

HUNDRED AND THIRTY-FIRST REPORT

PUBLIC ACCOUNTS COMMITTEE (1982-83)

(SEVENTH LOK SABHA)

REVISION OF THE FORMAT OF APPROPRIATION
ACCOUNTS (DEFENCE SERVICES) AND ACTION
TAKEN BY GOVERNMENT ON THE RECOMMEN-
DATIONS OF THE PUBLIC ACCOUNTS
COMMITTEE CONTAINED IN THE 63RD REPORT
(SEVENTH LOK SABHA) ON PRE-PARTITION
LOSSES AND IRREGULARITIES



Presented in Lok Sabha on 5 APR 1983

Laid in Rajya Sabha on

LOK SABHA SECRETARIAT
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CORRIGENDA TO HUNDRED AND THIRTY-FIRST REPORT
OF THE PUBLIC ACCOUNTS COMMITTEE (1982-83)

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
(v)	2	11	10 March	18 March
2	-	13	neglected	neglect
4	-	7	report	Report
8	-	1	SITTINGS	SITTING
8	-	19	L.G.	M.G.
11	-	2	Paragraph 101	Paragraph 1.1
14	7	2	Admsnistrative	Administrative
25	-	13	<u>Delete</u> 'high in' after 'somewhat'	

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PUBLIC ACCOUNTS COMMITTEE
(1982-83)

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Shri Satish Agarwal

MEMBERS

Lok Sabha

2. Shri Chitta Basu
3. Shrimati Vidyavati Chaturvedi
4. Shri C. T. Dhandapani
5. Shri G. L. Dogra
6. Shri Bhiku Ram Jain
7. Shri K. Lakkappa
8. Shri Mahavir Prasad
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10. Shri Dhanik Lal Mandal
11. Shri Jamilur Rahman
12. Shri Uttam Rathod
13. Shri Harish Rawat
14. Shri G. Narsimha Reddy
15. Shri Ram Singh Yadav

Rajya Sabha

16. Dr. Sankata Prasad
17. Smt. Pratibha Singh
18. Shri Syed Rehmat Ali
19. Shri B. Satyanarayan Reddy
20. Shri Kalyan Roy
21. Shri Nirmal Chatterjee
22. Shri A. P. Janardhanam

SECRETARIAT

1. Shri T. R. Krishnamachari—*Joint Secretary*
2. Shri K. C. Rastogi—*Chief Financial Committee Officer*
3. Shri Ram Kishore—*Senior Financial Committee Officer*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Thirty-First Report on 'Revision of the format of Appropriation Accounts (Defence Services)' and Action Taken on the recommendations of the Committee contained in the Sixty-Third Report (7th Lok Sabha) on 'Pre-partition losses and Irregularities'.

2. The present form and contents of the Appropriation Accounts (Defence Services) have remained unchanged since 1952. In February 1983, the Ministry of Finance (Defence Division) submitted certain proposals for revision of the format of the Appropriation Accounts (Defence Services) "in order to keep it in tune with time and make it more purposeful and concise." The Committee considered the matter at the sitting held on 25 February, 1983 and found the proposed limits to be on the high side in certain cases. The Committee have suggested scaling down of some of the proposed limits in the interest of proper accountability to Parliament in respect of Defence expenditure. The Committee finalized the Report at their sitting held on 10 March, 1983. The Minutes of the sittings form Part II of the Report.

3. For facility of reference, the conclusions and/or recommendations of the Committee have been printed in thick type in the body of the Report. For the sake of convenience the conclusions and/or recommendations have been reproduced in a consolidated form in Appendix II of the Report.

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

NEW DELHI;

March 25, 1983

Chaitra 4, 1905(S)

SATISH AGARWAL

Chairman

Public Accounts Committee.

PART I

CHAPTER I

REVISION OF THE FORMAT OF APPROPRIATION ACCOUNTS (DEFENCE SERVICES).

The present form and contents of the Appropriation Accounts (Defence Services) were laid down as far back as 1952. The Ministry of Finance (Defence Division) have submitted a note containing a proposal for revision of format of Appropriation Accounts of Defence Services "in order to keep it in tune with time and make it more purposeful and concise". The note is reproduced in Appendix I of this Report.

1.2. It has been stated that notwithstanding the fact that certain portions of the Appropriation Accounts are proposed to be omitted, the details and figures that may be required by the PAC can be readily obtained from the record which will continue to be maintained by the Defence Accounts Department.

1.3. As the monetary limits were fixed nearly two decades back, the Ministry are of the view that the price escalation and the size of the Defence expenditure suggest that these limits should be raised upwards.

1.4. According to the Ministry, the acceptance of the proposal for the revision of the format of Appropriation Accounts will result in economy and the accounts will be more purposeful.

1.5. It has been stated that the Defence Secretary, Director of Audit (Defence Services) and the Comptroller and Auditor General of India have approved the proposal. The approval of the Committee has been solicited to the changes proposed in the Appropriation Accounts of the Defence Services.

1.6. The Committee agree to the proposed revision of the format of the Appropriation Accounts of Defence Services as outlined in the note of the Ministry of Finance (Defence Division) reproduced in Appendix I of this Report, subject to the following observations:

The Committee consider that the monetary limits proposed to be adopted are somewhat high in some cases. In the interest of proper account-

ability to Parliament in respect of Defence expenditure, they suggest that the limits may be changed as indicated below:

Item	As proposed by the Ministry	As recommend- ed by the Committee
<i>New Section V.</i>		
<i>(a) Appendix A:</i>		
(i) Annexure I - Cash Exceeding Losses due to theft, fraud or gross neglect.	Exceeding Rs. 50,000	Exceeding Rs. 25,000
(ii) Annexure II - Cash losses due to other causes.	Exceeding Rs. 1,00,000	Exceeding Rs. 50,000
<i>(b) Appendix B:</i>		
(i) Annexure I - Stores losses due to theft, fraud or gross neglected.	Exceeding Rs. 1,00,000	Exceeding Rs. 75,000
(ii) Annexure II - Stores losses due to other causes.	Exceeding Rs. 2,50,000	Exceeding Rs. 2,00,000

1.7 The Committee understand that the process of compilation of the Appropriation Accounts for the year 1981-82 is at the final stages. The Committee, therefore, recommend that necessary changes may be brought about in the Appropriation Accounts (Defence Services) for the year 1982-83 and onwards.

CHAPTER II

ACTION TAKEN BY GOVERNMENT ON THE SIXTY-THIRD REPORT OF THE PUBLIC ACCOUNTS COMMITTEE (SEVENTH LOK SABHA).

2.1. This Chapter deals with the action taken by Government on the Committee's recommendations and/or observations contained in their 63rd Report (Seventh Lok Sabha) on "Pre-partition Losses and Irregularities" relating to the Ministry of Finance (Defence).

2.2. The 63rd Report of the Committee was presented to Lok Sabha on 11 December, 1981. In their action taken note dated 7 September, 1982, the Ministry of Finance have stated that the recommendations (re-produced below) have been noted for implementation:—

"The Committee have considered the suggestion made by the Ministry of Finance (Defence) for discontinuance of the practice of reporting of pre-partition losses finally dealt with during a year. They note the contention of the Ministry that the practice of reporting to the Committee specific cases of pre-partition losses as and when dealt with finally in a particular year has lost its utility because neither disciplinary action nor action to recover such losses is possible due to factors like repatriation, release of concerned personnel, time lag and want of any material evidence or records. The Committee have also taken note of the Ministry's plea that "the number of cases and amount involved has also dwindled to such an extent that the work involved in their preparation, scrutiny and submission to PAC is not considered to be commensurate with any results likely to be achieved.

In view of the position explained by the Ministry of Finance (Defence), the Committee agree with the suggestion for discontinuance of the practice of reporting to the Committee the pre-partition losses/irregularities etc., finally dealt with during

a year. The accounts of losses and other irregularities relating to the pre-partition period should, however, continue to be rendered to the Defence Audit as usual. Action wherever called for, should also be taken to write off irrecoverable losses with the approval of the competent authority.

[Sl. No. 1 and 2 (Paras 8 and 9) of Appendix II to 63rd report of PAC (7th Lok Sabha)]

NEW DELHI;

March 25, 1983

Chaitra 4, 1905 (Saka).

SATISH AGARWAL

Chairman,

Public Accounts Committee

PART II

Minutes of the sittings of the Public Accounts Committee (1982-183) held on:

25 February, 1983

18 March, 1983

MINUTES OF THE 62ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (1982-83) HELD ON 25 FEBRUARY, 1983

The Committee sat from 16.00 to 17.20 hrs. in Committee Room No. 50, Parliament House, New Delhi.

PRESENT

Shri Satish Agarwal—*Chairman*

MEMBERS

2. Shri Chitta Basu
3. Shri G. L. Dogra
4. Shri Bhiku Ram Jain
5. Shri Sunil Maitra
6. Shri Jamilur Rahman
7. Shri Uttam Rathod
8. Shri Harish Rawat
9. Shri Ram Singh Yadav
10. Smt. Pratibha Singh
11. Shri Syed Rehmat Ali

REPRESENTATIVES OF THE OFFICE OF C&AG

1. Shri R. K. Chandrasekharan, ADAI (R)
2. Shri G. N. Pathak, D.A.D.S.
3. Shri S. R. Mukherjee, D.A.C.W.&M.

SECRETARIAT

1. Shri T. R. Krishnamachari—*Joint Secretary*
2. Shri K. C. Rastogi—*Chief Financial Committee Officer*
3. Shri Ram Kishore—*Senior Financial Committee Officer*
4. Shri K. K. Sharma—*Senior Financial Committee Officer*

2. The Committee took up for consideration the note submitted by the Ministry of Finance (Defence Division) containing proposals for revision of the format of the Appropriation Accounts (Defence Services) "in order to keep it in tune with time and make it more purposeful and concise". The Committee approved the proposals subject to certain modifications as shown in Annexure I. In order not to delay the Appropriation Accounts for 1981-82, the Committee decided that the necessary changes in the format may be effected in the Accounts for 1982-83 onwards.

5. The Committee also approved certain other minor modifications arising out of factual verification of the aforesaid Reports by Audit.

The Committee then adjourned.

ANNEXURE I

Modification made by the PAC in the note regarding revision of format of the Appropriation Accounts of Defence Services.

Page Para	Head	Limits proposed by the Ministry	Limits approved by the Committee
<i>Appendix 'A'</i>			
5 6 (i)	Annexure I-- Cash losses due to theft, fraud or neglect.	"From exceeding Rs. 50,000 to exceeding Rs. 50,000."	"From exceeding Rs. 5,000 to exceeding Rs. 25,000."
	(ii) Annexure II-- Cash loss due to other causes.	"From exceeding Rs. 10,000 to exceeding Rs. 1,00,000."	"From exceeding Rs. 10,000 to exceeding Rs. 50,000."
<i>Appendix 'B'</i>			
6 6 (i)	Annexure I—Store losses due to theft, fraud or gross neglect	"From exceeding Rs. 15,000 to exceeding Rs. 1,00,000."	"From exceeding Rs. 15,000 to exceeding Rs. 75,000."
	(ii) Annexure II— Store losses due to other causes.	"From exceeding Rs. 50,000 to exceeding Rs. 2,50,000."	"From exceeding Rs. 50,000 to exceeding Rs. 2,00,000."
2 Statement--II			
<i>Appendix 'G'</i>			
	Statement to works carried out during the year involving large variations between allotment and actuals.	"Appendix 'G' will be renumbered as Annexure V with an enhanced limit of Rs. 25 lakhs in respect of cases included in Part-I."	"Appendix 'G' will be renumbered as Annexure V with an enhanced limit of Rs. 25 lakhs in respect of cases included in Part I. Part II will include only those cases where the non-budgetted work is of Rs. 10 lakhs or above."

MINUTES OF THE SIXTY-SEVENTH SITTINGS OF THE PUBLIC
ACCOUNTS COMMITTEE HELD ON 18 MARCH, 1983

The Committee sat from 1700 hrs. to 1730 hrs.

PRESENT

Shri Satish Agarwal—*Chairman*

2. Shri Chitta Basu
3. Shri Bhiku Ram Jain
4. Shri K. Lakkappa
5. Shri Uttam Rathod
6. Shri B. Satyanarayan Reddy
7. Shri Nirmal Chatterjee

REPRESENTATIVES OF AUDIT

Shri G. N. Pathak—*Director of Audit (Defence Services)*

SECRETARIAT

1. Shri T. R. Krishnamachari—*Joint Secretary*
2. Shri K. C. Rastogi—*Chief Financial Committee Officer*
3. Shri Ram Kishore—*Senior Financial Committee Officer*
4. Shri K. K. Sharma—*Senior Financial Committee Officer*
5. Shri L. G. Agarwal—*Senior Financial Committee Officer.*

The Committee took up for consideration and adopted the following draft Reports:

- (i) Draft Report on revision of format of Appropriation Accounts (Defence Services) and action taken on 63rd Report on pre-Partition losses and irregularities.

The Committee also authorised the Chairman to incorporate the amendments/modifications arising out of factual verification of the draft Reports by Audit.

The Committee then adjourned.

APPENDICES

APPENDIX I

(vide Paragraph 101)

NOTE REGARDING REVISION OF FORMAT OF APPROPRIATION ACCOUNTS OF THE DEFENCE SERVICES

Submitted to the Public Accounts Committee by the Ministry of Finance

Introduction

The present form and contents, including the arrangements of various sections of the Appropriation Accounts, Defence Services, along with its Commercial Appendix were laid down as far back as 1952 in consultation with the Director of Audit, Defence Services and the Comptroller and Auditor General of India. The instructions then issued have remained almost unchanged during the last 3 decades. Passage of time and circumstances have necessitated certain changes not only in the present form and contents of the Appropriation Accounts but also re-arrangement of a few Sections. This matter has been under consideration in this Ministry for some time in consultation with the authorities concerned including the Ministry of Defence and the Director of Audit, Defence Services.

Aim

2. It is felt from past experience that the form and contents of present Appropriation Accounts (Defence Services) need a revision in order to keep it in tune with time and make it more purposeful and concise. The resultant reduction in the size of Appropriation Accounts will also effect savings in stationery, cost of preparation and printing etc. The present exercise is an attempt in this direction. In the process of attempting simplification and rearrangement of the Accounts due care has been taken to ensure that there is no curtailment of the essential material being presented to the Parliament.

Method

3. In order to achieve the objective set out in para 2 above, certain additions, deletions and abridgement of the material have been found inescapable. Besides, a few changes in the order of arrangement/presentation have also been resorted to. The changes proposed are spelt out in detail in the succeeding paragraphs. A lay out of the proposed Appropriation Accounts is given at Statement I to this note. Another Statement indicating the present set up and the proposed set up is also annexed (Statement II).

4. The following changes in the existing format of the Appropriation Accounts (Defence Services) are proposed to be introduced:—

- (i) An 'Introductory Note' explaining the contents of the Publication, abbreviations used, changes made in the form and Classification of the Accounts of the Defence Services etc. is proposed to be introduced in the beginning of the publication.
- (ii) The scope of existing Section I is proposed to be enlarged to include part of existing Section I (General Review), Section III (Miscellaneous Observations), Section IV (Summary of Appropriation Accounts, at present being shown in the beginning of Section IV) and Audit certificate of the Comptroller and Auditor General.
- (iii) The scope and contents of proposed Section II will include the detailed Appropriation Accounts with explanations for variations at present appearing in Section IV. As in the Appropriation Accounts (Civil), the explanations for variations will be between the Sanctioned Grant (Including Supplementary Grant) and actual expenditure taking into consideration the re-appropriations made.
- (iv) Certificate of the Controller General of Defence Accounts along with annexures thereto will be reflected in the proposed Section III. In this section a new Annexure i.e. Annexure II which will contain important cases of incomplete maintenance/non-maintenance/non-production of store Accounts will be introduced. The existing Annexures II and III will be re-numbered as Annexures III and IV without any change in their contents.
- (v) Review of Military Engineer Services expenditure will appear in proposed Section IV. The existing Appendix G (Part I and Part II) will be renumbered as Annexure V (Part I and Part II). Part I will include those cases where the variations will be over 50 per cent between the original allotment and expenditure in respect of works carried out during the year with an enhanced limit of Rs. 25 lakhs and above as in case of Appendix H, (now Annexure VI). Part II will include only those cases where the non-budgetted work is of Rs. 10 lakhs or above. Appendix H will be changed into Annexure VI. This will include variations of over 15 per cent between the original estimates and the actual final cost in respect of works costing Rs. 25 lakhs and above (instead of the existing Rs. 5 lakhs and above) completed during the year. Annexures I, II, III and IV to Section V (existing will be renumbered as Annexures VII, VIII, IX and X.

- (vi) Proposed Section V will contain only the existing appendices A, B, C and J which will be consecutively serialised as Appendices A to D. The remaining Appendices viz. D, E and F are no longer considered of any material use hence are proposed to be omitted.

Similarly, Appendix I is proposed to be omitted. However, a fresh Annexure II to Controller General of Defence Accounts' Certificate is proposed to be introduced which will appear in Section III itself as mentioned in sub-para IV above. This Annexure will include only a few important cases of non-maintenance/irregular maintenance or non-production of accounts noticed during the year to be decided by the Controller General of Defence Accounts on merits of the cases without any monetary limit.

- (vii) The Accounts of Military Farms alongwith the review thereon will be reflected in proposed Section VI. While the essential elements like the Financial Review, the considered Balance Sheet, Consolidated Profit and Loss Accounts, Schedule of Government Capital Account and the notes on the Accounts will be retained, it is proposed to do away with unnecessary Sections like Cattleyard Section, Trading Account of Young Stock at milk Production Farms and Cattle Yard Section Trading Accounts of Young Stock Farms. The remaining portions are proposed to be abridged by grouping the various individual items together as shown in Statement III to this note.

5. Raising of Monetary Limits

The present monetary limits were fixed nearly two decades back and the price escalation and the size of Defence expenditure suggest that these limits should be revised upwards. Accordingly, it is proposed to raise the limits of individual cases reported in sub-paras (x) and (xi) of the existing para 14 of Appropriation Accounts i.e. main certificate of Controller-General of Defence Accounts from Rs. 5,000 to Rs. 50,000 in case of private individuals and institutions and from Rs. 50,000 to Rs. 1,00,000 in other cases. As a further step towards rationalisation it is proposed to raise the monetary limit in respect of cases where sanction of Government of India is awaited which appear, as Annexure I to Controller General of Defence Accounts' Certificate from existing Rs. 5,000 to Rs. 50,000. However, in respect of existing Annexures II and III to Controller General of Defence Accounts certificate which relate to cases of Financial and Procedural irregularities and cases of defective planning and implementation of projects etc. the status quo is being maintained leaving it to the Controller General of Defence Accounts to include such items as he considers appropriate.

6. Monetary limits are also proposed to be raised in respect of Appendices A, B and C to the new Section V as under:—

(a) **Appendix A**

- | | |
|--|--|
| (i) Annexure I-Cash Losses due to theft, fraud or gross neglect. | From exceeding Rs. 5,000 to exceeding Rs. 50,000 |
| (ii) Annexure II Cash losses due to other causes. | From exceeding Rs. 10,000 to exceeding Rs. 1,00,000. |
| (iii) Annexure III Cash Losses where monetary value could not be assessed. | At present the cases annotated mostly relate to losses of Military credit notes railway warrants forms etc. & are individually annotated. However, it is proposed that losses of the same nature be grouped together for purposes of annotation. |

(b) **Appendix-B**

- | | |
|---|--|
| (i) Annexure I-Store losses due to theft, fraud or gross neglect. | From exceeding Rs. 15,000 to exceeding Rs. 1,00,000. |
| (ii) Annexure II Store losses due to other causes. | From exceeding Rs. 50,000 to exceeding Rs. 2,50,000. |

(c) **Appendix C-Infrastructural expenditure**

From exceeding Rs. 20,000 for individual annotation and exceeding Rs. 50 but not exceeding Rs. 20,000 in each case for grouping purposes to exceeding Rs. 1,00,000 for individual annotation and exceeding Rs. 10,000 but not exceeding Rs. 1,00,000 in each case for grouping purposes.

Conclusion

7. If the proposal as outlined above, is accepted it will result in economy in the work of accounts offices and Administrative Offices connected with the preparation of Appropriation Accounts. In addition to the above, it will also result in other savings in the cost of stationery and printing as stated earlier. The Appropriation Accounts so presented will be more purposeful. Notwithstanding the fact that certain portions of the Appropriation Accounts are proposed to be omitted from the present form of Appropriation Accounts, the details and figures that may be required by the Public Accounts Committee, can be readily obtained from the records which will continue to be maintained by the Defence Accounts Department.

8. These changes, if approved, are proposed to be made effective from the Appropriation Accounts for 1981-82 onwards.

9. The approval of the Public Accounts Committee is solicited to the changes proposed in the Appropriation Accounts of the Defence Services. Defence Secretary, Director of Audit Defence Services and Controller and Auditor General of India have approved the proposal.

Sd/-

(V. S. BHIR)

To
The Chairman and Members of the
Public Accounts Committee.

Finance Adviser
(Defence Services)

STATEMENT-I

Lay out of proposed Appropriation Accounts

1. Introductory Note.

2. *Section I*

- (a) Summary of Appropriation Accounts.
- (b) Miscellaneous observations (excluding notes).
- (c) Certificate of FA (DS) and Defence Secretary.
- (d) Audit Certificate of C.&A.G.

3. *Section II*

Detailed (Grant-wise) Appropriation Accounts with Explanations for variations.

4. *Section III*

Certificate of C.G.D.A. counter signed by FA (DS) with its annexures (Annexure I to IV).

5. *Section IV*

Review of M.E.S. Expenditure with its annexures (Annexures V to X).

6. *Section V—Appendices*

- Appendix-A — Cash Losses
- Appendix-B — Store losses
- Appendix-C—Infructuous expenditure
- Appendix-D — Cases of gifts and transfer of property to non-Government organisations.
(existing Appendix 'J')

7. *Section VI*

Financial Review on the Accounts of Military Farms

STATEMENT-II

Contents of Appropriation Accounts (Defence Services)

Contents of Appropriation Accounts

Existing

Proposed

Section-I General Review	To be incorporated in Section-I.
Section-II Changes in form and Classification	To be shifted to the newly introduced 'Introductory Note'.
Section-III Miscellaneous observations	To be shifted to Section I.
Section -IV Appropriation Accounts	Summary of a Appropriation Accounts (With Annexure 'A') and audit certificate of C & AG to be shifted to Section-I and Appropriation Accounts with variations will be shown in Section-II. Certificate of the Controller General of Defence Accounts is to be shifted to Section III with Annexure I to IV.
Section-V Review of Military Engineer Services Expenditure	To be shifted to Section IV alongwith its annexures renumbered as VII to X.

APPENDICES (Other than commercial Accounts)

Appendix Do. Do.	A—Losses of cash B—Losses of store. C—Cases of infructuous expenditure
Do.	D—Cases of <i>ex-gratia</i> payment
Do.	E—Balances outstanding under the head 'Suspense'.
Do.	F—Expenditure on Schemes relating to Capital outlay on Defence Services.

} To be incorporated in Section B. Monetary Limit have however, been enhanced.

} To be deleted.

- Appendix G-Statement of works carried out during the year, involving large variations between allotment and actuals. Appendix G will be renumbered as Annexure V with an enhanced limit of Rs. 25 lakhs in respect of cases included in Part I.
- Do. H-Statement of works completed during the year, involving large variations between original estimate and completion cost. It will be retained and renumbered as Annexure VI. Limit will be raised from Rs. 5 lakhs (original estimate) to Rs. 25 lakhs.
- Do. I.-Non-maintenance or irregular maintenance of accounts. To be deleted. Proposed to be shown as Annexure II to the CGDA certificate which will contain only those cases relating to important cases of incomplete maintenance/non-maintenance/non-provision of stores accounts which are required to be regularised/condoned under Govt. orders.
- Do. J-Cases of gifts and transfer of property to Non-Government Organisations. To be shifted to Section V as Appendix-D.

COMMERCIAL APPENDIX

Review of the Financial Adviser on the Accounts of Military Farms Financial Review to be included in Section VI.

TRADING ACCOUNTS ETC. OF THE MILITARY FARMS

- Military Farms :-
 - Consolidated Balance Sheet } To be included in Section VI.
 - Consolidated Profit and Loss Account } To be included in Section VI.
 - Schedule of Government Capital Account } To be included in Section VI but will be a bridged as shown in Statement III.
 - Cattleyard Production Account of cattle holding Military Farms } To be deleted.
 - Cattleyard Section Trading Account of Young Stock at Milk Production Farms } To be abridged as in Statement III and included in Section VI.
 - Cattleyard Section Trading Account of Young Stock Farms }
 - Diary Section Production Account (Cows & Buffaloes Milk) }
 - Diary Section Production Account (other products) }

Diary Section Production Account (Blended, Sterilized, Homogenized and Separated Milk)

Diary Section Trading Account

Fodder Section Trading Account

Cultivation Section Production and Trading Account

Poultry Section Production Accounts of Layers Stage-I

Poultry Section Production Accounts of Layers Stage-II

Poultry Section Production Accounts of Broilers

Notes

To be bridged as in statement III and included in Section VI

Since Abolished.

To be included in Section VI

Statement III

Cattleyard Production Account of Cattleholding military farms for the year ended

Particulars	Buffs	Gows	Mixed
Total expenditure	Rs.	..	..
Total receipts	Rs.	..	..
Net expenditure	Rs.	..	..
Production of Milk	Litre.	..	..
Production cost of Milk per litre	Rs.	..	..
Production cost of Milk per litre (Previous year)	Rs.	..	..

Dairy Section Production Amount of Military Farms for the year ended.

Particulars	Buff Milk		Gows Milk		Mixed Milk	
	Litres	Rs.	Litres	Rs.	Litres	Rs.
Cost of raw milk
Handling and pastourisation			
Charges in Dairy
Total
Less wastage and spoilage	
Total net quantity and amount
Average production cost per litre	
Average production cost per litre (Previous year)
<i>Disposal of Net Quantity and Amount</i>						
By transfer to trading A/G						
By issue for manufacture of cream/butter/standard Milk/blended milk
By closing stock	
Total						

Dairy Section Production Account of Blended, Standard, Homogenised and Separated Milk at Military Farms for the year ended

Particulars	Blended Milk		Standard Milk		Homogenised Milk		Separated Milk	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
	Litres	Rs.	Litres	Rs.	Litres	Rs.	Litres	Rs.
Out turn
Less spoilage/watage
Net figures on which unit cost is to be worked out
Unit cost (Per litre)
Opening stock brought forward from last year's Account
Total quantity and cost
By transfer to Trad. A/c. excluding closing stock
* By issue of concentrated milk for blended milk
* By issue of separated milk for standardisation
* By closing stock
TOTAL

* These can also be grouped under the Head "By issue of milk for blended milk and standardisation"

Dairy Section Production Account (other Products-Cream/Butter/Ghee) of Military Farms for the year ended.....

Particulars	Cream		Butter		Ghee	
	Qty. Kg.	Amount Rs.	Qty. Kg.	Amount Rs.	Qty. Kg.	Amount Rs.
Cream (by various sources)
Butter Do.
Ghee Do.
Miscellaneous Charges
Surpluses
Out turn
Less cost of separated milk recovered
Less spoilage/wastage
Net figures on which unit cost is worked out
Unit cost for previous year
Opening stock brought forward from last year's
Trading Account
Total quantity and cost including opening stock
By Transfer to Trading Account excluding closing stock
By issue for various purposes
By closing stock
TOTAL

Dr. Dairy Section Trading Account of Military Farms for the year ended

Cr.

Previous Year Amount	Particulars	Year Amount	Previous Year Amount	Particulars	Year Amount
Rs.		Rs.	Rs.		Rs.
	To opening stock Miscellaneous Stores as a whole and class IV			By sale of Dairy Produce—	
	To cost of production transferred to Trading Account			Coupon sales	
	To wages and salaries of staff i.e. class III			Cash sales	
	To distribution charges—			By free issue to Defence Services	
	Transport Mechanical			By transfer to other Military Farms	
	Deduct-Receipt on account of transport			By issue of separated milk to calves	
	Net expenditure			By miscellaneous receipts other than for transport	
	To Miscellaneous charges			By cost of unredeemed coupons written off	
	To overhead charges			By subsidy being the cost of Production and sale realisation	
	To Proportional share of interest on Government Account 'A'			By interest on Government Account 'C'	
	To Profit made during the year				
	To Bad debts to be written off.				
	TOTAL			TOTAL	

Average sale rate of Dairy Produce per litre/Kg.

Previous year	Year
Rs.	
	—Milk per litre.
	—Separated Milk per litre
	—Butter per Kg.
	—Cream per kg.
	—Ghee per kg.

Folder Section Trading Account of Military Farms for the year ended.....

Dr.

Year Amount	Particulars	Year Amount	Particulars	Year Amount
Rs.		Rs.		Rs.
	To opening stock		By supply to various Sections	
	To transfer from Cultivation Section		Army Services Corps (Other transferred to other Farms)	
	To purchases		By Miscellaneous receipts	
	To transferred fodder from other farms including		By proportionate share of interest on Government Account 'C'	
	To wages rail transportation charges		By closing stock	
	To depreciation			
	To miscellaneous stores/charges, repairs and maintenance			
	To payments made to petty contractors for stocking, thatching, loading and unloading			
	To overhead charges			
	To Proportionate share of interest on :			
	Government Account 'A'			
	Government Account 'C'			
	To net profit.			
	Total		Total	
			All India average rate of Fodder per 100 kg. (Last year)	
			Rs.	Year
				Rs.
				—Average production rate—
				—Average purchase rate—

Dr. *Cultivation Section Production and Trading Account. (Complete operation as a whole) of the Military Farms for the year ended.....* Cr.

Year;	Particulars	Year	Year	Particulars	Year	Year
Rs.		Rs.			Rs.	Rs.
..	To opening stock (including value of crops)	..	..	By supply of Fodder to various Sections	..	..
..	To land rent/taxes/Royalty/Land Revenue lease charges	..	..	By supply of grains to Stores and Supply of Vegetables/green fodder to ASE.	..	..
..	To cost of Irrigation	..	..	By sales of standing crops (including fruit gardens)	..	..
..	To Tractors/Implementments	..	..	By valuation of crops not yet harvested	..	..
..	To manure	..	..	By proportionate share of interest on Govt. A/c 'G'	..	..
..	To seeds	..	..	By closing stock	..	..
..	To cost of green fodder purchased/transferred	..	..	
..	To feed and keep of draught animals (fodder & Concentrates)	..	..	
..	To hire of bullocks	..	..	
..	To cutting swages and carting	..	..	
..	To Miscellaneous charges	..	..	
..	To depreciation charges-Live stock, Plant and Machinery including-casualties and con-	..	..	
..	demnations	..	..	
..	To Pay and allowances-temporary and permanent staff	..	..	
..	To overhead charges	..	..	
..	To proportionate share of interest on Govt. Account 'A'	..	..	
..	To net surplus	..	..	
	Total					Total

New Delhi
 Date.....
 New Delhi
 Date.....

Counter signed
 Director of Military Farms
 Sd/-
 Controller General of Defence Accounts

APPENDIX II

(vide Introduction)

Conclusions and/or Recommendations

S. Para Ministry
No. No.

Conclusions/Recommendations

- 1 1.6 Finance (Defence) ce) The Committee agree to the proposed revision of the format of the Appropriation Accounts of Defence Services as outlined in the note of the Ministry of Finance (Defence Division) reproduced in Appendix I of this Report, subject to the following observations:

The Committee consider that the monetary limits proposed to be adopted are somewhat high in high in some cases. In the interest of proper accountability to Parliament in respect of Defence expenditure, they suggest that the limits may be changed as indicated below:

Item	As proposed by the Ministry	As recommended by the Committee
<i>New Section V</i>		
<i>(a) Appendix A</i>		
(i) Annexure I-Cash Losses due to theft, fraud or gross neglect.	Exceeding Rs. 50,000	Exceeding Rs. 25,000
(ii) Annexure II-Cash losses due to other causes.	Exceeding Rs. 1,00,000	Exceeding Rs. 50,000
<i>(b) Appendix B</i>		
(i) Annexure I- Store losses due to theft fraud or gross neglect.	Exceeding Rs. 1,00,000	Exceeding Rs. 75,000
(ii) Annexure II-Store losses due to other causes.	Exceeding Rs. 2,50,000	Exceeding Rs. 2,00,000

- 2 1.7 Finance (Defence) The Committee understand that the process of compilation of the Appropriation Accounts for the year 1981-82 is at the final stages. The Committee, therefore, recommend that necessary changes may be brought about in the Appropriation Account (Defence Services) for the year 1982-83 and onwards.

P.A.C. NO. 500

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