

PUBLIC ACCOUNTS COMMITTEE

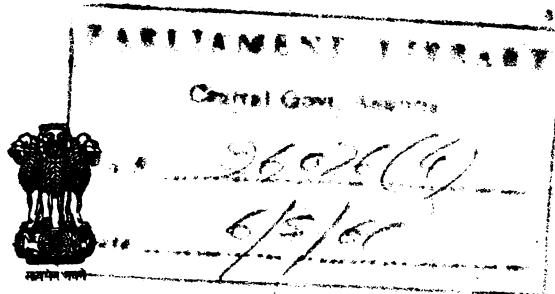
(1965-66)

FIFTY-SECOND REPORT

(THIRD LOK SABHA)

[Action taken by Government on the Recommendations of the Committee contained in their 27th, 28th, 29th, 31st, 33rd, 34th, 35th, 36th, 38th, 39th and 40th Reports (Third Lok Sabha) Relating to Civil, Defence and Finance Accounts and Revenue Receipts as well as a Review of Action taken by Government on Recommendations made by the Committee from time to time.]

VOL. I—REPORT



LOK SABHA SECRETARIAT
NEW DELHI

April, 1966/Vaisakha 1888 (Saka)

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CORRIGENDA TO FIFTY-SECOND REPORT OF PAC (1965-66)

(PRESENTED TO LOK SABHĀ ON 5.5.1966) - Vol. I

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			Shri K.T.Mirchandani -	D.A.D.S.
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PUBLIC ACCOUNTS COMMITTEE

(1965-66)

CHAIRMAN

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20. Shri Ram Sahai
21. Shri Niranjan Singh
22. Shri Atal Bihari Vajpayee

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary*

Shri R. M. Bhargava—*Under Secretary*

***Ceased to be Members of the Committee consequent on their retirement from Rajya Sabha on 2-4-66 under Article (1) of the Constitution.**

INTRODUCTION

1. The Chairman of the Public Accounts Committee, as authorised by the Committee do present on their behalf this 52nd Report on the action taken by Government on the recommendations of the Committee contained in their 27th, 28th, 29th, 31st, 33rd, 34th, 35th, 36th, 38th, 39th and 40th Reports (Third Lok Sabha) relating to Civil, Defence, Finance Accounts and Revenue Receipts as well as a review of action taken by Government on recommendations made by the Committee from time to time.

2. At their sitting held on 13th January, 1966, the Public Accounts Committee decided to appoint a Sub-Committee to review the action taken by Government on the recommendations made by the Committee from time to time. The Report of the Sub-Committee which is appended hereto was considered and approved by the Public Accounts Committee at their sitting held on the 21st April, 1966 and should be treated as the Report of the Committee.

3. A brief record of the proceedings of this sitting forms part of the Report (Part II).

4. A statement showing the summary of the main conclusions/recommendations of the Committee is appended to the Report (Appendix IV). For facility of reference, these have been printed in thick type in the body of the Report.

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

R. R. MORARKA,

Chairman,

Public Accounts Committee.

NEW DELHI;

April 21, 1966.

Vaisakha 1, 1888 (Saka).

REPORT OF THE SUB-COMMITTEE

INTRODUCTION

I, the Convener of the Sub-Committee of the Public Accounts Committee, as authorised by the Sub-Committee do present on their behalf this Report on the action taken by Government on the recommendations of the Committee contained in their 27th, 28th, 29th, 31st, 33rd, 34th, 35th, 36th, 38th, 39th and 40th Reports (Third Lok Sabha) relating to Civil, Defence, Finance Accounts and Revenue Receipts, as well as a review of action taken by Government on recommendations made by the Committee from time to time.

2. At their sitting held on the 13th January, 1966 the Public Accounts Committee decided to appoint a Sub-Committee to review the action taken by Government on the recommendations made by the Committee from time to time. Accordingly, a Sub-Committee consisting of the following members was formed on the 22nd January, 1966:—

- | | |
|----------------------------------|-----------|
| 1. Shri M. P. Bhargava—Convener. | |
| 2. Shri Prakash Vir Shastri | } Members |
| 3. Shri Surendra Pal Singh | |
| 4. Shri Chandra Shekhar | |
| 5. Shri V. C. Parashar | |
| 6. Shri B. P. Maurya | |
| 7. Shri Cherian J. Kappen | } |

3. The Sub-Committee considered and finalised this Report at their sitting held on the 21st April, 1966.

4. The Sub-Committee place on record their appreciation of the assistance rendered to them in this matter by the Comptroller and Auditor General of India.

NEW DELHI;
April 21, 1966.
Vatsakha 1, 1888 (Saka).

M. P. BHARGAVA,
Convener,
Sub-Committee of P.A.C.

GENERAL

The Public Accounts Committee have repeatedly stressed the importance of expeditious and timely submission of notes/statements pursuant to the recommendations made by them in their Reports. The Committee had also extended the time limit for submission of these notes/statements from one month to three months from the date of the presentation of the Report to the House.

1.2. The Sub-Committee feel perturbed to note that despite this extension of time there has not been much improvement in the position regarding submission of notes to them as will be apparent from Appendix II to this Report. There are several instances where the submission of these notes has been outstanding since 1962-63 onwards. As such inordinate delays detract from the importance of the recommendations of the Committee and sometimes the purpose of the recommendations is lost due to such delays, the Sub-Committee would desire the Ministries/Departments concerned to examine the reasons for such delays and take remedial measures in this regard.

1.3. In accordance with the decision taken by the Committee (*vide* para 2 of their 12th Report—Third Lok Sabha) the notes/statements showing action taken on the recommendations of the Committee contained in their 27th, 28th, 29th, 31st, 33rd, 34th, 35th, 36th, 38th, 39th and 40th Reports (Third Lok Sabha) relating to Civil, Defence and Finance Accounts and Revenue Receipts have been appended to this Report without any comments. (Appendices V—XXIV).^{*} However some selected cases have been dealt with in Chapter III of the Report.

1.4. The Sub-Committee have come across cases where recommendations made by the Public Accounts Committee have not been implemented despite repeated reiteration. After a review of such cases, the Sub-Committee have commented upon some selected cases in Chapter II of this Report.

1.5. In some cases, indicated in Appendix I, the replies furnished by the Ministries/Depts. are of an interim nature and the Sub-Committee would, therefore, await further reports thereon. They hope that the final replies would be furnished in these cases expeditiously.

^{*}Printed in Vols. II—IV of this Report.

1.6. A list of recommendations of the Committee in respect of which the notes/statements are still awaited is given in Appendix II. From this Appendix it will be seen that notes/statements are outstanding for long periods from the Ministries of Commerce, Defence, Home Affairs, Information & Broadcasting and Department of Social Welfare.* The Sub-Committee desire that the submission of these notes should not be delayed any further.

*Now dealt with by Ministry of Commerce.

II

REVIEW OF ACTION TAKEN BY GOVERNMENT ON RECOMMENDATIONS MADE BY P.A.C. FROM TIME TO TIME

A. Civil Accounts

MINISTRY OF EDUCATION

Presentation of Audit Reports on the accounts of Central Universities to Parliament

2.1. The question of presentation of Audit Reports on the accounts of Central Universities to Parliament has been long outstanding before the Public Accounts Committee. The matter first came up before the Committee of 1951-52 who concurred in a suggestion of the then Comptroller and Auditor General that the President should cause these Reports to be presented to Parliament *vide* para 36 of First Report (First Lok Sabha).

2.2. In para 85 of their 7th Report (First Lok Sabha), the Committee of 1952-53 observed as follows:

“The Committee do not in any way want to impair the independence of the Universities. All that they are concerned with is that Parliament should be informed more precisely how the grants-in-aid paid to the Universities are spent and that they are wisely used.”

Pursuant to this, the Committee of 1954-55 were assured by the Ministry that early steps would be taken to make a statutory provision for submitting the Audit Reports on the Accounts of Central Universities to Parliament (para 43 of 15th Report, First Lok Sabha). The Committee of 1958-59 were further informed that even in anticipation of necessary provision in the relevant Statutes a decision had been taken by the Ministry of Education in consultation with the C. & A. G. to place the Audit Reports on the Accounts of the Central Universities before Parliament (para 37-39, 18th Report, Second Lok Sabha).

2.3. But the Committee of 1961-62 were informed by the Ministry of Education that for the following administrative reasons, Government did not consider it advisable to present Audit Reports on the accounts of the Central Universities to Parliament:—

- (i) In order to preserve the financial autonomy of the Central Universities, their financial affairs should not be made a subject of Public controversy or an issue in party politics.

- (ii) **The control over the Universities should be indirect and consistent with their place in the national life.**

2.4. **The Committee (1961-62) did not share the Ministry's apprehension that presentation of Audit Reports on the accounts of these Universities to Parliament might infringe their financial autonomy or result in making their financial affairs a subject of public controversy (para 60 of 42nd Report—Second Lok Sabha).**

2.5. **In para 6 of the 26th Report (Third Lok Sabha) the P.A.C. (1963-64) expressed concern over the inordinate delay in taking a final decision in the matter and observed that the matter had not been given the attention it deserved.**

2.6. **In October, 1964 the Ministry of Education informed the Committee that the entire grants to Central Universities are at present being paid by the University Grants Commission, the accounts of which are audited by the Comptroller and Auditor General and the Audit Report relating thereto is laid before Parliament. The Ministry further stated that in terms of the provision contained in the Acts of incorporation of the Central Universities their accounts, when audited, are required to be published in the Gazette of India and presented to the visitor along with the Audit Report, and that this procedure gives the Government the necessary opportunity for exercising such corrective and supervisory control over the affairs of these Universities as is needed. The Public Accounts Committee have not been satisfied with these explanations. In para 5 of their 40th Report (1965-66), the Committee have observed:**

"The Committee feel that the Parliament which vote the grants has a right to know what corrective and supervisory control has actually been exercised by the Government in rectifying the financial irregularities pointed out by the C. & A.G. in his Audit Reports. The Committee, therefore, suggest that Government should present Audit Reports on the accounts of the Central Universities to Parliament as they have done in the case of Audit Reports pertaining to the Port Trusts of Bombay, Calcutta and Madras, which are also autonomous bodies governed by statutes.

The Committee are, therefore, of the opinion that in the interest of Public accountability of the Universities in financial, as distinguished from academic matters, it is necessary that their accounts along with a separate Audit Report and Audit Certificates relating thereto are also presented to Parliament."

The reply of the Ministry is still awaited.

2.7. The Sub-Committee feel perturbed that the recommendation made by the Public Accounts Committee has not yet been implemented

even after a lapse of about 15 years. The Sub-Committee see no reason why there should be any hesitation in presenting the Audit Reports on the accounts of the Central Universities to Parliament as this step would in no way interfere with the academic freedom of the Universities.

MINISTRY OF FINANCE

(Deptt. of Economic Affairs)

Fixing of limits on the borrowing powers of Government by Parliament.

2.8. The question of fixing limits by Parliament on the borrowing powers of Government under Article 292 of the Constitution has been engaging the attention of the Committee since the year 1962-63. In para 15 of their 9th Report (1962-63), the Committee observed:

“The Committee feel that the existing manner of getting parliamentary approval to the borrowing programme of Government does not provide satisfactory opportunity of an intelligent appraisal in Parliament of the issues involved, which would be afforded, if there were a specific debate thereon. They understand that the practice established in the United Kingdom, Canada, Ceylon and the United States of America was to obtain the approval of the legislature either specifically before going to market for loans or to restrict the borrowing programme to the limits prescribed by the legislature. The Committee, therefore, suggest that a study might be made of the procedures followed in this regard in various democratic countries (as agreed to by the Secretary, Ministry of Finance during evidence) so as to arrive at a method of obtaining specific approval of Parliament to the borrowing programmes that would suit the needs of our developing economy.”

2.9. The Committee reiterated the recommendation in para 7 of their 22nd Report (Third Lok Sabha). The Ministry of Finance submitted a note to the Committee of 1964-65 giving a brief account of the procedure of Parliamentary Control over Government borrowing followed in the U.K., Canada, USA and Ceylon. The Ministry, however, urged that the present arrangement in India did not detract from Parliamentary Control over Government borrowing and added that in the circumstances Government was satisfied that no real advantage would be secured by prescribing statutory limits on Government borrowing. During evidence before the Committee, the Secretary, Department of Economic Affairs conceded that a proper system in this regard could be worked out, but it would have to take into account certain variations. The law might have a provision that

temporary variations could be made subject to Parliamentary approval by resolution as soon as the Parliament met again.

The Committee observed as follows:—

“The Committee can well appreciate the hesitancy and reluctance on the part of the Finance Ministry in regard to fixing a limit by Parliament on public borrowing by Government; but the Committee would like to emphasize the healthy principle enunciated in Article 292 of the Constitution. The Committee feel that at least a practical trial should be given to this principle. This is a very important right of Parliament and is being so exercised in other democratic countries like U.K., U.S.A., Canada and Ceylon. The present procedure under which Parliamentary approval is taken for borrowing programmes as indicated in the Five Year Plans and the annual budgets and for the expenditure from the Consolidated Fund to which the loans are credited, does not satisfy the constitutional requirements. The Committee are reassured to know the opinion of the Secretary, Department of Economic Affairs that a proper system of fixing a limit on Government borrowing could be evolved but it would have to take into account certain variations. The Committee feel that the law fixing such limits may have some scope for certain built-in flexibilities subject to *ex-post facto* approval of Parliament. Further these limits might be fixed for each Plan period so that they can be reviewed once in five years. The Committee desire that this matter should be carefully examined.”

2.10. The Ministry in a note to the Committee have stated that having regard to the fact that the provisions embodied in Article 292 of the Constitution are permissive and not mandatory, Government are still of the view that no real advantage would be secured by prescribing statutory limits on Government borrowing.

2.11. During the course of evidence, the Committee (1964-65) again enquired whether the Government had examined the position regarding fixing of a limit. The Ministry stated that the Government still adhered to its view that not much purpose would be served in fixing an overall limitation. The Ministry added that the matter, including the recommendation of the Committee had been put up to the Minister who had observed that the market borrowing programme was indicated in the budget and that ought to suffice. The Secretary of the Ministry, however, promised to re-submit the matter to the Minister. A further note furnished by the Ministry is enclosed as Appendix III-A.

2.12. In this note it has been stated that no real advantage would be secured by prescribing statutory limits on Government's borrowings.

and that such limits if imposed, would not only not result in greater control, but might on the other hand hamper the flexibility at present available

2.13. The Sub-Committee find it difficult to appreciate the stand taken by Government on this issue. In view of the provisions contained in Article 292 of the Constitution and the fact that such statutory limits do exist in other countries and that the debt of the Government of India has been steadily increasing, the Committee would like to re-iterate their earlier recommendations on this subject.

DEPARTMENT OF SOCIAL WELFARE

Central Social Welfare Board—Transactions kept outside the Consolidated Fund of India:

2.14. The financial transactions of the Central Welfare Board, which does not have a separate legal existence as a statutory body or a registered society, legally form part of the transactions of Government and should be accounted for within the Consolidated Fund of India. The transactions of the Board have, however, been kept outside the Consolidated Fund. The Ministry of Education had informed the Public Accounts Committee in 1959 that the status of the Board (which was constituted by a Resolution of Government) was under consideration.

2.15. During the course of evidence before the Committee (1962-63), the Secretary, Ministry of Education, had stated that the budget estimates of the Board figured as an independent sub-head in the Demands of the Ministry, and were placed before Parliament for approval every year. The Comptroller and Auditor General pointed out that:—

“since the Board had no legal entity, distinct from Government, giving of grants to the Board was not only constitutionally irregular but also fraught with risk in cases of default. The Secretary, Ministry of Education, agreed that the existing position was ‘anomalous’.”

2.16. The Committee of 1962-63 enquired why the Board was not placed on a statutory footing at the time of its establishment in 1953. The Secretary to the Ministry stated that as the need for the Board was urgent, and it was to be the first organisation of its kind in the country, it was decided to establish it on an experimental basis under a Resolution. Subsequently, the working of the Board was watched, and it was decided to accord statutory status to the Board. The witness admitted that there had been delay in bringing in the Bill for the purpose. The reason for this was that before doing so, the legal position had to be examined and the State Governments had also to be consulted.

The witness further added that a draft proposal had been prepared and would be shortly placed before the Cabinet for approval.

2.17. Subsequently, the Committee were informed by the Ministry of Finance (Expenditure) that the Administrative Ministry, in consultation with the Ministry of Finance had decided that the Central Social Welfare Board should be made a registered body.

2.18. The Committee at that time regretted that even though more than 9 years had elapsed since the Board had been set up, it was yet to be placed on a statutory footing and desired that the question of placing the Board on a statutory footing should be pursued.

[Para 25, Sl. No. 22, Appendix IV, 8th Report of P.A.C. (1962-63) 3rd Lok Sabha]

2.19. The Committee of 1963-64 again considered this matter. They were informed that:—

“There were certain legal and constitutional complications arising in the way of implementing this suggestion. It was felt that once the Board became a statutory body, it would have to function with some rigidity and its scope of activities would also be limited—it would then function largely as a planning and supervisory organisation and its grant giving functions might have to be curtailed.”

“On being asked whether the Board should not adhere to the constitutional provisions, it was admitted by the Secretary, Ministry of Education that a “Central Organisation should only perform what it was competent to perform”. He added that this suggestion would be kept in view at the time of giving a final shape to the powers and functions of the Board.”

The Committee's observations and recommendations were as follows:—

“The Committee regret to observe that even though more than 10 years have elapsed since the Board was set up, Government have not been able to constitute the Board as a legal entity and lay down precisely the scope and functions of this body, and in the meantime the Board has been allowed to undertake projects which are “beyond the scope of the resolution under which it was created”. Further, in the opinion of the Committee the doubt and fears expressed by the Ministry regarding the curtailment of functions of the Central Social Welfare Board on its being placed on a statutory footing do not appear to be well founded. Already there are other statutory bodies, like the Khadi & Village Industries Commission, the University Grants Commission etc., which enjoy powers to give grants-in-aid.

to private institutions. There should, therefore, be no difficulty in the case of this organisation. The Committee, therefore, reiterate their earlier recommendation contained in para 25 of 8th Report (3rd Lok Sabha) and would urge upon the Ministry to initiate legislation without further delay to regularise the anomalous position arising from the constitutionally irregular practice of giving grants to a body without a legal personality and keeping the funds outside the Consolidated Fund of India."

[Para 37, Sl. No. 37, Appendix IV, 19th Report of P.A.C. (1963-64) 3rd Lok Sabha]

2.20. Again the Committee of 1964-65 had to take up this matter as their recommendation had not been implemented. That Committee desired to know the present status of the Board:

"The representative of the Deptt. stated that it was an autonomous body for all practical purposes and at the same time a part of Government. The Committee pointed out that the following note had been received from the Ministry as a result of the action taken on their earlier recommendation (*vide* para 37 of their Nineteenth Report, Third Lok Sabha):—

"The proposal to give statutory status to the Central Social Welfare Board has been agreed to by the Ministry of Education. Meanwhile, the Department of Social Security has been established and the above proposal is being given fresh consideration in the broader and expanding context of social security."

The witness stated that because of all the different views taken by the Education Ministry at different times, it was thought expedient not to rush to any immediate change but to keep the *status quo* for the time being. On being pointed out by the Committee that it was wholly unconstitutional to give grant to such a body, the witness stated that as regards difficulty of giving money to other institutions, the Ministry of Law who were consulted had not raised any legal difficulty and they were, therefore, taking some time to come to an ultimate decision. At this the Committee drew the attention of the witness to the following Government standing orders regarding grants-in-aid:—

"A grant-in-aid can be given only to a person or body which is independent of the Government. One Department of the Government cannot make a grant-in-aid to another Department. An organisation set up by Government Resolution or an executive order does not have an independent juridical personality. It is only a limb of the Government. Government cannot give a grant to such an organisation."

The Committee of 1964-65 were perplexed to know that though the proposal to give statutory status to the Board had been agreed to by the Ministry of Education, this could not be implemented by the Department of Social Security when the Board was placed under that Department. The Committee were further surprised to learn that even the Ministry of Law who were consulted had not raised any legal difficulty in giving money to the Central Social Welfare Board which has no separate juridical personality. The Committee, however, reiterated their earlier recommendation contained in para 37 of the 19th Report (Third Lok Sabha) and desired that the Board which was set up more than a decade before, should be placed on a statutory footing without further delay."

[Para 58, Sl. No. 62, Appendix XI, 38th Report of P.A.C. (1964-65) Third Lok Sabha]

2.21. In a written note, the Committee of 1965-66 have been informed that the question of the future of the Central Social Welfare Board was still under consideration.

2.22. In the course of evidence on 5th February, 1966, the Committee were informed by the representative of the Department of Social Welfare that the question of giving statutory status to the Board was still under consideration. The question under consideration was as to which shape was to be given to the Board. The Committee pointed out that a period of 12 years, which has elapsed is extra-ordinarily a long period within which all the questions relating to giving statutory status to the Board should have been considered thoroughly and the Board placed on sound footing. The Ministry of Law had also suggested that some status should be accorded to the Central Social Welfare Board. In spite of this the Department has not come to any conclusion so far. The Secretary of the Department stated:—

"I must frankly confess that we realise the gravity of the situation and whoever becomes the Minister in charge of this, I am personally going to place before him the difficulty caused by the lack of decision and also the very strong recommendations and views of the P.A.C."

2.23. The Sub-Committee are constrained to observe that all previous recommendations of the Committee about giving statutory status to the Board yet remain to be implemented. It is surprising that the Board has been in existence for the last 12 years but no final decision in this regard has been arrived at yet. What is more surprising is that the Government has been advancing funds year after year to a body without a legal entity which the Committee consider as irregular and unconstitutional. The Sub-Committee desire that this anomalous position should be remedied without further delay.

MINISTRY OF WORKS, HOUSING AND URBAN DEVELOPMENT

Loss of Revenue due to defective planning of works—

2.24. The question of providing ancillary services along with the construction of Government buildings through better coordination between Government/Local Authorities has been engaging the attention of the Committee since 1959.

2.25. In para 40 of Central (Civil) Audit Report, 1959, it had been reported that certain residential units built by the CPWD at a station, remained vacant for long periods, owing to delay in the provision of ancillary services like (i) sanitary installations, and (ii) water supply and electric supply arrangements. In some cases the buildings were not handed over to the agency responsible for their allotment even after the essential services had been provided. The Audit Report quoted three instances of such delays. In one case the buildings were complete in all respects (including sanitary installations) by May, 1955 but were actually handed over to the authorities for occupation in December, 1956 after 18 Months.

2.26. In para 89 of their 25th Report, the PAC (1959-60) had urged upon the Ministry of W.H.S. to take proper steps to ensure better coordination between CPWD and the Delhi Municipal Authorities especially in the matter of ancillary services.

2.27. Again, in paras 65 and 66 of Central (Civil) Audit Report, 1960, cases involving delays in the provision of ancillary services in the newly constructed residential buildings, resulting thereby an avoidable extra expenditure and loss of revenue to Government were reported.

2.28. In para 195 of their 34th Report, the P.A.C. (1960-61) had urged upon the Ministry to take appropriate steps to ensure better coordination between the C.P.W.D. and the Municipal Authorities especially in the matter of providing ancillary services.

2.29. Again in para 48 of Central (Civil) Audit Report 1961, two cases involving delays in the provision of ancillary services in residential buildings which resulted in loss of revenue to Government were reported.

2.30. In para 238 of their 42nd Report (1961-62) the Committee were concerned to see such cases recurring year after year. The Committee felt that even granting that a time lag between the construction of a building and the provision of other services was unavoidable, by carefully planning and properly phasing the work of contractors, the time lag could be effectively minimised. They desire that the Ministry of Works, Housing and Supply should take suitable steps to avoid the recurrence of such cases in future.

2.31. The Committee were informed in evidence that at a meeting held in 1960, a suggestion was made that a single agency like the C.P.W.D. should be entrusted with both the construction of buildings and provision of ancillary services. The D.M.C. were agreeable to this proposal provided they were given a grant in lieu thereof to cover the loss of municipal taxes. The Committee had expressed regret to observe that a decision was yet to be reached even though 2 years had passed.

2.32. In para 40 of the Central (Civil) Audit Report, 1962, it was reported that under the scheme of providing residential accommodation to Industrial Workers at subsidised rates, construction of 1380 quarters was completed in 1957. Due to delay of more than one year in providing electric connections, defective boring of the tube-wells and the omission to provide over head tanks, the allotment of quarters were not completed till January, 1960. This resulted in a loss of rent to the extent of about Rs. 3.43 lakhs.

2.33. The Committee of 1962-63 were informed in evidence that a scheme was under examination of the Ministry according to which the C.P.W.D. would carry out the work on behalf of the Municipal Committee/Corporation and the accounts would be settled subsequently. The Committee had then observed that no decision could be reached in that matter even though more than 2 years had passed. They had regretted the casual manner in which the matter was being pursued by the Ministry.

2.34. The Committee also observed that the scheme was not properly planned, otherwise with a small additional expenditure in the first instance a loss of revenue to the extent of Rs. 3.43 lakhs would have been avoided.

2.35. The Ministry of Works and Housing intimated in a note subsequently that the question of Government taking up on themselves the responsibility of providing all civic amenities at their own cost in the Government colonies had been considered but due to administrative and other difficulties involved the proposal was dropped on the 27th May, 1963. It has been added that the Ministry of Home Affairs were requested on the 29th December, 1962 to impress upon the Municipal Corporation of Delhi to accept the procedure of the C.P.W.D. providing the services at their cost and later on recovering it from the local body concerned but they had not done so and the matter was still under consideration pending a decision regarding the payment of property tax by the Central Government. The N.D.M.C. had already accepted the principle.

2.36. In para 9 of 40th Report of P.A.C. (1964-65) the Committee regretted to note that the Ministry of Home Affairs had not taken any action on the suggestion of Ministry of Works and Housing since 29th December, 1962 and the matter was still pending.

2.37. The Committee urged the Ministry of Works and Housing to take up the matter further with the Ministry of Home Affairs to arrive at a final decision instead of allowing the matter to drag on indefinitely.

2.38. Again in para 66 of Audit Report 1964, it was reported that 6480 quarters in R. K. Puram, New Delhi the construction of some of which was completed in 1959, could not be allotted till 1962, due to delay in providing ancillary services like water supply etc. This delay had resulted in a loss of nearly Rs. 35.25 lakhs by way of rent apart from the avoidable expenditure on account of house-rent allowance paid to the staff who could not be allotted these quarters in time.

2.39. In para 68 of their 39th Report of P.A.C. (1964-65) the Committee regretted to observe that inspite of their observations made in para 89 of their 25th Report (1959-60) and para 238 of their 42nd Report (1961-62) that the Ministry of Works and Housing should take proper steps to ensure better coordination between C.P.W.D. and D.M.C. especially in the matter of provision of ancillary services, this kind of lack of coordination between D.M.C. and C.P.W.D. year after year was resulting in serious loss to the exchequer.

2.40. The Sub-Committee cannot help coming to the conclusion that an important recommendation of the Committee, which would have saved lakhs of rupees to the Public Exchequer, if implemented, has not been given the consideration it deserves resulting in a continuous loss of revenue. It is indeed surprising that during such a long period as 1959 to 1965 the Ministry of Works and Housing and Urban Development have not yet succeeded in implementing a recommendation which requires proper and effective coordination between the C.P.W.D. and the local authorities concerned (i.e. Municipalities, Corporation, etc.) in respect of provision of ancillary services. That this coordination is yet to be achieved, does no credit to any of these organisations.

B. Defence Services Accounts

MINISTRY OF DEFENCE

Future set up of Canteen Stores Department

2.41. The question of future set up of the Canteen Stores Department has been receiving the attention of the Public Accounts Committee since 1954-55. The financial transactions of the Canteen Stores Department continue to be kept outside the Consolidated Fund of India in contravention of the provisions of Article 266 of the Constitution. The effect of this irregular procedure has been that the expenditure incurred on this Organisation and the sums appropriated out of its profits for the purpose of welfare and amenities to troops from time to time has not been submitted to the vote of Parliament. The Committee of 1954-55 were informed that the matter regarding the future

set up of the Organisation was under consideration (para 40 of 14th Report—1st Lok Sabha).

2.42. The Committee of 1955-56 were informed that the draft preliminary bill had been prepared to place the Organisation on a Statutory basis. [Serial No. 32 of Appendix I to 19th Report—1st Lok Sabha.]

2.43. The Committee of 1957-58 were given to understand that it was proposed to allow the Canteen Stores Department (India) to function as at present and to finance it from the funds outside the Consolidated Fund of India, but within the Public Account. The Committee expressed the view that the position would still be extremely anomalous and they therefore, recommended that the question of placing the Organisation on a Statutory basis as a Corporate body under an Act of Parliament should be further considered (para 74 of 6th Report, 2nd Lok Sabha).

2.44. The Committee of 1958-59 observed,

“The Committee agree with the suggestion made by the C. & A. G. that such a Fund may be created with the approval of Parliament, signified either by a token vote or by a resolution, though not necessarily by statute. All expenditure out of the Canteen Stores Fund should be initially treated as expenditure from the Consolidated Fund of India by debiting it to Defence Services Estimates subject to the normal process of voting and appropriation by Parliament and subsequently transferred to the Canteen Stores Fund by a deduct entry. The Committee trust that Government would expedite a decision on the future set-up of the Canteen Stores Department which had been pending their consideration for the last four years.”

(Paras 83 of 17th Report—2nd Lok Sabha).

2.45. The Committee were informed in 1962-63 and 1963-64, that the C. & A. G. had made the following two alternative suggestions:

- “(i) The business of the Department should be transferred to a statutory corporation to be created by an Act of Parliament. This Act would provide for all the concessions at present enjoyed by the Department. In such a case, the accounts and estimates of the Deptt. would be excluded from the Public accounts and Consolidated Fund of India.
- (ii) A Canteen Stores Fund should be created within the public account of India with the approval of Parliament signified by a token Vote and an appropriate omnibus entry for

receipts and expenditure provided for in the Consolidated Fund Account of India.”

(Para 42 of 4th Report and para 12 of 17th Report—3rd Lok Sabha).

2.46. The Committee of 1963-64 were also informed that the second suggestion of the C. & A. G. was accepted by the Ministry of Defence but this was not however agreed to by the Ministry of Finance who desired that the receipts and expenditure of the Department should be completely within the Consolidated Fund. As this would have subjected the entire expenditure of this Department (including the disposal of profits) to the vote of Parliament, the Ministry of Defence could not agree with this. The Public Accounts Committee observed:

“ . . . While the Committee appreciate the Ministry's desire that the benefits all along enjoyed by the Servicemen should not be curtailed, they cannot reconcile themselves to the continuance of this irregularity any longer. The Committee desire the Ministry of Defence to further discuss the matter with the Comptroller and Auditor General and Finance with a view to evolving a satisfactory solution of the matter.”

(Para 12 of 17th Report—3rd Lok Sabha).

2.47. The Committee of 1964-65 were informed that when the budgetary arrangements for the setting up of Canteen Stores Department within the Public Accounts of India were discussed with the Ministry of Finance they pointed out:—

- “(a) All the transactions of the Canteen Stores Department should be exhibited under a major head within the Consolidated Fund of India.
- (b) The surplus of income over expenditure of the organisation should remain as part of the Government balances and in respect of grants to be made to the Welfare organisations, a separate vote of the Parliament should be obtained under the Expenditure Head of the Canteen Stores Department. It would not be correct to build up any investment account by utilising the disposable surplus income for purchase of securities since Government does not normally invest its balances in its own securities.”

2.48. The Ministry of Defence however argued that under the procedure suggested the profits earned by the undertaking and the grants given to the Welfare Organisation would not be related to each other with the result that the incentive which is there at present for running the Department on sound commercial principles may be

affected to some extent. If the automatic availability of the surplus of the income over the expenditure of the Department for being given as grants to the Welfare Organisations is taken away the Ministry apprehended that is every chance of the Defence Services getting dissatisfied.

2.49. The Committee observed as follows:

“The Committee appreciate the anxiety of the Ministry of Defence not to curtail any of the facilities enjoyed by the Welfare Organisations and agree with them in this respect. All that they are anxious to ensure is that the constitutional irregularity in keeping the financial transactions of the Canteen Stores Department outside the Consolidated Fund of India should be rectified. This can be easily done by adopting the procedure suggested by the Ministry of Finance. The difficulties pointed out by the Ministry of Defence can be overcome by establishing a convention to be followed by suitable orders that the entire profits earned by the Canteen Stores Department in any year should be given as a grant to Defence Welfare Organisations in the following year, in consonance with the existing practice. Government may implement this suggestion at an appropriate time.”

[S. No. 9, Appendix III to 40th Report (Third Lok Sabha)].

2.50. The Committee of 1965-66 have been informed that their suggestion will be examined at an appropriate time in consultation with the Ministry of Finance and the Comptroller and Auditor General, and a further note indicating the final action taken in the matter will be submitted in due course.

2.51. The Sub-Committee desire that this matter should be finalised early, as the constitutional irregularity in keeping the financial transactions of Canteen Stores Department outside the Consolidated Fund have been continued for several years.

2.52. The above cases indicate that there are instances where the recommendations of the Committee, though they were reiterated more than once, are not accepted by the Ministry concerned. The Ministries indicate the reasons why they are not in a position to implement the recommendations fully. Where the Committee consider these reasons as convincing they do not pursue the matter further. In some cases, however, after taking into consideration the reasons advanced by the Ministry, the Committee reiterate their earlier recommendation. **The Sub-Committee desire that a healthy convention should be developed whereby if there is any difficulty in implementing a recommendation reiterated by the Committee, the matter should be submitted to the Cabinet and its decision, communicated to the Committee.**

III

SELECTED CASES RELATING TO ACTION TAKEN ON THE RECOMMENDATIONS OF P.A.C. CONTAINED IN THEIR REPORTS OF 1964-65.

(A) Civil Accounts

MINISTRY OF COMMERCE

(Tea Board)

Labour Welfare Activities—Para 26 of 19th Report (3rd Lok Sabha)

3.1. In para 26 of the 19th Report (3rd Lok Sabha), the Committee had desired that a copy of the rules framed under section 10(3) of the Tea Act, 1963, might be furnished to them.

3.2. In their reply, the Ministry of Commerce have stated that at one stage it was thought that it might be necessary for the Central Government to frame rules for the purpose. This matter has been examined in consultation with the Ministry of Labour and Employment and they have formulated welfare schemes and framed rules for the grant of educational stipends. They have further stated that a large number of the beneficiaries at the moment are dependants of the office staff and other staff rather than the dependants of workers. It will be the endeavour of the Central Government to see that the Tea Board's current welfare schemes are more labour-oriented than at present. In the circumstances, the Central Government do not consider it necessary to frame another set of rules for the utilisation of funds earmarked for labour welfare in tea gardens.

3.3. As Section 10(3) of the Tea Act, 1953, provides that the "Tea Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government", the Sub-Committee feel that in addition to the rules framed for the grant of educational stipends Government should also frame rules in respect of the functions of the Tea Board as envisaged under Section 10 of the Act. *ibid.*

Ministry of Food & Agriculture and Community Development and Cooperation

(Deptt. of Food)

Scheme for the purchase of Foodgrains—S. No. 29(i) of Appendix XVI—para 32 of 20th Report of P.A.C. (Third Lok Sabha).

3.4. In para 32 of the 20th Report (Third Lok Sabha), the Committee had desired that arrears in regard to the investigation of cases for transit and storage losses should be cleared early and steps should be taken to reduce the losses in storage and distribution to the minimum.

3.5. The Sub-Committee find that out of 14,185 items of transit losses and 1096 items of storage losses pertaining to the period upto 31st March, 1962, the number of cases pending regularisation on 15th May, 1965 were—1263 items for transit losses and 280 items for storage losses. The Sub-Committee while appreciating the progress made in the matter would suggest that the tempo of work should be accelerated and all the pending cases be regularised at an early date. They would also like to be informed of the final outcome of the regularisation i.e., the quantum of loss suffered together with the cost involved in all these cases.

3.6. The importance of avoiding losses in storage and transit of foodgrains cannot be over-emphasized, even in normal times; the question assumes great urgency due to the present spell of the shortage of foodgrains. The Sub-Committee are, therefore glad to note that steps have been taken to minimise losses in storage transit and distribution. They would like to watch the results achieved through future Audit Reports.

3.7. The Sub-Committee, however, find that “the weights recorded on the weight bridges of ports and those recorded at the godowns are by different methods and on different scales. So long as machines are different or different modes of weighment are adopted, variations in weights are bound to occur.” While the Government have decided to instal lorry weigh-bridges at major depots, the Sub-Committee feel that this alone will not solve the problem completely. They therefore, suggest that a departmental Committee should be appointed to go into the question of introducing uniform method of weighment from the point of delivery at the port to the storage depots.

MINISTRY OF IRON & STEEL

Irregularities in respect of contracts placed with a firm—Para 90 of 8th Report of P.A.C. (Third Lok Sabha)

3.8. In para 64(A) of the Central (Civil) Audit Report, 1962, it had reported that out of 10,085 tons of imported steel to be supplied

by November, 1955 the firm supplied only 4024 tons by September, 1958 and failed to supply the balance. A recovery of Rs. 1.50 lakhs representing the difference between the controlled price actually charged by the firm from the indenter and the landed cost (which was lower) was forgone by treating the supply as one made outside the contract which was cancelled in February, 1961 i.e. two and a half years after the part supply was made.

3.9. In para 90 of their 8th Report, the Public Accounts Committee (1962-63) had expressed surprise at the manner in which the steel organisation had acted in this case. They failed to understand why the part supply was treated as "one outside the contract" and the recovery of surcharge of Rs. 1.50 lakhs payable by the firm under the terms of contract forgone. They had also desired that belated liquidated damages of Rs. 23.49 lakhs preferred against the firm should be recovered by making vigorous efforts.

3.10. The Sub-Committee learn from a note submitted by the Ministry in June, 1965 that the firm had refuted the claim of Rs. 1.50 lakhs on the ground that the material supplied had been imported from China and the then freight rates from the Chinese port were very high, but they did not produce the relevant shipping invoices prescribed in the Public Notice of April, 1952 wherefrom to verify this statement. It is further stated in the note, that legal opinion as to the remedy available to Government for the nonpresentation of the documents was being taken. The recovery of the amount of Rs. 23.49 lakhs also remains pending.

3.11. The Sub-Committee deprecate the way in which these matters have been pursued by Government. They would urge that effective steps should be taken to pursue these cases to ensure speedy settlement.

MINISTRY OF WORKS, HOUSING AND URBAN DEVELOPMENT

Chief Technical Examiner's Organisation, S. No. 83 (para 211) of Appendix IV to 34th Report (2nd Lok Sabha)—S. No. 110 (para 250) of Appendix I to 42 Report (2nd Lok Sabha)—S. No. 63 (para 66) of Appendix XXXVII to 39th Report (3rd Lok Sabha).

3.12. In para 211 of their 34th Report (2nd Lok Sabha) and para 250 of their 42nd Report (Second Lok Sabha) the P.A.C. had desired that the C.T.E. should present the results of inspections carried out by him in such a manner as would enable the Committee to come to some conclusions about the working of the C.P.W.D. and to know whether the C.T.E. which was set up at their instance, was functioning on right lines. They desired that these suggestions should be implemented without further delay.

3.13. The Public Accounts Committee (1964-65) had considered the activities of the C.T.E. Organisation. During the course of

evidence the Committee desired to be furnished with a note on the action taken on the recommendations of the P.A.C. contained in their 34th Report (Second Lok Sabha) and 42nd Report (2nd Lok Sabha) indicating the difficulties, if any, experienced by C.T.E. in giving the report on the lines suggested by the Committee. The Committee also desired that the Ministry might devise a form which would give a more realistic picture, of the functioning of the C.P.W.D.

3.14. The Ministry have intimated in a note subsequently that:—

“At present the following particulars are *inter alia* given in the Chief Technical Examiner’s Report:

- (1) The number of new works taken up for examination during a particular Report period; and the percentage of cases commented upon.
- (2) Amount of overpayments detected by the Chief Technical Examiner’s Organisation.
- (3) Important cases of irregularities noticed by the Organisation.
- (4) Cases referred to vigilance for examining the disciplinary aspect.

The observations made by the organisation include all types of irregularities and lapses noticed—whether minor or major. For determining the degree of seriousness of a case, a number of factors have to be considered *viz.* nature and extent of defects noticed in the work, whether defects/irregularities/lapses as observed were, *prima facie*, due to bonafide mistakes, errors of judgment or malafide intentions, financial implications of the defects/irregularities/lapses observed etc. Further, works are examined at various stages of progress and in a work on which only minor observations were made at one stage, major defects/irregularities/lapses might be detected at a later stage and, on the other hand, a case in which major observations were made at one stage, might be satisfactorily explained by the Department with consequent minimisation of the seriousness of the case. Thus, all the data given in the Reports, which include, apart from statistics of cases examined and commented upon, amounts of overpayments detected, specific important cases of irregularities and number of cases referred to Vigilance for disciplinary action, when considered collectively, can provide some criteria for forming an opinion about the working of the C.P.W.D. Like any other system of audit, utility of the organisation lies primarily in the preventive and prophylactic influence exercised by the concurrent technical

audit conducted by it on the working of the Central P.W.D. which cannot be assessed in terms of figures.

However, with a view to giving some indication of the quantum of works examined by the organisation, it is proposed to state in future reports the total contract amount of the works taken up for examination during a particular Report period along with the number of site inspections carried out. This data will also be subject to certain limitations as the works examined in a particular periods are also examined during subsequent Report periods, but such works are not included in more than one Report.

For the purpose of comparison, the organisation proposes to give the number and contract amount of new works taken up by the Central P.W.D. during the Report period. Though, because of certain time lag between the commencement of work and its technical examination this comparison will not be very realistic, it will give some idea of the relation between the number and value of works taken up for examination by the organisation and total number and value of works executed by the Central P.W.D. Similar statistics regarding scrutiny of final bills, contracts and muster rolls will also be given. The present practice of indicating the figures in regard to the items of works bills contracts and muster rolls observed upon, would be given up.

The organisation could also indicate the amount and percentage of overpayments due to serious irregularities or gross neglect so that some opinion could be formed about the working of the Central P.W.D.

If the Public Accounts Committee approves the above-mentioned procedure, it will be followed in future."

3.16. The Sub-Committee feel that the suggestions made by the Ministry should be given a fair trial and the results watched. They also desire that in addition to the suggestions made, the Ministry should give any other data which will be useful for assessment of the working of the C.P.W.D. and the functioning of the C.T.E. on right lines.

MINISTRY OF WORKS, HOUSING & URBAN DEVELOPMENT

(Delhi Development Authority)

(i) S. No. 1 (Para 4) of Appendix to 18th Report (3rd Lok Sabha)

3.17. The Committee of 1963-64 while commencing on the administrative expenditure under the General Development Account of D.D.A. during 1961-62 had observed as follows:—

"The Committee are not convinced of the explanation for such high expenditure (Rs. 2.65 lakhs) on administration under

the General Development Account. The Book value of the land left with the Authority at the end of 1961-62 was only Rs. 8.51 lakhs. Moreover, it was stated in evidence that the Authority would not now acquire any land on its own under the General Development Account. If so, the work that was being done hitherto (including the work relating to the preparation of the Master Plan) under this Account would shrink further. The Committee, therefore, feel that there is ample scope for economy in staff under this Account."

3.18. In a written note submitted to the Committee showing action taken by the Ministry of Health, it has been stated that:

"The expenditure of Rs. 2.65 lakhs, as pointed out by the PAC, on the cost of administration under the General Development Account includes the expenditure incurred on the administration and management of land which has been developed and leased out and from which approximately a sum of Rs. 2 lakhs per annum is realised on account of ground rent. The value of such developed land and already leased out property will be over 1½ crores of rupees. The figure of Rs. 2.65 lakhs also includes the expenditure of Rs. 85,000/- incurred in connection with the preparation of the Master Plan for Delhi. Therefore, this expenditure of Rs. 2.65 lakhs is not wholly related to the management of undisposed land valuing Rs. 8.51 lakhs."

3.19. It has further been stated in the note that although the Authority may not require any land hereafter, but they have since undertaken ten pilot projects for construction of houses for disposal on hire-purchase-cum-life insurance basis and once this scheme got in full swing the ratio of cost of administration and management to the total transactions on account of income and expenditure would go down.

3.20. It has also been stated in the note that most of the work on the preparation of zonal plans still remains to be done.

3.21. In order however to economise on its expenditure the D. D. A. had decided to streamline the existing procedure and methods of work in its office. An Officer trained in O. & M. has since been appointed from 4-6-65 for a period of 3 to 4 months. Government will review the position on receipt of the Report from the officer.

3.22. The Audit has pointed out that the average realisation on account of ground rent during 1961-62 to 1963-64 was Rs. 1.50 lakhs only and not Rs. 2 lakhs as stated in the note. The expenditure incurred during 1961-62 amounted to Rs. 1.80 lakhs. The expenditure was thus more than the average realisation. The Audit has further

stated that the work relating to the preparation of the Master Plan and revision to the Plan when considered necessary has been entrusted to the Town and country Planning Organisation and D. D. A. is only responsible for processing the draft master plan and draft zonal development plan and its final submission to the Government.

3.23. It has however been contended by the Government that the realisation each year was not less than Rs. 2 lakhs. With regard to the work relating to the master plan and zonal plan, it has been claimed that considerable work is still being done by the D. D. A.

3.24. The Sub-Committee feel that the administrative expenditure of the D. D. A. needs to be curtailed and they are not convinced by the arguments advanced in this matter. They would, however, like to be informed of the economy effected in the administration on the Report of the O. & M. Officer.

Action taken on 34th Report of P.A.C. (3rd Lok Sabha)

3.25. In their 34th Report pertaining to grants, loans, contracts and facilities given by the Central Government Ministries/Departments to Bharat Sevak Samaj, the Committee had made 63 recommendations to the various Ministries/Departments. In this connection, a memorandum was received from the Bharat Sevak Samaj containing replies to the observations made by the Committee in their 34th Report. As the observations/recommendations of the Committee in their Report were meant to be implemented by the Ministries/Departments concerned, the Committee had decided to consider this memorandum along with the replies from the Ministries/Departments concerned. A statement indicating the final replies received from the Ministries/Departments concerned is given in Appendix III. From this statement it will be seen that only a small percentage of final replies have been received though more than one year has passed since the Report was presented to the House.

3.26. The Sub-Committee therefore decided to keep the matter pending till all the replies are received from the Ministries/Departments concerned. They would urge that the replies on all the outstanding recommendations may be expedited.

(B) Defence Services Accounts

MINISTRY OF DEFENCE

Delay in establishing electropolishing facilities (para 33 of the 33rd Report—3rd Lok Sabha)

3.27. The Public Accounts Committee in para 33 of their 33rd Report (3rd Lok Sabha) have commented on the delay in establishing electropolishing facilities which resulted in the heavy accumulation of turbine blades.

3.28. The Committee of 1964-65 were informed in a written note that the rectifier was received at the Repair and Maintenance Depot in October, 1963 and installed there immediately (para 33 of 33rd Report, 3rd Lok Sabha). In a note now furnished pursuant to their recommendation, the Ministry of Defence have stated that the reply given to the Committee earlier in a written note that the rectifier has already been installed was not correct. The position however, was that in January, 1964 in reply to a query from Air Headquarters, the Air Force Station, Kanpur had replied that there no hold up in the electropolishing of turbine blades. Air Headquarters had assumed that the rectifier was installed and the Government was informed accordingly. The same information was incorporated in the Ministry's note in reply to PAC's query. Subsequently, the position was again checked up at the instance of audit and it was found that the rectifier was not installed. The rectifier had been temporarily installed since March, 1965 and was now being used for electropolishing of turbine blades.

3.29. The Sub-Committee are constrained to observe that due care was not exercised in replying to their query and an incorrect information was furnished to them. They trust that the Ministries would exercise proper care in preparing all notes to be submitted to the Committee.

Provision of a Railway halt near Pawai Colony (Para 48 of 33rd Report—3rd Lok Sabha)

3.30. The Public Accounts Committee in para 48 of their 33rd Report (3rd Lok Sabha) had stated that the dockyard workers experienced considerable difficulty in the absence of a Railway halt near the colony. They had, therefore, suggested that the feasibility of providing a suitable train stoppage near the colony may be examined in consultation with the Ministry of Railways.

3.31. The Ministry have now stated that the matter had been examined in consultation with the Ministry of Railways (Railway Board) on a number of occasions both at the Secretariat and the Ministerial level. As late as 2nd September, 1964, the Chairman, Railway Board regretted his inability to agree to the proposal to open a new suburban Railway Station at Pawai on financial considerations. In view of this it was proposed to drop the matter.

3.32. The Sub-Committee regret to observe that their recommendation which was given in February, 1965 has not been considered with due attention by the Ministry of Defence. It appears from the note that the matter was not taken up with the Railways after the recommendation of the Committee. The proper course would have been to refer the matter again to the Ministry of Railways (Railway Board) for further consideration.

PART II—PROCEEDINGS

Proceedings of the Ninety-third sitting of the Public Accounts Committee held on Thursday, the 21st April, 1966

The Committee sat from 16.05 to 16.30 hrs.

PRESENT

Shri R. R. Morarka—*Chairman*

MEMBERS

2. Shri Ram Dhani Das
3. Shri Cherian J. Kappen
4. Shri V. C. Parashar
5. Shri Surendra Pal Singh
6. Shri M. P. Bhargava
7. Shri Chandra Shekhar
8. Shri Ram Sahai
9. Shri Atal Bihari Vajpayee

Shri P. N. Bhandari—*Addl. Dy. Comptroller & Auditor General*

Shri R. K. Khanna—*Addl. Dy. Comptroller & Auditor General*

Shri D. D. Dhingra—*A.G.C.W. & M.*

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary*

Shri R. M. Bhargava—*Under Secretary*

2. The Committee considered and adopted the following draft reports with certain modifications here and there:—

- (i) 50th Report on Export Promotion Schemes and the allied matters with reference to para 88 of the Audit Report (Civil) on Revenue Receipts, 1965.
- (ii) 51st Report of P.A.C. on paras 7 and 8 of Audit Report (Defence Services), 1965.
- (iii) 52nd Report on the Action taken by Government on the recommendations of the P.A.C. contained in their 27th, 28th, 29th, 31st, 33rd, 34th, 35th, 36th, 38th, 39th and 40th Reports (Third Lok Sabha) relating to Civil,

Defence, Finance Accounts and Revenue Receipts as well as a review of action taken by Government on recommendations made by the Committee from time to time.

The Committee also authorised the Chairman, P.A.C. to make further minor changes in the Reports as might be deemed necessary.

3. The Committee authorised the Chairman, P.A.C., Shri Surendra Pal Singh to present the 50th Report to Lok Sabha. They also authorised Shri Atal Bihari Vajpayee/Shri Chandra Shekhar to lay the Report on the Table of Rajya Sabha.

4. The Committee authorised the Chairman, P.A.C./Shri V. C. Parashar to present the 51st Report to Lok Sabha. They also authorised Shri M. P. Bhargava/Shri Ram Sahai to lay the Report on the Table of Rajya Sabha.

5. The Committee authorised the Chairman, P.A.C./Shri Ram Dhani Das to present the 52nd Report to Lok Sabha. They also authorised Shri M. P. Bhargava/Shri Atal Bihari Vajpayee to lay the Report on the Table of Rajya Sabha.

The Committee then adjourned.

APPENDICES

APPENDIX I

(Vide Para 1.5 of Report)

Replies received from the Ministries/Departments in respect of the recommendations which are of an interim nature

Para No. Of P.A.C. Reports	Serial No.	Ministry/Department concerned
1	2	3
CIVIL ACCOUNTS		
35th Report—Appendix XII		
Para No. 17	16	Commerce.
20th Report—Appendix XVI		
Para No. 1	1	External Affairs.
Para No. 20	17	Do.
26th Report—Appendix II		
Para No. 4	3	Do.
31st Report—Appendix XVIII		
Para No. 6 (ii)	4	Finance.
39th Report—Appendix XXVII		
Para No. 15	12	Do.
Para No. 19	16	Do.
23rd Report—Appendix III		
Para No. 154	138	Food, Agriculture, Comm unit Development & Co-opera- tion. (Deptt. of Agriculture)
26th Report—Appendix II		
Para No. 10	9	Do.
35th Report—Appendix XII		
Para No. 28	26	Do.
Para No. 29	27	Do.

1	2	3
39th Report—Appendix XXVII		
Para No. 84	81	Food, Agriculture, Community Development & Co-operation (Dept. of Agriculture)
8th Report—Appendix IV		
Para No. 54	51	Do. (Deptt. of Food)
Para No. 57	54	Do.
20th Report—Appendix XVI		
Para No. 32	29	(Deptt. of Food).
35th Report—Appendix XII		
Para No. 35	33	Do.
Para No. 40	38	Do.
Para No. 43	41	Do.
Para No. 45	43	Do.
20th Report—Appendix XVI		
Para No. 39	37	Health
35th Report—Appendix XII		
Para No. 47	45	Do.
Para No. 58	56	Do.
Para No. 59	57	Do.
Para No. 60	58	Do.
Para No. 64	62	Do.
20th Report—Appendix XVI		
Para No. 47	45	Home Affairs
36th Report—Appendix XVII		
Para No. 4	4	Do.
35th Report—Appendix XII		
Para No. 74	72	Industry
Para No. 79	77	Do.
8th Report—Appendix IV		
Para No. 71	68	Information & Broadcasting.
20th Report—Appendix XVI		
Para No. 53	51	Do.

1	2	3
8th Report—Appendix IV		
Para No. 94 (ii)	91	Iron & Steel.
12th Report—Appendix I		
Para No. 6	6	Do.
8th Report—Appendix IV		
Para No. 121	118	Labour & Employment and Rehabilitation (Deptt. of Rehabilitation).
Para No. 125	122	Do.
24th Report—Appendix III		
Para No. 63	63	Do.
Para No. 66	66	Do.
39th Report—Appendix XXVII		
Para No. 28	25	Do.
23rd Report—Appendix III		
Para No. 145	131	Petroleum & Chemicals.
Para No. 149	133	Do.
7th Report—Appendix III		
Para No. 59	52	Deptt. of Social Welfare.
Para No. 63	56	Do.
19th Report—Appendix IV		
Para No. 44	44	Do.
20th Report—Appendix XVI		
Para No. 58	56	Do.
38th Report—Appendix XI		
Para No. 58	62	Do.
8th Report—Appendix IV		
Para No. 109	106	Works, Housing & Urban Development.
Para No. 113	110	Do.
Para No. 114	111	Do.

1	2	3
26th Report—Appendix II		
Para No. 4—Item No. 5. (Para 239 of 42nd Report & S. No. 141 of Appendix II to 12th Report 1962-63).	3	Works, Housing & Urban Development.
24th Report—Appendix III		
Para No. 29	29	Do.
Para No. 29 (ii)	29(II)	Do.
Para No. 34	34	Do.
Para No. 38	38	Do.
Para No. 41	41	Do.
Para No. 42	42	Do.
Para No. 44	44	Do.
Para No. 50	50	Do.
Para No. 53	53	Do.
39th Report—Appendix XVIII		
Para No. 53	56	Do.
Para No. 54	57	Do.
40th Report—Appendix III		
Para No. 9	8	Do.
FINANCE ACCOUNTS		
9th Report —Appendix V		
Para No. 17	15	Finance.
Para No. 14	12	Do.
DEFENCE SERVICES ACCOUNTS		
48th Report—Appendix II		
Para No. 7	9	Defence.
11th Report—Appendix III		
Para No. 13	11	Defence.
17th Report—Appendix VII		
Para No. 10	9	Defence
Para No. 21	20	Do.
Para No. 22	21	Do.

I	2	3
26th Report—Appendix II		
Para No. 28	27	Defence.
Para No. 30	29	
33rd Report—Appendix XX⁴		
Para No. 15 (ii)	14	Defence.
Para No. 18	17	
Para No. 21	20	
Para No. 29	28	
Para No. 32	31	
Para No. 36	35	
Para No. 37	36	
Para No. 38	37	
Para No. 42	41	
Para No. 66	66	
Para No. 73	73	

APPENDIX II

(Vide Paras 1-2 and 1-6 Report)

List of Recommendations of the Committee in respect of which the notes are still awaited

Para No. of P.A.C. Report	Serial No.	Ministry/Department concerned
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CIVIL ACCOUNTS

29th Report—Appendix XVIII

Para No. 1	1	Cabinet Sectt. (Deptt. of
Para No. 2	2	Statistics).
Para No. 4	4	
Para No. 5	5	
Para No. 6	6	
Para No. 7	7	

7th Report—Appendix III

Para No. 72	65	Commerce.
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19th Report—Appendix V

Para No. 14	14	Do.
Para No. 15	15	
Para No. 16	16	
Para No. 17	17	
Para No. 18	18	
Para No. 19	19	
Para No. 20	20	
Para No. 21	21	
Para No. 22	22	
Para No. 27	27	

35th Report—Appendix XII

Para No. 1	1	Do.
Para No. 2	2	
Para No. 3	3	
Para No. 4	4	

Para No. of P.A.C. Report	Serial No.	Ministry/Deptt. concerned
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Para No. 5	5	Commerce.
Para No. 6	6	
Para No. 7	7	
Para No. 8	8	
Para No. 9	9	
Para No. 10	10	
Para No. 11	11	

24th Report—Appendix III

Para No. 14	14	Education.
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29th Report—Appendix XVIII

Para No. 11	11	Education.
Para No. 12	12	
Para No. 13	13	
Para No. 14	14	
Para No. 16	16	
Para No. 24	24	
Para No. 25	25	
Para No. 29 (i)	29	
Para No. 32	32	
Para No. 33	33	
Para No. 36	35(i)	
Para No. 37	36	
Para No. 38	37	
Para No. 40	39	
Para No. 41	40	
Para No. 42	41	
Para No. 43	42	
Para No. 44	43	
Para No. 45	44	
Para No. 46	45	
Para No. 51	50(i)	
Para No. 59	58	
Para No. 67	66	
Para No. 68	67	

Para No. of P.A.C. Report	Serial No.	Ministry/Deptt. concerned.
<i>29th Report—Appendix XVIII</i>		
Para No. 10	10	Community Development.
<i>35th Report—Appendix XII</i>		
Para No. 53	51	Health.
<i>8th Report—Appendix IV</i>		
Para No. 69	66	Home Affairs.
<i>26th Report—Appendix II</i>		
Para No. 13	12	Do.
<i>35 Report—Appendix XII</i>		
Para No. 70	68	Do.
Para No. 71	69	
Para No. 72	70	
Para No. 73	71	
<i>31 Report—Appendix XVIII</i>		
Para No. 6(iv)	6	Do.
<i>26th Report—Appendix II</i>		
Para No. 23	22	Industry.
<i>31st Report—Appendix XVIII.</i>		
Para No. 6(i)	3	Do
<i>39th Report Appendix XXVII</i>		
Para No. 83	80	Do.
<i>23rd Report—Appendix III</i>		
Para No. 157	141	Information & Broadcasting
<i>38th Report—Appendix XI</i>		
Para 12	13	Do.
Para 13	14	
Para 14	15	
Para 15	16	
Para 16	17	

Para No. of P.A.C. Report	Serial No.	Ministry/Deptt. concerned
Para 17 . . .	18	Information and Broadcasting
Para 18 . . .	19	
Para 19 . . .	20	
Para 20 . . .	21	
Para 21 . . .	22	
Para 22 . . .	23	
Para 23 . . .	24	
Para 24 . . .	25	
Para 25 . . .	26	
Para 26 . . .	27	
Para 27 . . .	28	
Para 27 . . .	29	
<i>12th Report—Appendix I</i>		
Para 5(ii) . . .	5	Iron & Steel.
<i>39th Report—Appendix XXVII</i>		
Para 34 . . .	31	Do.
Para 35 . . .	32	
Para 36 . . .	33	
Para 37 . . .	34	
Para 38 . . .	35	
Para 39 . . .	36	
Para 40 . . .	37	
Para 41 . . .	38	
Para 42 . . .	39	
Para 43 . . .	40	
Para 44 . . .	41	
Para 45 . . .	42	
Para 46 . . .	43	
<i>39th Report—Appendix XXVII</i>		
Para 13 . . .	10	Mines & Metals
Para 14 . . .	11	
Para 47 . . .	44	
Para 48 . . .	45	
Para 49 . . .	46	
Para 50 . . .	47	

Para No. of P.A.C. Report	Serial No.	Ministry/Deptt. concerned.
Para 51 . . .	48	Mines and Metals
Para 52 . . .	49	
Para 53 . . .	50	
Para 54 . . .	51	
<i>7th Report—Appendix III</i>		
Para 64 . . .	57	Social Welfare
Para 67 . . .	60	(Now Ministry of Commerce)
<i>19th Report—Appendix IV</i>		
Para 2 . . .	2	Do.
Para 3 . . .	3	
Para 4 . . .	4	
Para 5 . . .	5	
Para 7 . . .	7	
Para No. 19	10	
Para 11 . . .	11	
<i>38th Report—Appendix XI</i>		
Para 45 . . .	47—48	Do.
Para 46 . . .	49	
Para 47 . . .	50—51	
Para 48 . . .	52	
Para 49 . . .	53	
Para 50 - . . .	54	
Para 51 . . .	55	
Para 52 . . .	56	
Para 53 . . .	57	
Para 55 . . .	59	
Para 56 . . .	60	
<i>19th Report—Appendix V</i>		
Para 7 . . .	7	Supply & Tech. Development.
Para 30 . . .	30	
Para 31(i) . . .	31	

Para No. of P.A.C. Report Serial No. Ministry/Deptt. concerned.

38th Report—Appendix XI

Para 1	. . .	1	Supply & Tech. Development
Para 2	. . .	2	
Para 3	. . .	3	
Para 4	. . .	4	
Para 5	. . .	5	
Para 5	. . .	6	
Para 6	. . .	7	
Para 7	. . .	8	
Para 8	. . .	9	
Para 9	. . .	10	

38th Report—Appendix XI

Para 28	. . .	30	Transport
Para 29	. . .	31	
Para 30	. . .	32	
Para 30	. . .	33	
Para 31	. . .	34	
Para 32	. . .	35	
Para 33	. . .	36	
Para 34	. . .	37	
Para 35	. . .	38	
Para 36	. . .	39	
Para 37	. . .	40	

38th Report—Appendix—XI

Para 38	. . .	41	Transport.
Para 39	. . .	42	
Para 40	. . .	43	
Para 41	. . .	44	
Para 42	. . .	45	
Para 43	. . .	46	
Para 43	. . .	47	
Para 44	. . .	46	

3rd Report—Appendix

Para 8(vii)	. . .	11	Works, Housing & Urban Development.
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Para No. of P.A.C. Report	Serial No.	Ministry/Deptt. concerned.
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24th Report—Appendix III

Para 33	33	Works, Housing and Urban Development
Para 46	46	
Para 47	47	
Para 52	52	
Para 58	58	

39th Report—Appendix XXVII

Para 55	52	Do
Para 61	58	
Para 62	59	
Para 63	60	
Para 64	61	
Para 65	62	
Para 66	63	
Para 72	69	
Para 73	70	
Para 74	71	
Para 75	72	
Para 79	76	

FINANCE ACCOUNTS

*36th Report—Appendix**XVII*

Para 2	2	Finance
Para 3	3	
Para 4	4	
Para 6	6	
Para 8	8	
Para 10	9	
Para 16	15	
Para 17	16	
Para 19	18	
Para 20	19	
Para 22	20	
Para 25	23	

Para No. of P.A.C. Report	Serial No.	Ministry/Deptt. concerned.
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Revenue Receipts

21st Report—Appendix III

Para 37	36	Commerce
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27th Report—Appendix XXII

Para 51	45	Finance
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28th Report—Appendix VII

Paras 9-10	8—9	Finance
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Paras 15-16	14—15	
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Paras 21-23	18—20	
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Paras 28-30	24—26	
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Para 35	30	
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Para 37	32	
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Para 41	35	
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Para 43	37	
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Para 45	39	
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Para 52	45	
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Para 53	46	
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Defence Services Accounts

4th Report—Appendix II

Para 5	7	Defence
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Para 22	24	
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Para No. of P.A.C. Report	Serial No.	Ministry/Deptt. concerned
Para 32	35	Defence
Para 38	41	
Para 44	47	(Finance)
<i>11th Report—Appendix III</i>		
Para 16	14	Do
Para 20	18	Do
<i>17th Report—Appendix VII</i>		
Para 6	5(i)	Defence
Para 23	22	
Para 24-28	23	
Para 47	37 (i)	
Para 48	37 (ii)	
Para 49	37 (iii)	
Para 62	46	
Para 63	47	
Para 64	48	
Para 65	49	
Para 66	50	
Para 68	52(i)	
Para 69	52(ii)	
Para 70	52(iii)	
Para 71	52(iv)	
Para 72	52(v)	
Para 73	52(vi)	
Para 76	54	
Para 77	55(i)	
Para 78	55 (ii)	
Para 79	55(iii)	
Para 80	56(i)	
Para 81	56(ii)	
Para 83	58	
Para 84	59	
Para 85	60	
Para 86	61	
Para 87	62	
Para 88	63	
Para 90	65	

Para No. of P.A.C. Report	Serial No.	Ministry/Deptt. concerned
<i>26th Report—Appendix II</i>		
Para 27	25	Defence
Para 29	29	
<i>33rd Report—Appendix XX</i>		
Para 7	6	
Para 8	7	
Para 9	8	
Para 10	9	
Para 11	10	
Para 13	12	
Para 19	18	
Para 30	29	
Para 31	30	
Para 39	38	
Para 40	39	
Para 41	40	
Para 44	43	
Para 50	49	
Para 51	50	
Para 52	51	
Para 54	53	
Para 55	54	
Para 56	55	
Para 57	56	
Para 59	59	
Para 62	62	
Para 63	63	
Para 65	65	
Para 67	67	
Para 68	68	
Para 69	69	
Para 70	70	
Para 75	75	
<i>40th Report—Appendix III</i>		
Para 11	10	Do.

APPENDIX III

(Vide Para 3.25 of the Report)

Action taken on the recommendations contained in the Thirty-Fourth Report (Third Lok Sabha) on Bharat Sevak Samaj.

The position regarding submission of notes by the Ministries concerned showing action taken on the recommendations contained in the above mentioned Report of P.A.C. is as follows :

Ministry	No. of Recom- menda- tions (includ- ing Sub- paras)	No. on which note received	No. on which note awaited	Balance S. Nos. of Appendix XLVII
1. Planning Commission	27	1	26	1, 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 39, 40, 48, 49, 58, 62, 63.
2. Community Development.	3		3	8, 19, 21.
3. Education	4	4		
4. Finance (EXP)	3	3	..	
5. Finance (Rev.)	3	1	2	59, 60
6. Health	2	2	..	
7. I. & B.	10	..	10	22(i) (iii), (iv), (vi); 23, 24, 25, 26, 27, 28.
8. Social Security	2	2	..	
9. W., H. & Urb Dev.	21	14	7	36, 46, 47, 53, 56, 57, 58.
10. Finance (E. A. Deptt.)	1	..	1	54.
11. Home Affairs	1	..	1	45.

APPENDIX III-A

(Vide Para 2.11 of Report)

Copy of D.O. No. F-4(41)-W&B/65, dated the 11th February, 1966 from the Jt. Secy., Ministry of Finance (Department of Economic Affairs)

We have already submitted a note to the Public Accounts Committee explaining Government's views on the subject of statutory limits on Government's borrowings. Secretary, Department of Economic Affairs also explained our stand in this regard at the Committee's sitting held on the 4th February, 1966. He, however, offered, following questions by the Chairman, to obtain the Finance Minister's orders again on the Committee's earlier recommendation on this subject. We have since done so and have to report for the information of the Committee that the Finance Minister agrees, for reasons already explained, that no real advantage would be secured by prescribing statutory limits on Government's borrowings and that such limits, if imposed would not only not result in greater control, but might on the other hand hamper the uexbility at present available.

APPENDIX IV

Summary of Main Conclusions/Recommendations

S. No.	Para No. of Report	Ministry/Deptt. concerned	Conclusions/Recommendations
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4

1. 1.2 All Ministries

The Committee feel perturbed to note that despite this extension of time there has not been much improvement in the position regarding submission of notes to them as will be apparent from Appendix II to this Report. There are several instances where the submission of these notes has been outstanding since 1962-63 onwards. As such inordinate delays detract from the importance of the recommendations of the Committee and sometimes the purpose of the recommendations is lost due such delays, the Committee would desire the Ministries/Departments concerned to examine the reasons for such delays and take remedial measures in this regard.

2. Do.

1.5

In some cases, indicated in Appendix I, the replies furnished by the Ministries/Deptts. are of an interim nature and the Sub-Committee would, therefore, await further reports thereon. They hope that the final replies would be furnished in these cases expeditiously.

From this Appendix II it will be seen that notes/statements are outstanding for long periods from the Ministries of Commerce, Defence, Home Affairs, Information & Broadcasting and Department of Social Welfare*. The Committee desire that the submission of these notes should not be delayed any further.

3	1.6	Commerce
		Defence
		Home Affairs
		Information and Broadcasting
		Deptt. of Social Welfare

The Committee feel perturbed that the recommendation made by the Public Accounts Committee has not yet been implemented even after a lapse of about 15 years. The Committee see no reason why there should be any hesitation in presenting the Audit Reports on the accounts of the Central Universities to Parliament as this step would in no way interfere with the academic freedom of the Universities.

4 2.7

The Committee find it difficult to appreciate the stand taken by Government on this issue. In view of the provisions contained in Article 292 of the Constitution and the fact that such statutory limits do exist in other countries and that the debt of the Govt. of India has been steadily increasing, the Committee would like to re-iterate their earlier recommendations on this subject.

5 2.13

The Committee are constrained to observe that all previous recommendations of the Committee about giving statutory status to the Board

6 2.23

Deptt. of Social
Welfare

yet remain to be implemented. It is surprising that the Board has been in existence for the last 12 years but no final decision in this regard has been arrived at yet. What is more surprising is that the Government has been advancing funds year after year to a body without a legal entity which the Committee consider as irregular and unconstitutional. The Committee desire that this anomalous position should be remedied without further delay.

The Committee cannot help coming to the conclusion that an important recommendation of the Committee, which would have saved lakhs of rupees to the Public Exchequer, if implemented, has not been given the consideration it deserves resulting in a continuous loss of revenue. It is indeed surprising that during such a long period as 1959 to 1965 the Ministry of Works and Housing and Urban Development have not yet succeeded in implementing a recommendation which requires proper and effective coordination between the CPWD and the local authorities concerned (*i.e.* Municipalities, Corporation, etc.) in respect of provision of ancillary services. That this coordination is yet to be achieved, does no credit to any of these organisations.

The Committee desire that this matter should be finalised early, as the constitutional irregularity in keeping the financial transactions of Canteen Stores Department outside the consolidated Fund have been continued for several years.

The Committee desire that a healthy convention should be developed whereby if there is any difficulty in implementing a recommendation reiterated by the Committee, the matter should be submitted to the Cabinet and its decision, communicated to the Committee.

7 2.40 Works, Housing
and urban Develop-
ment

Home Affairs

8 2.51 Defence

9 2.52 Cabinet
Secretariat

All Ministries

*Now dealt with by Ministry of Commerce.

As Section 10(3) of the Tea Act, 1953, provides that the "Tea Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government," the Committee feel that in addition to the rules framed for the grant of educational stipends Government should also frame rules in respect of the functions of the Tea Board as envisaged under Section 10 of the Act *ibid*.

Commerce

3.3

10

The Committee find that out of 14,185 items of transit losses and 1096 items of storage losses pertaining to the period upto 31st March, 1962, the number of cases pending regularisation on 15th May, 1965 were—1263 items for transit losses and 280 items for storage losses. The Committee while appreciating the progress made in the matter would suggest that the tempo of work should be accelerated and all the pending cases be regularised at an early date. They would also like to be informed of the final outcome of the regularisation *i.e.*, the quantum of loss suffered together with the cost involved in all these cases.

Food and
Agriculture
(Department of
Food)

3.5

11

The importance of avoiding losses in storage and transit of food-grains cannot be over-emphasized, even in normal times; the question assumes great urgency due to the present spell of the shortage of food-grains. The Committee are, therefore glad to note that steps have been taken to minimise losses in storage transit and distribution. They would like to watch the results achieved through future Audit Reports,

- 12 3.7 Do. The Committee, however, find that "the weights recorded on the weigh-bridges of ports and those recorded at the godowns are by different methods and on different scales. So long as machines are by different or different modes of weighment are adopted, variations in weights are bound to occur." While the Government have decided to instal lorry weigh-bridges at major depots, the Committee feel that this alone will not solve the problem completely. They, therefore, suggest that a departmental Committee should be appointed to go into the question of introducing uniform method of weighment from the point of delivery at the port to the storage depots.
- 13 3.11 Iron and Steel The Committee deprecate the way in which these matters have been pursued by Government. They would urge that effective steps should be taken to pursue these cases to ensure speedy settlement.
- 14 3.16 Works, Housing and Urban Development The Committee feel that the suggestions made by the Ministry should be given a fair trial and the results watched. They also desire that in addition to the suggestions made, the Ministry should give any other data which will be useful for assessment of the working of the C.P.W.D. and the functioning of the C.T.E. on right lines.
- 15 3.24 Do. The Committee feel that the administrative expenditure of the D.D.A. needs to be curtailed and they are not convinced by the arguments advanced in this matter. They would, however, like to be informed of the economy effected in the administration on the Report of the O & M Officer.

4

3

2

1

The Committee therefore decided to keep the matter pending till all the replies are received from the Ministries/Departments concerned. They would urge that the replies on all the outstanding recommendations may be expedited.

16 Planning Commission

3-26

Dept. of Community Development

Finance (Revenue)

Information and Broadcasting

Works, Housing and Urban Development

Finance (Ec. Affairs)

Home Affairs

Defence

3-29

All Ministries

Defence

3-32

Railways

The Committee are constrained to observe that due care was not exercised in replying to their query and an incorrect information was furnished to them. They trust that the Ministries would exercise proper care in preparing all notes to be submitted to the Committee.

The Committee regret to observe that their recommendation which was given in February, 1965 has not been considered with due attention by the Ministry of Defence. It appears from the note that the matter was not taken up with the Railways after the recommendation of the Committee. The proper course would have been to refer the matter again to the Ministry of Railways (Railway Board) for further consideration.