 1994-95 this Ministry has, *vide* letter No. 96-BC-PACXIOE/1.894-95 dated 13.12.96 made a separate submission to the Public Accounts Committee. The corrected figure, duly vetted by Audit, has also since been advised to the Lok Sabha Secretariat (PAC Branch) *vide* this Ministry's Office Memo No. 96BC/1003 Pt. Dated 15.11.1996".

Comments of the Committee

15. Taking a serious view of incessant instances of misclassification of expenditure occurring in the accounts of the Ministry of Railways, the Committee had desired in paragraph 75 of their First Report (11th Lok Sabha) that stringent measures should be taken so that such misclassifications are avoided in future and responsibility fixed for the lapses in all such cases. The Committee are anguished to have the stock reply of the Ministry of Railways to the effect that the already existing instructions have been reiterated with a view to ensuring proper maintenance of accounts and more stringent scrutiny while communicating instructions for compiling the Appropriation Accounts for 1995-96. The Committee note with displeasure that instead of taking stringent measures in order to avoid misclassifications in future and fixing responsibility for the lapses in all such cases, the Ministry of Railways have stated that total elimination of misclassifications may be extremely difficult to achieve in practice for a variety of reasons. Far from satisfied with the reasons advanced by the Railways, the Committee are definitely of the view that the accounting system of the Railways calls for thorough overhauling and that there is a need to take exemplary punitive measures so that such errors do not creep-in in the classification of expenditure in future.

CHAPTER II

RECOMMENDATIONS OR OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

To sum up, the Committee find that an expenditure of over Rs. 481.09 crores has been incurred by various Ministries/Departments of the Union Government in excess of the amounts authorised by Parliament in 15 cases of Voted Grants/Charged Appropriations during the year 1994-95. What is more disconcerting is the fact that this excess expenditure had occurred despite obtaining supplementary provisions of the order of Rs. 456.00 crores in 12 out of 15 cases of excess registering Grants/Appropriations. Considering the fact that supplementary provisions in most of these cases were obtained in March, 1995, the Committee are convinced that the Budget Wings of the Ministries/Departments concerned have once again displayed their failure in assessing their actual requirements of funds even at the fag-end of the year when they had adequate data on the trend of expenditure and their committed liabilities. Evidently, the supplementary grants in 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.

[Sl. No. 1, Para 61 of the 1st Report of Public Accounts Committee (11th Lok Sabha)]

Action taken by the Ministry of Finance

The responsibility of authorising expenditure for items of expenditure and within the grants approved by the Parliament, in so far as this pertains to their delegated powers, lies with the concerned Department of the Central Government, to which the concerned grant is allocated. The detailed instructions and procedure are contained in General Financial Rule, 1963, providing for incurring expenditure within the approved grant and for procedure to oversee flow of expenditure within the Grant.

2. Rule 71 of the GFR, 1963, clearly provides that no expenditure shall be incurred having effect of exceeding the total grant or appropriation authorised by the Parliament by law, except after obtaining a supplementary grant or appropriation or an advance from the contingency fund. Further, provisions contained in Rules 65(2) to Rules 66, read with various Govt. orders thereunder, clearly lay down procedure and various returns with a view, *inter-alia*, to keep a watch on excess expenditure.

3. This Department has also issued instructions from time to time to all the Ministries/Departments, advising them to make realistic assessment of their requirements and to follow the procedure in case of excess expenditure, as recommended by the Public Accounts Committee in their 88th Report (10th Lok Sabha).

4. The Financial Advisers are also required to ensure that the prescribed financial rules and procedures are followed scrupulously so that there is neither large scale savings nor excess expenditure over the voted grants/appropriations. Instructions are issued by this Department from time to time to all the Ministries/Departments and to the Financial Advisers to devise suitable mechanism to avoid excess expenditure over the voted grant/appropriation and to observe financial rules scrupulously. Secretary (Expenditure) has also written to all the Secretaries of the Govt. of India and all the Financial Advisers that financial rules should be observed strictly to ensure that no expenditure is incurred in excess of the authorised limits.

5. While all the F.As have again been advised to strictly follow the instructions in this regard, the concerned F.As, where the PAC have reported excess expenditure in 15 cases, have been advised to look into the circumstances leading to such excesses and to furnish explanatory Notes, along with action taken to improve the system to avoid occurrence of such lapse in future. A copy of these instructions is also enclosed.

6. This Ministry has also undertaken a case study of the instances of expenditure exceeding the budgetary allocations, as desired by the Public Accounts Committee *vide* Para 1.35 of the 88th Report (10th Lok Sabha). The result of the case study has revealed that while incidence of excess expenditure was indeed a matter of concern during 1988-89 to 1992-93, it is a matter of some satisfaction that the incidence of excesses has significantly come down since then. This trend speaks for itself, as far as our continuing efforts to tighten the financial and budgetary control are concerned. Nevertheless, there is no scope of any complacency and we are constantly reviewing this aspect.

7. As for the question of conducting a case study with a view to looking into the reasons as to why the existing mechanism for control of expenditure has failed to effectively check the excess expenditure, we have examined the individual cases and have tried to analyse whether the excess is due to non observance of prescribed procedure or due to inherent deficiencies in these procedures. While possibility of non-adherence to the system cannot be ruled out in any system of checks and controls, there is need for a credible mechanism that brings out such cases of non-adherence and then deal with delinquency in an appropriate manner,

i.e. to warn/educate/train in case of inadvertent default and punish in case of intentional default. While the internal and external Audit is a mechanism to bring out such cases of non-adherence, we have also intensified efforts to train the concerned staff so that the cases of inadvertent defaults are avoided and system is improved.

8. The occurrence of an excess signifies one of the following:—

- (i) That at the year end, there were certain expenditure commitments, which “could not” be postponed.
- (ii) That the budgetary ceiling covers several spending units, which are simultaneously operating within the same ceiling, *i.e.*, the aggregate budgetary ceiling has not been broken up and assigned to individual spending units.

9. We have also tried to isolate cases where excess is recurrent in a particular grant and the explanation given by the concerned Department is of repetitive type. One such type of recurrent excess is when commercial departments like Telecommunication and Railways make budget provision for transfer of surpluses to their Reserve Funds and at the end of the year they find that their surpluses are more than what was envisaged at the Budget stage. Now this extra surplus has also to be transferred to the Reserve Funds, although it means exceeding the original provision for transfer. Such cases of excesses are of technical nature, as there is no net cash outgo from Government accounts and, as such, are not to be viewed with the same severity as the excesses where there is extra cash outgo.

10. We have identified following Grants/Appropriations, which reveal system deficiencies:—

- (1) Department of Posts
- (2) Civil Pension

11. The Department of Posts has justified the excess expenditure on the ground that inadequate budget provision was allowed by the Ministry of Finance. This is an unjustified explanation and if every Department not satisfied with the budgetary allocations resorts to excess expenditure, the budgetary discipline will breakdown, rendering meaningless the budgetary exercise. In view of resource constraint many other Departments have similar grievance, yet none of them has chosen to exceed the grants. Therefore, the Department of Post also needs to schedule its expenditure commitments according to budgetary ceilings. Another reason for excess over grants in the Department of Posts is the multiplicity of spending units operating on the same budgetary ceiling. This can be addressed by assigning sub-ceilings to each spending unit. As an experimental measure, “Letter of Credit” system is being introduced in some Postal Divisions

12. So far as Civil Pension is concerned, the pensioners are paid by the Central and State Treasuries and public sector banks under the existing pension disbursement system. The paying banks send the payment scrolls

to the link branch, which arranges to get reimbursement from the Reserve Bank of India. Thereafter, the link branch sends the vouchers and payment scrolls to the Pension accounting authorities. Any delay in sending the documents by the link branch to CPAO or subsequent delay in the compilation of these vouchers according to various heads of accounts will result in delay in preparation of revised estimates and in case the revised estimates are formulated based on available information and without making an intelligent guess of the pipeline transactions, *i.e.*, the amounts of pension that has already been disbursed by the Banks but is yet to be reported to the CPAO and accounted for by him. To avoid this situation, one possible remedy could be to take a lumpsum supplementary provision based on the cash disbursement reported by the RBI. Subsequent accounting classification into various categories of pensions can be reported to the Parliament through a subsequent batch of supplementary.

13. There are several problems in accurate estimation of pension payments. A significant part of the personnel management in Civil offices is decentralized at the level of numerous Heads of offices. Sanction of pension to retiring employees is part of this decentralised set up. Likewise, the pension disbursement is also highly decentralised for the convenience of the pensioners. In the present set up, where information is compiled manually, the estimation of pension disbursements during a year based on the primary input of thousands of units sanctioning and disbursing pension is a very difficult task. Frankly, we do not see radical changes in the estimation process in near future. Progressive computerisation will help but that will take some time. Further, for estimating the impact of pension revision, we need a comprehensive database of pensioners. This is one of the goals to be achieved by CPAO.

This has been vetted by Audit *vide* their U.O. No. RR/1-16/96-97/1408 dated 13.3.2000.

[Ministry of Finance, Department of Expenditure E. Coord. Branch U.O. No. 12(1)/E.Coord./97 dated: 27.03.2000]

No. 12(1)/E. Coord./97
Government of India
Ministry of Finance
Department of Expenditure
E. Coord. Branch

New Delhi, the 22nd March, 2000.

OFFICE MEMORANDUM

SUBJECT: *Action taken on the recommendations contained in the First Report of the Public Accounts Committee (11th Lok Sabha) on Excesses over Voted Grants and Charged Appropriations (1994-95).*

The undersigned is directed to invite attention to the recommendations contained in Para 61 read with Paras 15-17 of the First Report of the PAC (11th Lok Sabha), where the PAC has reported excess expenditure during 1994-95 over the amounts authorised by the Parliament in 15 cases in the Ministry of Defence, Min. of Ext. Affairs, Min. of Pet. & NG, Min. of Surface Transport, Min. of Home Affairs, Deptt. of Posts, Railways, and the Rajya Sabha Sectt. The PAC have come to the conclusion that the Budget Wings of these Ministries/Departments have once again failed in correctly assessing their actual requirement of funds even at the fag end of the year when they had the adequate data on the trend of expenditure and committed liabilities.

2. Rule 71 of the GFR, 1963, clearly provides that no expenditure shall be incurred having effect of exceeding the total grant or appropriation authorised by the Parliament by law, except after obtaining a supplementary grant or appropriation or an advance from the contingency fund. Further, provisions contained in Rules 65(2) to Rules 66, read with various Govt. orders thereunder, clearly lay down procedure and various returns with a view, *inter-alia*, to keep a watch on excess expenditure.

3. The issue regarding expenditure incurred by the Ministries/Departments in excess of the appropriations approved by the Parliament was adversely commented upon by the PAC in the past. Pursuant to the recommendations made by the PAC in the 88th Report (10th Lok Sabha), this Ministry issued detailed instructions *vide* O.M. No. 12(1)/E. Coord./95 dated 23.8.95, paras 4 and 5 of which specifically lay down the procedure to be adopted in case of such excess expenditure. It is, however, noted that neither does a mechanism seem to have been devised to exercise control over flow of expenditure nor has the prescribed procedure regarding submission of explanatory notes in case of excess expenditure been followed.

4. The incurring of expenditure in excess of appropriations approved by the Parliament is a serious lapse. In order to avoid recurrence of such lapses in future, it is once again reiterated that the procedure contained in this Ministry's above mentioned O.M. dated 23.8.95 and GFR, 1963 may be strictly followed so as to keep a monthly check on flow of expenditure and the procedure relating to preparation of explanatory notes should be strictly adhered to.

5. Since occurrence of excess expenditure has taken place in 15 cases despite the above instructions, the concerned Departments are advised to look into the circumstances leading to such excesses and submit an explanatory note, along with the action taken to improve the system to avoid recurrence of such lapse in future, to the PAC under intimation to this Department urgently.

Sd/-

(USHA MATHUR)
Joint Secretary (Per.)

1. Financial Commissioner (Railways)
2. Financial Adviser (Defence)
3. Financial Adviser (External Affairs)
4. Financial Adviser (Petroleum & NG)
5. Financial Adviser (Home Affairs)
6. Financial Adviser (Posts)
7. Financial Adviser (Finance) in respect of Rajya Sabha Sectt.

Copy to:

All other Financial Advisers

Action taken by the Ministry of Defence

The need for higher degree of precision in estimating the fund requirements and better budgetary formulation and control has been appreciated in the Ministry. The aspect of more realistic estimation at the initial stage as well as re-appropriation stage and tighter control over expenditure has been brought to the notice of all concerned in the Ministry/Services/Departments. All concerned have further been asked to objectively review the projections of requirement and monitor the expenditure with utmost care and farsightedness. With a view to ensure an effective monitoring and control of expenditure, the Inter Departmental Monitoring Groups have been reequested to carry out the review of expenditure and pending liabilities, on a fortnightly basis, during January, February and on weekly basis, in March, in addition to a normal monthly review of expenditure, so that events of savings/excesses could be avoided. In this connection a copy of the Ministry of Defence (Fin.) ID No. 3698/B-I/95 dated 21.12.1995 is enclosed.

Ministry of Defence, File No. 10(1)/97/B-I dated 21.3.1997

MINISTRY OF DEFENCE (FINANCE DIVISION)

SUB: *Monitoring and control of Defence Expenditure.*

Inter-Departmental Monitoring Groups were constituted in the year 1991-92 *vide* MoD I.D.No. 8737-S/Def. Secy./91 dated 27th December, 1991 with the concerned Addl. FA (as Convenor), concerned Joint Secretary, concerned Flag rank Officers from Services Headquarters and representative of CGDA/CDA. Instructions and guidelines for the working of these Groups were issued *vide* MoD(Fin) I.D.No. 5187/Addl. FA(P)/92 dated 2nd January, 1992. The basic objective of these Groups was to monitor the progress of expenditure and pending liabilities for ensuring optimal use of the resources.

2. It may be recalled that there had been several instances of large scale saving/excesses under the Defence Services/Departments during the last financial year. The present trend of expenditure indicates that unless effective monitoring and control is exercised now, large scale savings/excesses may result under several heads. It is, therefore, considered necessary that each Monitoring Group should hold a preliminary meeting in the last week of December 1995 or first week of January 1996 and subsequently review the progress of expenditure and pending liabilities on a fortnightly basis, during January and February' 96 and on a weekly basis in March'96. CGDA has separately been requested to render weekly reports of expenditure under the Defence Services Estimates for the remaining months of the financial year. This will enable Services/Departments to make optimal use of resources and also prevent occurrences of significant savings/excesses under various heads duly taking into account factors such as exchange rate variation in respect of foreign payments, actual draws from LCs, precise supply position in respect of contracts, progress of Civil Works, etc.

3. A copy of the instructions earlier issued on the subject *vide* MoD(Fin.) I.D.No. 5187/Addl. FA(P)/92 dated 2nd January, 1992 is enclosed for ready reference. Contents of this letter may please be brought to the notice of all concerned members of Monitoring Groups.

4. This has the approval of FA(DS).

Encl: *As above*

(D. LAHIRI)

Addl. FA(D)

21.12.1995

Addl. FA(P) For Army, NCC & Rashtriya Rifles
 Addl. FA(J) For Navy
 Addl. FA(M) For Air Force

Addl. FA(R) — For R&D (including ATVP. Dte. of Standardisation & DTD&P (Air)
 Addl. FA(T) — For DGOF
 Addl. FA(K) — For DGQA

MoD (Fin.) I.D.No. 3698/B-I/95 dated 21.12.1995

Copy to Addl. CGDA(AT)
 JS(O), JS(Navy), JS(Air), JS(OF), COR.

Action Taken Note: by the Ministry of Communications (Deptt. of Posts)

Budget estimation is made after proper assessment keeping, all the probable requirements of the Department during the year. The Budget projection for the year 1994-95 was as under:

	(In Crores of Rs.)	
	Revenue	Capital
(1) R.E. (Estimated)	2159.13	111.86
(2) R.E. (Approved by MoF)	2096.11	74.88
(3) Short Allotment (1-2)	63.02	36.98
(4) Actual Expenditure	2129.70	76.96
(5) Saving (Charged)	(-).01	0.00
(6) Net Excess expenditure Over R.E. approved	33.58	2.08

From the above it is clear that despite all efforts to control expenditure, the excess was mainly due to allocation of less funds under the Revenue and Capital Heads by Ministry of Finance. This compelled the Department to submit Supplementary Grant proposals to cover the gap between RE estimated and that approved by Ministry of Finance and consequently the Department had to curtail and reflect requirements to match with the ceilings imposed by Ministry of Finance.

2. For future the following steps have, however, been taken for preparation of accurate budget estimates and effective control over expenditure.

- (i) Instructions have been issued to the Heads of Circles and IFAs to ensure better control over expenditure and for proper assessment of funds while preparing budget estimates. These have been reiterated emphasising the need for fixing responsibility for wrong budget estimation and excess expenditure.
- (ii) Budget and accounting work in the Postal Directorate and the circles is being computerised. This will help to streamline the work and ensure timeliness accuracy and constant close monitoring to avoid excess expenditure and large savings.

- (iii) Instructions have also been issued to all IFAs of circles to submit a quaterly report to Postal Directorate. Through this report also progress of expenditure of circles is watched and monitored for mid-course corrections if any. This report helps in preparation of Budget Estimates also.
- (iv) A monthly important events report is submitted by heads of circles to Secretary (P). It is proposed to include working and capital expenses position *vis-a-vis* Budget provision in this report an effort to exercise better budgetary control.

[Ministry of Communications, Department of Post OM No. 13-2/96-BGT(PA)/dated 17th July, 1997]

Sl. No.	Subject	B.E. 1994-95	Supplementary		R.E.		Actual Expenditure	Differences	Remarks
			3	4	5	6			
1	2								
1.	Salaries	1336.50	137.00	(+)101.27	1473.50	1437.79	1490.92	(+)53.15	(+)30.10
2.	OTA	39.11	10.00	(+)4.00	49.11	43.11	47.31	(+)4.20	(+)59.70
3.	Wages	26.58		(+)0.10	26.58	26.68	26.40	-)0.28	-)1.05
4.	Office Expense	41.98		(+)1.95	41.98	43.93	45.32	(+)1.39	(+)3.16
5.	Rent, Rates & Tax	22.38		(-)0.79	22.38	21.59	21.33	-)0.26	-)1.20
6.	Travel Expenses	15.92		(+)0.56	15.92	16.50	14.59	(-)1.91	(+)11.58
7.	Professional & Special Services	11.01		(+)0.73	11.01	11.74	10.48	(-)1.26	(-)10.73
8.	Audit Offices	10.00			10.00	10.00	9.64	-)0.36	-)3.60
9.	Maintenance	16.00		(-)0.50	16.00	15.50	16.56	(+)1.06	(+)6.84
10.	Petty Works	2.00		(+)1.00	2.00	3.00	2.29	(-)0.71	(-)23.66

	1	2	3	4	5	6	7	8	9	10
11. Payment to Air Mail Carriers			27.00	5.00	(+)0.50	32.00	27.50	28.14	(+)0.64	2.33
12. Payment to Railways			54.00		(-)2.00	54.00	52.00	39.31	(-)12.69	(-)24.40
13. Amenities to Staff (excluding pay and allowances)			7.83		(-)0.35	7.83	7.46	7.23	(-)0.25	(-)3.34
14. Pensionary Charges			239.99	25.00	(+)14.00	264.99	253.59	253.41	(-)0.58	(-)0.23
15. Stamps, Post Cards etc.			54.21		(+)0.12	54.21	54.33	61.97	(+)7.64	(+)14.06
16. Stationary & Prints (excluding Pay & Allowances)			27.56		(-)0.13	27.56	27.43	17.53	(-)9.90	(-)36.00
17. Depreciation on historical cost			9.00			9.00	9.00	9.00	—	—
18. Other items			50.46	7.00	(+)0.10	57.46	50.56	46.36	(-)4.20	s-18.30
19. Inter Branch Trans.			(-)16.40		(-)0.40	(-)16.40	(-)16.60	(-)18.69	(-)2.09	(-)13.06
Total:			1975.13	184.00	120.93	2159.13	2096.11	2129.70	(+)33.59	(+)10.70

5201—CAPITAL OUTLAY
(Rs. in crores)

Sl. No.	Subject	B.E. 1994-95	Supplementary		R.E. 1994-95	Actual Expenditure 1994-95	Differences	Remarks	
			Asked	Approved					Estimate
								(+) excess (-) Saving	%
1.	Land	2.75	5.00	(-)1.95	7.75	0.80	2.84	(+)2.04	(+)22.5
2.	Building	23.25	50.50	(+)12.23	73.25	35.48	40.15	(+)4.67	(+)13.16
3.	Mail Motor Vehicles	1.75	—	NIL	1.75	1.75	1.44	(-)0.31	(-)17.71
4.	Inhouse Plants	1.25	—	(-)0.03	1.25	1.22	0.69	(-)0.53	(-)43.44
5.	Inhouse Computers	8.50	—	(+)6.19	8.50	14.69	10.32	(-)4.37	(-)29.75
6.	IM System	18.11	—	(+)1.75	18.11	19.86	22.76	(+)2.90	(+)14.60
7.	RMS Van	0.25	—	(-)0.17	0.25	0.08	0.08	NIL	
8.	Store Suspense	— 1.00 (NP)	—	NIL	1.00	1.00	(-)1.32	(-)2.32	(-)2.32
Total		56.86	55.00		111.86	74.88	76.96	2.08	277

POSTAL ACCOUNT WING
BUDGET BRANCH

SUB.: Preparation of Application Software for Budget Branch of Deptt. of Post—regarding

The Principal System Analyst may kindly refer this branch ref. resting with No. 5-1/95-BGT(PA)/3981 dated 22.12.95 (Copy enclosed) and take further action and prepare the Application Software for Budget Branch of Directorate in Room No. 446 & 446A of Dak Bhawan. The list of work are placed at Annexure I. The details in this respect may be had from Budget Branch. The specifications of Computer Hardware & Software installed in Budget Branch are available at Annexure II.

The tentative time and expenditure may be informed to undersigned at the earliest.

Top priority may kindly be accorded for his work.

Sd/-
(M.S.S. SUBRAHMANYAM)
DIRECTOR PA-I

Md. Ashfaque Ahmed,
Sr. System Analyst,
NIC, Dak Bhawan,
Room No. 218.

ANNEXURE I

THE ITEMS OF WORK ON WHICH APPLICATION SOFTWARE HAS TO BE DEVELOPED

1. Fixation of budget Allotment/Revised Allotment; Head-wise/Object-wise/Circle-wise (Vide sheet attached)
2. Circle-wise Allocation Sheets—to be generated (Vide sheet attached)
3. Fixation of Medical ceiling & OTA ceiling.
4. Fixation of Revenue Targets/Revised Revenue Targets.
5. Likely RE. 199 —9 and BE 199 —9
Annexure LSBE Preliminary for RE
6. Statement of Budget Estimates (final) for RE
7. Financial Results of the Department:
 - (i) Overall Review
 - (ii) Monthly Review
8. Quarterly Pay & Allowances Statement
9. IFA Quarterly Report.
10. Quarterly reports of ceiling items.
11. Schemes-wise/Quarterly allocation of funds for capital projects and monthly monitoring thereof.
12. Monthly/Quarterly Review of 7610 Loans & Advances.
13. Fixation of Revised Allotment.
14. Fixation of Revised Medical Ceiling.
15. Ceiling items, OTA
16. Supplementary Demands.
17. Reappropriation proposals.
18. Performance Budget.
19. Demands for Grants
20. Final Grant proposals allocation to circles.
21. DG Progressive—Preparation of Monthly Expenditure Statement.

Note: Details may be obtained from Budget Branch Room No. 446 & 446A of Dak Bhavan.

Action Taken by the Ministry of Railways

The observation of the Committee have been noted. Instructions for avoiding excess expenditure have already been issued to the Railways during 1996. Further instructions are also being issued (copy enclosed).

The above ATN has been seen and vetted by Audit vide order U.O.T. No. 13 RA-TTT/RR/12-1/96 dated 16.5.97.

(Instructions issued on 11.6.95 after vetting by Audit).

[Ministry of Railway (Railway Board's) O.M. No. 96-BC-PAC/XI/1 dated
28.7.1997.]

Government of India (Bharat Sarkar)
Ministry of Railways (Rail Mantralaya)
(Railway Board)

No. 97-B-342/1

New Delhi, dated 11.6.1997

The General Managers,
All Indian Railways,

SUB.: Excess over Voted Grants/Charged Appropriations.

In 1994-95, Railway incurred an excess expenditure of Rs. 417.52 cr. as per the following details:—

Demand No.	Grant	Appropriation
4		6,99
8	1,57,82	
14	366,39,47	
16— Capital	48,95,60	52,19
Total	416,92,89	59,18

2. In view of the above excess expenditure on Railways, the Public Accounts Committee (PAC) (XI Lok Sabha) have made severe criticism of the Railways causing embarrassment to the Board.

3. While passing adverse comments, the PAC has recommended that the Ministry of Railways should evolve a sound mechanism through which the progress of expenditure under various sub-heads in the zonal Railways could be regularly monitored to ensure that this expenditure does not overshoot its limits.

3.1 Although, a comprehensive mechanism of budgetary and financial control already exists on the Railways, what is missing is the strict observance of the financial discipline in this regard despite the fact that the need to contain the expenditure within the authorised grants has been stressed time and again.

4. The lapses in this regard are viewed seriously and the Railways are advised to exercise full financial discipline. No expenditure be it under a minor heads or a sub-head should be incurred over and above the authorised allotment without the approval of the competent authority under the rules of re-appropriation; and in no case, should it exceed the authorised grant. As soon as it is felt that a demand is going to be exceeded, a freeze on the expenditure out of it should be enforced until

additional authorisation of funds comes through, either by re-appropriation at the Board's level or through Supplementary Grant approved by the Parliament, as the circumstance may permit. The system of monitoring of expenditure *vis-a-vis* the monthly budget proportion should be made more rigorous so as to exclude any possibility of excess over grant.

Kindly acknowledge receipt.

DA: As above

Sd/-
(Jagmohan Gupta)
Joint Director, Finance (Budget)
Railway Board

Recommendation

Yet another disturbing feature noticed by the Committee is that excess expenditure of over Rs. one crore each had occurred in as many as nine cases out of total 15 excess registering Grants/Appropriations. What is still worse is the fact that excess expenditure had exceeded Rs. one crore each under Voted portion of both Revenue and Capital Sections of the lone Grant operated by the Department of Posts. Significantly, the Ministry of Railways had also incurred excess expenditure of over Rs. one crore in three out of five cases where excess expenditure had been incurred. An analysis of the reasons for excess expenditure during 1994-95, which have been discussed in some detail in the succeeding paragraphs of the Report, indicate that the lack of proper monitoring of the progress of expenditure, inadequate review and analysis of the financial requirement in terms of committed liabilities and non-observance of the prescribed financial rules were the main contributory factors in the incurrence of excess expenditure of such a high magnitude. Although General Financial Rules clearly provide that the grant administering authorities shall be fully accountable for control of expenditure and clear-cut instructions have also been laid down for the detailed procedures to be followed for checks against provision of funds, the Committee cannot help observing from the facts brought to their notice during examination of this subject that the concerned authorities in the various Ministries/Departments continue to display their negligence and callous attitude towards rules prescribed for containing the expenditure within the sanctioned provisions. The Committee view this situation with grave concern and emphasise that the Ministry of Finance should strongly impress upon all the Departmental *Heads* concerned to strictly observe the instructions issued under the financial rules so as to ensure that no expenditure is incurred in excess of the authorised limits. The Committee would also like the Ministry of Finance to devise suitable mechanism for tightening the exchequer control

and to deal sternly with cases where any slackness in following the prescribed financial rules is noticed.

[Sl. No. 2, Appendix XI, Para 62 of First Report of Public Accounts Committee (Eleventh Lok Sabha)].

Action taken by the Ministry of Finance

The responsibility of framing Budget Estimates on realistic basis and also to ensure that there is neither considerable short-fall nor unforeseen excess expenditure rests on Ministries/Departments. To achieve this, the Financial Advisers are required to ensure that prescribed Financial Rules and procedures are followed scrupulously. The Heads of the Departments have been advised accordingly vide D.O. letter No. 12(1)E-Coord/97 dated 1.4.97 (copy enclosed) from Secretary (Expenditure) to all the Secretaries of the Government of India. The Ministries/Departments have also been advised to devise suitable mechanism for tightening the exchequer control so that it does not lead to excess expenditure and deal sternly with cases where any slackness in following the prescribed financial rules is noticed.

This has been vetted by Audit vide their U.O. No. RR/1-17/96-97/304 dated 20.5.1997.

[Ministry of Finance Department of Expenditure E-Coord. Branch U.O. No. 12(1) E-Coord./97 dt. 11.6.1997].

D.O. NO. 12(1)E-Coord Coord/97

Secretary(E)

1st April, 1997

Dear Shri

The Public Accounts Committee in Para 62 (copy enclosed) of its first Report (Eleventh Lok Sabha) has adversely commented that the Budget Estimates of the Ministries/Departments of the Government of India are not realistically prepared which leads to large scale savings or excess expenditure.

2. Section VII—Control of Expenditure of Chapter 5—Budget Grants and Appropriations of General Financial Rules (Rules 65 to 75) provide for detailed procedure that should be followed to control expenditure so that it does not neither lead to excess expenditure or large scale savings. This Ministry has also been issuing instructions from time to time that the Budget estimates should be prepared on realistic basis and proper monitoring of the progress of expenditure should be conducted periodically. However, the situation does not seem to have improved.

3. I shall, therefore, request that the instructions issued by the Ministry of Finance in the matter from time to time and the provisions contained in the above referred financial rules are observed strictly to ensure that no expenditure is incurred in excess of the authorised limits. You may like to have suitable mechanism devised for tightening the exchequer control and deal sternly with cases where any slackness in following the prescribed financial rules is noticed.

Yours sincerely,

Sd/-

(N.K. Singh)

All Secretaries to the Govt. of India
Copy to all FAs(By name) for information and necessary action.

**EXTRACTS OF RECOMMENDATION OF FIRST REPORT OF PAC
(ELEVENTH LOK SABHA) CONTAINED IN PARA 62.**

Yet another disturbing feature noticed by the Committee is that excess expenditure of over Rs. one crore each had occurred in as many as nine cases out of total 15 excess registering Grants/Appropriations. What is still worse is the fact that excess expenditure had exceeded Rs. one crore each under Voted portion of both Revenue and Capital Sections of the lone Grant operated by the Department of Posts. Significantly, the Ministry of Railways had also incurred excess expenditure of over Rs. one crore in three out of five cases where excess expenditure had been incurred. An analysis of the reasons for excess expenditure during 1994-95, which have been discussed in some detail in the succeeding paragraphs of the Report, indicate that the lack of proper monitoring of the progress of expenditure, inadequate review and analysis of the financial requirement in terms of committed liabilities and non-observance of the prescribed financial rules were the main contributory factors in the incurrence of excess expenditure of such a high magnitude. Although General Financial Rules clearly provide that the grant administering authorities shall be fully accountable for control of expenditure and clear-cut instructions have also been laid down for the detailed procedures to be followed for checks against provision of funds, the Committee cannot help observing from the facts brought to their notice during examination of this subject that the concerned authorities in the various Ministries/Departments continue to display their negligence and callous attitude towards rules prescribed for containing the expenditure within the sanctioned provisions. The Committee view this situation with grave concern and emphasise that the Ministry of Finance should strongly impress upon all the Departmental *Heads* concerned to strictly observe the instructions issued under the financial rules so as to ensure that no expenditure is incurred in excess of the authorised limits. The Committee would also like the Ministry of Finance to devise suitable mechanism for tightening the exchequer control and to deal sternly with cases where any slackness in following the prescribed financial rules is noticed. The Ministries/Departments are advised to devise suitable mechanism for tightening the exchequer control so that it does not lead to excess expenditure and deal strenly with cases where any slackness in following the prescribed financial rules is noticed.

Recommendation

According to the time schedule prescribed, the Ministries are required to submit to the Committee the explanatory notes in respect of excess registering Grants/Appropriations by 31st May or immediately after the presentation of the Appropriation Accounts to the House, whichever is later. The Committee, however find that while the explanatory notes in respect of nine Grants/Appropriations were furnished in time, there were delays ranging from 20 days to five months in the submission of explanatory notes by the Ministries of Defence; External Affairs; Petroleum & Natural Gas and Surface Transport; and Rajya Sabha Secretariat in respect of six Grants/Appropriations those registered excess expenditure in Civil Sector during the year 1994-95. In fact, there was an inordinate delay of three months in the case of Ministry of Petroleum and Natural Gas who submitted the note only after being pointed out by the Committee during evidence. The Ministries of External Affairs and Surface

Transport made an inexcusable delay of over four months in furnishing the notes which were not even got factually verified from Audit. The Committee take a serious view of these defaults especially when the Ministry of Finance have laid down a clear-cut time schedule for completing action at various stages involved in the finalisation/vetting of explanatory notes with a view to avoiding delays for submission thereof to the Committee. They desire that responsibility be fixed in the Ministries concerned for laxity shown in this regard.

[Sl. No. 4, Para 64 of first Report of Public Accounts Committee
(Eleventh Lok Sabha).]

Action Taken by the Ministry of Finance

The above observation of the Public Accounts Committee has been noted for compliance in future and the defaulting Ministries/Departments have been suitably advised *vide* our O.M. No. 12(1)E-Coord./97 dated 7th April, 1997 to submit their explanatory notes in respect of excess registering Grants/Appropriations by the prescribed date and fix responsibility for any laxity shown in this regard.

This has been vetted by Audit *vide* their U.O. No. RR/1-19/96-97/005 dated 2.4.97.

[Ministry of Finance, Department of Expenditure E-Coord. Branch U.O.
No. 12(1)E-Coord./97 dt. 11.4.1997]

No. 12(1)E-Coord./97
Ministry of Finance
Department of Expenditure

New Delhi, the 7th April, 1997

OFFICE MEMORANDUM

SUBJECT: *Action Taken on the recommendations contained in the First Report of the Public Accounts Committee (Eleventh Lok Sabha) on Excesses Over Voted Grants and Charged Appropriations (1994-95).*

The undersigned is directed to enclose a copy of recommendation contained in Para 64 of the first Report of Public Accounts Committee (Eleventh Lok Sabha).

2. This relates to submission of explanatory notes to the PAC. This Department has issued instructions from time to time that the explanatory notes in respect of excess registering Grants/Appropriations be submitted to the Committee by 31st May or immediately after the presentation of Appropriation Accounts to the House, whichever is later. The Committee has adversely commented upon the inordinate delay in submission of the explanatory notes to the Committee in respect of excess registering Grants/Appropriations controlled by your Department. The Committee has desired that responsibility may be fixed in the Ministry concerned for any laxity in this regard. Your Department may like to take suitable action in the matter. Action Taken Note on the above Para be forwarded to Lok Sabha Sectt. *direct* under intimation to this Department.

Sd/-
(D.P. Roy)
Director

1. FA (Defence)
2. FA (External Affairs)
3. FA (Pet. & N. G.)
4. FA (Surface Transport)
5. FA (Home Affairs)
6. FA (MD) in respect of Rajya Sabha Sectt.

**EXTRACTS OF RECOMMENDATION OF FIRST REPORT OF PAC
(ELEVENTH LOK SABHA) CONTAINED IN PARA 64**

According to the time schedule prescribed, the Ministries are required to submit to the Committee the explanatory notes in respect of excess registering Grants/Appropriations by 31st May or immediately after the presentation of the Appropriation Accounts to the House, whichever is later. The Committee, however, find that while the explanatory notes in respect of nine Grants/Appropriations were furnished in time, there were delays ranging from 20 days to five months in the submission of explanatory notes by the Ministries of Defence; External Affairs; Petroleum & Natural Gas and Surface Transport; and Rajya Sabha Secretariat in respect of six Grants/Appropriations those registered excess expenditure in Civil Sector during the year 1994-95. In fact, there was an inordinate delay of three months in the case of Ministry of Petroleum and Natural Gas who submitted the note only after being pointed out by the Committee during evidence. The Ministries of External Affairs and Surface Transport made an inexcusable delay of over four months in furnishing the notes which were not even got factually verified from Audit. The Committee take a serious view of these defaults especially when the Ministry of Finance have laid down a clear-cut time schedule from completing action at various stages involved in the finalisation/vetting of explanatory notes with a view to avoiding delays for submission thereof to the Committee. They desire that responsibility be fixed in the Ministries concerned for laxity shown in this regard.

Action Taken by the Ministry of Defence

The matter had been processed on priority basis so that the Explanatory Note could be furnished in time. However, since so many agencies were involved in the preparation of the Explanatory Note (such as Ministry of Defence, Controller General of Defence Accounts and Director General of Audit, Central Revenue), some unavoidable delays had occurred in the process of obtaining information/explanation from Controller General of Defence Accounts on the observations made by the Audit on two occasions. The delay in furnishing the requisite information by the Controller General of Defence Accounts was also unavoidable as that Department had to obtain the relevant data from Chief Controller of Defence Accounts (Pensions), Allahabad, who had to liaise with the Indian Embassy at Nepal for the same. Thus, the delay had occurred not due to laxity on the part of any particular individual but there has been an unavoidable procedural delay. The details of processing of the case in chronological order is given as per Annexure-I.

With a view to precluding the possibility of recurrence of such delays in future, it had been impressed upon Controller General of Defence Accounts, Joint Secretary (Ex-servicemen Welfare) and Director General of Audit, Central Revenue to issue suitable instructions to all concerned in order to ensure that such important matters are processed on *Top Priority* basis. A copy of I.D. No. 23(1)/MO/97/800 dated 20th May, 1997 is enclosed as Annexure-II.

This has been vetted by Audit *vide* their UO No. RR/1-19/96-97/390 dated 17.6.1997

[Ministry of Defence F.No. 23 (1)/MO/97 dated 18.6.1997]

ANNEXURE I

DETAILS OF PROCESSING OF EXPLANATORY NOTE FROM
11th JANUARY TO 13th AUGUST, 1996

Date	Details	
11.1.96	DGACR's DO letter dated 8.1.96 received in FA(DS) Office.	CGDA 85 days
17.1.96	Information & Draft Note asked from the CGDA's Office by Addl. FA(D).	
05.2.96	1st reminder issued to CGDA to expedite the Draft Note.	
27.2.96	IInd reminder issued to CGDA.	
12.3.96	DO letter from DFA(B) issued to CGDA to expedite the Explanatory Note.	
27.3.96	IVth reminder issued to CGDA to furnish the requisite note without any further delay.	MoD(Fin.) 29 days
10.4.96	Copies of the Draft Note received from CGDA's Office.	
10.5.96	Draft Explanatory Note sent to DGACR for vetting by the Audit.	DGACR 20 days
30.5.96	Draft Explanatory Note received back from DGACR alongwith some observations/ amendments.	
07.6.96	Revised Draft Explanatory Note again sent to DGACR for vetting.	DGACR 21 days
28.6.96	Revised Draft Explanatory Note received back from DGACR alongwith comments for preparation of Final Explanatory Note.	
28.6.96	Revised Draft Explanatory Note forwarded to CGDA for necessary clarifications/ compliance of the DGACR's Observations/ amendments.	CGDA 34 days
01.8.96	Clarifications to the audit observartion received from CGDA.	
13.8.96	Final Explanatory Note sent to the Ministry of Finance for onward transmission to the Lok Sabha Sectt.	HoD(Fin.) 12 days

Sd/-
(D. LAHIRI)
Addl. Financial Adviser & Joint Secretary

ANNEXURE-II
IMMEDIATE
PAC MATTER

Ministry of Defence (Finance)
(Main Office)

SUBJECT: *Late submission of the "Explanatory Note for Public Accounts Committee" on the excess expenditure incurred during 1994-95 under Grant No. 17—Defence Pensions.*

An excess expenditure of Rs. 9.94 crores was incurred under Revenue Section (Voted) of Grant No. 17—Defence Pensions during 1994-95. The explanatory note for Public Accounts Committee for the regularisation of excess expenditure was to be submitted to the PAC by 31st May, 1996. However, the requisite note could be furnished only on 13th May, 1996. The delay had occurred in obtaining the audit clearance and information/clarification from CGDA on the observations of audit. However, the PAC took an exception to the delay and made the following observations:—

“According to the time schedule prescribed, the Ministries are required to submit to the Committee the explanatory notes in respect of excess registering Grants/Appropriations by 31 May or immediately after the Presentation of the Appropriation Accounts to the House, whichever is later. The Committee, however, find that while the explanatory notes in respect of nine Grants/Appropriations were furnished in time, there were delays ranging from 20 days to five months in the submission of explanatory notes by the Ministries of Defence; External Affairs; Petroleum & Natural Gas and Surface Transport; and Rajya Sabha Secretariat in respect of six Grants/Appropriations those registered excess expenditure in Civil Sector during the year 1994-95. In fact, there was an inordinate delay of three months in the case of Ministry of Petroleum and Natural Gas who submitted the note only after being pointed out by the Committee during evidence. The Ministries of External Affairs and Surface Transport made an inexcusable delay of over four months in furnishing the notes which were not even got factually verified from Audit. The Committee take a serious view of these defaults especially when the Ministry of Finance have laid down a clear-cut time schedule from completing action at various stages involved in the finalisation/vetting of explanatory notes with

a view to avoiding delays for submission thereof to the Committee. They desire that responsibility be fixed in the Ministries concerned for laxity shown in this regard.”

2. It is, therefore, requested to kindly issue suitable instructions to all concerned in order to ensure that such important matters are processed on *Top Priority* basis so that the Action Taken Note is furnished to PAC within the prescribed time-limit.

Sd/-

(D. LAHIRI)

Addl. Financial Adviser & Jt. Secy.

Tele: 301 2915

To

(i) CGDA

(ii) JS (ESW)

(iii) Dy. Dir. Genl. of Audit, Central Revenues, I.P. Estate,
New Delhi.

MoD (Fin.) I.D. No. 23(1)/MO/97/800 Dated 20-5-1997]

Action Taken by the Ministry of External Affairs

The inputs for preparing the Explanatory Note need to be collected from the various spending units for explaining the reasons for excess expenditure over grant. These are compiled and thereafter a draft explanatory note prepared for vetting by Audit. This was sent to the Office of the Director General of Audit, Central Revenues on 7.6.1996. The Office of the Director General of Audit, Central Revenues gave suggestions for incorporation in the explanatory note which were undertaken and a modified note was sent thereafter for vetting on 9.9.1996. The Final Explanatory Note for regularisation of excess expenditure incurred under Revenue Section (voted) of Grant No. 24—Ministry of External Affairs for 1994-95 was sent to the Lok Sabha Secretariat (PAC Branch) on 18.12.1996 after getting it finally vetted by Audit.

This Ministry deeply regrets the delay which has occurred mainly on account of collection of the required information from various spending units which are spread out all over the world as also the time taken for getting the final and vetted Explanatory Note.

Suitable instructions have been issued to the Heads of all spending units (copy enclosed) in the Ministry so that a similar situation is avoided in future.

This has been vetted by Audit *vide* their U.O. No. RR/1-19/96-97/316 dated 26.5.1997.

[Ministry of External Affairs, Budget Section's O.M. No. Q/BUD/733
/1/96 dated 4.6.97]

IMPORTANT BUDGET

No. Q/Bud/733/1/96
Ministry of External Affairs
AS(FA)'s Office

As you are aware, there has been an excess expenditure of Rs. 35.50 crores over approved budgetary allocations during the financial year 1994-95. As a result and in accordance with the procedure for regularisation of such excess expenditure, an explanatory note was submitted, duly vetted by the Audit, to the Public Accounts Committee explaining the reasons for excess expenditure. The oral evidence of the representatives of the Ministry led by the Foreign Secretary was taken by the P.A.C. on 24.1.97 before recommending regularisation of the excess expenditure to the Parliament.

2. The compilation of the explanatory note required inputs from various Divisions. Regrettably, not all Divisions were prompt in furnishing their replies and consequently, some unfortunate delay occurred in submission of Ministry's response.

3. On examination of the explanatory note of the Ministry, the Public Accounts Committee took strong exception to this delay and has desired that responsibility may be fixed.

4. While Action Taken Note in this regard is being sent to the PAC Secretariat, this is being brought to the attention of all the Divisional Heads and Heads of Missions/Posts abroad to underline the seriousness of this matter.

5. You would be receiving communications from Finance Division from time to time regarding budgetary matters. It would be deeply appreciated if you could kindly advise the officials concerned to respond to these communications on a priority basis within the time framework specified therein failing which responsibility will have to be fixed for any undue and unjustifiable delay.

Sd/-
(B.N. JHA)
AS (FA)
10.04.1997

All Heads of Divisions at Headquarters.

FAX

**IMPORTANT
BUDGET**



B.N. JHA

**ADDITIONAL SECRETARY (FA)
MINISTRY OF EXTERNAL AFFAIRS
NEW DELHI**

D.O. No. Q/Bud/733/1/96

Dated 10th April, 1997

Dear Head of Mission/Post,

As you are aware, there has been an excess expenditure of Rs. 35.50 crores over approved budgetary allocations during the financial year 1994-95. As a result and in accordance with the procedure for regularisation of such excess expenditure, an explanatory note was submitted, duly vetted by the Audit, to the Public Accounts Committee explaining the reasons for excess expenditure. The oral evidence of the representatives of the Ministry led by the Foreign Secretary was taken by the P.A.C. on 24.1.97 before recommending regularisation of the excess expenditure to the Parliament.

2. The compilation of the explanatory note required inputs from various Divisions. Regrettably, not all Divisions were prompt in furnishing their replies and consequently, some unfortunate delay occurred in submission of Ministry's response.

3. On examination of the explanatory note of the Ministry, the Public Accounts Committee took strong exception to this delay and has desired that responsibility may be fixed.

4. While Action Taken Note in this regard is being sent to the PAC Secretariat, this is being brought to the attention of all the Divisional Heads and Heads of Missions/Posts abroad to underline the seriousness of this matter.

5. You would be receiving communications from Finance Division from time to time regarding budgetary matters. It would be deeply appreciated if you could kindly advise the officials concerned to respond to these

communications on a priority basis within the time framework specified therein failing which responsibility will have to be fixed for any undue and unjustifiable delay.

With regards,

Yours sincerely,

Sd/-
(B.N. JHA)

All Heads of Missions/Posts abroad.

Action Taken by the Ministry of Petroleum and Natural Gas

An explanatory Note of excess expenditure for the Public Accounts Committee had to be sent to the Office of the Director General of Audit, Central Revenues for vetting before 31.5.1996. Ministry of Petroleum and Natural Gas had initiated action on the same day on receipt of intimation to this effect on 29.1.1996 from the Office of the Director General of Audit, Central Revenues *vide* their D.O. letter dated 11.1.1996. As the excess expenditure of Rs. 1.87 lakhs was on account of foreign tours for which actual expenditure was incurred by Ministry of External Affairs on behalf of Ministry of Petroleum and Natural Gas, information/details had to be collected from various sources. As a result, the Note for Public Accounts Committee could not be sent to Audit for vetting by the due date *i.e.* 31.5.1996. Based on information received, a draft Note for Public Accounts Committee was sent to the Office of the Director General of Audit, Central Revenues on 17.7.1996 for vetting. The office of the Director General of Audit, Central Revenues *vide* their U.O. letter dated 9th August, 1996 returned the Note for modifications. The revised/modified Note was sent to Audit on 20th September, 1996 which was returned by them on 4.10.1996 for further modifications. The revised note was sent to the Office of the Director General of Audit, Central Revenues on 9.10.1996 which was finally vetted by them on 28.10.1996. The vetted Note was sent to Public Accounts Committee on 30.10.1996.

2. On examining/verifying the roles played by officers of Ministry of Petroleum and Natural Gas with a view to fixing responsibility, it is observed that no laxity has been noticed on the part of any particular Officer. As no undue delay occurred with any individual Officer, no malafide or motive could be attributed to any individual Officer and, therefor, responsibility could not be pin-pointed. However, instructions has

been issued *vide* letter No. G-25015/3/95-Fin.I dated 27th December, 1996 (copy enclosed) to all that in future all parliamentary work must be completed before the stipulated dates.

3. This has been vetted by the Office of the Director General of Audit, Central Revenues *vide* their U.O. No. R/I-19/96-97/414 dated 20.6.1997. [Ministry of Petroleum and Natural Gas, O.M. No. G-25015/3/95-Fin. I, dated 20th June, 1997]

No. G-25015/3/95-Fin. I
Government of India
Ministry of Petroleum and Natural Gas

New Delhi, the 27th December, 1996

CIRCULAR

SUBJECT: Immediate Action pertaining to PAC/Standing Committee Matter.

The Public Accounts Committee in its First Report dated 20th December, 1996 regarding excess expenditure during 1994-95, has observed that there was inordinate delay of 3 months in the case of MOP&NG for submitting the Explanatory Note for PAC. The PAC has taken a serious view on this delay. It is therefore, requested that all future references received from PAC/Standing Committee may please be attended promptly so as to furnish the information timely.

Sd/-
(N.C. ZAKHUP)
Desk Officer (Finance-I)
Tele: 3387224

To,
All Desk Officers/Section Officers in the Ministry of Petroleum and Natural Gas.

Action Taken by the Ministry of Surface Transport

The delay is deeply and sincerely regretted.

The observations of the Committee have been carefully noted for future compliance.

In order to obviate recurrence of such delays, the concerned officials have been asked to be more vigilant to adhere to time schedule prescribed for submitting the Action Taken Note. In response to the observations of the Committee, it is humbly submitted that the Draft Action Taken Note (ATN) was submitted to Audit on 9th April, 1996 *i.e.* well in advance of the stipulated date *viz.* 31st May, 1996. The Audit on the Draft Action Taken Note asked for additional information on 4th June, 1996, (Annexure I). The information asked for was exhaustive and required to be compiled from various sources *viz.* office of the Director General of Lighthouse & Lightships. Director General (Shipping) located at various parts of the country. However, when it was observed that the information received was inadequate to meet the requirement of audit, a meeting was arranged and in that meeting the information relating to Director General

of Lighthouse & Lightships was finalized. The complete information as desired by Audit could thus be received by 29.11.96.

After incorporating the information received and complying the audit observations, the draft ATN was finalised and sent to the Ministry for getting the same signed by Jt. Secretary (Shipping) and draft ATN duly signed by Jt. Secretary (Shipping) was sent to Audit for vetting on 7.1.97.

As regards furnishing of unvetted Draft ATN to Lok Sabha Secretariat, it is stated that the same was furnished (as desired by the Lok Sabha Secretariat) to be followed by formal vetted note. Accordingly, the Action Taken Note vetted by the Audit was sent subsequently.

It is submitted with utmost respect that prompt action was taken to settle the audit para as per the procedure. However, the delay has taken place in providing the additional information to Audit. It may kindly be appreciated that the draft ATN was sent to the Audit as early as on 9.4.1996 *i.e.* about 50 days before the stipulated date. The clarifications sought by the Audit involved numerous officials which resulted in delay in submission of final ATN.

This has been vetted by the Audit *vide* U.O. No. RR/1-19/96-97/254
dated 18.6.98

[Ministry of Surface Transport D.O. No. G/2501/ATN/PPAO/98-99
dated 25-05-1998]

Confidential
by Special Messenger

**OFFICE OF THE DIRECTOR GENERAL OF AUDIT
CENTRAL REVENUES, NEW DELHI-110002.**

Ministry of Surface Transport may please refer to their No. G-25012/3/96-SL, dated 9th April, 1996 forwarding therewith draft Explanatory Note on excess expenditure incurred under Revenue Section (Voted) of Grant No., 77-Ports, Lighthouses and Shipping, as disclosed in the Union Government Appropriation Accounts (Civil) for 1994-95.

2. The draft Explanatory Note has been examined and audit comments thereon are as under:—

- (i) The Note has not been signed by the Secretary/Joint Secretary.
- (ii) The Note has not been supported with the Ministry's relevant files/documents on the basis of which the same has been prepared.

Some additions/deletions/corrections have been made in the body of the draft Note which may be adopted by the Ministry after ensuring the correctness thereof.

The excesses and savings in each sub-heads of the Grant are to be calculated with reference to original grant and supplementary grant excluding re-appropriation made therein *i.e.* actual expenditure is to be deducted from the total of Original grant and Supplementary grant (if any) excluding re-appropriation (if any) made within the Grant.

- (v) the steps taken to avoid excess expenditure in future may specifically be mentioned in the Note.

3. It is, therefore, requested that Revised Action Taken Note may be prepared after including the reply to audit comments mentioned in para 2 above and five copies thereof, signed by the Secretary/Joint Secretary, alongwith the Ministry's relevant files/documents duly properly linked and referenced, be sent to this office for vetting at the earliest.

4. A copy of the draft Explanatory Note is returned herewith.

(Sd/-)
(BALDEV RAJ)
AUDIT OFFICER/R.I.

Encls:- As stated above.

Ministry of Surface Transport, Transport Bhawan, Parliament Street,
New Delhi-110001.

(Shri R.K. Sharma, Under Secretary).

DGACR's U.O. No. RR/11-6/96-97/186

dated 4.6.1996

GOVERNMENT OF INDIA
MINISTRY OF SURFACE TRANSPORT

Note for Public Accounts Committee for regularisation of excess expenditure incurred under Revenue Section Note of Grant No. 77 Ports, Light Houses and Shippings as disclosed in the Union Government, Appropriation Accounts (Civil) for 1994-95.

Revenue Section (Voted)	Rupees
Original Grant	
Supplementary Grant	
Total Grant	
Actual Expenditure	
Excess	

2. Under Revenue Section (Voted) of Grant No. 77-Port, Light Houses and Shipping, the original provision for the year 1994-95 was Rs. 242,16,00,000. This was augmented to Rs. 319,90,00,000 through a Supplementary Grant of Rs. 77,74,00,000. As against this, the actual expenditure was Rs. 321,03,87,819 resulting in an excess expenditure of Rs. 1,13,87,819.

3. General Reserve Fund constitutes excess of Revenue receipt over Revenue expenditure. Initially the Revenue Receipts of this Department is treated under Major Head 1051. Revenue Receipts and the entire Revenue Receipts are treated as Revenue expenditure. The excess mainly represents the expenditure of Rs. 27,51,73,919 against the total Appropriation of Rs. 11,17,74,00 under Sub-head B 3(2)(5)-General Reserve Fund below M.H. "3051". The net excess in the Revenue Section i.e. Rs. 1,13,87,819 has been arrived at by setting of the savings in other heads of the Revenue Section.

4. In the circumstances explained above, the excess expenditure of Rs. 1,13,87,819 under Revenue Section (Voted) of Grant No. 77 Ports, Light Houses and Shipping may kindly be recommended for regularisation by Parliament under Article 115(1)(b) of the Constitution of India.

This has been vetted by Audit vide No. _____ dated. _____

Joint Secretary

File No. _____

5. The above mentioned excess expenditure was the net result of excesses (Rs. 14,61,16 thousands) and savings (Rs. 13,47,28 thousands) under various sub-heads of the Grant Statement-I and Statement-II are showing the excess expenditure and savings respectively, under various sub-heads of the Grant. The sub-heads under which the excess expenditure of Rs. 5 lakhs and above occurred and reasons therefore are as under:—

(i) B-3(2)(1)—Management

	(Rs. in Thousands)
Original/Total Grant	3,97,12
Actual Expenditure	4,08,64
Excess Expenditure	11,52

(The Ministry may please mention the reasons for excess expenditure).

(ii) B-3(2)(2)—Operation and Maintenance

Original/Total Grant	5,06,14
Actual Expenditure	8,61,71
Excess Expenditure	3,55,57

The excess expenditure was due to advance payment made to Shipping Corporation of India as per agreement for manning and operation of two departmental vessels viz. M.V. Sagardeep and M.V. Paradeep owing to non-availability of infrastructure.

(Note: Ministry may bifurcate the reasons for excess expenditure and ensure the correctness of reasons for excess expenditure mentioned above).

(iii) B-3(2)(5)—General Reserve Fund

	(Rs. in Thousands)
Original/Total Grant	18,05,74
Actual Expenditure	27,51,74
Excess Expenditure	9,46,00

The excess expenditure was due to increase in the rate of light dues and other receipts.

(iv) C-1(2)(1)—Marine Engineering Training

Original/Total Grant	1,43,49
Actual Expenditure	1,55,11
Excess Expenditure	11,62

(The Ministry may please mention the reasons for excess expenditure).

(v) C-1(2)(3)—Nautical Engineering College

Original/Total Grant	72,53
Actual Expenditure	94,86
Excess Expenditure	22,33

(vi) C-1(3)(1)(2)—Shipping Offices	
Original/Total Grant	60,04
Actual Expenditure	70,53
Excess Expenditure	10,49
(vii) C-1(5)(1)(3)—Andaman Services	
Original/Total Grant	9,35,90
Actual Expenditure	9,42,99
Excess Expenditure	7,09
(viii) C-1(7)(1)—Contribution to I.M.O.	
Original/Total Grant	1,25,00
Actual Expenditure	2,18,58
Excess Expenditure	93,58

The excess expenditure was due to adjustment of the contribution of the previous year.

(Note: Ministry may ensure the correctness of reason for excess expenditure mentioned above).

Note: For Sl. No. V to VII above, the reasons for excess expenditure may also be mentioned against them.

Statement-I

Position of excess expenditure incurred under Revenue Section (Voted) of Grant No. 77-Ports, Lighthouses and Shipping for 1994-95.

(Rupees in thousands)

S.No.	Sub-Heads	Total Grant (Original and Suppl. Grant)	Actual Expenditure	Excess Expenditure
	B-3(2)(1)—Management	3,97,12	4,08,64	11,52
	B-3(2)(2)—Operation and Maintenance	5,06,14	8,61,71	3,55,57
	B-3(2)(5)—General Reserve Fund	18,05,74	27,51,74	9,46,00
4.	C-1(2)(1)—Marine Engineering Training	1,43,49	1,55,11	11,62
5.	C-1(2)(3)—Nautical Engineering College	72,53	94,86	22,33
6.	C-1(3)(1)(2)—Shipping Offices	60,04	70,53	10,49
7.	C-1(4)(2)—Other Organisations	7,80	10,58	2,78
8.	C-1(5)(1)(3)—Andaman Services	9,35,90	9,42,99	7,09
9.	C-1(6)(2)—Canteen Mercantile Marine Department	1,77	1,95	0,18
10.	C-1(7)(1)—Contribution to I.M.O.	,25,00	2,18,58	93,58
Total				

Secy./Joint Secy.

Statement-II

Position of Savings occurred under Revenue Section (Voted) of Grant No. 77-Ports, Lighthouses and Shipping for 1994-95.

(Rupees in thousands)

S.No.	Sub-Heads	Total Grant (Original and Suppl. Grant)	Actual Expenditure	Savings
	2	3	4	5
1.	A-1(1)(2)(1)—Ship building Subsidy	4,46,00	4,45,91	0,09
2.	A-1(1)(3)—Development of Ancillaries-Ship building	40,00	Nil	40,00
	A-1(1)(4)—Grants-in-aid for Research and Development Schemes (Shipbuilding)	10,00	0,44	9,56
4.	A-1(1)(5)—Basic Design and Research facilities at Vizag/MSDRC	1,84,00	1,79,17	4,83
5.	A-1(1)(8)—Fishing Trawler building Subsidy	50,00	10,99	39,01

1	2	3	4	5
6.	A-1(1)(11)—Grants for implementation of Voluntary Retirement Scheme for Hindustan Shipyard Ltd.			
	B-1(1)(1)—River Dredging and maintenance of river Hooghly and Haldia Channel by Calcutta Port Trust	40,00,00	37,14,73	
8.	B-2(1)(1)—Dredging and Surveying Organisation	1,33,00	,06,10	26,90
9.	B-2(2)(1)—Establishment charges in respect of C.E.-cum-Administrators office at Port Blair & E.E. & Liaison Office at New Delhi	2,50,00	2,16,58	
10.	B-3(1)(1)—Directorate General	3,52,00	3,12,87	39,13
11.	B-3(2)(3)—Pension	15,00	10,17	4,83
12.	B-3(3)(1)—Management	3,00	0,10	2,90
13.	B-4(1)(2)—Other items (Research & Development Scheme)	10,00	8,14	1,86
14.	C-1(1)(1)—Director General of Shipping	3,41,34	1,57,58	,33,76
15.	C-1(2)(2)—Training Ship	1,37,65	1,21,07	16,58
16.	C-1(3)(1)(1)—Principal Officers and their Establishment	1,21,83	1,16,56	5,27
17.	C-1(3)(1)(3)—Other Schemes	37,10	34,40	2,70
18.	C-1(4)(1)—Employment Offices	63,45	59,37	4,08
19.	C-1(5)(1)(4)—Lakshadweep Services	10,10	3,01	7,09
20.	C-1(6)(3)—Other items	40,00,00	39,85,00	15,00
21.	D-1(1)(1)(1)—Subsidy to Shipping Vessels Industries	10,00	Nil	10,00

Action Taken by the Rajya Sabha Secretariat

The explanatory Note on excess expenditure incurred under Grant No. 90 Rajya Sabha for 1994-95 was prepared on the basis of expenditure figures supplied by Ministry of External Affairs after the closure of financial year 1994-95. Since this Secretariat expressed their inability to include those expenditure figures in the accounts for the year 1994-95, the matter was discussed with Controller General of Accounts, Director General of Audit, Central Revenues and Ministry of External Affairs.

In May 1996, it was however, decided that the excess expenditure had to be included in the Grant of Rajya Sabha. Accordingly, this Secretariat sent a draft explanatory Note on the 11th June, 1996 to the Office of the Director General of Audit, Central Revenues for vetting. The reply from Audit was received on 25th June, 1996 and a modified Note was sent to Director General of Audit, Central Revenues on 18th July, 1996 on the basis of suggestions made by audit. On 30th August, 1996, the vetted Note was received with some minor corrections and the final explanatory note was sent to Lok Sabha Secretariat, Public Accounts Committee on the 20th September, 1996.

It may be seen from the above mentioned facts that no laxity was shown by this Secretariat in preparing the relevant explanatory Note.

This Secretariat deeply regrets the delay which had occurred mainly due to correspondence with Office of the Controller General of Accounts and

Director General of Audit, Central Revenues and suitable instructions have now been issued to ensure that a similar situation is avoided in future.

This has been vetted by Audit *vide* their U.O. No. RR/1-19/96-97/503 dated the 25th June, 1997.

[Rajya Sabha Secretariat File No. RS/5(iii)/96-Estt.(G) dated 26-6-97]

Recommendation

In another instance of overspending, the Committee find that despite the supplementary grant of Rs. 80.74 crores having been obtained in March 1995, the Ministry of External Affairs incurred an excess expenditure to the tune of Rs. 35.51 crores under the Revenue Section (Voted) of Grant No. 24 during 1994-95. But for the savings of Rs. 60.92 crores which occurred under various sub-heads, the excess expenditure under this Grant would have been substantially higher. The Ministry of External Affairs attributed the excess expenditure *inter-alia* to increase under salaries, travel expenses and office expenses under the minor heads "Secretariat" and "Missions and Embassies"; increase in special diplomatic expenditure under the minor head—"Discretionary Expenditure"; settlement of airlift bills and arrear bills for chartering aircraft under the sub-heads "Entertainment of Dignitaries" and "Delegations to United Nations etc." The Ministry have also added that the factors of loss by exchange on account of salaries paid to India based personnel in Missions abroad and the world wide inflation are peculiar to them and have a bearing on their expenditure pattern. The Committee are not convinced with these reasons adduced for occurrence of excess expenditure as none of the reasons mentioned by the Ministry fall in the category of "unforeseen" or "unanticipated" expenditure. In their opinion, faulty estimation of the requirement of funds and absence of proper and timely monitoring of expenditure were the obvious reasons for occurrence of excess expenditure by the Ministry of External Affairs during 1994-95. They, therefore, feel that the Budget Division and the accounting formations of the Ministry needs to be revamped thoroughly and some mechanism evolved so as to ensure regular flow of requisite information from the various wings of the Ministry in India and abroad for the purpose of framing expenditure estimates on a realistic basis as well as for making subsequent revisions in the estimates, if necessary, with precision. [Para 68 of First Report of Public Accounts Committee (11th Lok Sabha)]

Action Taken by the Ministry of External Affairs

(i) A full-time Under Secretary ranking officer has been deployed from 19.1.97 to handle budget and budget related work. He has been recommended to attend the forthcoming training course on planning, budgeting and budgetary control scheduled to be held by Indian Institute of Public Administration from April 21 to 25, 1997. Other personnel in the budget section would also be sent for training in budgeting.

(ii) Action on computerisation of the Budget Section of the Ministry (as also the office of the Chief Controller of Accounts) has been initiated. This would facilitate not only a more realistic budgetary estimations of fund requirement but also enable more effective expenditure management and control.

(iii) Preparation and introduction of a accounting software package to be used by our Missions and Spending Units in the Ministry has been undertaken. This would be a two phased project. In the first phase, the software would be distributed to consuming units and the second phase envisages on-line monitoring.

(iv) A system of Quarterly Review of booked expenditure during the first nine months of the financial year and thereafter a Monthly Review has been introduced. These meetings are being held at the level of Additional Secretary & Financial Adviser of the Ministry. This would help proper and timely monitoring of expenditure.

This has been vetted by Audit *vide* their U.O. No. RR/4-7/96-97/1334 dated 20.3.97]

[Ministry of External Affairs, Budget Section's O.M. No. Q/BUD/733/1/96 dated 25.4.97]

Recommendation

The Committee's examination also revealed cases of excess expenditure due to accounting lapses like misclassification/erroneous booking of expenditure etc. The Committee find that Capital Section (Voted) of Grant No. 98-Daman and Diu administered by the Ministry of Home Affairs registered a net excess expenditure of Rs. 3.49 lakhs requiring regularisation. The Committee's scrutiny of this Grant revealed that an excess expenditure of Rs.11.99 lakhs was incurred in a sub-head due to wrong classification of budget provision. Further, in another sub-head, an excess expenditure of Rs. 6.99 lakhs was also incurred due to an error in the booking of an expenditure against wrong sub-head while copying the same from classified abstract. What is more regrettable is that the Ministry of Home Affairs and the Daman and Diu Administration failed to detect this error before finalisation of the relevant accounts. The Committee take a serious view of these lapses and they stress that misclassification/erroneous booking of expenditure should in no case be allowed to result in excess expenditure. They are also of the strong view that enquiries should invariably be made in all such cases and responsibility fixed for the lapse.

[Sl. No. 9, Appendix XI, Para 69 of First Report of PAC (Eleventh Lok Sabha)].

Action Taken by the Ministry of Home Affairs

As directed by the Public Accounts Committee an enquiry was held in the Office of the Director of Accounts, Daman and Diu to look into the circumstances leading to the misclassification of expenditure and to fix the responsibility for the same.

2. It transpired that misclassification had occurred at the point of posting of figures from the classified abstract to the monthly accounts sent to the Director of Accounts, Daman. The figure in the classified abstract was correctly shown as per the sanction order and bill submitted by the Department. However, while copying the same and transferring it to the monthly accounts, the amount was misclassified.

3. The official, who had prepared the monthly classified abstract and monthly accounts, admitted that the misclassification had occurred inadvertently. He has been warned for the lapse and cautioned to be more careful in booking of expenditure in future.

4. At present, the Union Territory Administration are keeping a close watch over expenditure in order to avoid recurrence of such lapses through monitoring of the expenditure every month. Detailed instructions reiterating the provision concerning monthly Reconciliation of Expenditure/Receipts by the concerned Departments with the Books of Accounts maintained by the Directorate of Accounts have already been issued by the Union Territory Administration *vide* letter No. DA/DMN/34-9/95-96/4073 dated 26.2.96 (copy enclosed) in order to avoid recurrence of such lapse in future.

5. This has been vetted by Audit *vide* their U.O. No. RR/6-17/96-97/310 dated 20.5.97]

[Ministry of Home Affairs O.M. No. U.15030/1/97-Bgt. II dated 26.5.97]

C/E-PMT/CIR-RE-E-1
IMPORTANT

No. DA/DMN/34-9/95-96/
4073

Admn. of Daman & Diu,
Directorate of Accounts,
Daman.

Date: 26/02/96

CIRCULAR

SUB: *Reconciliation of Expenditure/Receipts.*

As per Rules all Govt. offices are required to reconcile their expenditure with the books of accounts (Classified Abstract of Expenditure) maintained by this Directorate and issue requisite certificate every month of this office.

It has been noticed that only few Departments are reconciling their expenditure/Receipts with the Classified Abstract of this office. Non-reconciliation of Expenditure/receipts with the records of this office is likely to result in misclassification etc. in the final accounts. All the Heads of offices/Drawing and Disbursing Officers are therefore requested to carry out the monthly reconciliation of expenditure/ receipts regularly and also issue certificate for the same, failing which the responsibility for misclassification/excess, if any, in final accounts in the books of this office shall rest on the office/Department concerned.

The reconciliation for the period ending 31.3.96 should be completed by 30.4.96. On account of failure to reconcile and issue of requisite certificate or non-indication of other errors in the expenditure/receipts accounts maintained by this Directorate for the year 1995-96, resulting in misclassification, saving/excess-over allotment etc. if any, detected at a later stage, the responsibility for excess/saving over sanctioned grant shall rest with the officer concerned.

The Heads of Offices at Daman responsible for consolidation of Budget Estimates for Daman & Diu and having their subordinate office /counter part Heads of offices at Daman/Diu, will also be responsible to reconcile expenditure for Daman & Diu as a whole with consolidated Account of

the U.T. maintained in this Directorate at Daman and to point-out to the Directorate of Accounts, Daman any misclassification /excess against final allotment for the U.T. as a whole.

Sd/-
(D.M. JOSHI)
Director of Accounts

To,

1. All Heads of offices in Daman.
2. All Heads of Offices in Diu (through Asstt. Accounts Officer, Diu.

Sd/-
(M.C. PATEL)
Asstt. Accounts Officer
DAMAN

Recommendation

The Committee are surprised to observe in another case, an Excess expenditure of Rs. 37.38 lakhs was incurred in the Capital Section (Charged) of Grant No. 76—Roads due to erroneous depiction of the provision of Rs. 8.01 crores in the book of Demand for Grants (Part-II) under Major Head “7601-Loans and Advances to State Governments (Charged)”. A scrutiny of the explanatory note furnished by the Ministry of Surface Transport in this regard revealed that while the Ministry had sought provisions of Rs. 8.01 crores under “Charged” in the Major Head “7601” in the book of detailed Demands for Grants (Part-III), Ministry of Finance (Department of Economic Affairs—Budget Division) had shown the said provision in the book of Demand for Grants (Part-II) as Rs. 5 crores under “Charged” and Rs. 3.01 crores under “Voted.” This was not in conformity with the provision of Article 293 which stipulated that any sum required for the purpose of making Loans and Advances to State Governments shall be “Charged” on Consolidated Fund of India. Since the Appropriation Act is passed on the basis of book of Demands for Grants (Part-II) prepared by the Ministry of Finance (Department of Economic Affairs— Budget Division) and the relevant Act could not be corrected subsequently, the actual expenditure of Rs. 557.38 lakhs incurred under Charged portion of Major Head “7601” against the erroneous provision of Rs. 500 lakhs resulted in excess expenditure under this Grant. While considering it to be an obvious case of sheer negligence on the part of Budget Division in the Department of Economic Affairs, the Committee also express their dissatisfaction over the lack of coordination and reconciliation between the Ministries of Surface Transport and Finance who failed to take appropriate remedial steps before Parliament passed the relevant Appropriation Act in this case. They would therefore, like

responsibility to be fixed for the lapses. The Committee would also like the Department of Economic Affairs to be extra cautious besides taking necessary steps to ensure that such lapses do not recur in future.

[Sl. No. 10 Appendix—XI para 70 of First Report of PAC (11th Lok Sabha)].

Action Taken by the Ministry of Finance

The observations of the Committee have been carefully noted for compliance in future.

2. The mistake is regretted. Although great care and caution is exercised to ensure consistency of figures yet it may not be humanly possible to eliminate all omissions. In the instant case, the mistake was indeed a rare and freak case. It occurred because of pressure and time bound nature of work and the large amount of figure work required in budget making.

3. Under a computer programming now evolved, all items of expenditure coming under Major Head '7601—Loans and Advances to State Governments', which figure in numerous Demands for Grants, will be automatically classified and included as 'charged'. This will completely eliminate chances of any part of the expenditure being included as 'voted'.

4. It may be brought to the kind attention of the Committee that the mistake did not result in any extra expenditure. The impugned transactions were correctly exhibited in the Detailed Demands for Grants and in the Accounts. The technical excess has also since been regularised by Parliament under the Appropriation Act No. 19 of 1997.

5. This has been vetted by Audit *vide* their U.O. No. RR/1-21/96-97/873 dated 25.9.97]

[Ministry of Finance, Department of Economic Affairs, OM No. 2(115)-B(DCN)95 dated 30.9.97.]

Action Taken by the Ministry of Surface Transport

The mistake is regretted.

The observation of the Committee has been carefully noted for compliance in future.

It is regarding variation in figures of Charge provision in Demand No. 76— Roads in the year 1994-95 between the Detailed Demand for Grant of this Ministry and Demand for Grant (Part-II) prepared by the Ministry of Finance. As has been pointed out in the recommendation itself the figures in the detailed Demands for Grant of Ministry were correct and somehow mistake has occurred in the Demand for Grant (Part-II) of the Ministry of Finance. When this mistake was detected there was a three way correspondence among Director of Audit Central Revenue, Ministry of Finance and this Ministry. Since the Appropriation Act was passed on the basis of Demand for Grant (Part II) prepared by the Department of Economic Affairs (Budget Division), the mistake could not be corrected subsequently. The advice of Ministry of Law was also obtained but they too could not suggest any wayout. As such, there does not appear any

action to be taken by this Ministry on this mistake occurred in the Demand for Grants prepared by the Ministry of Finance. The mistake though unfortunate does not carry any element of financial irregularity.

To obviate recurrence of such mistakes, it is learnt from the Deptt. of Economic Affairs (Budget Division) that a new computer programme has been devised whereby all items falling under Major Head "7601- Loans and Advances to State Government" will be automatically classified as "Charged". It has also been ascertained from the Ministry of Finance that the technical excess has since been regularised by the Parliament under the Appropriation ACT No. 19 of 1997.

This has been vetted by Audit *vide* their U.O. No. RR/1-21/96-97/257 dated 19.6.98.
[Ministry of Surface Transport D.O. No. G 25018/ATN/PPAO/98-99 dated 25.06.1998.]

Recommendation

During the course of their examination of the cases of excess expenditure, the Committee found that an excess expenditure of Rs. 6.30 crores had occurred during 1994-95 in Revenue section (voted) under Grant No. 19 Defence Services—Navy. They also found that this excess expenditure had occurred despite obtaining a Supplementary Grant of Rs. 77.87 crores under this Grant. From the explanations given by the Ministry of Defence, the Committee note that this excess expenditure was partly due to "higher bookings of the pay and allowances of MES which was first time introduced in the Navy during 1994-95". The Committee are not inclined to appreciate the plea put forth by the representative of the Ministry of Defence in this regard that it took some time for the people to understand and implement the orders for switching over to the new system of MES in the Navy. Curiously enough, the original provision in the "Minor Head—Pay and allowances of Navy" amounting to Rs. 293 crores was reduced to 284.99 crores by reappropriation whereas the actual expenditure under this Head was Rs. 291.08 crores which ultimately led to an excess of Rs. 6.09 crores under this head. Similarly, an excess of Rs. 10.43 crores had occurred under "Minor Head-Stores" due to certain letter of credit payments required to be paid before close of financial year 1994-95. Here again, the original provision amounting to Rs. 540 crores was enhanced to Rs. 600 crores by obtaining a Supplementary Grant and subsequently reduced to Rs. 598.02 crores by reappropriation. In the opinion of the Committee the facts enumerated above are a sad commentary on the manner in which this Grant was administered by the Ministry of Defence which miserably failed not only in precisely estimating their requirement of funds even at the fag-end of the year but also in providing fully for requirement of funds under various sub-Heads of this Grant. As in the past, the Ministry have again informed that instructions have already been issued to all the estimating authorities for framing the budget estimates on very realistic basis to eliminate instances of excess/

savings in the budget. The Committee need hardly emphasise that repeated issuance of instructions would not serve the purpose unless these instructions are strictly enforced and complied with. They therefore, desire the Ministry of Defence to take effective steps to ensure strict observance of the existing instructions apart from improving their accounting information system and tightening their expenditure control.

[Sl. No. 11 Appendix-XI Para 71 of the Ist Report of the PAC (11th Lok Sabha)]

Action Taken by the Ministry of Defence

1. During the Financial Year 1994-95, there was an excess expenditure of Rs 6.30 Crs. over the sanctioned grant No. 19. The excess expenditure was basically under three Minor Heads:—

- (a) MH 101 — P&A Service Personnel
- (b) MH 110 — Stores
- (c) MH 111 — Revenue Works

2. The reasons for excess expenditure under these heads are as below:—

(a) **Minor Head 101.** The excess of Rs. 609 lakhs over the appropriation figures has due to a higher than anticipated booking under this head. The bookings of MES Personnel was introduced for the first time in Financial Year 1994-95.

(b) **Minor Head 110.** The excess expenditure of Rs. 1043 lakhs in the final grant was on account of certain Letter of Credit (LC) payments which were required to be made before 31 March 95. Most of these LCs pertained to contracts with new Original Equipment Manufacturer which were signed by MoD delegation. Payments on these accounts was not definite till the last day because of the unstable position of Original Equipment Manufacturers. Holding of those payments would have resulted in the extension of LCs and consequently increase in the Bank Charges.

(c) **Minor Head 111.** The excess of Rs. 592 lakhs in the final grant was due to the transfer of Pay and Allowances of MES establishment from Minor Head 104 to this head for the first time in FY 1994-95. The increase in electricity and tariff rates was more than the anticipated.

3. After counterbalancing the excess expenditure against the shortfalls, there remained an excess expenditure of Rs. 6.30 Crs. for the reasons enumerated above.

4. Remedial Measures

(a) **Minor Head 101.** Measures have been instituted for better estimation under this Head. A system of budgetary monitoring and projections has been instituted by which these projections are now being made by the unit level organisations, thus providing a better estimation of expenditure. The Naval pay Office has computerised all requirements

Naval pay Office has computerised all requirements of Pay and Allowances, resulting in streamlining of estimations and projections.

(b) **Minor Head 110.** The user Directorates have been directed to ensure that the payments for Original Equipment Manufacturers are made well in time to avoid recurrence. In this connection, instructions have been issued to ascertain the payment position well in time, so that there is proper assessment of the expenditure through LCs can be monitored. The user directorates at NHQ have institutionalised the system where the LC payments are being monitored regularly through Faxes etc.

(c) **Minor Head 111.** The payment agencies have been advised to ensure better estimation of tariffs by closer interaction with State Government Directions have been issued to maintain a better liaison with the concerned authorities, in order to incorporate and estimate the increase in electricity and rates at the various budgetary stages. (Copy Enclosed).

(d) To make the overall system of budgetary control and monitoring more effective, all the concerned CDAs have been provided with the control figures with clear directions that the excess expenditure over the indicated control figures may only be booked with prior concurrence of DNP/MoD(Fin.). Additionally the entire monitoring process has been computerised thus providing real time information with regard to budgetary matters. At the Ministry level, particularly during the last six months, a very close monitoring of expenditure *vis-a-vis* budget allocation under various sub-heads is being done. In these meetings all concerned CsDA who book the expenditure alongwith ACNS (P&P), IFA(N), etc. are associated.

5. The institutionalisation of these remedial measures has ensured that there were no excesses in FY 95-96 and expenditure was controlled to within the voted grant.

[Min./Deptt. of Defence OM No. 2275/Dir.(CG)/97 dated 20.6.97].

TL. 3011894
PL/4013

12 Feb. 96

STAFF BRANCH-I
(Directorate of Naval Plans)

BETTER ESTIMATION OF INCREASE IN ELECTRICITY AND
TARIFF RATES

1. An excess booking of Rs. 592 lakhs has taken place during 1994-95 under Minor Head—111, Major Head—2077. This has presumably been on account of the electricity and tariff charges which have been increased by various State Governments.

2. In view of the above it is requested that concerned authorities be directed to establish a better liaison with the State Government authorities so that the increase in electricity & tariff rates be projected at the appropriate budgetary stages.

3. This would avoid excess booking or expenditure being carried forward to the next financial year 95-96.

Sd/-
(JS Bedi)
Commodore
DNP

STAFF BRANCH-I
(Directorate of Naval Plans)

PAYMENTS ON ACCOUNT OF LCs VALID UPTO 31 MAR. 96 &
BEYOND

1. Payments on account of LCs opened with various Banks remain uncertain till the last moment. This hampers the process of proper assessment of expenditure and thereby the monitoring and control of budget. Last minute payment or non-payments from LCs may result either in excess booking or shortfall in expenditure. To avoid such a situation, it is requested that the position of payments under LCs be ascertained from the suppliers by 10 Mar. of the concerned financial year.

2. This procedure has become imperative in view of the excess booking of Rs.1043 lakhs during 94-95.

3. It is further requested that liaison be established with the Banks to obtain the position/expenditure of various LCs as on 31 Mar. 96. The bookings on account of LCs together with the total expenditure in 95-96 be intimated to this Date by 08 Apr. 96.

SD/-
(JS Bedi)
Commodore
DNP

DPA	DPS	DCP
DW	DNO	DLS
DCV	DONA	DMS (N)
DTP	DOS (W)	DNAM
DODY	DFM	DNT

Recommendation

Under Voted portion of both Revenue and Capital Sections of Grant No. 14—Postal Services, Department of Posts had incurred an excess expenditure of Rs. 33.59 crores and Rs. 2.08 crores over and above the sanctioned provision of Rs. 2096.11 crores and Rs. 74.88 crores respectively during 1994-95. The Committee have been informed during evidence the representatives of the Department of Posts that this excess expenditure is mainly on account of the mandatory and unavoidable payments required to be made by the Department on Salaries, Overtime, office expenses, maintenance etc., and that they did not get the money which they had asked for from the Ministry of Finance during 1994-95.

According to the Secretary, Department of Posts, the Ministry of Finance had put a ceiling of Rs. 2096.11 crores and Rs. 74.88 crores under Revenue and Capital Sections of the Grant, respectively during 1994-95 which left an uncovered gap of substantial magnitude. In a subsequent note, the Department of Posts informed that the BE 1994-95 for the Department "was fixed by Ministry of Finance by a marginal enhancement across the board of 6% over RE 1993-94" and therefore, the excess requirements under various heads mostly salaries were projected in RE 1994-95 which was to the tune of Rs. 185 crores and Rs. 111.86 crores under Revenue and Capital Heads respectively. The Committee's examination of the information made available to them also reveals that initially, Secretary (Expenditure) did not agree to raise the budgetary support beyond BE 1994-95 and pointed out that "Department of Posts should devise the budget in such a way that the increase in the non-plan expenditure in the post-budget period is absorbed suitably by increase in receipts". However, Ministry of Finance finally agreed for additional funds of Rs. 121.98 crores and Rs. 18.02 crores under Revenue and Capital Heads respectively which, according to the Department of Posts, were inadequate resulting in excess expenditure.

From the facts enumerated above, the Committee are neither able to comprehend the principles adopted by the Ministry of Finance for putting a ceiling on the budgetary allocations to the Department of Posts nor the circumstances under which they finally agreed to allocate part of additional provisions sought by the Department of Posts at RE 1994-95 on account of salaries to their employees. The Committee are of the view that the Ministry of Finance should have informed the Department of Posts well in advance before the commencement of the financial year 1994-95 if they wanted the Department of Posts to devise their budget in a manner where the increase in the non-plan expenditure in the post-budget period was to be absorbed suitably by increase in receipts. They also feel that the entire manner in which the Grant was managed by the Department of Posts left much to be desired. In the opinion of the Committee, the circumstances leading to excess expenditure under Grant No. 14—Postal Services during the year 1994-95 need a thorough examination both by the Ministry of Finance and the Department of Posts with a view to avoiding excess expenditure and violation of budgetary ceilings of this nature in future. They would also like to know the outcome of such examination.

[Paragraph 72 of the First Report of Public Accounts Committee for the Year 1996-97 (Eleventh Lok Sabha)]

Action taken by the Ministry of Finance

The observations of the Committee have been carefully noted for compliance in future.

2. The expenditure ceiling for the year 1994-95 in respect of Demand No. 14—Postal Services was fixed after discussions between the Secretary

(Expenditure) and the Financial Adviser of Department of Posts in October, 1994. The revised estimates in respect of a Ministry/Department are finalised after taking into account the progress of expenditure during the preceding months. An examination of the circumstances leading to excess expenditure indicated that the excess expenditure had occurred in Grant No. 14—Postal Services due to acceleration of expenditure at the end of the financial year. Normally, the Ministries/Departments should spread out the expenditure throughout the year in a phased manner so that the progressive expenditure could be a guiding factor for assessing the revised requirements of funds during the year.

3. The fact of the matter is that a budgetary ceiling has to be respected by spending agencies instead of questioning its adequacy and incurring excess expenditure. Justifying expenditure in excess of authorised ceiling on the plea of inadequate provision will be a dangerous precedent. This would only result in collapse of budgetary discipline. Ceilings fixed for expenditure by each Ministry/Department as part of the budgetary exercise have to be as per resources available to the Government. Budgeting is essentially an exercise of allocation of scarce resources amongst competing demands. It is not always possible to meet in full all the requirements projected by Ministries/Departments in a deficit situation.

4. In this context, we would like to draw kind attention of the Committee to the Action Taken Note on the recommendations of the Public Accounts Committee (10th Lok Sabha) contained in para 1.35 of their 88th Report, in which we have given our detailed comments on the general issue of excesses after case study of several instances of excesses, including Department of Posts, and sent to PAC *vide* this Ministry's O.M. No. F. 7(24)-B(D)/97 dated 6.6.2000.

5. On the above, Audit has commented as follows:

“PAC had recommended Ministry of Finance and Department of Post to examine thoroughly the circumstances leading to excess under Grant No. 14—Postal Services during the year 1994-95 with a view to avoiding excess expenditure and violation of Budgetary ceilings of this nature in future and also furnish the outcome of such examination. Ministry of Finance has not furnished the outcome of examination made by themselves and the Department of Post after obtaining the same from Department of Post for the better appreciation of the matter by PAC. Ministry may either furnish the reply for the above comment or include it as ‘vetted comment’ ”.

[Ministry of Finance, Department of Economic Affairs, O.M. No.6(2)—B(AC)/2000 dated 20.7.2000]

Action Taken by the Ministry of Communications (Deptt. of Posts)

The reasons for excess expenditure of Rs. 33.59 crores and Rs. 2.08 crores under Grant No. 14—Postal Services during the year 1994-95 are as depicted below:

(1) The Department of Post had projected an estimate of Rs. 2152.13 crores and Rs. 111.86 crores under Revenue and Capital segment respectively of Grant No 14. The additional requirement of Rs. 293 crores (Non-plan) was asked in RE under the following heads.

(Rs. in crores)

(i)	Salary Head	
	(a) Dearness Allowances 22% during the year 1994-95	70.00
	(b) Interim Relief @10% and payment of Arrears for Departmental ED Employees <i>w.e.f.</i> April 1995	
	(c) Payment of Bonus for 1994-95 and arrear of Bonus for 1994-95 due to increase in ceiling from Rs. 1600 to 2500.	25.00
(ii)	Payment of backlog of carried over liability of overtime allowance due to large no. of vacancies increase in traffic, introduction of new schemes etc.	
(iii)	Payment of Pensionary charges (Due to DA increase sanction of two installments of IR to pensioners and merger of 77% DA for DCRG).	
(iv)	Payment to Govt. Printing Presses towards printing of Postal Stationery	35.00
	Total	293.00

The Ministry of Finance only approved a ceiling of Rs. 2096.11 crores and Rs. 74.88 crores under Non-Plan and Plan respectively, which was not adequate to cover the requirements projected.

(2) During the year 1994-95 Dearness Allowances and Interim Relief payable to the working as well as retired employees was raised by 17% @ Rs. 100 per month respectively. Extension of LTC for Block year was extended upto June'95 which resulted in expenditure on this account from Jan'95 to March'95.

(3) The Department of Post is a public utility department and vastly labour oriented. The ban on creation of post is in force since 1984. Mail Traffic has increased and new schemes have been introduced without corresponding increase in staff component. All these factors contributed to the excess expenditure under the Head OTA.

(4) The excess expenditure under Capital segment of the Grant No. 14 was due to escalation in the cost of construction work and ongoing works

which were required to be completed in the wake of arbitration award and could not be stopped due to contractual obligations.

(5) It may be seen that the major excess occurred under various components of salary heads viz. Pay, DA, Honorarium, Incentive, Medical etc. The CPMG's of different Postal Circles have been instructed Demi-Officially by Joint Secretary & Financial Advisor to control expenditure even under salary heads by imposing necessary restrictions under Honorarium etc. and were further advised to take necessary action to fix responsibility on subordinate units/offices to avoid such excess over allotments under any circumstances.

(6) The recommendations of the Public Accounts Committee was brought to the notice of the Ministry of Finance during the discussions for the Revised Estimates 1996-97. Accordingly the enhanced outlay was made to the Department of Post at the RE 1996-97 stage and it is hoped that there would be no excess over Grants for the year 1996-97.

[Ministry of Communications, Department of Post OM No. 13-2/96
BGT(PA)/672 Dated 7 May, 1997]

Sl. No.	Object	B.E. 94-95	Supplementary		R.E.		Actual Expenditure			Remarks
			Asked	Approved	Estimated	Approved	7	8	9	
2			4	5	6	7	8	9	10	
1.	Salaries	1336.50	137.00	(+)101.27	1473.50	1437.77	1490.92	(+)53.15		
2.	OTA	39.11	10.00	(+)4.00	49.11	43.11	47.31	(+)4.20		
3.	Wages	26.58		(+)0.10	26.58	26.68	26.40	-)0.28		
4.	Office Expense	41.98		(+)1.95	41.98	43.93	45.32	(+)1.39		
	Rent, Rates & Tax	22.38		(-)0.79	22.38	21.59	21.33	-)0.26		
6.	Travel Expenses	15.92		(+)0.58	15.92	16.50	14.59	(-)1.91		
7.	Professional & Special Services	11.01		(+)0.73	11.01	11.74	10.48	(-)1.26		
8.	Audit Office	10.00			10.00	10.00	9.64	(-)0.36		
9.	Maintenance	16.00		-)0.50	16.00	15.50	16.56	(+)1.06		
10.	Petty Works	2.00		(+)1.00	2.00	3.00	2.29	-)0.71		

1	2	3	4	5	6	7	8	9	10
	Payment to Air Mail Carriers								
12.	Payment to Railways	54.00		(-)2.00	54.00	52.00	39.31	(-)12.69	
13.	Amenities to Staff (excluding pay and allowances)	7.83		(-)0.35	7.83	7.48	7.23	(-)0.25	
14.	Pensionary Charges	239.99	25.00	(+)14.00	264.99	253.99	253.41	(-)0.58	
15.	Stamps Post Cards etc.	54.21		(+)0.12	54.21	54.33	61.97	(+)7.64	
16.	Stationery & Prints (excluding Pay & Allowances)	27.56		(-)0.13	27.56	27.43	17.53	(-)9.90	
17.	Depreciation on historical cost	9.00			9.00	9.00	9.00		
18.	Other items	50.46	7.00	(+)0.10	57.46	50.56	46.36	(-)4.20	
19.	Inter Branch Trans.	(-)16.40		(-)0.40	(-)16.40	(-)16.60	(-)18.09	(-)2.09	
	Total:	1975.13	184.00	120.93	2159.13	2096.11	2129.70	(+)33.59	

Recommendation

The Committee note from the Appropriation Accounts of the Railways for the year 1994-95 that an expenditure aggregating Rs. 391.13 crores had been incurred over and above the sanctioned provision in five cases of grants/appropriations operated by the Ministry of Railways. After taking into account the effect of mis-classification, the actual excess expenditure requiring regularisation worked out to Rs. 392.10 crores instead of Rs. 391.13 crores as indicated in the relevant Appropriation Accounts. Out of this excess expenditure, Grant No. 14 'Appropriation to Funds' alone recorded a huge excess of Rs. 366.39 crores which, according to the Ministry, is attributable to more appropriations under Capital fund mainly keeping in view the funds required to finance plan expenditure envisaged from time to time. During his deposition before the Committee, the representative of the Ministry of Railways informed the Committee that increased appropriation to Capital Fund was credited during the year 1994-95 as Railway were able to save more in that year. Yet the fact remained that the expenditure authorisations in the instant case went awry to a large scale resulting in vitiating budgetary process of Railways. A scrutiny of the explanatory note has further revealed that the Ministry of Railways had also incurred an excess expenditure of Rs. 23.53 crores under Grant No. 16—Assets—Acquisition, Construction and Replacement. Other expenditure—Capital deposits obtaining a supplementary grant of the order of Rs. 119.03 crores in March 1995. Surprisingly, the Ministry have also stated that no time was left for seeking further supplementary funds under this Grant since the excess expenditure was incurred only in March, 1995 itself. The Ministry of Railways have attributed this excess expenditure *inter-alia* to New Lines, Gauge Conversion, Electrification, Other Electrical Works, Staff Quarters, Investments in Public Undertakings etc. Apparently, most of these items were of anticipatory nature for which the Railways should have planned much in advance. However, the Ministry of Railways were unable to apprise the Committee of the specific reasons for their failure to make provisions for these items at the stage of either original budget or at the time of seeking supplementary demands.

[S. No. 3 Appendix XI Para 73 of First Report of PAC (11th Lok Sabha)]

Action Taken by the Ministry of Railways

The observation of the Committee have been noted. Instructions for avoiding excess expenditure have already been issued to the Railways during 1996. Further instructions are also being issued (copy enclosed).

The above ATN has been seen and vetted by Audit *vide* order U.O.I. No. 13 RA-III/RR/12-1/96 dated 16.5.97.

(Instructions issued on 11.6.97 after vetting by Audit).

[Ministry of Railways (Railway Board)'s O.M. No. 96-BC-PAC/XI/1 dated 28.7.97]

Government of India (Bharat Sarkar)
Ministry of Railways (Rail Mantralaya)
(Railway Board)

No. 97-B-3421

New Delhi, dated 11.6.1997

The General Managers,
All Indian Railways,

SUB: Excess over Voted Grants/Charged Appropriations. In 1994-95,
Railway incurred an excess expenditure of Rs. 417.52 cr. as per the
following details:—

(Rs. in thousands)

Demand No.	Grant	Appropriation
4	—	6,99
8	1,57,82	
14	366,39,47	
16—Capital	48,95,60	52,19
Total	416,92,89	59,18

2. In view of the above excess expenditure on Railways, the Public Accounts Committee (PAC) (XI Lok Sabha) have made severe criticism of the Railways causing embarrassment to the Board.

3. While passing adverse comments, the PAC has recommended that the Ministry of Railways should evolve a sound mechanism through which the progress of expenditure under various sub-heads in the Zonal Railways could be regularly monitored to ensure that this expenditure does not overshoot its limits.

3.1 Although, a comprehensive mechanism of budgetary and financial control already exists on the Railways, what is missing is the strict observance of the financial discipline in this regard despite the fact that the need to contain the expenditure within the authorised grants has been stressed time and again.

4. The lapses in this regard are viewed seriously and the Railways are advised to exercise full financial discipline. No expenditure be it under a minor head or a sub-head should be incurred over and above the authorised allotment without the approval of the competent authority under the rules of re-appropriation; and in no case, should it exceed the authorised grant. As soon as it is felt that a demand is going to be exceeded, a freeze on the expenditure out of it should be

enforced until additional authorisations of funds comes through, either by re-appropriation at the Board's level or through Supplementary Grant approved by the Parliament, as the circumstance may permit. The system of monitoring of expenditure *vis-a-vis* the monthly budget proportion should be made more rigorous so as to exclude any possibility of excess over grant.

Kindly acknowledge receipt.

DA: As above.

Sd/-
(Jagmohan Gupta)
Joint Director, Finance (Budget)
Railway Board

Recommendation

Although the Committee have repeatedly cautioned the Ministry of Railways in the past against incurring excess expenditure the Ministry seems to have taken no appropriate steps in this direction. The Committee would once again like to stress that excess expenditure is 'Unauthorised expenditure' betraying lack of financial discipline and the only situation in which such an expenditure is understandable is when a need for "unforeseen" or "unavoidable" expenditure has arisen suddenly which could neither be anticipated nor any time is left to approach the Parliament for a supplementary grant. In view of the persistent trend in the incurrence of excess expenditure by the Ministry of Railways year after year, the Committee recommend that the Ministry of Railways should evolve a sound mechanism through which the progress of expenditure under various sub-heads in the Zonal Railways could be regularly monitored with a view to taking timely action to ensure that their expenditure does not over-shoot its limits.

[S.No. 4 Appendix XI, Para 74 of First Report of PAC (11th Lok Sabha)]

Action Taken by the Ministry of Railways

68

The above ATN has been seen and vetted by Audit *vide* order U.O.I. No. 13 RA-III/RR/12-1/96 dated 16.5.97.

(Instructions issued on 11.6.97 after vetting by Audit)

[Ministry of Railways (Railway Board)'s O.M. No. 96-BC-PAC/XI
dated 28.7.1997]

Government of India (Bharat Sarkar)
Ministry of Railways (Rail Mantralaya)
(Railway Board)

No. 97-B-342/1

New Delhi, dated 11.6.1997

The General Managers,
All Indian Railways,

SUB: Excess over Voted Grants/Charged Appropriations.
In 1994-95, Railway incurred an excess expenditure of Rs.
417.52 cr. as per the following details:—

(Rs. in thousands)

Demand No.	Grant	Appropriation
4	—	6,99
8	1,57,82	
14	366,39,47	—
16—Capital	48,95,60	52,19
Total	416,92,89	59,18

2. In view of the above excess expenditure on Railways, the Public Accounts Committee (PAC) (XI Lok Sabha) have made severe criticism of the Railways causing embarrassment to the Board.

3. While passing adverse comments, the PAC has recommended that the Ministry of Railways should evolve a sound mechanism through which the progress of expenditure under various sub-heads in the Zonal Railways could be regularly monitored to ensure that this expenditure does not overshoot its limits.

3.1 Although, a comprehensive mechanism of budgetary and financial control already exists on the Railways, what is missing is the strict observance of the financial discipline in this regard despite the fact that the need to contain the expenditure within the authorised grants has been stressed time and again.

4. The lapses in this regard are viewed seriously and the Railways are advised to exercise full financial discipline. No expenditure be it under a minor head or a sub-head should be incurred over and above the authorised allotment without the approval of the competent authority under the rules of re-appropriation; and in no case, should it exceed the authorised grant. As soon as it is felt that a demand is going to be exceeded, a freeze on the expenditure out of it should be enforced until

additional authorisations of funds comes through, either by re-appropriation at the Board's level or through Supplementary Grant approved by the Parliament, as the circumstance may permit. The system of monitoring of expenditure *vis-a-vis* the monthly budget proportion should be made more rigorous so as to exclude any possibility of excess over grant.

Kindly acknowledge receipt.

Sd/-
(Jagmohan Gupta)
Joint Director, Finance (Budget)
Railway Board

DA: As above.

Recommendation

Subject to the observations made in the preceding paragraphs, the Committee recommend that the expenditure referred to in Para 14 of this Report be regularised in the manner prescribed in Article 115(1) (b) of the Constitution of India.

[S.No. 16 Appendix XI, Para 76 of First Report of Public Accounts Committee (XI Lok Sabha)]

Action Taken by the Ministry of Finance

The Demands for Excess Grants (excluding Railways) for 1994-95 were passed by the Lok Sabha on 20.3.1997. The connected Appropriation Bill as passed by Lok Sabha was returned by Rajya Sabha on 21.3.1997. This was assented to by the President of India on 25.3.1997.

This has been vetted by Audit *vide* their U.O. No. RR1-2296-97/203 dated 6.5.1997.

[Ministry of Finance Department of Economic Affairs (Budget Division) O.M. No. F 4(1)-B(SD)97 dated 15.5.1997]

Action Taken by the Ministry of Defence

As desired by the Committee necessary explanatory Note for PAC, duly vetted by Audit, to regularise the excess expenditure of Rs. 6,30,17,484 occurred during 1994-95 under Grant No. 19—Defence Services—Navy has already been forwarded to the Ministry of Finance (Department of Economic Affairs) under this Ministry OM No. 17(2)B-I95 dated 04.04.96 (copy enclosed)

No. F. 17(2)B-I95
Government of India
Ministry of Defence
(Finance Division)

New Delhi. Dated 4.4.96

File No. 10(1)/97
B-I dated 21-3-97

OFFICE MEMORANDUM

Subject: *Note for Public Accounts Committee for Regularisation of Excess over Voted portion of Grant No. 19—Defence Services—Navy during the year 1994-95.*

The undersigned is directed to forward herewith Fifty (50) copies of English version and Thirty (30) copies of Hindi version of the Note for P.A.C. for regularisation of excess over voted portion of Grant No. 19—Defence Services—Navy for 1994-95 duly vetted by D.G.A.D.S.

Sd/-
(A.L. CHAWLA)
A.F.A (BUD)

Under Secretary (Budget)
Ministry of Finance,
Deptt. of Economic Affairs,
North Block, New Delhi.

Copy with enclosures to:

- | | |
|--------------|----------|
| 1. DGADS | 2 copies |
| 2. C&AG | 2 copies |
| 3. CGDA | 2 copies |
| 4. Budget-II | 2 copies |

MINISTRY OF DEFENCE (FINANCE)
BUDGET — I

NOTE FOR PUBLIC ACCOUNTS COMMITTEE FOR
REGULARISATION OF EXCESS OVER VOTED PORTION OF
GRANT NO. 19 — DEFENCE SERVICES — NAVY, AS DISCLOSED
IN THE APPROPRIATION ACCOUNTS (DEFENCE SERVICES)
FOR THE YEAR 1994-95.

Grant No. 19 - Defence Services- Navy

Original Grant	Rs. 1387,92,00,000
Supplementary Grant	Rs. 77,87,00,000
Total Sanctioned Grant	Rs. 1465,79,00,000
Actual Expenditure	Rs. 1472,09,17,484
Excess Expenditure	Rs. 6,30,17,484
Surrender during the Year	Rs. 2,62,00,000

2. Against the Original Grant of Rs. 1387,92,00,000, augmented to Rs. 1465,79,00,000 by obtaining a supplementary grant of Rs. 77,87,00,000, an expenditure of Rs. 1472,09,17,484 has been incurred during 1994-95 resulting in an uncovered excess of Rs. 6,30,17,484.

3. The excess of Rs. 6,30,17,484 under this grant was under the following Minor Heads:—

(a) MINOR HEAD 101 — PAY AND ALLOWANCES OF NAVY

The original provision made under this minor Head amounting to Rs. 293,00,00,000 was reduced to Rs. 284,99,00,000 by minus reappropriation of Rs. 8,01,00,000. The actual expenditure, however, was Rs. 291,08,20,125 resulting in an excess of Rs. 6,09,20,125.

The excess of Rs. 609 lakhs in the Final Grant was due to higher bookings of the Pay and Allowances of MES, which was first time introduced in the Navy during 1994-95.

(b) MINOR HEAD 105 — TRANSPORTATION

The original provision made under this Minor Head amounting to Rs. 38,00,00,000 was enhanced to Rs. 45,00,00,000 by obtaining a supplementary grant to Rs. 4,00,00,000 and by reappropriation of Rs. 3,00,00,000. The actual expenditure, however, was Rs. 45,54,39,958 resulting in an excess of Rs. 54,39,958.

The excess of Rs. 54 lakhs in the Final Grant was due to materialisation of supplies under some OEM (Original Equipment Manufacturers) contracts than anticipated.

(c) MINOR HEAD 110 — STORES

The original provision made under this Minor Head amounting to Rs. 540,00,00,000 was enhanced to Rs. 600,00,00,000 by obtaining a supplementary grant of Rs. 60,00,00,000. The provision was subsequently reduced to Rs. 598,02,00,000 by minus reappropriation of Rs. 1,98,00,000. The actual expenditure, however, was Rs. 608,45,08,068 resulting in an excess of Rs. 10,43,08,068.

The excess of Rs. 1043 lakhs in the Final Grant was due to certain Letter of Credit (LC) payments required to be paid before 31st March 1995.

(d) MINOR HEAD 111 — WORKS

The original provision made under this Minor head amounting to Rs. 135,99,00,000 was enhanced to Rs. 142,00,00,000 by reappropriation of Rs. 6,01,00,000. The actual expenditure, however, was Rs. 147,92,20,622 resulting in an excess of Rs. 5,92,20,622.

The excess of Rs. 592 lakhs in the Final Grant was due to transfer of bookings of Pay and Allowances of MES establishment to this head and overall increase in electricity tariff rates.

4. The excess under the above Minor heads was partly offset by saving under other minor heads leaving a net excess of Rs. 6,30,17,484.

5. Instructions have already been issued to all the estimating authorities for framing the budget estimates on very realistic basis to eliminate instances of excess/savings in the budget. Internal Financial Advisers (IFAs) have been further stressed upon to be more cautious and accurate while projecting their demands. Additional demands, if any, should be factual and barest minimum depending upon the actual requirement/obligations in rare and emergent cases. (copy of MOD ID No. 2584/B-I/95 Dated 22.9.95 is enclosed).

6. Further, Naval Headquarters have also issued instructions to subordinate authorities to intimate payment plan under Letter of Credit system to the suppliers well before close of financial year and to establish better liaison with the State Government authorities so that the increase in tariff rates may be projected at the appropriate budgetary formulation stage to avoid huge payments resulting in excess expenditure over and above the allocation. Copies of Naval Hqrs. letters No. PL/4013 and PL/3103/95-96, both dated 12.2.96, are enclosed.

7. DGADS has seen.

Sd/
(D LAHIRI)
Addl. F.A. (D) & JS

File No. 17(2)/B-I/95

MINISTRY OF DEFENCE (FIN/BUDGET)

SUBJECT:—*Formulation of budgetary estimates and monitoring of Defence Expenditure.*

Instructions have been issued from time to time on the importance of formulating the budgetary estimates on the most realistic basis and to keep constant review and control on expenditure to conform it to the allocations made.

In spite of repeated instructions, instances of unrealistic estimation of requirement at initial stage as well as at supplementary demand/re-appropriation have occurred and adversely commented upon by the C&AG of India. It has also been adversely commented upon by the PAC. In some cases the supplementary demands were wholly or partially surplus to the requirement.

There has been certain refinement in the projections of requirement and actual expenditure *vis-a-vis* allocations but gaps still exist which are to be plugged to the maximum possible. It is therefore, once again emphasized that further remedial steps are required to be taken to eliminate instances of excess/savings in the budget.

It is further stressed that the Services/Departments and IFAs need to be more cautious and accurate while projecting their supplementary demands, if any, to avoid savings/excess. The additional demand should be factual, barest minimum depending upon the actual requirements/obligations in rare and emergent cases.

Sd/-
(D. LAHIRI)
Addl. F.A.(D) & I.S
Tel. 3012915

All Joint Secretaries/Addl. F.As., IFAs,
Addl. DGFP, DNP, D Fin. P, DGNOC, DGOF
DPR&M, DGQA.

M of D (Fin.) I.D. No. 2584/B-1/95 dated 22.9.95.

STAFF BRANCH—I
(Directorate of Naval Plans)

**PAYMENTS ON ACCOUNT OF LCs VALID UPTO 31 MAR 96 &
BEYOND**

1. Payments on account of LCs opened with various Banks remain uncertain till the last moment. This hampers the process of proper assessment of expenditure and thereby the monitoring and control of budget. Last minute payment or non-payments from LCs may result either in excess booking or shortfall in expenditure. To avoid such a situation, it is requested that the position of payments under LCs be ascertained from the suppliers by 10 March of the concerned financial year.

2. This procedure has become imperative in view of the excess booking of Rs. 1043 lakhs during 94-95.

3. It is further requested that liaison be established with the Banks to obtain the position/expenditure of various LCs as on 31 March 96. The bookings on account of LCs together with the total expenditure in 95-96 be intimated to this Directorate by 08 Apr. 96.

Sd/-
(J.S. Bedi)
Commodore
DNP

DPA	DPS	DCP
DW	DNO	DLS
DCV	DONA	DMS(N)
DTP	DOS(W)	DNAM
DODY	DFM	DNT

Tele: 3011894
PL/4013

12th February 1996

STAFF BRANCH—I
(Directorate of Naval Plans)

**(BETTER ESTIMATION OF INCREASE IN ELECTRICITY
AND TARIFF RATES**

1. An excess booking of Rs. 592 lakhs has taken place during 1994-95 under Minor Head - 111, Major Head - 2077. This has presumably been on account of the electricity and tariff charges which have been increased by various State Governments.
2. In view of the above it is requested that concerned authorities be directed to establish a better liaison with the State Government authorities so that the increase in electricity & tariff rates be projected at the appropriate budgetary stages.
3. This would avoid excess booking or expenditure being carried forward to the next financial year 1995-96.

Sd/-
(J.S. Bedi)
Commodore
DNP

Action Taken by the Ministry of Communications: (Deptt. of Posts)

Excess expenditure of Rs. 35.67 crores occurred in Grant No. 14 during the year 1994-95 has been regularised by Lok Sabha Bill 1997 which has been passed by the Parliament and assented to by the President. (Extract of Gazette notification dated 25.3.97 and Ministry of Finance No. F(1)-B(SB)/97 dated 25.3.97 attached)

(K.S. Menon)
Joint Secretary and Financial Advisor

[Ministry of Communications, Department of Post OM No. 13-2/96
BGT(PA)/dated 17th July, 1997]



केन्द्रीय सरकार के व्यय के लिए अतिरिक्त अनुदानों की मांगे
(रेलवे को छोड़कर)

DEMANDS FOR EXCESS GRANTS

for

EXPENDITURE OF THE CENTRAL GOVERNMENT (*Excluding Railways*)

RELATING TO

1994-95

संविधान के अनुच्छेद 115 के खंड (1)(ख) के अनुसार लोक सभा में प्रस्तुत
Presented to the Lok Sabha in pursuance of clause (1)(b) of Article 115 of
the Constitution

[राष्ट्रपति की सिफारिश, जो मांगों को प्रस्तुत करने के लिए संविधान के अनुच्छेद 115
के खंड (1) (ख) और (2) के साथ पठित अनुच्छेद 113 के खण्ड (3) के
अधीन आवश्यक है, प्राप्त कर ली गई है]

[The recommendation of the President, required under clause (3) of
Article 113 read with clauses (1)(b) and (2) of Article 115 of the
Constitution for marking the Demands has been obtained]

मार्च/March-1997

DEMANDS FOR EXCESS GRANTS 1994-95

INTRODUCTORY NOTE

The demands for Excess Grants contained in this Volume represent the actual expenditure incurred during 1994-95 under certain Demands which are in excess of the amounts granted by the Parliament for that year.

2. Out of 94 Grants and 4 Appropriations in 1994-95, the excess expenditure occurred in 9 Grants amounting to a total of Rs. 89.00 crore. The broad break-up of the excess expenditure is as under:—

(Rs. in crores)

Revenue	Capital	Total
46.62		47.03
33.59		35.67
6.30		6.30
86.51		89.00

3. The excess includes Rs. 37,38,000 of expenditure Charged on the Consolidated Fund of India.

4. The reasons for excess expenditure in respective demands have been explained in the Excess Demand Statements contained in this booklet.

5. The above excesses have been scrutinised by the Public Accounts Committee who, *vide* paragraph 76 of their First Report (Eleventh Lok Sabha), have recommended their regularisation under Article 115(1)(b) of the Constitution of India.

DEMANDS FOR EXCESS GRANTS 1994-95

DEMAND NO. 14

POSTAL SERVICES

Amount expended in excess of the Grant for the year ended 31st March, 1995 in respect of Postal Services Under the Ministry of Communication.

Voted: Thirty five crore sixty six lakh eighty six thousand one hundred ninety six rupees.

Section	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
Revenue	2096,11,00,000	2129,70,03,379	33,59,03,379 (a)
Capital	74,88,00,000	76,95,82,817	2,07,82,817 (b)
Total	2170,99,00,000	2206,65,86,196	35,66,86,196

The excess occurred both under Revenue and Capital section of the Grant.

- (a) In the Revenue section, the original grant of Rs. 19,75,13,00,000 was augmented by a supplementary grant of Rs. 120,98,00,000 obtained in March, 1995. Against the final grant of Rs. 2096,11,00,000 the actual expenditure was Rs. 2129,70,03,379 resulting in an excess expenditure of Rs. 33,59,03,379 which is to be regularised. The excess had occurred mainly due to payment of additional instalment of dearness allowance, interim relief, etc. sanctioned during the year. These components under the head Salaries were post-budgetary developments and were unavoidable.
- (b) In the Capital section, the original grant of Rs. 56,86,00,000 was augmented by a supplementary grant of Rs. 18,02,00,000 obtained in March, 1995. Against the final grant of Rs. 74,88,00,000 the actual expenditure was Rs. 76,95,82,817 resulting in an excess expenditure of Rs. 2,07,82,817 which is to be regularised. The excess expenditure was mainly due to escalation in the cost of construction and additional expenditure on ongoing works which could not be anticipated earlier and could not be postponed due to contractual obligations.

No. F. (1)-B(SD)/97
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi, the 25th March, 1997.

OFFICE MEMORANDUM

SUBJECT:—*Demands for excess Grants relating to 1994-95.*

The undersigned is directed to state that the **Demands for Excess Grants relating to 1994-95** have been passed by the Lok Sabha. The connected Appropriation Bill 1997 has been passed by the Parliament and assented to by the President on 25th March, 1997 and the Act has been published as AUD No. 19 of 1997 in Gazette of India, Extraordinary, Part-II, Section I, dated 25th March, 1997.

Sd/-

(K.N. BHANOT)

Under Secretary (Budget)

1. Shri K.S. Menon, Financial Adviser, Department of Posts, Dak Bhawan, New Delhi.
2. Shri P.R. Sivasubramaniam, Financial Adviser (DS), Ministry of Defence, South Block, New Delhi.
3. Shri B.N. Jha, Financial Adviser, Ministry of External Affairs, South Block, New Delhi.
4. Shri Ravi Saxena, Financial Adviser, Ministry of Petroleum & Natural Gas, Shastri Bhawan, New Delhi.
5. Shri S.N. Kakkar, Financial Adviser, Ministry of Surface Transport, Transport Bhawan, New Delhi.
6. Shri N.R. Rayalu, Financial Adviser, Misc. Department, Ministry of Finance, New Delhi.

No. F. 4(1)-B(SD)/97

1. The Finance Library (Publication Section) with the request that copies of the above mentioned Gazette of India, Extra-ordinary be obtained from the Manager of Publications and supplied to Comptroller and Auditor General of India, New Delhi (10 spare copies of Demands for Excess Grants relating to 1994-95 are supplied for record).
2. Parliament Library, Lok Sabha Secretariat (5 copies).
3. The Director General of Audit, Central Revenues, New Delhi (with 10 spare copies).

4. Director of Audit, C.W. & N, New Delhi, (with 8 spare copies).
5. The Comptroller and Auditor General of India (12 spare copies).

Sd/-
(K.N. BHANOT)
Under Secretary (Budget)

Action Taken by the Ministry of Railways

In view of the above, the excess expenditure for 1994-95 is proposed to be presented to be regularised in the ensuing Budget Session of Parliament.

The above ATN has been seen and vetted by Audit *vide* order U.O.T. No. 13 (RA-TTT/RR/12-1/96 dated 16.5.97).

(The excess expenditure for 1994-95 has been regularised in the last Budget session of Parliament).

[Ministry of Railways (Railway Board's) O.M. No. 96-BC-PAC/XI/1 dated 28.7.97.]

CHAPTER III

RECOMMENDATIONS OR OBSERVATIONS WHICH THE GOVERNMENT DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

Emphasising the need for exercising effective control over expenditure, the Committee in Paragraph 80 of their 110th Report (10th Lok Sabha) presented to Lok Sabha on 6 December, 1995 had recommended that the Ministry of Finance should consider the feasibility of introducing a system of letter of credit. The Committee are constrained to express their dissatisfaction over the delay of over a year in taking any concrete action in this direction and they desire the Ministry of Finance to take appropriate steps in the matter and inform the Committee of the precise action taken in this regard within a period of three months.

[Sl. No. 3 Para 63 of the 1st Report of Public Accounts Committee (11th Lok Sabha)].

Action taken by the Ministry of Finance

The above recommendation of the Public Accounts Committee relating to introduction of a system of Letter of Credit in each Grant to control the excess expenditure in the voted grants/appropriations has been examined in consultation with the Budget Division and the Departments of Telecom and Posts and the Ministry of Railways.

2. In the departmentalised system of payment, as a general rule, all payments are made by the Pay & Accounts Officers after pre-check. It is the duty of the Pay & Accounts Officer to see that there is provision of funds authorised by the competent authority fixing the limit within which expenditure can be incurred, expenditure incurred is in accordance with the financial rules and there exists sanction of the competent authority. Drawing and disbursing officers of the offices located outside the same station as the Pay & Accounts Officer, are permitted to draw funds from the Public Sector Banks accredited to the concerned Ministry/Department for making payments of certain categories after sanction from the competent authority. Instead of making one time allocation, these are distributed through quarterly assignment by Pay & Accounts Officer by placing the drawing & disbursing officers with cheque drawing powers in account with accredited Public Sector Bank by means of Letter of Credit for the net

amount of requirement. The paying branch is responsible to ensure that at no time the amount assigned in the letter of credit is exceeded. As regards non-cheque drawing, drawing and disbursing officers, the expenditure monitoring is done by the Pay & Accounts Officer through pre-check of bills before payment. The Pay & Accounts Officer maintains an expenditure control register drawing and disbursing officer-wise and ensures that expenditure is not in excess of the sanctioned limit. In the civil Ministries, the expenditure control system and letter of credit system is already there.

3. In case of Departments of Telecom., Posts & Railways, the introduction of the system of letter of credit has not been found to be feasible. A copy each of the communication received from these Departments is enclosed. It would, however, be seen that there already exists an expenditure control system in one form or the other in these departments/ministries, too.

[Ministry of Finance, Department of Expenditure, E-Coord. Branch U.O.
No. 12(1)E-Coord./96, dated 28.11.97].

Birkhe Ram
Executive Director Finance
(Budget)

Government of India
Ministry of Railways
(Railway Board)

D.O. No. 96-B-322 (Main)

New Delhi, dated 2.1.1997

Dear Shri Swarup,

Please refer to your office O.M. No.12(1)E-Coord./96, dated 16.9.96 regarding introducing the system of "Letter of Credit" on Railways on the recommendations of Public Accounts Committee (Tenth Lok Sabha) contained in their 110th Report on Appropriation Accounts of Union Government for 1993-94. In this connection, it is advised that the system of "Letter of Credit" on Railways is not feasible for the reasons that Railways operate 16 Demands for Grants whereas most of other Ministries are having only one Demand for Grant. The Indian Railways are divided into several zones and divisions. There are large number of Drawing Officers on Railways who issue cheques not only on their headquarters but also on the outstation banks. In some of the cases more than one functional department operate the same Demand for Grant. The sizeable percentage of expenditure is also non-cash expenditure *i.e.* inter-railway transactions/adjustments which do not pass through the banking system.

Indian Railways have also an existing system of monitoring Demand-wise expenditure and a strict watch is invariably kept. Permissible re-appropriations are also resorted to. The instances of excess over budgetary allocations, in the face of such large number of transactions and huge budget are also minimal.

Indian Railways are also exercising Exchequer control which is quite analogous to letter of credit limitations.

In view of the above, it will not be possible for the Railways to introduce the system of "Letter of Credit".

Yours sincerely,
Sd/-
(Birkhe Ram)

Shri D. Swarup,
Joint Secretary,
Ministry of Finance (Expenditure),
North Block,
New Delhi.

DEPARTMENT OF TELECOMMUNICATIONS
Budget Section

No. 1-33/96-B

Dated 4.12.96

SUB: Action taken on the recommendations contained in 110th Report of PAC (10th Lok Sabha) on Appropriation Accounts of Union Government for 1993-94 Para 80 of Letter of Credit.

Ministry of Finance, Deptt. of Expenditure may kindly refer to their letter No. 12(1)E, Coord-/96, dated 16.9.96 wherein we have been asked to consider the feasibility of introducing the system of Letter of Credit in the Deptt. of Telecom as recommended by the PAC.

2. In the Deptt. of Telecom. there are about 1100 Drawing and Disbursing Offices which are under the accounting jurisdiction of Circle Accountants numbering 46 as on date. The Department remits its receipts and draws its cash requirements from over 1200 branches of Reserve Bank of India, State Bank of India and its subsidiary banks spread all over the country. Drawal of money from the banks by DoT is not limited to Grants of the Deptt. but also include Refund of Earnest money deposits. Advances/Withdrawals from Provident Funds etc. and remittances to Banks include receipts on account of earnest money deposits, bond money and Licence Fee from the operators of Basic and Value Added Telecom. services etc. In view of the voluminous work due to large number of transactions as stated above introducing the system of Letter of Credit may not be feasible for the Deptt. of Telecom.

3. In this connection, it is added that with effect from 1993-94 the Deptt. of Telecom. has introduced a system of fixing the cash drawal limits for each Unit based on allotment of funds released at different Budetary stages and reviewing the actual drawals *vis-a-vis* ceilings fixed periodically and this system has not only resulted in ensuring drawals within the ceilings fixed but also kept the expenditure within Budget Grants.

This issue with the approval of Member (F).

Sd/-
V. Nagabhushanam,
Director (PFR)
Tele: 3715103

Shri D.P. Roy,
Director,
Department of Expenditure

Copy of the letter No. 13-2/96—BGT(PA)/2648, dated 15 November, 1996 from Shri M.S.S. Subramanyam, Director (PA-I) addressed to Shri D.P. Roy, Director Deptt. of Expenditure.

Dear Shri Roy,

Please refer to your office OM. No. 12(1)/E-Coord/96, dated September 03, 1996 in connection with Action Taken Note on the recommendations contained in the 110th Report of the Public Accounts Committee (Tenth Lok Sabha) on Appropriation Accounts of the Union Government for the year 1993-94.

2. The network of the Department of Post is executed through approximately 1.52 lakhs Post Offices located at different places all over the country. Of these, number of Head Post Offices and Sub-Post Offices having money drawing powers to cater to the requirements of all the 1.52 lakh Post Offices, are not only drawing and disbursing money from the functional point of view and as per the grants made available to the concerned Drawing and Disbursing Officers but also receive and disburse money from and to the members of the public in respect of various agency functions viz. various Small Savings Schemes like Saving Bank, Cash Certificate I.P.Os., B.P.Os. payment of Pensions to Railway Pensioners, E.P.F. Pension, Military Pension, Mahila Samaridhi Yojana etc. which amounts to crores of rupees on month to month basis. The cash received in the post offices are accounted for by the Post Masters against the relevant head and at the end of the day any cash balances in excess of the prescribed cash balances liabilities are deposited into the bank. Thus drawal of money from the Bank by the Post Offices, is not limited to the Grants of the Department but also relates to the public account which is neither voted by the Parliament nor is required to be included in the Grants of the Department as the same cannot be estimated based on the trend of transactions. Thus the letter of Credits system may not be feasible for the Department of Post as far as the Post Offices are concerned.

3. However, the system of letter of Credit is already in consideration of the Department in respect of Civil/Electrical divisions entrusted with project works of the Department.

This issue with the approval of JS & FA.

With regards,

Yours sincerely,

sd/-

(M.S.S. SUBRAHMANYAN)

Shri D.P. Roy,
Director,
Department of Expenditure,
Ministry of Finance,
North Block,
New Delhi.

Recommendation

The Committee find from their examination of select cases of excess registering Grants / Appropriations that under Revenue Section (Voted) of Grant No. 17 Defence Pensions administered by the Ministry of Defence, while the overall excess expenditure under this Grant during 1994-95 was Rs. 9.94 crores, the aggregate excess expenditure under various sub-heads of the Grant worked out to Rs. 89.72 crores. Certainly, the huge savings of Rs. 79.78 crores under various other sub-heads helped to a great extent in reducing the otherwise high excess expenditure. Significantly, the excess expenditure under this Grant had occurred despite obtaining supplementary funds of Rs. 14.84 crores at the fag end the financial year in March, 95. In the opinion of the Committee, this state of affairs present a very dismal picture of the manner in which expenditure estimates are prepared in respect of this Grant by the Ministry of Defence especially when they admittedly possessed complete data of the number and categories of pensioners and could work out accurately the precise requirement of funds under different sub-heads of this Grant.

[Sl. No. 6, Appendix-XI, Para 66 of First Report of Public Accounts Committee (Eleventh Lok Sabha)]

The Committee further observe that the overall excess of Rs. 9.94 crores had occurred under Revenue Section (Voted) of Grant No. 17—Defence Pensions mainly due to adoption of a new procedure for payment of pensions etc., to the pensioners at Nepal. The Committee were informed that a revised system for payment of such pensions was introduced from 1 April 1994. Under the new system, pension payments were to be made by the Ministry of External Affairs through the Indian Embassy at Kathmandu. The Ministry of External Affairs as agent Ministry were to compile expenditure in their books and render expenditure statements to the Ministry of Defence which were the Executive Ministry in this case. According to the Ministry of Defence, they came to know of the excess in the instant case only in the month of June, 1995 on receipt of expenditure statement for the month of March 1995 and there was no mechanism available to provide additional funds at the disposal of Ministry of External

Affairs at that belated stage. The Ministry of Defence also stated that the delay in rendition of Expenditure statement was inevitable since the Defence Pensioners were scattered in Nepal and the Pension Payment Teams were required to visit various remote and far-flung areas for disbursement. The Committee are not at all inclined to accept this plea put forth by the Ministry of Defence and they consider that these factors in no manner came in the way where the rendition of monthly expenditure statements could be delayed for as long as three months as had happened in this case. The Ministry also submitted that the revised system of payment of pensions had since been dispensed with *w.e.f.* 1 April 1996. However, from the facts enumerated above, the Committee can only conclude that neither the Ministry of Defence could accurately estimate their requirement of funds under appropriate sub-heads of this Grant despite having precise data of the pensioners nor the Ministry of External Affairs could ensure timely inflow of expenditure statement to the Ministry of Defence to enable them to seek additional funds to meet their requirements for pension payments at Nepal. The Committee also feel surprised that despite assurance made during evidence, the Ministry of Defence were unable to apprise the Committee of the exact number of Defence pensioners in Nepal. At this stage, the Committee can only hope that the concerted efforts would now be made by the Ministry of Defence to collect and compile the requisite data on scientific lines so that their expenditure estimates under this Grant do not go away as had happened in 1994-95. In this connection, the Committee would like the Ministry of Defence to explore the possibility of computerising the pension roll of all defence pensioners with a view to administering this Grant effectively.

[Sl. No. 7, Appendix-XI, Para 67 of First Report of Public Accounts Committee (Eleventh Lok Sabha)]

Action Taken by the Ministry of Defence

The main reason for the excess expenditure was the adoption of a new procedure for the payment of pensions etc. to the pensioners at Nepal. The excess expenditure may also be attributed to the sanctioning of relief *w.e.f.* 1.1.1994 and 1.7.1994 and larger number of persons becoming eligible for the pension than anticipated.

There are about 96,000 pensioners residing and drawing their pensions in Nepal. This include 72,099 Defence pensioners and 23,901 Civil pensiones. The actual amount disbursed to the pensioners during 1994-95 was Rs. 84,02,58,996.15 which includes some spill overs of earlier years.

There are three Pension Paying Officers (PPOs) at Kathmandu, Pokhara and Dharan which are responsible for making payment of pension to all

Military, Para-Military and Civilian pensioners of Government of India in Nepal. The computerisation of these Pension Paying Offices in Nepal is to be undertaken in a phased manner. Some computers have already been provided to the Pension Paying Offices in Nepal. A team headed by Chief Controller Defence Accounts (Pensions) was also deputed to Nepal to plan for implementation of computerisation, positioning of Electronic Data Processing personnel and Audit of Pension Payments there.

In addition to the modalities for introducing computerisation, following steps are under consideration to improve the system of estimation of Defence Pensions Budgetary requirements:

- (i) The system of Projecting Budget Estimates / Revised Estimates by the Defence Wing in Indian Embassy for expenditure on pensions for the Nepal pensioners.
- (ii) Posting of a Budget and Finance Officer with supporting staff for controlling the Pensions Budget and implementation of computerisation of Pension disbursement.
- (iii) At present the Ministry of Defence bears all pension expenditure including that of all Central Ministries / State Governments being incurred in Nepal. It has been decided that a proportionate apportionment of expenditure on pension between Defence Ministry and Ministry of Home Affairs (or any other selected Ministry on behalf of other pensioners) to the extent of about 24% of the total expenditure be claimed from the civil Ministries. On computerisation of pension disbursement, it would be possible to claim the exact expenditure from the concerned civil Ministries / Departments.

As a result of all these remedial measures, it is hoped that an effective mechanism for Pension Budgeting in respect of Defence Pensioners in Nepal would be ensured.

This has been vetted by Audit *vide* their U.O. No. RR/29-2/96-97/370 dated 9.6.1997

F.No.23(1)/MO/97

CHAPTER IV
RECOMMENDATIONS OR OBSERVATIONS REPLIES TO WHICH
HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH
REQUIRE REITERATION

Recommendation

Presently, the task of coordination and submission of corrective/remedial action taken notes on the paragraph from the reports of the C&AG not examined by the committee is assigned to the Monitoring Cell in the department of expenditure. The committee desire that in future the Monitoring Cell should be entrusted with the task of coordination, collection and timely submission to the committee of the relevant explanatory notes, duly vetted by audit, on excess expenditure/savings of Rs. 100 crores and above made in respect of all the Annual Appropriation Accounts of the Union Government for the year 1995-96 onwards. Further, the Secretaries of the administrative Ministries/Departments concerned should be held personally responsible for any delay in submission of the requisite explanatory notes. They would like the Ministry of Finance to take necessary action in the matter.

[Sl. No. 5, Appendix XI, Para 65 of 1st Report of PAC(11th Lok Sabha)]

Action Taken by the Ministry of Finance

In pursuance of the recommendations of the PAC the Secretaries of the concerned Departments/Ministries were addressed on 31.1.1997 for furnishing the relevant explanatory notes duly vetted by audit by the end of February 1997. The Ministries/Departments concerned have been reminded at regular intervals. The matter was also taken up with the D.G. Audit to expedite the vetting of explanatory notes and reply received from him, was accordingly conveyed to the concerned Ministries/Departments. The explanatory notes received from the concerned Ministries/Departments except Department of Economic Affairs, Industrial Development and Ministry of Surface Transport have already been sent to the Lok Sabha Secretariat. The matter is being pursued with the remaining Departments and the explanatory notes will be furnished to the Lok Sabha Secretariat, as soon as these are received from the concerned Departments/Ministries.

This has been vetted by Audit *vide* their Office U.O. No. RA/1-37/97-98/1532, dated 24.3.1998.

[Ministry of Finance, Department of Expenditure O.M. No. 1/1/97-MC, dated 3.4.1998]

Recommendation

What has further concerned the Committee is the repeated instances of misclassification of expenditure unabatedly occurring in the accounts of the Ministry of Railways. Even the Appropriation Accounts of the year under review revealed two such cases of misclassification of expenditure which effected the quantum of excess expenditure. Distressingly, an error in one of these cases of misclassification was further brought to the notice of the Committee only during oral deposition of the representatives of the Ministry of Railways when they informed that a figure of Rs. 26 lakhs was inadvertently taken as Rs. 26 crores at the time of compilation of accounts. The Committee take a serious view of the perfunctory manner in which the accounts are being maintained by the Railway Authorities revealing lapses at all levels including the scrutiny of accounts. They therefore, desire that stringent measures be taken for avoiding such misclassifications in future and responsibility fixed for the lapses in all such cases.

[Sl. No. 15 Appendix XI. Para 75 of the 1st Report of PAC (11th Lok Sabha)]

Action taken by the Ministry of Railways

Instructions already exist for close and concurrent review of the booking of the expenditure at various levels; test check of allocations recorded on vouchers; prescription of suitable levels at which approvals for transactions of specified value should be taken before carrying out adjustments and fixing responsibility for clear lapses at suitable levels. These instructions have been reiterated with a view to ensuring proper maintenance of accounts and more stringent scrutiny while communicating instructions for compiling the Appropriation Accounts for 1995-96. It is expected that the incidence of avoidable misclassifications will come down. The Ministry of Railways would like to submit, at the same time, that total elimination of misclassifications may be extremely difficult to achieve in practice, partly because a vast number of staff handle an immense volume of transactions, leading some probability, however small, of errors occurring especially when time is a constraint, and partly because they are sometimes due to genuine errors in interpretation of the accounting rules and, occasionally there is a difference of perception, wherein the Audit's view ultimately tends to prevail.

As regards the circumstances under which a figure of Rs. 26 lakh was inadvertently taken as Rs. 26 crore at the time of compilation of the Appropriation Accounts for 1994-95, this Ministry has, *vide* letter No. 96-BC-PAC/XI/OE/1.8/94-95 dated 13-12-96 made a separate submission to the Public Accounts Committee. The corrected figure, duly vetted by Audit, has also since been advised to the Lok Sabha Secretariat (PAC Branch) *vide* this Ministry's Office Memo No. 96/BC/100/3 Pt. dated 15-11-96.

This has been vetted provisionally by Audit.

[Ministry of Railway's O.M. NO. 95 APP/7-2/94-95, dated 3.7.98]

CHAPTER V
RECOMMENDATIONS/OBSERVATIONS TO WHICH THE
GOVERNMENT HAVE FURNISHED INTERIM REPLIES
OR FURNISHED NO REPLIES

-NIL-

NEW DELHI;
22 August, 2000

31 Sravana, 1922 (*Saka*)

NARAYAN DATT TIWARI,
Chairman,
Public Accounts Committee.

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