

**PUBLIC ACCOUNTS COMMITTEE  
(1975-76)**

(FIFTH LOK SABHA)

**TWO HUNDRED AND FIFTEENTH REPORT**

**OUTSTANDING AUDIT OBSERVATIONS  
AND INSPECTION REPORTS**

[Action taken by Government on the recommendations of the Public Accounts Committee contained in the 169th Report (Fifth Lok Sabha)]



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1976/Chaitra, 1898 (S)*

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126	19	ensue	ensure
128	4	officers	offices
130	22	closing to	for closing
133	27	recovery	recover
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PUBLIC ACCOUNTS COMMITTEE

(1975-76)

CHAIRMAN

Shri H. N. Mukerjee

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3. Shri Chandulal Chandrakar
4. Shri Chandrika Prasad
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20. Shri T. K. Srinivasan
21. Dr. K. Mathew Kurian
22. Shri Rabi Ray

SECRETARIAT

Shri H. C. Paranjpe—*Chief Financial Committee Officer.*

Shri N. Sunder Rajan—*Senior Financial Committee Officer.*

## INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Two Hundred and Fifteenth Report on the action taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Sixty-Ninth Report (Fifth Lok Sabha) on Outstanding Audit Observations and Inspection Reports.

2. On the 3rd June, 1975 an 'Action Taken Sub-Committee', consisting of the following Members, was appointed to scrutinise the replies from Government in pursuance of the recommendations made by the Committee in their earlier Reports:

Shri H. N. Mukerjee—*Chairman*

Shri V. B. Raju—*Convener*

Shri Priya Ranjan Das Munsî

Shri Darbara Singh

Shri N. K. Sanghi

Shri Rabi Ray

Shri Raja Kulkarni

Dr. K. Mathew Kurian

} *Members*

3. The Action Taken Sub-Committee of the Public Accounts Committee (1975-76) considered and adopted this Report at their sitting held on the 14th April, 1976. The Report was finally adopted by the Public Accounts Committee on the 21st April, 1976.

4. For facility of reference the main conclusions|recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the main recommendations|observations of the Committee is appended to 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.

NEW DELHI;  
April 21, 1976.  

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Vaisakha 1, 1898 (Saka).

H. N. MUKERJEE,  
*Chairman,*  
*Public Accounts Committee.*

## CHAPTER I

### REPORT

1.1. This Report of the Committee deals with the action taken by Government on the recommendations/observations contained in their 169th Report (Fifth Lok Sabha), which was presented to Lok Sabha on 29th April, 1975, on 'Outstanding Audit Observations and Inspection Reports' commented upon in Chapter VII of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil).

1.2. As there were abnormal delays in settling a large number of Outstanding Audit Observations and Inspection Reports, the Committee, in paragraphs 1.6 to 1.9 of the Report, had recommended:

"1.6. The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

1.7. The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.

1.8. The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary



staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.

- 1.9. The Committee have noted that there has been negligible progress in clearance of outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations."

1.3. On the above recommendations/observations Action Taken Notes received from the following Ministries/Departments of the Government of India are appended to this Report (Appendices I to XXIX):

1. Department of Expenditure
2. Department of Revenue and Insurance
3. Department of Economic Affairs
4. Department of Banking
5. Department of Personnel and Administrative Reforms
6. Ministry of Home Affairs
7. Ministry of Shipping and Transport (Transport Wing)
8. Department of Supply
9. Department of Rehabilitation
10. Department of Education
11. Department of Social Welfare
12. Department of Industrial Development
13. Ministry of Commerce
14. Department of Health
15. Ministry of Works and Housing
16. Department of Agriculture
17. Department of Irrigation
18. Ministry of External Affairs
19. Department of Tourism

20. Department of Civil Aviation
21. India Meteorological Department
22. Department of Defence
23. Department of Power
24. Department of Science & Technology
25. Department of Statistics
26. Ministry of Labour
27. Ministry of Information and Broadcasting
28. Department of Steel
29. Department of Mines (Secretariat Proper; Geological Survey of India, Indian Bureau of Mines, Airborne Mineral Surveys & Exploration and Controller of Mining Leases).

1.4. The number of audit observations made upto March, 1974 but outstanding as on 31st August, 1974 in respect of some of the Ministries/Departments and their attached and subordinate offices, as reflected in the Report of the Comptroller and Auditor General of India for the year 1973-74, Union Government (Civil), is indicated in the following table:

Ministries/ Departments	Total number of observations made upto March 1974 but outstanding on 31st August 1974	Total amount (lakhs of rupees)	Number of observations made prior to April, 1971	Amount (Lakhs of rupees)
1	2	3	4	5
<b>A. CIVIL DEPARTMENTS</b>				
Agriculture . . . . .	4,856	1,00.88	659	6.65
Commerce . . . . .	823	21.96	175	7.79
Education and Social Welfare . . . . .	3,639	1,17.85	688	17.74
External Affairs . . . . .	8,297	2,13.23	5,138	1,11.13
Finance . . . . .	21,025	1,92.90	4,591	50.50

1	2	3	4	5
Health and Family Planning . . . . .	4,382	2,84.26	965	98.22
Home Affairs . . . . .	24,269	14,09.53	5,746	3,90.20
Industrial Development . . . . .	1,678	18.54	666	4.83
Information and Broadcasting . . . . .	4,392	3,07.68	452	11.07
Irrigation and Power . . . . .	6,515	17,60.05	1,106	81.41
Labour and Rehabilitation . . . . .	10,744	4,84.80	3,597	1,47.63
Law, Justice and Company Affairs . . . . .	800	13.54	151	1.08
Shipping and Transport . . . . .	1,104	3,49.67	189	9.12
Supply . . . . .	3,602	21.41	1,325	1.69
Steel and Mines . . . . .	6,968	1,50.50	1,519	58.68
Tourism and Civil Aviation . . . . .	5,695	3,99.60	1,194	1,52.28
Works and Housing . . . . .	28,899	68,91.12	6,205	12,67.32
Cabinet Secretariat . . . . .	1,507	12.70	180	1.15
Culture . . . . .	2,038	59.45	565	14.27
Electronics . . . . .	390	13.99	..	..
Science and Technology . . . . .	2,306	34.08	183	2.07

**B. DEPARTMENTALLY MANAGED COMMERCIAL AND QUASI-COMMERCIAL UNDERTAKINGS**

Information and Broadcasting . . . . .	125	1.25	7	..
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1.5. The Outstanding Observations have been broadly analysed by Audit as follows:

Nature of observations	Number of items	Amount (lakhs of rupees)
1	2	3
<b>A — CIVIL DEPARTMENTS</b>		
(a) Sanctions for establishment not received . . . . .	2,060	1,55.97
(b) Sanctions not received for contingent and miscellaneous expenditure . . . . .	2,694	4,60.06
(c) Sanctions to estimates not received . . . . .	4,766	12,04.04
(d) Detailed bills for lump-sum drawals not received . . . . .	18,025	7,92.16

1	2	3
(e) Vouchers not received . . . . .	5,242	19,00.85
(f) Payees' receipts not received . . . . .	47,359	34,50.97
(g) Advances paid to Government servants not recovered . . . . .	37,334	3,34.27
(h) Agreements with contractors/ suppliers not received . . . . .	1,653	26,15.83
(i) Payments to contractors/ suppliers not in conformity with contracts and agreements . . . . .	96	36.27
(j) Overpayments or amounts disallowed in audit not recovered . . . . .	1,235	78.09
(k) Sanctions to write off of losses etc. not received . . . . .	499	77.46
(l) Breach of financial propriety . . . . .	82	3.23
(m) Sanctions for reserve limit of stock/excess over reserve stock not received . . . . .	18	1,03.11
(n) Other reasons . . . . .	22,866	17,05.41
<b>B. DEPARTMENTALLY MANAGED COMMERCIAL AND QUASI-COMMERCIAL UNDERTAKINGS</b>		
(a) Sanctions for establishment not received . . . . .	35	0.94
(b) Payees' receipts not received . . . . .	4	0.04
(c) Advances paid to Government servants not recovered . . . . .	52	0.17
(d) Overpayments or amounts disallowed in audit not recovered . . . . .	7	0.01
(e) Other reasons . . . . .	28	0.09

1.6. Two cases, cited by Audit as illustrations, in which there have been delays in furnishing replies to audit observations are mentioned below:—

- (a) Defence department had to incur an extra expenditure of Rs. 1,04,877 on customs duty and sea freight on account of delay in supply of stores for three to eleven months beyond the scheduled delivery date in a contract executed in November, 1965. In December, 1968, India Supply Mission, London was requested to examine what portion of this loss may be recovered as liquidated damages from the supplier. In reply it was intimated in February, 1969 that delay on the part of supplier could be attributed to three lots of shipments and estimated liquidated damages would be DM 8,674 (or Rs. 28,000). It was promised that attempts would be made to recover the actual loss from the supplier after ascertaining the

loss from the indenting officer. Final reply is, however, still (January 1975) awaited from the department despite several reminders.

- (b) On 8th October, 1971 firm 'A' had communicated its acceptance to forego packing charges of DM 14,000 if its progress payment terms were agreed to. Two contracts were issued without accepting the progress payment terms proposed by firm 'A'. It was assumed that the firm would accept payment on shipment without demanding any extra packing charges in view of short delivery period of one to six months. Packing charges were shown as included in the contractual price. While sending acknowledgement of the contracts, the firm again intimated on 3rd February, 1972 that price should be treated as exclusive of packing charges as India Supply Mission, London had not agreed to progress payment terms. As no action was taken to negotiate the terms of payment, the firm claimed packing charges of DM 14,000 in April, 1973 and the same were accepted in June, 1973 without obtaining approval of Deputy Director General and Financial Adviser thus resulting in an avoidable expenditure of DM 14,000 (Rs. 45,000 approx.). The matter was brought to India Supply Mission's notice on 2nd August, 1973; their comments are still awaited (January 1975).

1.7. The following table indicates the position in regard to outstanding Inspection Reports [Chapter VIII of the Report of the Comptroller and Auditor General of India for the year 1973-74, Union Government (Civil)]:

Ministries/Departments	Year of issue of the earlier outstanding reports	Number of outstanding	
		Reports	Paragraph in the Reports
1	2	3	4
A. CIVIL DEPARTMENTS			
Agriculture . . . . .	1952-53	559	2,568
Commerce . . . . .	1959-60	300	1,188

1	2	3	4
Education and Social Welfare . . . . .	1951-52	1,611	5,278
External Affairs . . . . .	1949-50	290	1,226
Finance . . . . .	1956-57	900	2,530
Health and Family Planning . . . . .	1957-58	237	865
Home Affairs . . . . .	1956-57	1,085	3,736
Industrial Development . . . . .	1960-61	162	451
Irrigation and Power . . . . .	1953-54	697	6,887
Labour and Rehabilitation . . . . .	1956-57	996	5,100
Law, Justice and Company Affairs . . . . .	1956-57	120	293
Shipping and Transport . . . . .	1954-55	199	583
Steel and Mines . . . . .	1963-64	147	721
Tourism and Civil Aviation . . . . .	1956-57	270	1,133
Works and Housing . . . . .	1952-53	1,811	13,171

**B. DEPARTMENTALLY MANAGED COMMERCIAL AND  
QUASI-COMMERCIAL UNDERTAKINGS**

Agriculture . . . . .	1959-60	15	81
Finance . . . . .	1966-67	11	30
Health and Family Planning . . . . .	1964-65	28	76
Information and Broadcasting . . . . .	1966-67	60	145
Irrigation and Power . . . . .	1957-58	18	109
Labour and Rehabilitation . . . . .	1964-65	13	65
Works and Housing . . . . .	1966-67	24	75

1.8. The more important types of irregularities noticed during inspection and local audit, summarised in the Report of the Compt-

roller and Auditor General of India for the year 1973-74, are indicated below:

	Number of offices in which irregulari- ties were Noticed
<b>A. CIVIL DEPARTMENTS</b>	
<b>1. PUBLIC WORKS OFFICES—</b>	
Number of offices inspected during 1973-74 . . . . .	402
(i) Wasteful and infructuous expenditure due to defective plans, designs and abandonment of works . . . . .	35
(ii) Extra cost to Government due to rejection of lowest tenders or delay in accepting tenders . . . . .	20
(iii) Excess payments due to non-observance of the conditions of contracts or non-provision of necessary safeguards in contracts . . . . .	48
(iv) Splitting up of purchase orders . . . . .	28
(v) Unauthorised financial aids to contractors . . . . .	21
(vi) Delay in effecting recovery of security deposits from contractors and payment of contractors' bills . . . . .	42
(vii) Arrears in maintenance and/or non-maintenance of initial accounts of road metal, material at-site accounts, etc. . . . .	34
(viii) Other irregularities . . . . .	312
<b>2. TREASURIES AND OTHER CIVIL OFFICES—</b>	
Number of offices inspected during 1973-74 . . . . .	2,215
(i) Non-observance of rules relating to custody and handling of cash, posting and maintenance of cash books, muster rolls, physical verification of cash, reconciliation of departmental receipts and remittances with the treasury records, recording of measurements, etc. . . . .	525
(ii) Securities from persons handling cash and store not obtained, or, if obtained, not for the prescribed amount . . . . .	125
(iii) Stores accounts not maintained properly and periodical verification not done . . . . .	436
(iv) Defective maintenance and/or non-maintenance of log books of staff cars, etc. . . . .	114
(v) Local purchase of stationery in excess of authorised limits and expenditure incurred without proper sanction . . . . .	104
(vi) Delay and/or non-recovery of receipts, advances and other charges, etc. . . . .	573

(vii) G.P. Fund accounts of Class IV staff not maintained properly . . . . .	184
(viii) Payment of grant in excess of actual requirements . . . . .	49
(ix) Sanctions to write off of loans, losses etc. not received . . . . .	69
(x) Overpayments of amounts disallowed in audit not recovered . . . . .	35
(xi) Other types of irregularities . . . . .	1,514

**B. DEPARTMENTALLY MANAGED COMMERCIAL AND  
QUASI-COMMERCIAL UNDERTAKINGS**

Number of offices inspected during 1973-74 . . . . .	118
(i) Extra cost to Government due to rejection of lowest tenders or delay in accepting tenders . . . . .	1
(ii) Non-observance of rules relating to custody and handling of cash, posting and maintenance of cash books, muster rolls, physical verification of cash, reconciliation of departmental receipts and remittances with the treasury records, recording of measurements etc. . . . .	3
(iii) Delay in recovery and/or non-recovery of receipts, advances and other charges etc. . . . .	5
(iv) Store accounts not maintained properly and periodical verification not done . . . . .	6
(v) Wasteful and infructuous expenditure due to defective plans, designs and abandonment of works . . . . .	1
(vi) Irregularities in calculation of depreciation . . . . .	3
(vii) Non-adjustment of transactions etc. in accounts . . . . .	7
(viii) Unauthorised financial aid to contractors . . . . .	1
(ix) Irregularities in calculation of interest on capital, sundry debtors, sundry creditors, liabilities, advances and purchases, etc. . . . .	19
(x) Non-observance of rules relating to reconciliation of departmental remittances and withdrawals with the Audit offices . . . . .	13
(xi) Other types of irregularities . . . . .	153

1.9. In reply to their recommendations contained in paragraph 1.8 of the 169th Report, the Committee have been informed by the Ministry of Finance (Department of Expenditure) as follows:

“Comprehensive instructions and guidelines are laid down in the ‘Standing Guard File on speedy settlement of Audit



Observations/Inspection Reports and timely disposal of draft audit paragraphs.' Attention of all Ministries/Departments has again been drawn to these instructions for strict observance and they have been requested to review their existing procedures at the Joint Secretary's level and take special steps to liquidate the backlog of audit observations|inspection reports, *vide* this Ministry's O.M. No. F.12(13)-E(Coord)|75 dated 27th August, 1975."

1.10. While the Committee are happy that certain measures aimed at securing the expeditious settlement of Outstanding Audit Observations and Inspection Reports have been taken by the various Ministries/Departments in pursuance of the Committee's recommendations contained in their 169th Report (Fifth Lok Sabha), there is still considerable scope for improvement, and unless concerted efforts are made continually, the position may well become irretrievable. It is of particular concern that the number of Audit Observations made upto March 1974 but outstanding as on 31st August 1974 should be as large as 1,44,054, involving a total amount of Rs. 128.59 crores as against the corresponding figures of 1,34,820 and Rs. 113.28 crores respectively as on 31st August 1973. That this should be so despite the 'comprehensive instructions and guidelines' stated to have been laid down in the 'Standing Guard File' would indicate that these instructions and guidelines have been honoured more in the breach than in the observance. Now that these have been reiterated by the Ministry of Finance, the Committee hope that there would be a greater awareness on the part of the Ministries/Departments of the importance of expeditious settlement of Audit Objections. The Committee would be watching the position in this regard through the future Audit Reports.

1.11. The Committee find that as on 31st August, 1974, advances totalling Rs. 334.44 lakhs paid to Government servants had not been recovered in as many as 37,386 cases. Similarly an amount of Rs. 18.10 lakhs, representing overpayments or amount disallowed in audit in 1242 cases was pending recovery. The Committee take a serious view of these outstandings and desire that these should be recovered early.

1.12. It is disconcerting that a number of Inspection Reports are stated to be outstanding for well over two decades. The reasons for this sorry state of affairs should be gone into thoroughly and necessary remedial measures adopted and implemented.

1.13. The Committee take an extremely serious view of the failure on the part of the India Supply Mission, London, in not even replying to an Audit objection raised in August 1973 till January, 1975. In another case, even though the Mission had promised, in February 1969, that attempts would be made to recover the loss accruing on account of delayed delivery of stores contracted in November 1965, the final position had not been intimated to Audit till January 1975, 'despite several reminders.' The Committee desire that responsibility for this impermissible delay should be fixed for appropriate action.

NEW DELHI;  
 April 21, 1976  
Vaisakha 1, 1898 (Saka).

H. N. MUKERJEE,  
 Chairman,  
 Public Accounts Committee.

## APPENDIX I

### MINISTRY OF FINANCE

(Department of Expenditure)

#### Recommendations

The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in setting a large number of outstanding audit observations totalling 1,34,820 as administrative lapses. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

The outstanding audit objections reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments Statutory and Autonomous Bodies.

The Committee have noted there has been negligible progress in the clearance of the outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.

[S. No. 1, 2 and 4 (Paras 1.6, 1.7 and 1.9) of Appendix to 169th Report of the PAC (5th Lok Sabha)].

#### Action Taken

The recommendations of the Committee have been brought to notice of all Ministries for necessary action.

### Recommendations

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guidelines should be issued to all administrative Ministries in this regard.

[S. No. 3 (Para 1.8) of Appendix to 169th Report of the PAC  
(Fifth Lok Sabha)].

### Action Taken

Comprehensive instructions and guidelines are laid down in the "Standing Guard File on speedy settlement of Audit observations/inspection reports and timely disposal of draft audit paragraphs". Attention of all Ministries/Departments has again been drawn to these instructions for strict observance and they have been requested to review their existing procedures at the Joint Secretary's level and take special steps to liquidate the backlog of audit observations/inspection reports vide this Ministry's O.M. No. F.12(13)-E(Coord)/75 dated 27th August, 1975 [Copy enclosed (Annexure)].

[Ministry of Finance No. F. 12(13)-E (Coord)/75].

#### Annexure

No. F. 12(13)-E (Coord)/75

Government of India

Ministry of Finance

Department of Expenditure

—————  
New Delhi, the 27th August, 1975

#### OFFICE MEMORANDUM

Subject:—169th Report of the Public Accounts Committee (5th Lok Sabha) relating to outstanding Audit objections and Inspection Reports.

—————  
The undersigned is directed to invite a reference to the 169th Report of the Public Accounts Committee, wherein the Committee have

referred to the large number of outstanding Audit objections/inspections reports and stressed the need for their early clearance. The Committee have also desired that the Ministry of Finance should devise a suitable machinery for expeditious settlement of outstanding audit objections/inspection reports and issue guidelines to all administrative Ministries in this regard.

2. Comprehensive instructions already exist in the "Standing Guard File" on speedy settlement of audit objections/inspection reports and timely disposal of draft audit paragraphs. Even though the responsibility for removal of objections and the settlement of other points raised in audit devolves primarily upon the disbursing officers, Heads of offices and controlling authorities, the Ministry/Department has the responsibility to ensure that the requisite action is taken in time and should therefore take active steps towards this end. Attention is in this connection invited to the following instructions contained in the Standing Guard File:—

- (i) Responsibility for ensuring prompt attention to the audit objections/inspection reports should be placed upon a designated senior officers in each Ministry/Department.
- (ii) Ministries should maintain a register containing the items of audit objections/inspection reports as reported by Audit authorities both in respect of the Secretariat proper and in respect of the attached and subordinate offices and indicate the action taken on each item.
- (iii) Each Ministry should fix a target date for clearance of outstanding audit objections/inspection reports and ensure that the date is adhered to.
- (iv) To facilitate better understanding of each other's point of view and to help in quicker settlement of audit objections/inspection reports the Ministries have been advised that the outstanding audit objections/inspection reports should be periodically discussed by the administrative authorities in the subordinate offices as well as in the Ministry with the representatives of Audit at an appropriate level.
- (v) When a Ministry has a large number of chronic objections which have somehow defied attempts to settle in the ordinary manner, the Ministry is required to consider the question of appointing an *ad hoc* Committee including a representative of the Audit as an observer, to go through

the backlog and dispose the objection by taking appropriate action on each of them.

- (vi) The executive officer should while inspecting the subordinate offices, make it a point to enquire about the disposal of audit objections/inspection reports and the improvements effected in the procedure as a result thereof.

3. It will thus be observed that suitable instructions/guidelines for the speedy settlement of audit objection already exist. What is required is stricter observance of the existing instructions contained in the Standing Guard File, by the Ministries/Departments and their attached and subordinate Offices. Ministries/Departments are accordingly requested to review their existing procedure at the Joint Secretary's level to ensure stricter observance of the instructions contained in the Standing Guard File by all concerned and take special steps to liquidate the backlog of audit objections/inspection reports.

4. The Public Accounts Committee in their 169th Report have also taken a very serious view that the Ministries have tried to extenuate the unusual delays in settling a large number of outstanding audit observations and have desired that responsibility should be fixed on the concerned drawing/disbursing officer (Para 1.6). It has also been recommended that the outstanding audit objections with details should be shown in the Annual Reports of the Ministry/Department, Statutory and autonomous Bodies (Para 1.7). It is requested that necessary action on these recommendations may be taken by the respective Ministries/Departments concerned and "action taken notes" forwarded to the Lok Sabha Secretariat.

(N. N. K. NAIR)

*Joint Secretary to the Govt. of India.*

To

All Ministries/Departments of the Govt. of India.

No. F. 12(13)-E (Coord) /75

Copy forwarded to all Heads of Divisions and all DFAs/AFAs in the Expenditure Divisions.

Copy to the C & A. G., New Delhi.

J. S. BAJAJ

*Deputy Secretary to the Govt. of India.*  
[F. 12(13)-E (Coord)/75 dt. 29-8-1975].

## APPENDIX II

### MINISTRY OF FINANCE

(Deptt. of Revenue & Insurance)

#### Recommendations

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guidelines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee

are confident that a better performance will ensure in regard to the implementation of the audit observations.

(Sl. No. 1—4 Paras 1.6 to 1.9 of Appendix of 169th Report, 1974-75).

### Action Taken

The observations of the Committee have been brought to the notice of all concerned for guidance. A copy of the instructions issued in this regard *vide* F.No. 15|64|74-IFU(B&A) dated the 18th December, 1975 is enclosed.

Suitable instructions for expeditious settlement of outstanding audit objections and inspection reports have been issued by the Department of Expenditure in their O.M. No. F. 12(13)-E(Coord)|75 dated the 27th August, 1975, [Copy enclosed (Annexure)].

(F. No. 15|64|74-IFU (B & A).

### ANNEXURE

F. No. 15|64|74-IFU(B&A)

Government of India

MINISTRY OF FINANCE

**Deptt. of Rev. & Ins.**

(Internal Finance Unit,

Budget & Accounts Cell)

New Delhi, the 18th December, 1975.

To

All Heads of Department under the  
Ministry of Finance (Deptt. of Rev. & Ins .)

Sir

Sub: 169th Report of P.A.C. on Chapter VII of C. & A. G. for the year 1972-73—Union Government (Civil) relating to outstanding Audit Objections and Inspection Reports.

I am directed to refer to this Ministry's letter dated the 11th October, 1974, on the subject cited above and to say that P.A.C.



while commenting on the Audit Paragraph 52|1972-73 have observed:—

“The Committee take a very serious view that the Ministries|Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawings not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing|disbursing officers.

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are compiled with within reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.

The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.”

It is, therefore, requested that P.A.C.'s recommendations may be strictly complied with in accordance with the instructions already issued in this connection from time to time.

2. As desired by the Committee responsibility should be fixed on the concerned drawing and disbursing officers for the unusual delays in settling a large number of outstanding audit observations wherever necessary and facts of such cases reported to this Ministry for information.

3. A copy of the Department of Expenditure O.M. No F 12(13)-E(Coord)|75 dated 27-8-1975 containing the instructions in the matter is enclosed for strict compliance.

Yours faithfully,

(J. R. K. SRIVASTAVA),

Under Secretary to the Govt. of India.

COPY

No. F. 12(13)-E(Coord)|75

Government of India

MINISTRY OF FINANCE

Department of Expenditure

New Delhi, the 27th August, 1975.

OFFICE MEMORANDUM

Subject:—169th Report of the Public Accounts Committee (5th Lok Sabha) relating to outstanding Audit Objections and Inspection Reports.

The undersigned is directed to invite a reference to the 169th Report of the Public Accounts Committee, wherein the Committee have referred to the large number of outstanding Audit Objections| Inspection Reports and stressed the need for their early clearance. The Committee have also desired that the Ministry of Finance should devise a suitable machinery for expeditious settlement of outstanding audit objections|inspection reports and issue guidelines to all administrative Ministries in this regard.

2. Comprehensive instructions already exist in the 'Standing Guard File' on speedy settlement of audit objections|inspection reports and timely disposal of draft audit paragraphs. Even though the responsibility for removal of objections and the settlement of other points raised in audit devolves primarily upon the disbursing officers, Heads of offices and controlling authorities, the Ministry|Department has the responsibility to ensure that the requisite action is taken in time and should therefore take active steps towards this end. Attention is in this connection invited to the following instructions contained in the Standing Guard File:—

- (i) Responsibility for ensuring prompt attention to the audit objections/inspection reports should be placed upon a designated senior officer in each Ministry/Department.

- (ii) Ministries should maintain a register containing the items of audit objections/inspection reports as reported by Audit authorities both in respect of the Secretariat proper and in respect of the attached and subordinate offices and indicate the action taken on each item.
- (iii) Each Ministry should fix a target date for clearance of outstanding audit objections/inspection reports and ensure that the date is adhered to.
- (iv) To facilitate better understanding of each other's point of view and to help in quicker settlement of audit objections/inspection reports the Ministries have been advised that the outstanding audit objections/inspection reports should be periodically discussed by the administrative authorities in the subordinate offices as well as in the Ministry with the representatives of audit at an appropriate level.
- (v) When a Ministry has a large number of chronic objections which have somehow defied attempts to settle in the ordinary manner, the Ministry is required to consider the question of appointing an *ad hoc* Committee including a representative of the Audit as an observer, to go through the back-log and dispose the objection by taking appropriate action on each of them.
- (vi) The executive officer should, while inspecting the subordinate offices, make it a point to enquire about the disposal of audit objections/inspection reports and the improvements effected in the procedure as a result thereof.

3. It will thus be observed that suitable instructions/guidelines for the speedy settlement of audit objections already exist. What is required is stricter observance of the existing instructions contained in the Standing Guard File, by the Ministries/Departments and their attached and subordinate offices. Ministries/Departments are accordingly requested to review their existing procedure at the Joint Secretary's level to ensure stricter observance of the instructions contained in the Standing Guard File by all concerned and take special steps to liquidate the backlog of audit objections/inspection reports.

4. The Public Accounts Committee in their 169th Report have also taken a very serious view that the Ministries have tried to extenuate the unusual delays in settling a large number of outstanding audit observations and have desired that responsibility should

be fixed on the concerned drawing/disbursing officer (Para 1.6). It has also been recommended that the outstanding audit objections with details should be shown in the Annual Reports of the Ministry/ Department, Statutory and autonomous Bodies (Para 1.7). It is requested that necessary action on these recommendations may be taken by the respective Ministries/ Departments concerned and 'action taken notes' forwarded to the Lok Sabha Secretariat.

Sd/-

(N. N. K. Nair)

*Joint Secretary to the Govt. of India.*

To

All Ministries/Departments of the Govt. of India.

No. F. 12(13)-E(C ord) 75.

Copy forwarded to all Heads of Divisions and all DFAs/AFAs in the Expenditure Divisions.

Copy to the C & A.G., New Delhi.

Sd/-

(J. S. Bajaj),

*Deputy Secretary to the Govt. of India.*

(Letter No. 15/64/75-IFU/B&A dt. 22-12-1975)

### APPENDIX III

No. F. 8(23)-B/75

#### MINISTRY OF FINANCE

† (Department of Economic Affairs)

New Delhi, the 27th Jan., 1976.

#### OFFICE MEMORANDUM

**SUBJECT:**—169th Report of P.A.C. on Chapter VII of Report of Comptroller and Auditor General of India for the year 1972-73 Union Govt. (Civil) relating to Outstanding Audit Observations and Inspection Reports.

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The undersigned is directed to refer to Lok Sabha Secretariat's O.M. No. 2/4/6/74/PAC dated 21-1-76 on the subject indicated above.

2. Since in the case of recommendations *vide* S. Nos. 1 to 4 of Appendix to the above noted Report of the P.A.C., the replies to all the recommendations of the Committee which were of a general nature and marked for all Ministries, had been furnished by the Department of Expenditure (a copy is enclosed)\* no separate 'Action Taken' statement in respect of these recommendations is required to be furnished by this Department. Necessary action so far as the instructions contained in para 4 of Department of Expenditure's O.M. No. F. 12(13)-E(Coord)/75 dated 27-8-1975\* enclosed with the action taken statement forwarded by the Department of Expenditure on the above Report, has already been taken by this Department.

Sd/- (KM. SOMI TANDON)

*Under Secretary to the Govt. of India*

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\*See Annexure I

†Not vetted in Audit

## APPENDIX IV

### MINISTRY OF FINANCE\*

#### (DEPARTMENT OF BANKING)

##### Recommendation

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing Officers.

[S. No. 1(Para. 1.6) of Appendix to the 169th Report of PAC  
(5th Lok Sabha)]

##### Action taken

###### (i) Audit observations:

Most of the audit observations which are of routine nature, relate to the adjustment of T.A., L.T.C. and leave salary advances. Necessary adjustments in respect of such advances were carried out in this Department as soon as possible. However these adjustments were not carried out simultaneously in the books of A.G.C.R. with the result that number of items were shown outstanding in the books of audit though a large number of them had already been settled.

The year-wise break-up of the audit observations outstanding against the Department of Banking as on 31-8-1973 as intimated by the AGCR is given below:

(a) A.G.C.R. (i) G.M. Section	1971-72	8
(Objections Gazetted Officers)	1972-73	26
(ii) T.M. Section	1970-71	2
	1971-72	54
	1972-73	15
(b) A.G. Bombay	1971-72	5
TOTAL		110

\*Not vetted in Audit

On receiving the extracts of C&AG's report regarding outstanding Audit Observations and Inspection Reports relating to the Department of Banking, the Office of the AGCR were requested to furnish full details of all outstanding items against this Department as such details were not available. On receiving of the details, position with reference to the settlement of the items were furnished to the AGCR. After some correspondence, the office of the AGCR (DA 8) reported the latest position of outstanding audit objections in respect of the non-gazetted staff in May, 1975. As per the AGCR's letter of May, 75, 2 items are outstanding. All these relate to minor technical objections such as verification from service books of non-gazetted staff. Necessary action for settlement of these items has already been taken separately. These will be settled shortly.

(ii) *Inspection Reports :*

The break-up of the outstanding Inspection reports is given below :—

Year	No. of Inspection reports	Number of paras
1955-56	6	14
1972-73	2	6
TOTAL	8	20

The latest position of the Inspection reports is set out as under :

Year of Inspection report	Para No.	Latest position
1965-66	4, 6, 7 & 8	} Necessary comments had already been furnished to the A.G.C.R. Reply is awaited from them.
1966-67	3	
1966-68	7	
1968-69	7	
1969-70	2, 4 (ii)	Settled <i>vide</i> AGCR's letter dated 14-9-75.
1969-71	6	} Necessary comments had been sent to the AGCR and their reply is awaited.
1971-72	4, 5 & 6	
1972-73	1, 2 (b)	
1969-70	4	Necessary sanction for write off of the loan Rs. 5000/- to the Departmental Car-teen had already been issued.
1971-72	1	Settled
1971-72	2	Necessary remittance certificate had been obtained from Treasury Officer and sent to the AGCR for settlement.
1971-72	5(iv)	} Settled <i>vide</i> AGCR'S letter dated 22-12-75.
1972-73	3	

### Recommendation

The outstanding audit observation reveal serious failure of the administrative Ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.

[S. No. 2 (Para 1.7) of Appendix to the 169th Report of PAC 1974-75 (5th Lok Sabha)].

### Action taken

The observation of the Committee have been noted for strict compliance. The outstanding audit objections with details will be shown in the Annual Report of the Ministry of Finance 1975-76.

### Recommendation

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or return for the expeditious collection of information from lower formation. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations|inspection reports. Guidelines should be issued to all administrative Ministries in this regard.

[S. No. 3 (Para 1.8) of Appendix to the 169th Report of PAC (5th Lok Sabha)]

### Action taken

The observations of the Committee have been noted for compliance. Suitable steps are being taken for the expeditious settlement of outstanding audit observations|Inspection Reports.

[D.O. No. G-25013|5|75-cash dt. 2.1.1976]



## APPENDIX V

### CABINET SECRETARIAT

#### (DEPARTMENT OF PERSONNEL & ADMINISTRATIVE REFORMS)

##### Recommendation

The Committee take a very serious view that the Ministries|Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit observations namely (i) Sanctions for establishment not received (Rs. 35,00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing|disbursing officers.

[S. No. 1--Appendix Para 1.6 of PAC's 169th Report (5th Lok Sabha)].

##### Action taken

No such case is involved in the pending audit observations|inspection reports for the year 1972-73 in regard to the Department of Personnel and A.R. and its attached|subordinate offices. However, the recommendations of the Committee have been brought to the notice of all the concerned officers of this Department for guidance *vide* this Department letter No. 11|175-Ad. II dated 17.5.75.

##### Recommendation

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should

make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.

[S. No. 2—Appendix Para No. 1.7 of PAC's 169th Report (5th Lok Sabha)].

#### **Action taken**

Necessary action is always taken in this regard. Further instructions have again been issued to all concerned. Instructions have also been issued that the outstanding objections with details should be shown in the Annual Reports of the Department, *vide* this Department letter No. 11|1|75-Ad-II dated the 6th September, 1975.

#### **Recommendation**

The Committee have noted there has been negligible progress in the clearance of the outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.

[S. No. 4—Appendix Para No. 1.9 of P.A.C.'s 169th Report (5th Lok Sabha)]

#### **Action taken**

The recommendations of the Committee have been brought to the notice of all the concerned Offices of this Department for their guidance *vide* this Department letter No. 11|1|75-Ad. II dated the 17.5.75.

[D.O. No. 11|1|75-Ad. II dated 4.12.1975]

## APPENDIX VI

### MINISTRY OF HOME AFFAIRS

#### Recommendation

The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820, as administrative lapse. All the five types of audit observations, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) Sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[S. No. 1—Appendix Para N. 1.6 of PAC's 169th Report (5th Lok Sabha)].

#### Action taken

The recommendation has been brought to the notice of all the concerned officers of this Ministry for guidance and strict compliance and they have also been requested to fix responsibilities on the concerned drawing/disbursing officers in all cases of unusual delays in the settlement of audit objections *vide* this Ministry's circular letter No. 7/4/75-Ac. III dated 24th September, 1975 (Copy enclosed).

#### Recommendation

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, statutory and Autonomous Bodies.

[S. No. 2—Appendix Para No. 1.7 of PAC's 169th Report (5th Lok Sabha)]

### Action taken

The concerned officers in the Ministry have been requested to issue necessary instructions to all their concerned officers to regulate expenditure strictly according to the financial rules and to ensure that the audit observations complied with within a reasonable period of time *vide* this Ministry's circular letter No. 7/4/75-Ac. III dated 24th September, 1975.

The outstanding audit objections with details will be shown in the Annual Reports of the Ministry of Home Affairs, as desired.

### Recommendation

The Committee have noted there has been negligible progress in the clearance of the outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementations of the audit observations.

[S. No. 4—Appendix Para No. 1.9 of PAC's 169th Report (5th Lok Sabha)]

### Action taken

The concerned officers in the Ministry have been requested to bring this recommendation of the Committee to the notice of all their concerned officers and to ensure that the recommendations made by the Committee are implemented in full, *vide* this Ministry's circular letter No. 7/4/75-Ac. III dated 24th September, 1975 (Annexure).

### Annexure

No. 7/4/75-Ac.III

GOVERNMENT OF INDIA/BHARAT SARKAR

MINISTRY OF HOME AFFAIRS|GRIH MANTRALAYA

New Delhi 110001, the 24th September, 1975.

To

SUBJECT.—169th Report of the Public Accounts Committee (1974-75) relating to outstanding audit objections and Inspection Reports.

Sir,

I am directed to enclose a copy of the recommendations of the Public Accounts Committee (1974-75) made in paras No's. 1.6 to 1.9

of their 169th Report mentioned above. The action to be taken on those recommendations has been indicated therein. It is requested that these instructions may please be strictly observed in respect of all audit objections and Inspection Reports with which you are concerned.

Yours faithfully,  
Sd/- P. K. Sarkar,  
Director (Finance).

No. 7|4|75-Ac.III New Delhi 110001, the 24th September, 1975.

Copy with enclosure forwarded for similar necessary action to:—

U.S. (Cash), Director (Hindi), and D.S. (SCT), Ministry of Home Affairs.

Sd/- P. K. Sarkar,  
Director (Finance).

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S. No.	Para No.	Recommendations	Action to be taken
1	1.6	<p>The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in setting a large number of outstanding audit observations totalling, 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lumpsums drawings received (Rs. 7,60.22 Lakhs), and (v) vouchers not received (Rs. 17,24.61 lakhs), are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/dispersing officers.</p>	<p>The recommendation may be brought to the notice of all the drawing/dispersing officers concerned with strict instructions to deal with the audit objection cases of A PRIORITY basis. In all cases of unusual delays in the matter of settlement of audit objections, responsibilities should be fixed on the concerned drawing/dispersing officers under intimation to this Ministry.</p>
2	1.7	<p>The outstanding audit observations reveals serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desiring that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.</p>	<p>Necessary instructions may be issued to all the concerned officers :—</p> <p>(i) To regulate expenditure strictly according to the financial rules and</p> <p>(ii) to ensure that the audit observations are complied with within a reasonable period of time.</p> <p>(2) A list of outstanding audit objections with details such as nature of the objections, and audit involved as well as the year of the objections should be furnished to the Ministry of Home Affairs every year by the end of JANUARY to enable this Ministry to incorporate the same in the Annual Report. The first list in this regard may please be sent by 31st January, 1976.</p>

S.No. Para No.

Recommendations

Action to be taken

4 1-9 The Committee have noted there has been negligible progress in the clearance of the outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementations of the audit observation.

The recommendation may be brought to the notice of all the concerned officers and it may kindly be ensured that their recommendations made by the Committee are implemented in full.

[ O. M. No. 7/4/75—A.C. III dt.28.11.1975 ]

## APPENDIX VII

### MINISTRY OF SHIPPING & TRANSPORT

#### (Transport Wing)

#### Recommendation

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lumpsum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[Sr. No. 1 (Para No. 1.6) of Appendix to 169th Report of the Public Accounts Committee (1974-75)]

#### Action taken

So far as the Ministry of Shipping and Transport are concerned, a comprehensive review of the outstanding Audit Objections and Inspection Reports appearing in Chapter VII of the Report of the C&AG of India for the year 1972-73 has been conducted and the result is contained in Annexure 'A' and 'B'. The position, as indicated in these Annexures, is summarised in the table below:

	Audit Objections		Inspection Report	
	No.	Amount Rs.	No.	Paras
(a) No. of outstanding Audit Objections and Inspection Reports as per C&AG Report for 1972-73 & revised*	1234	3,31,18,793	197	628
(b) No. of Audit Objections and Inspection Reports as cleared upto 30-9-75	1067	3,21,08,623	85	247
(c) No. of Audit Objections and Inspection Reports still pending	167	10,10,170	112	381

\*See attached note.



It will be seen that the number of Audit Objections has come down from 1234 (Rs. 3,31,18,793) to 167 (Rs. 10,10,170). Similarly, the number of inspection Reports and Paras is reduced from 197 to 112 and from 628 to, 381 respectively. A considerable improvement has thus been achieved through special efforts made by drawing/dispersing officers upon whom the need for prompt settlement of Audit Objections and Inspection Reports is being impressed continuously.

*Recommendation*

The Commission takes a very serious view of the delay in the settlement of audit objections and inspection reports. The number of outstanding audit objections and inspection reports as on 31.12.1973 was 1234 and Rs. 3,31,18,793. The Commission has taken various steps to reduce the number of outstanding audit objections and inspection reports. The Commission has directed the concerned officers to settle the audit objections and inspection reports as soon as possible. The Commission has also directed the concerned officers to submit the audit objections and inspection reports to the Commission as soon as possible. The Commission has also directed the concerned officers to submit the audit objections and inspection reports to the Commission as soon as possible. The Commission has also directed the concerned officers to submit the audit objections and inspection reports to the Commission as soon as possible.

*Action taken*

As per the Ministry of Shipping and Transport are concerned. A comprehensive review of the outstanding Audit Objections and Inspection Reports appearing in Chapter VI of the Report of the CAG of India for the year 1972-73 has been conducted and the result is contained in Annexure 'A' and 'B'. The position, as detailed in these Annexures is summarized in the table below.

Sl. No.	Particulars	Rs.
1	...	...
2	...	...
3	...	...
4	...	...
5	...	...
6	...	...
7	...	...
8	...	...
9	...	...
10	...	...
11	...	...
12	...	...
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98	...	...
99	...	...
100	...	...

ANNEXURE 'A'

Statement showing the position of audit objections shown as out standing in the C & A G Report for 1972-73 & Revised as per note attached

A.G.	Deptt.	Section	No. shown as pending in the C & AG Report for 1972-73		No. cleared so far		Latest position of objections still outstanding	
			Item	Amount Rs.	Item	Amount Rs.	Item	Amount Rs.
	2	3	4	5	6	7	8	9
Goa . . . . .	D. G. Shipping . . . . .	MA	4	412	..	..	..	*Reply not received from Departmental offices regarding latest position
Karnataka . . . . .	Port of New Mangalore . . . . .	PDA	71	10,76,291	66	6,36,335	5	4,39,956
Kerala . . . . .	A.L.H.W. . . . .	PDA	62	4,11,679	60	4,01,719	2	9,960
Bihar . . . . .	Regional Office, Patna . . . . .	IWT Dtc.	30	4,92,327	26	4,03,153	4	89,174
Central Bombay**	D. G. Shipping . . . . .	M.A.	100	4,46,069	..	..	..	*Reply not received from Departmental offices regarding latest position
	D. G. (I & L) . . . . .	M.T.	88	19,418	88	19,418	..	..
	Marine Port Survey of Bombay	PDA	97	14,790	97	14,790	..	..
		PE	7	5,042.70	..	..	7	5,042.70
			292	4,85,320	185	34,208	7	5,042.70

	1	2	3	4	5	6	7	8	9
Central Calcutta		A.L.H.W.	PDA	66	2,19,09,242	66	2,19,09,242	..	..
		D. G. (I & L)	MT	26	14,31,529	26	14,31,529	..	..
				92	2,33,40,771	92	2,33,40,771	..	..
Tamil Nadu		Port of New Tuticorin	PDA	78	67,48,969	78	67,48,969	..	..
C. W. & M.		Transport Wing	{ I.S.T.C.	..	..	..	..	..	..
			{ C. & A.	269	1,19,261,42	256	1,17,883	4	1,378
			{ I.W.T.	..	..	..	..	..	..
			{ Die.	..	..	..	..	..	..
		Roads Wing	Roads Wing	81	1,18,472,09	47	1,09,029	34	9,444
		D.G. (I & L)	M.T.	24	21,912	23	15,736	1	6,176
		B. R.D.B.	BRDB	2	..	2	..	..	..
				367	2,59,646,00	328	2,42,648	39	16,998
Gujarat		D.G. Shipping	MA	1	125	1	125	..	..
		D.G. (I & L)	MT	215	2,83,417	210	2,80,884	5	2,533
				216	2,83,542	211	2,81,009	5	2,533
AGCR (TM)		Delhi Admn.	TAG	22	19,836	21	19,811	1	25
				1234	3,31,18,793	1067	3,21,08,623	*63	*5,63,689
		TOTAL							

\*Replies are awaited from departmental offices regarding latest position for 10 items involving an amount of Rs. 4,46,481.  
 \*\*Please see attached note.

ANNEXURE 'B'  
Statement showing the position of Inspection Report and paras shown as outstanding in the C & A. G. Report 1972-73 and revised as per note attached

Name of A.G.	Deptt.	Section	Year	No. shown as pending in the C&AG Report of 1972-73		No. cleared upto 31-8-75		Latest position of outstanding paras	
				Report	Paras	Report	Paras	Report	Paras
1	2	3	4	5	6	7	8	9	10
C.W. & M.**	T.W.	TAG	1967-68	I	I	I	I	..	..
		PG	1968-69	I	I	I	I	..	..
		PDB	1969-70	I	I	I	I	..	..
		MD		..	I	..	I	..	..
		PG	1971-72	I	I	..	I	..	..
		SY II		..	I	..	I	..	..
		PDA		..	I	..	..	*	*
		SY I		..	I	..	..	..	*
		SY II	1972-73	..	I	..	I	..	..
		SY I		I	I	..	..	*	*
		PDA		..	I	..	..	*	*
		SY I		..	I	..	..	..	*

\*Reply not received from departmental offices regarding latest position

1	2	3	4	5	6	7	8	9	10
C.W.&M.(Contd.)									
		MD		..	I	..	I	..	..
		PDA		..	2	..	I	..	*
	R.W.			9	19	9	19	..	..
	BRDB			61	131	31	74	30	57
<hr/>									
				75	165	43	102	30	57
<hr/>									
A.G.C.R.(OAI)	Delhi Administration	TAG		10	31	I	12	9	19
Karnataka	Port of New Mangalore	PDA		10	29	6	19	4	10
Kerala	AHWP	PDA		I	I	..	..	I	I
Gujarat	DG (Shipping)	MA		3	3	3	3	..	..
Andhra Pradesh	DG (I&L)	MT		2	2	2	2	..	..
Tamil Nadu	Port of New Tuticorin	PDA		35	233	8	63	27	170
D.A. London				I	5	I	5	..	..
Bihar	Regional Office, Patna	IWT Directorate		I	5	..	..	I	..
Bombay**	C.E. (Roads)	R.W. Admn. II		I	2	I	2	..	..

	DG (Shipping)	MA	5	..	..	*	*Reply not received from
	AIHW	PDA	2	..	..	*	Departmental Offices regarding latest position
			9	1	2	*	
Central	AIHW	PDA	33	..	10	*	
Calcutta	DG (Shipping)	MA	47	112	29	*	
TOTAL:			197	628	85	247	72*
							262*

\* Replies are awaited from Departmental Officers regarding latest position for 40 Reports involving 119 paras.

\*\*Please see attached note.

## Note

The figures of Audit Objections, Inspection Reports and paras as appearing in the C&AG's Report for 1972-73 were revised to those as shown in Annexure A&B as per discrepancies pointed out by the AG Bombay/AGCW&M New Delhi as below:—

Name of A.G.	Audit Objection	Amount in Rupees	Inspection Report	Paras
1	2	3	4	5
A.G. Bombay (As reported to AGCR)	331	4,56,314	7	13
(As Revised)	292	4,85,320	8	9
CW&M (As reported to A.G.C.R.)	..	..	6	19
(As Revised)	..	..	5	15

  

	Audit Objections		Inspection Reports	
	No.	Amount	No.	Paras
No. of outstanding audit objections & Inspection Reports as per C&AG Report for 1972-73	1273	3,30,89,787	197	636
Discrepancy as per note above.	(—) 39	(+) 29,006	(—)	(—) 8
<b>TOTAL :</b>	<b>1234</b>	<b>3,31,18,793</b>	<b>197</b>	<b>628</b>

### Recommendation

The outstanding audit observations reveal serious failure of the administrative Ministries to regulate expenditure strictly according to financial rules. The committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, statutory and Autonomous Bodies.

[Sr. No. 2 (Para No. 1.7) of Appendix to 169th Report of the Public Accounts Committee (1974-75)]

**Action taken**

Directions have been issued from time to time stressing upon the Drawing/Disbursing officers in the Ministry to clear the Audit Objections and the Inspection Reports as early as possible. Such directions were last issued *vide* para 3 of this Ministry's endorsement No. BAS-13/75, dated the 1st October, 1975 (Annexure 'C'). The requirement of showing audit objections with details in the Annual Report of the Ministry has been noted for compliance.

**ANNEXURE C**

GOVERNMENT OF INDIA

MINISTRY OF SHIPPING AND TRANSPORT

(Transport Wing)

No. BAS-13/75

Dated New Delhi, the 1st October, 1975

**SUBJECT:**—Half Yearly Statement of outstanding audit objections and Inspection Reports for the period ending 30-9-74 but not settled upto 31-3-75 in respect of the Ministry of Shipping and Transport.

A copy of letter No. Genl|XV(10)|75-76|1169 dated 28th August, 1975 from the A.G.C.W. & M. together with half yearly statement of outstanding audit objections and Inspection Reports for the period ending 30th September, 1974 but not settled upto 31st March, 1975 in respect of Ministry of Shipping and Transport has been enclosed. The objections and reports relate to the following units:

- (i) C & A Section
- (ii) I.S.T.C.
- (iii) IWT Directorate
- (iv) SY I
- (v) SY II
- (vi) PDA
- (vii) PG
- (viii) MW
- (ix) PDB
- (x) PDC
- (xi) Roads Wing (C&G)
- (xii) BRDB
- (xiii) D.G. I&L.



The number of copies of statement received is only two. It is, therefore, not possible to supply one copy each to all concerned units. As it is not possible for the Budget Section to segregate the objections and reports, it has been indicated below as to how each unit should collect information relating to them.

3. All the units are aware that Public Accounts Committee take a very serious view of the outstanding audit objections and Inspection Reports. It is, therefore, requested that prompt settlement of the outstanding audit objections and Inspection Reports is taken up with the A.G.C.W.&M. and the result reported to Budget Section latest by the 15th October, 1975.

Sd/-

(H. RAJAN),

*Accounts Officer.*

To

1. *C&A Section.*—A statement of outstanding audit objections and Inspection Reports concerning C&A Section, ISTC & IWT is attached.

2. T. Section|IWT Directorate are requested that Audit Objections and Inspection Reports relating to them may kindly be segregated from the statement available with C&A Section or Budget Section.

3. *Roads Wing.*—A statement of audit objections and inspection reports pertaining to Roads Wing and Border Roads Development Board is attached.

4. *Border Road Development Board.*—It is requested that they should depute an Assistant to copy out information relating to them from the statement with Roads Wing or Budget Section.

5. *M.T. Section.*—A statement relating to D.G.I. & L is attached.

6. SYI, SYII, PG, MD, PDA, PDB, PDC Sections.

The statement enclosed shows the objections relating to all the sections. Each section may kindly deal with the items relating to them and report may be furnished as desired by 15-10-75.

Sd/-

(H. RAJAN),

*Accounts Officer.*

### Recommendation

The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations|inspection report. Guidelines should be issued to all the administrative Ministries in this regard.

[Sr. No. 3 (Para No. 1.8) of Appendix to 169th Report of the Public Accounts Committee (1974-75)].

### Action taken

Pending receipt of the guidelines from Ministry of Finance, instructions have been given to all the Units concerned in the Ministry to gear up their machinery for taking timely and effective action and for devising proper forms or returns for the expeditious collection of information from lower formations for the purpose of prompt settlement of Audit Observations and Inspection Reports *vide* para 3 of this Ministry's endorsement No. 4-Bud(22)|74, dated 12-6-75 (Annexure 'D'). In compliance of these instructions, Director General of Border Roads have issued instructions *vide* their No. 22800|DGBR|E2A|Audit, dated 2-8-75 (Annexure E) to their lower formations.

### ANNEXURE 'D'

MOST IMMEDIATE

GOVERNMENT OF INDIA

MINISTRY OF SHIPPING AND TRANSPORT

(Transport Wing)

No. 4-Budget(22)|74. New Delhi, the 12th June, 1975.

SUBJECT:—169th Report of the Public Accounts Committee on Chapter VII of the Report of the Comptroller and Auditor General of India for the year 1972-73—Union Government (Civil) relating to outstanding Audit observations and inspection reports—Furnishing of Action Taken Notes.

A copy each of the Lok Sabha Secretariat Office Memorandum No. 2|4|6|74—PAC dated 6-5-75 and of their D.O. letter of the same number dated 14-5-75 on the subject noted above is attached. A copy of the Public Accounts Committee's recommendation extracted from the above report, on which the "Action Taken Note" is to be furnished to the Lok Sabha Secretariat, is also attached.

2. The A.G.-wise break-up of 1273 audit observations and 197 inspection reports relating to this Ministry appearing in Chapter VII of the Report of the Comptroller and Auditor General of India for the year 1972-73 is enclosed in Annexure 'A'. The position of the outstanding items as on 30-9-1974 is indicated in Annexure 'B'. All the administrative Sections in the Ministry are requested to conduct a review to find out the latest position in regard to outstanding audit observations and inspection reports.

3. The administrative Sections are also requested to fix up the responsibility on the concerned Drawing and Disbursing officers for the lapses, if any, of the nature mentioned in the PAC's recommendation. They should also issue instructions in their respective Divisions *inter-alia* to gear up their machinery for taking timely and effective action and for devising proper forms or returns for the expeditious collection of information from lower formations for the purpose of prompt settlement of audit observations and inspection reports.

4. It is requested that the result of the review as contemplated in para 2 above and copies of the instructions issued as advised in para 3 above, together with any other information which may be useful for the preparation of "Action Taken Note" may be supplied to the Budget Section immediately and in any case before the 1st July, 1975.

Sd|- J. V. Rao,

*Deputy Secretary to the Govt. of India.*

1. Director(MM)|Director(C)|Director(M)|  
DS(MAE)|DS(PD)|DS(L)|DS(R)|DS(BRDB)

2. US(E)|US(T)|US(D)|US(PG)|US(MA)|US  
(PDA)|US(SY)|US(MS)|US(PE)|US(L)  
(4 copies each).

3. US(Budget)—Roads Wing (10 copies).
4. US(BRDB)—(10 copies).
5. US(IWT)—(5 copies).

*Encl.*—As above.

Copy with 'enclosures forwarded to S.O. (Coord). The requirement of showing outstanding audit objections with details in the Annual reports of the Ministry in future may kindly be noted, for compliance.

Sd/- J. V. Rao,

*Deputy Secretary to the Govt. of India.*

ANNEXURE 'E'

DTE GENERAL BORDER ROADS  
(SEEMA SARAK MAHANIDESHALAYA)  
KASHMIR HOUSE  
DHQ P.O. NEW DELHI-11.

No. 22800|DGBR|E2A|Audit.

O 2 Aug. 75.

To

, All Project VARTAK, Beacon, Pushpa, Deepak,  
Duntak, Sewak, Swastik, Samparts, Yatrik.

*169th Report of the Public Accounts Committee on Chapter VII of the Report of C & AG for the year 1972-73 Union Govt. (Civil) Relating to outstanding observations and inspections reports furnishing of action taken notes.*

Items of LTAR shown outstanding against Border Roads Organisation as published in the report of Comptroller and Auditor General of India for year 1972-73 are shown in the attached annexure. Projects wise break down is also given. Based on 169th report of the PAC latest position in regard to the audit objections and inspection reports was intimated to the Sectt. as per statistics held in this HQ. This is shown in the same annexure.

2. PAC have viewed seriously the audit objections of the five types namely (i) sanctions for establishment not received (ii) sanction not received for contingent and miscellaneous expenditure (iii) sanctions to estimates not received (iv) detailed bills for lump sum drawals not received (v) vouchers not received. It has been observed that the progress on the liquidation of these audit objection is not upto the desired result. The Committee therefore desired that

machinery at all levels be geared up and timely|effective action taken to settle the outstanding objections.

3. In view of the fact that term of the Public Accounts Committee 1975-76 is likely to be shorter than usual due to forthcoming General Elections, Chairman has desired that Action Taken Notes relating to the report be submitted by 16th Aug. 1975. Importance of early finalisation of LTARS has been stressed time and again. You are once again requested to impress on the Commanders of TFs and OSC Base Depots to take immediate action for the clearance of the outstanding items of LTARS. Progress in this respect may be intimated by the end of Aug. 75 definitely and then reflected in Quarterly Progress Reports.

Sd/- R. P. WADHAWAN,

SBSO

SO 2|E2A|P&A

Director General Border Roads.

Copy to:

Western Base Wksp (GREF)

Eastern Base Wksp (GREF)

Western Store Division (GREF)

Eastern Store Division (GREF)

#### **Recommendation**

The Committee have noted there has been negligible progress in the clearance of the outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementations of the audit observations.

[Sr. No. 4 (Para No. 1.9) of Appendix to 169th Report of the Public Accounts Committee.]

#### **Action taken**

The Committee's observations have been noted and are being acted upon, as may be seen from the reply to Recommendation No. 1.

[No. 4-Budget (22)|74 dt. 16-10-1975]

## **APPENDIX VIII**

### **MINISTRY OF SUPPLY & REHABILITATION**

#### **(DEPARTMENT OF SUPPLY)**

##### **Recommendation**

"The Committee take a very serious view that the Ministries/Departments have to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,600.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken standing audit observations shown in the Audit Report, 511 observations be fixed on the concerned drawing/disbursing officers."

[Sr. No. 1 of the Hundred and Sixty-Ninth Report of Public Accounts Committee (Fifth Lok Sabha)].

##### **Action Taken**

As far as the Department of Supply is concerned out of 3216 outstanding audit observations shown in the Audit Report, 511 observations have since been cleared.

Audit Observations in our case by and large relate to contracts placed by DGS&D and five types of objections indicated above are not attracted. However, steps have been taken to clear the pending Audit Observations expeditiously.

##### **Recommendation**

"The Outstanding audit observations reveal serious failure of the administrative Ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are

complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments Statutory and Autonomous Bodies.”

[Sr. No. 2 of the 169th Report of the Public Accounts Committee (5th Lok Sabha)].

#### **Action Taken**

Noted for compliance.

#### **Recommendation**

“The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious statement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.”

[Sr. No. 3 of the 169th Report of the Public Accounts Committee (5th Lok Sabha)].

#### **Action Taken**

As far as Department of Supply is concerned, clearance of outstanding Audit Observations/Inspection Reports shall be watched in future through a monthly Progress Report and suitable instructions in this respect have been issued.

#### **Recommendation**

“The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.”

[Sr. No. 4 of the 169th Report of the Public Accounts Committee (5th Lok Sabha)].

**Action Taken**

The recommendations of the Committee have been noted for compliance.

[O.M. No. P. III—19(1)|75 dt. 16-8-1975, 5-3-1976].



## APPENDIX IX

### MINISTRY OF SUPPLY AND REHABILITATION (DEPARTMENT OF REHABILITATION)

#### Recommendation

“The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers”.

[Para 1.6 of Hundred and Sixty-Ninth Report (Fifth Lok Sabha)].

#### Action Taken

An analysis of total audit observations of 6,656 which were pending on 31-3-1973 involving an amount of Rs. 2,98.88 lakhs, so far as the Department of Rehabilitation is concerned, is given below:—

	No. of items	Amount (In lakhs of Rs.)
(i) Sanctions for establishment not received . . . . .	63	..
(ii) Sanctions for contingent and miscellaneous expenditure not received . . . . .	944	103.18
(iii) Sanctions for estimates not received . . . . .	294	30.64
(iv) Detailed bills for lump sum drawals not received } (v) Sub-vouchers and payees receipts not received }	1917	78.02
(vi) Other reasons . . . . .	3,438	87.04
	<hr/> 6,656	<hr/> 298.88

Slow progress in the settlement of old O.B. items has been mainly due to:—

- (i) closure of some organisations/offices of the Department and consequential transfer of records; and
- (ii) merger of some organisations/offices with others and resultant mix up of the records.

As a result of special drive, more than 50 per cent items (3,585 items out of the total of 6,656) covering Rs. 114.48 lakhs have been settled. If during the course of clearing the remaining O.B. items, cases of neglect on the part of any individual officials come to notice, necessary action will be initiated against the persons in fault.

#### **Recommendation**

“The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.”

[Para 1.7 of Hundred and Sixty-Ninth Report (Fifth Lok Sabha)]

#### **Action Taken**

The recommendations of the Committee have been noted for compliance. All efforts continue to be made to ensure that the audit observations are complied with within a reasonable period.

#### **Recommendation**

“The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from

lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations|inspection reports. Guide-lines should be issued to all administrative Ministries in this regard”.

[Para 1.8 of Hundred and Sixty-Ninth Report (Fifth Lok Sabha)]

#### **Action Taken**

More than 70 per cent of the outstanding audit observations and inspection reports relate to Dandakaranya Project of this Department. Special drive has been launched to achieve the maximum possible clearance of audit observations and inspection reports. Apart from the meetings of the *ad hoc* committees comprising representatives of Administration, Audit and Ministry of Finance, tripartite meetings in which the Deputy Accountant General, Assistant Financial Adviser and Chief Accounts Officer (Reports) and the Departmental Officers meet, are held to study the more important and old O.B. items and paras included in the Inspection Reports. On the spot verification is also carried out by the Chief Administrator, Dandakaranya Project, regarding the position of outstanding Inspection Reports|paras and necessary directions are given to the field officers to ensure submission of final replies to Audit by the prescribed dates. The Chief Administrator has also introduced a system of internal administrative inspection by a Monitoring and Information Cell. Outstanding audit observations are reviewed during administrative inspections and suitable steps taken for their settlement.

#### **Recommendation**

“The Committee have noted there has been negligible progress in the clearance of the outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.

[Para 1.09 of Hundred and Sixty-Ninth Report (Fifth Lok Sabha)]

#### **Action Taken**

The number of audit objections raised upto 31-3-1973 (outstanding as on 31-8-1973), in so far as the Department of Rehabili-

tation is concerned and which pertain to the Audit Report of the Comptroller and Auditor General (Civil) for the year 1972-73, was 6,656 involving an amount of Rs. 298.88 lakhs. As a result of special efforts made by the Department as well as its subordinate offices 3,586 O.B. items totalling Rs. 114.48 lakhs (2,914 O.B. items totalling Rs. 100.53 lakhs in respect of Dandakaranya Project and 672 O.B. items totalling Rs. 13.95 lakhs in respect of main Secretariat of the Department and Subordinate formations) have so far been settled, leaving a balance of 3,070 O.B. items totalling Rs. 184.40 lakhs (1,775 items totalling Rs. 119.62 lakhs in respect of Dandakaranya Project and 1,295 items totalling Rs. 64.78 lakhs in respect of the main Secretariat of the Department and subordinate formations).

Against 4,690 inspection paras included in the Report of the Comptroller and Auditor General (Civil) for the year 1972-73, 1,382 paras (1185 paras relating to Dandakaranya Project and 197 relating to the Secretariat proper and subordinate offices) have so far been settled, bringing down the number to 3,308 (2,676 paras relating to Dandakaranya Project and 632 relating to Secretariat proper and subordinate formations).

Continual effort is made to settle the outstanding O.B. items and Inspection paras as expeditiously as possible.

[O.M.G. 25015|3|75-Bud. dt. 30-10-1975.]

## APPENDIX X

### MINISTRY OF EDUCATION AND SOCIAL WELFARE

(DEPARTMENT OF EDUCATION)\*

#### Recommendation

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely, (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[S. No. 1 (Para No. 1.6) of Appendix to 169th Report of the P.A.C. (5th Lok Sabha)].

#### Action Taken

The Recommendation of the Committee has been brought to the notice of concerned authorities who have been requested to take action to fix responsibility.

#### Recommendation

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.

[Recommendation No. 2 (Para 1.7) of Appendix to 169th Report of P.A.C. (5th Lok Sabha)].

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\*Not vetted in Audit.

### Action Taken

The Recommendation of the Committee has been noted and, as desired, details of outstanding Audit objections will be shown in the Annual Report of the Ministry in future.

### Recommendation

The Committee have noted that there has been negligible progress in the clearance of the outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementations of the audit observations.

[S. No. 4 (Para 1.9) of Appendix to 169th Report of P.A.C. (5th Lok Sabha)].

### Action Taken

The 169th Report of the Public Accounts Committee 1974-75 (5th Lok Sabha) is based on Comptroller and Auditor General Report for the year 1972-73. According to C. & A.G's. Report the position of pending audit observations and paras of inspection reports was as under (as on 31-8-73):—

<i>Audit observations</i>	
1. (a) Ministry of Education & Social Welfare.	. . . 4671
(b) Deptt. of Culture (A.S.I.)	. . . . . 729
<i>Paras of Inspection Reports</i>	
2. Ministry of Education & Social Welfare (entire Ministry)	. 5660

As regards the figures given above, the figure at 1(a) includes 456 audit observations relating to the Department of Social Welfare which functions as a separate entity. Similarly, the figures at 2 above includes 720 paras of inspection reports concerning the Department of Social Welfare. The net figure relating to the Department of Education and Department of Culture is, therefore, as under:—

	Audit observations	Inspection Paras
(a) Deptt. of Education.	. . . . . 4215	4940
(b) Deptt. of Culture (ASI)	. . . . . 729	Nil

The various subordinate and attached/autonomous organisations under the control of this Ministry are spread all over the country and it takes considerable time to locate the various papers relating to various objections and secure settlement thereof. However, this matter has been vigorously pursued through correspondence and meetings with the Accountants General concerned to secure speedy settlement of the objections. According to information received from the various Accountants General, the position as on 16-9-1975 was as follows:—

	Audit observations
(a) Deptt. of Education. . . . .	1790
(b) Deptt. of Culture (ASI). . . . .	729
	<hr/>
	Inspection Paras
Ministry of Education & S.W. (entire Ministry) . . . . .	2331

Vigorous efforts are continuing to secure the early settlement of the remaining audit observations and paras of inspection reports.

[O.M. No. G-25015|2|75-IF4, dt. 20-11-1975].

## APPENDIX XI

### MINISTRY OF EDUCATION AND SOCIAL WELFARE

#### (DEPARTMENT OF SOCIAL WELFARE)\*

#### Further Information Supplied

(1) The Department is concerned with 456 audit observations and 720 Inspection Reports paras involving Ministry of Home Affairs, Delhi Administration and this Department's Subordinate Offices. The majority of the outstanding Audit Objections pertain to the Directorate of Social Welfare under the Delhi Administration. They have large number of field offices. It takes considerable time to elicit necessary information on the Audit Objections and coordinate them.

(2) (i) A few cases are also subject to lengthy procedure in law court.

(ii) 244 paras have been settled.

(iii) One case.

(iv) As given under (1) above.

(v) Audit instructions are communicated to Sections and Subordinate offices from time to time to expedite the disposal of Audit Objections. The audit objections as and when received are intimated to them with the request to furnish necessary details and documents in order to settle them with the Audit office. Periodical progress reports are also obtained from sections and Subordinate offices.

(vi) Discussions on the objections are held with the audit party when they make annual audit inspection of the Department as well as the subordinate offices.

[D.O. No. G-25|012|6|75-Bgt., dt 3-9-1975]

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\*Not vetted in Audit.



## APPENDIX XII

### MINISTRY OF INDUSTRY & CIVIL SUPPLIES (DEPARTMENT OF INDUSTRIAL DEVELOPMENT)

#### Recommendation

"The Committee take a very serious view that the Ministries|Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs) (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing|disbursing officers."

[Sr. No. 1 Para 1.6 of Appendix to 169th Report of P.A.C. (Fifth Lok Sabha)].

#### Action Taken

Out of 1,34,820 Audit observations mentioned in this para relating to various Ministries|Departments, Department of Industrial Development is concerned with 2140 audit observations which work out to about 1.6 per cent. These audit observations were raised by the following Accountants General.

	No.	Value in rupees.
1. Accountant General, Central, Bombay . . . . .	16	6,711
2. Accountant General, Bihar, Ranchi. . . . .	12	49,566
3. Accountant General, Central, Calcutta. . . . .	2	980
4. Accountant General, Uttar Pradesh II, Allahabad. . . . .	2	600
5. Accountant General, Commerce, Works and Misc., New Delhi. . . . .	1957	15,67,518
6. Accountant General, Central Revenues, New Delhi . . . . .	151	1,08,954
	<hr/>	<hr/>
	2140	17,34,329

Audit observations pertaining to Accountant General, Central, Bombay (Annexure I enclosed), Accountant General, Central Calcutta (Annexure II enclosed) and Accountant General, Uttar Pradesh II, Allahabad (Annexure III enclosed) have since been cleared, confirmation to this effect has been obtained. The twelve observations pertaining to Accountant General, Bihar, Ranchi (Annexure IV enclosed) do not relate to this Department. These relate to the All India Training Institute, Weights and Measures, Patna under the Department of Civil Supplies and Cooperation. Internal Financial Adviser of that Department has been informed of this.

151 items raised by Accountant General, Central, Revenues, New Delhi relate to Industries Department of Delhi Administration on which this Department do not have any direct control. This Department comes to know of the observations only at a later stage. The position has, however, been ascertained from Accountant General, Central Revenues (Annexure V enclosed) and it has been stated by him that 105 items have since been cleared. Most of the remaining observations pertain to Police|Legal cases and relate to the years 1968-69 and 1969-70. The records are in Police custody, as such the objections could not be settled. For the remaining few items compliance to the audit objections has been made but admittance of the same is awaited from Accountant General, Central Revenues, New Delhi.

The office-wise break up of the 1957 observation relating to A.G.C.W.& M., New Delhi is as under:

1. Development Commissioner, Small Scale Industries. . . . .	1430
2. Salt Commissioner . . . . .	190
3. Department of Industrial Development . . . . .	137
4. Directorate General of Technical Development . . . . .	101
5. Integrated Training Centre, Nilckheri . . . . .	53
6. Controller General, Patents, Designs and Trade Marks . . . . .	25
7. Bureau of Industrial Costs and Prices. . . . .	18
8. Commission of Inquiry on Large Industrial Houses. . . . .	1
9. Forward Market Commission (Not relating to this Department) . . . . .	2
Total . . . . .	1957

The details of these items have been furnished by A.G.C.W.&M., New Delhi on 3rd July, 1975. In some of the statements, the names of the offices to which these relate were not given and these had to be referred back to audit office. Other statements have been cir-

culated to the respective offices for necessary action. The various spending authorities of Development Commissioner, Salt Commissioner and Controller General, Patents, Designs and Trade Marks are spread all over the country and the latest position with reference to the details furnished by the A.G.C.W.&M., New Delhi is being collected. However the position in respect of major spending units is as under:—

	No. of Item Shown O/S	Adjusted so far	Balance
Development Commissioner, Small Scale Industries. .	1430	1266	164
Directorate General of Technical Development .	101	72	29
Salt Commissioner . . . . .	190	168	22
Integrated Training Centre . . . . .	53	53	..
Bureau of Industrial Costs and Prices . . . . .	18	18	..

The outstanding items mostly relate to advances of Pay, Leave salary, TA drawn by Government servants. The main reason for the remaining outstanding is non-linking of adjustment bills with the original items of advances. This Department has been taking concrete steps to settle these items by sending special teams of officials who visit various audit office/field office for on the spot settlement. This has brought a considerable results by way of settlement of audit observations. This is borne out of the fact that in the Comptroller & Auditor General's Report for 1973-74, the number of observations has come down to 1678 i.e. by about 25 per cent. In this connection it may not be out of place to mention that number of Audit observations against all the Civil Departments has increased to 1,43,929 as on 31-3-74 against 1,34,820 as on 31-3-73 whereas in so far as this Department is concerned, the number of observations has come down from 2140 to 1978. It is hoped that within next few months, the remaining observations will be cleared except in cases where records are not available or which cannot be settled for any other technical reasons, such as person concerned has expired/retired/resigned etc.

#### Recommendation

—The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should

make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.

[S. No. 2 Para 1.7 of Appendix to 169th Report of P.A.C.  
(Fifth Lok Sabha)].

#### **Action Taken**

It would be seen from the reply given for Sr. No. 1 Para 1.6 that strenuous efforts are being made for clearance of the outstanding audit observations. All the attached and subordinate offices have been directed to submit a monthly statement of outstanding items.

As regards the inclusion of outstanding audit observations in the Annual Reports of the Ministries|Departments it is stated that it would entail practical difficulties like collecting the details from various Audit offices, getting them confirmed by the administrative offices concerned and getting it incorporated in the Annual Report. Addition of these details is also likely to make the Report unduly large overshadowing other aspects concerning it and would entail huge expenditure by way of clerical charges for compilation etc., printing and stationery. As this point concerns all the Ministries|Departments, the matter has been referred to Ministry of Finance for their advice.

#### **Recommendation**

“The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guidelines should be issued to all administrative Ministries in this regard.”

[Sr. No. 3 Para 1.8 of Appendix to 169th Report of P.A.C.  
(Fifth Lok Sabha)].

#### **Action Taken**

The recommendation relates to Ministry of Finance.

### Recommendation.

"The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations."

[Sr. No. 4 Para 1.9 of Appendix to 169th Report of the P.A.C.  
(Fifth Lok Sabha)]

### Action Taken

The recommendations of the Committee have been noted for implementation.

[D.O. No. G 25015 (2)-B&A|75, dt. 24-10-1975|30-4-1976]

Action Taken

The recommendations related to Ministry of Finance.

ANNEXURE I

D.O. No. DAI|Central|AP|  
Aud.Obj.|72-73|306

COPY

OFFICE OF THE ACCOUNTANT GENERAL,  
CENTRAL, BOMBAY-13.

T. SETHUMADHAVAN  
DY. ACCOUNTANT GENERAL,  
(A|Cs & RA)

Dated, the 21st July, 1975.

Dear Shri Achanta,

Kindly refer to your D.O. letter No. G.25012(5)-B&A|74 dated 26-5-75 regarding the outstanding audit observations and Inspection reports included in the report of the Comptroller and Auditor General of India for the year 1972-73—Union Government (Civil).

2. Half yearly statement of outstanding audit observations for 5 items amounting to Rs. 4700.00 has already been sent to the Min. *vide* this office letter No. T.M.(C)|O|OSR|73-74|666-667 dated 16-2-74. I am enclosing a statement of outstanding audit objections as on 31-3-1975. I hope this will serve the purpose.

Regards,

Yours sincerely,

Sd/-

Shri S. N. Achanta,  
Director (IF),  
Deptt. of Invl. Dev.,  
NEW DELHI.

T. SETHUMADHAVAN.

*Covering Schedule showing the a omnis held under objection upto the end of 3/75*

Major Head : 265—Other Admn. Services

Ministry of Industrial Development

Year	Want of sanction to Estt. or Continues of Estt.	Want of sanction to Estt. or to Misc. Continues and Co-nured expedr.	Want of sanction to Estt. or to Misc. Estimates or excessive sanctioned Estimates	Want of DG Bills, vouchers, receipts acknowledgements or other documents	Recoverable Advance not recovered or adjusted with the prescribed period	Want of agreement	No. of recovery payment of over payment of with Amt. dis-allowed in Audit	Irregularities in payments of with Amt. dis-allowed in Audit content	Grand Item	Total Amt.	Rs.
I	2	3	4	5	6	7	8	9	10		
74-75	..	..	..	5	4612.70	3	924.00		8	5536.70	

Major Head : 265—Other than Services

Sd/- Accounts Officer

Ministry of Industrial Development

*Statement showing outstanding objections for the period upto 9/74 but nos cleared upto the end of 3/75.*

Sl. No.	Particulars of the Vrs.	Month of Year of Account	Designation of the drawing officer	Amt. under objection	Nature of the objection	Name of the person	Designation of the other responsible for clearing the objn.	Whether the matter is pending with Audit or Deptt. Officer.	Le-ter et Re. marks
I	2	3	4	5	6	7	8	9	10
1974-75 (1)	82	9/74	10/74	Exp. Nagpur	250.00	T.A. Adv.	R. D. Sangitrao		
(2)	98	9/74	"	"	334.00	Pay Adv.	"		
(3)	19639	10/74	12/74	Exp. Bombay	340.00	LTC Adv.	Shri Bhagsingh		

	1	2	3	4	5	6	7	8	9	10
(4)	16254	8/74	1/75	Ex.. Bombay.	1365.00	S.R.				
(5)	7257	9/74	2/75	Ex-Nagpur	235.00	S.R.				
(6)	100	10/74	3/75	"	941.20	S.R.				
(7)	60	12/74	"	"	1451.50					
(8)	27	10/74	"	"	620.00					
				TOTAL	5536.70					

Sd/- Accounts Officer

Shri S. M. Acharya  
 Director (IT)  
 Deptt. of Indl. Dev.  
 New Delhi

ACCOUNTANT GENERAL  
 Dear Sir Acharya

Kindly refer to your letter dated 25.12.74 regarding amount in respect of travelling and other expenses incurred in the year 1974-75. The amount of Rs. 5536.70 is being released to you for the year 1974-75.

Yours faithfully,  
 Sd/- Accounts Officer



ANNEXURE II

COPY

ACCOUNTANT GENERAL, CENTRAL

Old Currency Buildings-1,  
Dalhousie Square Estt.,  
18, Rabindra Sarani,  
Calcutta, the 13th June, 1975.

C. J. MALKANI,  
ACCOUNTANT GENERAL.

Dear Shri Achanta,

Kindly refer to your demi-official letter dated 26th May, 1975 regarding material in respect of outstanding audit observations and Inspection Reports included in the Report of the Comptroller and Auditor General of India for the year 1972-73 Union Government (Civil).

As desired, the position regarding outstanding audit observations and Inspection Reports are indicated below:—

- (i) *Audit observations*: Two items with a money value of Rs. 980.00 were shown as outstanding against the then Ministry of Industrial Development. Those two items stand settled by this time.
- (ii) *Inspection Reports*: Two Inspection Reports with 3 paras were shown as outstanding against the Ministry of Industrial Development. The detailed position thereof was intimated to the Ministry under this office letter No. OA (C) |Statement|954 dt. 19-2-74. Those two outstanding Inspection Reports (with three paras) have also been settled by this time.

Yours sincerely,

Sd/-

C. J. MALKANI.

Shri S. N. Achanta,  
Director (IF),  
Deptt. of Indl. Dev.,  
NEW DELHI;

ANNEXURE III

OFFICE OF THE ACCOUNTANT GENERAL  
UTTAR PRADESH

No. Report (C)|31|AR-1972-73—Central|OBIR|35

Dated, Allahabad 28th July, 1975.

From:

The Accountant General,  
Uttar Pradesh-II,  
Post Box No. 89.

To:

The Secretary to the Govt. of India,  
Department of Industrial Development,  
New Delhi.

Sir,

With reference to Shri Achanta's D.O. letter No. G.25012(5)-B&A/74, dated July 19, 1975 regarding information in respect of outstanding audit observations and inspection reports shown outstanding in the Report of the Comptroller & Auditor General of India for the year 1972-73—Union Government (Civil), I am to furnish the desired information in the enclosed statement.

Yours sincerely,

Sd/-

J. BOSE,

*Accounts Officer (Report).*

PROFORMA

Statement showing the Ministry-wise break up of outstanding objections raised in Central Audit.

Sl. No.	Ministries/Departments	Year of the outstanding observations	Total No. of observations	Total Amount Rs.
16	Ministry of Industrial Development	1972-73	2	600 (shown Rs.0.01 lakh in rounding)

The details are given below :—

Name	Nature of Observations Advances paid to Govt. servants not recovered	
	No. of Items	Amount Rs.
(1) Shri B.R. Dave. Sr. Inspector of Explosive	One	300
(2) Sh. Manmohan Prakash. Inspector of Exp.	One	300
TOTAL . . .	Two	600

NOTE :—1. These two items have been settled in 1973.

2. No outstanding Inspection Reports were shown against Department of Industrial Development.

ANNEXURE IV

D.O. No. TM-II-23-17-215  
ACCOUNTANT GENERAL  
BIHAR.

N. G. MALLICK,  
SR. DY. ACCOUNTANT GENERAL (A|Cs)

Ranchi, the 28th August, 1975.

Dear Shri Achanta,

Kindly refer to your D.O. letter No. G-25012|B&A|74 dated 11-8-75 regarding information in respect of outstanding audit observation relating to the year 1972-73.

The details of outstanding audit objections for the period 1972-73 relating to Department of Industrial Development, Government of India are furnished in the enclosed statement.

There is no item outstanding in regard to inspection Reports relating to the year 1972-73 of the Department.

Yours sincerely,

Sd/-

N. G. MALLICK.

Shri S. N. Achanta,  
Director (IF),  
Deptt. of Ind. Dev.,  
New Delhi.

**SUBJECT :— Statement showing list of outstanding audit objections for the period 1972-73 relating to Department of Industrial Development**

Year	T.V. No. & Date	Item	Amount Rs.	Nature of objection
1969-70 . .	Pat-14 of 3/70 Principal All India Training Institute Weights & Measures (Bill No.3) Payable to Arun Industries, Jaipur	I	5433.04	Other reasons
	.. .. 63 of 3/70 D.O. (Bill No. 1)	I	5000.00	-do-
	<b>TOTAL</b>	<b>2</b>	<b>10433.04</b>	
1970-71 . .	Pat-82 of 3/71 Principal All India Training Institute (W&M) payable to Master of the mint, Bombay.	I	1077.80	S.T. Wanting
	Pat. 16 of 2/71 Principal All India Training Institute (W&M) Advance for purchase of Petrol	I	200.00	-do-
	<b>TOTAL</b>	<b>2</b>	<b>1277.80</b>	
1971-72 . .	Pat 70 of 8/71 Principal All India Training Institute (W&M) payable to M/s. Steel Self Co. Sultanganj, Patna, cost of three steel book self.	I	1275.00	(adj.)
	(a) Pat. 47 of 11/71 Principal AITI (W&M), Patna payable to M/s. Books & Books Ashok Roy Path. Patna, cost of books.	I	739.82	}
	(b) -do-	I	646.08	
	Pat. 47 of 1/72 Principal AITI, (W&M) Patna payable to M/s. Tulaman Mig. Pvt. Ltd., Hyderabad cost of four Tulaman.	I	10864.00	
	<b>TOTAL</b>	<b>4</b>	<b>13524.90</b>	(adj.)
1972-73 . .	Pat. 125 of 3/72 Principal AITI (W&M), Patna.	I	13076.70	S.R. Wanting

Year	T.V.No. & Date	Item	Amount Rs.	Nature of objection'
1972-73 . . .	9/72 of Pat. 33 of 7/72 Principal, AITI (W&M), Patna payable to M/s Phillips India Ltd., Calcutta-20.	I	10143.44	S. R. Wanting
	3/73 of Pat. 33 of 2/73 Principal, AITI, Patna Adv. T.A. of Sri P. Lal Jha Comedian with Field Training Tour.	I	110.00	-do-
	3/73 of Pat. 32 of 2/73 Principal. AITI, Patna Adv. TA of Sri Ambika Prasad Dwivedi (Metist).	I	1000.00	-do-
	TOTAL . . .	4	24330.14	
	GRAND TOTAL . . .	12	49565.88	

Sd/-  
Accounts Officer.

ANNEXURE V

D.O. No. DAIV|2-1|Audit Observations|75-76|738.

Office of the Accountant General  
Central Revenue, Indraprastha  
Estate, New Delhi-1.

P. K. D. ROY,  
ACCOUNTS OFFICER.

Dated the 3rd, January, 1976.

Dear Shri Mann,

Kindly refer to your D.O. letter No. Rep.II-Misc.|Agr.|KW|75-76|1553, dated the 26th December, 1975 regarding the vetting of action taken note of the Ministry of Industry and Civil Supplies (Department of Industrial Development) relating to 169th Report of the Public Accounts Committee on Chapter VII of the Report of the Comptroller and Auditor General of India for the year 1972-73; Union Government (Civil) on outstanding audit observations and Inspection Reports.

As regards the factual accuracy of the position of para 2 of the "Action Taken Note" of the Ministry the following remarks are offered:—

Out of 151 items, 105 items (not 116 as indicated by the Ministry) have since been cleared and the remaining 46 items pertain to the years 1968-69, 1969-70, 1970-71, 1971-72; and 1972-73. Further; no other item is outstanding in this office books, in respect of which the report of settlement is to be sent to the Department concerned.

Yours sincerely,  
Sd/-  
(P. K. D. ROY)

Shri S. S. Mann,  
Assistant Accountant General,  
Office of the A.G.C.W. & M.,  
New Delhi-110001.

## APPENDIX XIII

### MINISTRY OF COMMERCE

#### Recommendations

The Committee take a very serious view that the Ministries| Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs) (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lumpsum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing|disbursing officers.

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous



paragraphs are implemented both in letter and in spirit, the Committee are confident that a better Performance will ensure in regard to the implementation of the audit observations.

[Sl. Nos. 1 to 4 (Paras 1.6 to 1.9) of Appendix to 169th Report of P.A.C. (5th Lok Sabha)].

### Action Taken

This Ministry have taken the following steps to clear outstanding audit objections and paragraphs in inspection reports:

The recommendations of the Public Accounts Committee (Reproduced above) have been circulated to all concerned, *vide* Office Memorandum No. G-25012|15|74-B&A, dated the 9th July, 75 (copy attached). In this Office Memorandum all sections and officers as well as attached and subordinate offices etc. have been asked (a) to send replies to audit observations as far as possible within one month of their receipt (b) to arrange monthly meetings with Audit Officers|D.A.G. of the Audit Offices to discuss audit observations which have not been cleared within 3|6 months of their receipt and (c) to furnish monthly progress reports of the clearance of objections and paragraphs of inspection reports to the Ministry.

Again, all concerned have been furnished with a copy of the Ministry of Finance Office Memorandum No. F.12 (15)-E (Coord)|75, dated 2-7-1975 *vide* this Ministry's Office Memorandum No. G-25012|15|74-B&A, dated 16-7-1975 (copy attached) wherein they have been instructed to make special efforts to clear items pertaining to the period prior to 1970-71.

A team is also sent from the Ministry as and when possible to visit the attached and subordinate offices and help them in clearing outstanding audit objections.

No. G-25012|15|74-B&A

Government of India

Ministry of Commerce

New Delhi, the 9th July, 1975.

### MEMORANDUM

**Subject:**—Clearance of Audit Observations & Inspection Reports—  
Recommendations of the Public Accounts Committee  
(1974-75) thereon.

The Public Accounts Committee (1974-75) in their 169th Report on Chapter VII of the Report of the Comptroller and Auditor General

of India for the year 1972-73—Union Government (Civil) have taken a very serious view of the delay which is occurring (*vide* enclosed extracts of their above mentioned Report) in settling outstanding audit observations. The Committee have observed that all the five types of audit objections namely:—

- (i) Sanctions for establishment not received;
- (ii) Sanctions not received for contingent and miscellaneous expenditure;
- (iii) Sanctions to estimates not received;
- (iv) Details of bills for lumpsum drawals not received; and
- (v) Vouchers not received.

are of a very serious nature and have to be taken as such. The Committee have required that responsibility should be fixed on the concerned drawing|disbursing officers in all such cases.

The Committee have further pointed out that the outstanding audit observations reveal serious failures of the administrative ministries to regulate expenditure strictly according to financial rules and have desired that the government should make every effort to ensure that the audit observations are complied with in a reasonable period of time for this purpose, the following instructions may please be complied with:

- (a) Replies to audit observations should, as far as possible, be sent within one month of their receipt;
- (b) In cases where it has not been possible to clear audit observations within three months, normal channel of correspondence, the outstanding points should be discussed personally at the level of the Local Head of the Office with his counter part in the Audit Office and get cleared;
- (c) Monthly meetings should be held between the Local heads of offices and the Deputy Accountant General to discuss the outstanding observations over six months old;
- (d) Monthly reports should be furnished so as to reach B&A Section of this Ministry by the middle of the following

month, detailing all cases which have not been cleared inspite of personal discussions in respect of all Audit observations over three months old.

(K. S. GANAPATI),  
Director (Internal Finance).

To

1. All the Directorates/Sections in the Ministry.
2. All the Attached Offices.
3. All the Subordinate Offices.
4. All Officers in the Ministry.
5. All Autonomous Organisations and Corporations.

EXTRACTS FROM 169TH REPORT OF THE PUBLIC ACCOUNTS COMMITTEE (1974-75)—FIFTH LOK SABHA REGARDING OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lumpsum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms

or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guidelines should be issued to all administrative Ministries in this regard. The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.

IMMEDIATE

No. 25012|15|74-B&A

Government of India|Bharat Sarkar

Ministry of Commerce|Vanijaya Mantralaya

New Delhi, the 16th July, 1975

**OFFICE MEMORANDUM**

**Subject:—**Report of the Comptroller & Auditor General of India (Civil) for the year 1973-74—Paras 51 and 52 regarding Outstanding Audit Observations and Inspection Reports.

The undersigned is directed to forward herewith a copy of Ministry of Finance (Deptt. of Expenditure) O.M. No. F.12(15)-E(Coord)|75, dated 2-7-75 on the subject noted above and to state that the work of clearance of Audit Objections/Inspection Report paras may be taken up in right earnest atonce. Clearance of outstanding items prior to 1970-71 may be given special and pointed attention.

Following instructions may be followed both in letter and spirit:

1. Replies to all audit observations, if not sent, may be sent immediately. This may be noted for future also.
2. Personal contacts with the audit office may be established to ensure speedy clearance of items and to avoid unnecessary correspondence.

3. All financial rules and regulations may be observed strictly. This will ensure minimum audit observations in future.
4. Special efforts may be made to clear items prior to 1970-71.
5. All Heads of Departments should take clearance of Audit Objections|Inspection Report Paras as their special responsibility.
6. Monthly reports may be sent to B&A Section of this Ministry and it should reach this Ministry *by the first week of every month.*
7. Special report of the outstanding items as on 31-8-75 may be sent to this Ministry *at the latest by 5-9-75* so that a consolidated report may be forwarded to the Ministry of Finance by 15-9-75 as enjoined in the enclosed O.M. of the Ministry of Finance.

The above instructions may be followed strictly and efforts may be made to clear maximum number of Audit Objections|Inspection Report Paras.

This may please be accorded *top Priority.*

Sd/-

(M. K. B. BHATNAGAR),

*Under Secretary to the Govt. of India.*

To

1. All Officers in the Ministry.
2. All the Directorates|Sections in the Ministry.
3. All the attached offices.
4. All the subordinate offices.
5. All autonomous Organisations & Corporations.

Copy to:

1. Ministry of Finance Deptt. of Expenditure, with reference to their O.M. No. F.12(15)--E(Coord)/75, dt. 2-7-75. Further communication will follow.

2. Ministry of Finance (Com. Div.) Udyog Bhavan, New Delhi.

Copy of the Ministry of Fin. O.M. No. F.12(15)-E(Coord)|75, dt. 2-7-75 to all the Ministries etc.

*Subject*:—Report of the Comptroller and Auditor General of India (Civil) for the year 1973-74—Paras 51 and 52 regarding outstanding audit observations and inspection reports.

The undersigned is directed to invite a reference to paras 51 & 52 of the report mentioned above regarding audit observations and inspection reports shown as outstanding against various Ministries/Departments and to say that the Public Accounts Committee, as usual, may review the position of outstanding audit observations and inspection reports, when they examine the Ministry of Finance or the administrative Ministries. The Ministry of Home Affairs etc., are requested to take special steps to clear the objections especially those relating to the period prior to 1970-71. A brief indicating the steps which have been taken or are being taken to clear the arrears with special reference to those relating to the period prior to 1970-71 and the positions as on 31-8-75 may kindly be furnished to this Ministry through their Associated Financial Advisers by 15-9-75 *positively*.

[D.O. No. G25012|15|B&A|74, dt. 18|19-9-1975].

## APPENDIX XIV

### MINISTRY OF HEALTH & FAMILY PLANNING (DEPARTMENT OF HEALTH)

#### Recommendation

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/ disbursing officers.

The outstanding audit observations reveal serious failure of the administrative Ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations/inspec-

tion reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensue in regard to the implementation of the audit observations.

[Sr. No. 1 to 4 (Paras No. 1.6 to 1.9) of Appendix to 169th Report of P.A.C. (5th Lok Sabha)]

#### **Action taken**

Instructions regarding settlement of Outstanding Audit Objections and Inspection Reports issued by the Ministry of Finance in pursuance of the above recommendations have been brought to the notice of all concerned for compliance. Action as envisaged therein is also being taken with a view to reduce the number of Audit Objections and Inspection Reports. The Drawing and Disbursing Officers have been asked to take effective steps for speedy clearance of outstanding Audit Observation and Inspection Reports. They have also been asked to furnish monthly progress reports in this regard. In respect of outstanding audit observations on account of adjustment of TA/Pay Advances, which have already been adjusted but not cleared in the objection books of Audit Offices, the drawing officers have been advised to contact the audit officers concerned on personal level and settle them. Progress made in this regard is also reviewed from time to time in officers' meeting taken by Secretary/Additional Secretary.

[O.M. No. G. 25015/16/75-B dated 14-1-1976]



## APPENDIX XV

### MINISTRY OF WORKS AND HOUSING

#### Recommendation

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs, (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/ disbursing officers.

[Sl. No. 1 (Para 1.6) of Appendix to 169th Report of Public Accounts Committee (5th Lok Sabha)]

#### Action taken

The largest number of outstanding audit observations relates to the C.P.W.D. It was, therefore, decided that top priority should be given to the clearance of arrears pertaining to that Department. Two meetings were held in the Ministry on 13-5-1975 and 1-9-1975 and these were attended among others by representatives of the A.G.C.W. & M., E-in-C, C.P.W.D., the Associated Finances and Chief Engineer (NDZ), C.P.W.D.

Several decisions were taken. The major ones being as follows :—

- (i) Linking up with past references/papers would help clear many of the old cases. For this there should be greater co-ordination between the Audit and the C.P.W.D.
- (ii) C.P.W.D. would send its staff periodically to the office of the A.G. concerned for reconciliation of various audit objections and inspection reports and if documents concerned, had been sent to the A.G.'s office earlier, pro-

duce the connected references. The office of the A.G. would fix definite dates every month for such reconciliation. Suitable instructions in this regard are expected to be issued shortly by the A.G. and the E-in-C, C.P.W.D. to their respective staff.

- (iii) Inspecting staff of the Audit while visiting the Divisional Offices should devote the first 3/4 days to settling old objections embodied in the Inspection Reports.
- (iv) E-in-C would inform A.Gs. well in time before closure of the particular Division, and the A.G's would arrange inspection of the Division prior to their closure.
- (v) Cases which could not be cleared at the lower level would be referred to a Joint Investigation Team, comprising Accounts Officer on the A.G. side and Finance Officer to the E-in-C on the CPWD side which would settle old cases after mutual discussion. Investigating Team in the first instance would concentrate upon objections over 10 years old for clearance.
- (vi) In case of deadlock, outstanding audit objections/Inspection reports would be referred to an *Ad hoc* Committee consisting of Senior DAG (Works) AGCW & M/Dy. Secretary (Works), F.O. to E-in-C, C.P.W.D. and DFA (W&E) which would take decisions regarding dropping of the Audit objections/Inspection Reports after suitable action.

Constant watch is being kept regarding the progress of the clearance of the outstandings. Periodical Reports from the Drawing and Disbursing Officers concerned are called for and the position reviewed. As a result of these efforts, this Ministry expects, to achieve considerable progress in the clearance of the old arrears.

### Recommendation

The outstanding audit observations reveal serious failure of the administrative Ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual

Reports of the Ministries/Departments, Statutory and Autonomous Bodies.

[Sl. No. (Para 1.7) of the Appendix to P.A.C's 169th Report  
(5th Lok Sabha)]

#### **Action taken**

The Ministry has already taken effective measures to identify the attached/subordinate offices relating to which audit observations and inspection reports might be pending and to keep a watch on their speedy disposal/settlement within a reasonable period of time. [Instructions are being issued that the outstanding audit observations/inspection reports with details should be shown in the Annual Reports, placed before the Parliament.

#### **Recommendation**

The Committee have no doubt that it is for the Administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard

[Sl. No. 3 (Para 1.8) of the Appendix to P.A.C's 169th Report  
(5th Lok Sabha)]

#### **Action taken**

As desired by the Committee, this Ministry has already geared up the machinery for timely and affective action by impressing upon the Heads of the Departments and other concerned Officers, for the expeditious collection of information from their lower formations and to ensure their submission with the utmost promptitude.

#### **Recommendation**

The Committee have noted that there has been negligible progress in the clearance of the outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous

paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.

[Sl. No. 4 (Para 1.9) of the Appendix to P.A.C.'s 169th Report (5th Lok Sabha)].

**Action taken**

The contents of this paragraph of the report of the Committee have been noted for future guidance.

[OM No. G. 25015/3/75-BT dated 29-11-1975]

**Action taken**

Appropriate and strict instructions have been issued to all Divisions of the Department for review of the objections taking their records and fixation of responsibilities on concerned officers. The necessary orders as desired by the Public Accounts Commission have been issued.

**Recommendation**

The outstanding audit observations reveal serious failure of the administrative authorities to exercise responsibility. It is recommended that the Government should make every effort to ensure that the audit observations are complied with within a reasonable period. The balance of the audit observations will be dealt with in the Annual Report of the Comptroller and Auditor General.

[Sl. No. 4 (Para 1.9) of the Appendix to 169th Report (5th Lok Sabha)]

## APPENDIX XVI

### MINISTRY OF AGRICULTURE & IRRIGATION (DEPARTMENT OF AGRICULTURE)

#### Recommendation

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual deays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (ii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[Sr. No. 1 (Para 1.6) of Appendix to 169th Report (5th Lok-Sabha)]

#### Action taken

Appropriate and strict instructions have been issued to all Divisions of this Department for review of the objections, taking them seriously and fixation of responsibilities on concerned drawing/disbursing officers as desired by the Public Accounts Committee.

#### Recommendation

The oustanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Report of the Ministries/Departments, Statutory and Autonomous Bodies.

[Sr. No. 2 (Para 1.7) of Appendix to 169th Report (5th Lok-Sabha)]

### **Action taken**

Appropriate and strict instructions have been issued to all Divisions of this Department for complying with objections within a reasonable period of time and to accelerate settlement of the outstanding. Future Annual Reports of this Department will show outstanding objections with details as desired by the Public Accounts Committee.

### **Recommendation**

The Committee have noted that there has been negligible progress in the clearance of the outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been by the Committee in the previous paragraphs are implemented both in letter and spirit, the Committee are confident that a better performance will ensure in regard to the implementations of the audit observations.

[Sr. No. 4 (Para 1.9) of Appendix to 169th Report (5th Lok Sabha)]

### **Action taken**

Appropriate and strict instructions have been issued to all Divisions of this Department to review the objections and take suitable steps for acceleration of their settlement, with special emphasis on the older ones. It is hoped that the situation will substantially improve during 1975-76.

[O.M. No. 20-9-74-B-A dated 9-9-1975]

## APPENDIX XVII

### MINISTRY OF AGRICULTURE AND IRRIGATION (DEPARTMENT OF IRRIGATION)

#### Recommendations

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/ disbursing officers.

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of the outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommend-

ations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementations of the audit observations.

[S. Nos. 1-4 (Papers 1.6, 1.7, 1.8 and 1.09) of Appendix to 169th Report (5th Lok Sabha)]

### Action taken

The recommendations of the Public Accounts Committee have been brought to the notice of all the Controlling Officers. They have further been advised to gear up the existing machinery for early settlement of the audit observations.

On the basis of the reports so far received from the Controlling Officers, the position relating to audit observations and inspection reports is given below :—

#### AUDIT OBSERVATIONS

		As Shown in the C.A.G. Report		Since Settled		Balance	
		No.	Amount	No.	Amount	No.	Amount
		(Lakh)		(Lakh)		(Lakh)	
Central	Water						
	Commission	2108	59.63	1031 208*	34.68 10.01*	869	14.94
GBWRO		165	6.39	130	4.07	35	2.32
Farakka	Barrage						
	Project	516	1386.11	119	1233.62	397	152.49

#### INSPECTION REPORTS

		As Shown in the C.A.G. Report		Since Settled		Balance	
		No.	Paras	No.	Paras	No.	Paras
CWC		88	283	24 46*	78 150*	18	55
GBWRO		20	66	10	37	10	29
FBP		139	1172	13	85	126	1087

\*Transferred to Department of Power



The Committee's recommendation that details of the outstanding audit observations and inspection reports should be shown in the Annual Reports of the Ministries/Departments has been noted for compliance.

[O.M. No. 7(4)-75-Bud. dated 15-10-75]

Action taken

The recommendations of the Public Accounts Committee have been brought to the notice of all the Controlling Officers. They have further been advised to gear up the existing machinery for early settlement of the audit observations.

On the basis of the reports so far received from the Controlling Officers, the position relating to audit observations and inspection reports is given below:-

AUDIT OBSERVATIONS

Ministry/Department	1975-76		1974-75		Total
	No.	Value	No.	Value	
Government	218	20.02	207	25.63	425
GOVERNMENT	14	1.79	170	10.17	184
Various Departments	11	1.21	113	12.20	124

INSPECTION REPORTS

Ministry/Department	1975-76		1974-75		Total
	No.	Value	No.	Value	
CWC	82	1.81	24	1.20	106
GOVERNMENT	20	0.60	10	0.37	30
Various Departments	139	1.13	13	0.63	152

\* Prepared by Department of Public Accounts

## APPENDIX XVIII

### MINISTRY OF EXTERNAL AFFAIRS

#### Recommendation

The Committee take a very serious view that the Ministry/Department have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) Sanctions for establishment not received (Rs. 35.00 lakhs), (ii) Sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) Sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17, 24. 61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibility should be fixed on the concerned drawing/disbursing officers.

[Para 1.6 (S.No. 1) PAC 1974-75 (5th Lok Sabha—169th Report)]

#### Action taken

The number of outstanding audit observations shown against this Ministry are inclusive of audit observations of 116 Missions/Posts abroad located all over the world. The settlement of audit observations in regard to Missions/Posts abroad takes unusually longer time as this Ministry has to deal with three audit officers viz., A.G.C.R., New Delhi Director of Audit London and Washington. The replies furnished by the various Missions/Posts abroad are examined in the Ministry in the first instance and thereafter the replies are sent to the concerned Audit Officer. The Audit objections relating to Missions/Posts abroad broadly falls under the following categories :—

- (a) non-receipt of payees receipt in Audit/Accounts office.
- (b) financial sanctions for renting of accommodation.
- (c) adjustment/recoveries of advances of pay and T.A. drawn on transfer.
- (d) overpayment of amounts disallowed by audit.

- (e) sanctions to write off of losses etc. not received in audit office; and
- (f) other reasons.

It is seen that the audit observations mainly fall under the categories mentioned at (a), (b) and (c) above. In regard to (a) above, the payments by the Missions/Posts abroad are mostly made by crossed cheques and the firms/parties do not give receipts/acknowledgements for payments made to them according to local practice. In such cases a "Certificate of disbursement" is required to be furnished to the audit office alongwith the monthly cash accounts. The drawing and disbursing officers have been instructed to furnish the "Certificate of disbursement" in all such cases. In regard to (b) above—"sanctions for renting of accommodation", Missions have been instructed to append all such sanctions with the first bill for payment of rents in respect of the newly hired accommodation or the residences whose leases have been renewed. With regard to (c), the existing procedure provides for the adjustment/ recoveries of the advance of pay and T.A. to be recovered from the first and subsequent pay bills after the joining of an office after transfer, and T.A. advance from the T.A. adjustment bill which is required to be settled within six months of the transfer. It has been noticed that in most of the cases the recoveries/adjustments of the advances have been carried out but due to difficulties of linking in the audit office, they continued to be shown as outstanding. It has again been impressed upon the Drawing/Disbursing Officers to effect promptly the recoveries of overpayments pointed out by audit where due, and not to defer recovery for any reason.

To avoid reoccurrence of the audit objections of the above nature, comprehensive instructions have been issued to all the Heads of Missions/Posts abroad *vide* D.O. letter No. Q (BFIV) 7341 (1) 75 dated the 2nd August, 1975 (copy enclosed).

### **Recommendation**

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Report of the Ministries/Departments, Statutory and Autonomous Bodies.

[(Para 1.7 (S. No. 2) PAC-1974-75 (5th Lok Sabha—169th Report)]

### Action taken

The six monthly statements of objections and the Local Audit Reports on their receipt in the Ministry are examined and the required information if available in the Ministry is furnished to the Audit Officers. Simultaneously the Missions/Posts abroad and the concerned sections of the Ministry are guided/requested to furnish their comments/informations to the audit objections. The settlement of the outstanding objections/local Audit Reports is pursued separately and review of the outstanding paras is conducted periodically through the Control Registers maintained in the Ministry for the purpose.

Heads of Chanceries in the Missions/Posts abroad are also under instructions to carry out a similar review of the outstanding objections after every six months and to intimate the Ministry the results of such a review.

As a result of such a review of the outstanding audit objections and Local Audit Reports undertaken by this Ministry and the Missions/Posts abroad, a large number of objections have been settled during the period March-August 1975, as detailed below:—

(i) No. of audit observations/objections settled	379
(ii) No. of Paras of Local Audit Report settled	391
(iii) No. of Local Audit Reports finally settled	29

The earliest Local Audit Report for the year 1949-50 as shown in para 52 of the C.A.G.'s Report has since been settled.

### Recommendation

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection report. Guide lines should be issued to all administrative Ministries in this regard.

[ (Para 1.8 (S. No. 3) PAC-1974-75  
(5th Lok Sabha—169th Report) ]

### Action taken

To avoid the reoccurrence of the audit objections and also to plug the lacunae the Missions/Posts abroad are provided with the guidelines for the preparation/maintenance of account records and to furnish the necessary sanctions/payees receipts/certificate of disbursement and other necessary documents to audit alongwith the paid vouchers.

Persons who are posted for accounts work in Missions/Posts abroad are given both theoretical and practical training in preparation of bills, monthly cash accounts and other ancillary accounts before they are allowed to proceed abroad. During periodical inspections, the "general state of initial accounts" is also looked into by the Foreign Service Inspectors.

### Recommendation

The Committee have noted that there has been negligible progress in the clearance of the outstanding audit observations/Inspection Reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in the letter and spirit, the Committee are confident that a better performance will ensure in regards to the implementations of the audit observations.

[Para 1.9 (S. No. 4) PAC-1974-75  
(5th Lok Sabha—169th Report)]

### Action taken

In so far as this Ministry is concerned there has been appreciable progress in the settlement of the audit observations/Local Audit Reports. To ensure speedy settlement of the audit objections, officials dealing with the work in the Ministry are deputed to the office of the AGCR for the "on the spot" settlement of the audit objections on the basis of the information furnished by the Missions/Posts abroad and the material available in this Ministry. This exercise has facilitated the settlement of a large number of old audit objections. The process is continuing, and it is expected that the results in future will be more encouraging. However, this arrangement is limited to only AGCR and cannot be extended to the Director of Audit London/Washington.

COPY

IMMEDIATE  
IMPORTANT

J. S. Mehta

MINISTRY OF EXTERNAL AFFAIRS

Additional Secretary (AD&amp;PP)

NEW DELHI-110011

D.O. No. Q|BFIV|7341(1)|75

2nd August, 1975.

SUBJECT:—*Outstanding Local Audit Reports and Audit objections—  
Prompt settlement of.*

My dear Ambassador/High Commissioner,

I am to bring to your attention once again the current position in regard to the outstanding audit objections (including Local Audit Inspection Report). Despite the need for expeditious settlement of outstanding audit objections sufficiently stressed upon in the past, no marked improvement has been achieved so far. The Public Accounts Committee may not take kind view of this state of affairs and the Ministry may find it extremely difficult to meet their criticism unless convincing reasons are given for the delay in settlement of these objections particularly those outstanding for the period prior to April 1971.

2. As against 8129 items of audit objections and 1,338 paras of 307 Inspection Reports shown outstanding against the Ministry during 1972-73 (outstanding upto August 1973), 8297 items of audit objections (outstanding upto August '74) and 1226 paras of 290 Inspection Reports have been shown in the C.A.G.'s Report for the year 1973-74. This shows that instead of reduction in the number of outstanding audit objections with the exception of Local Audit Reports there is an upward rise which is *not* desirable both from the administrative and financial angles. The great majority of these objections relates to Indian Missions/Posts abroad.

It is, therefore, imperative that all the outstanding objections in respect of Indian Missions abroad are attended to promptly even now so that there may be a marked improvement in the settlement of the outstanding audit objections, and this Ministry may be spared embarrassment when our Ministry's accounts come up for consideration before the P.A.C.

Normally, the majority of outstanding audit objections relate to:—

- (a) financial sanction for renting of accommodation.

(b) non-receipt of payees receipt in Audit/Accounts Office.

In order to settle the audit objections falling under the above two categories, it is suggested that action as indicated below may be initiated immediately—

**(A) Renting of accommodation—financial sanction for**

(i) *In cases where rental ceilings have been fixed by the Government.*

The Missions/Posts abroad should immediately issue formal sanction for renting under item No. 22 III(2) of Sch.I-Part I of the booklet on F.P. of Government of India's representatives abroad read with Para 8 of "General conditions" of the F.P. of Government of India's Representatives abroad in the "proforma" as illustrated in EAI|63|1|150 (page 3 of E.A. Manual 1963) (copy enclosed for ready reference). In such sanctions the No. and date of the Ministry's sanctions fixing the "rental ceilings" should be invariably quoted. While making first payment of rent in such cases, a copy of sanction issued both for initial renting or continued renting must be attached. The responsibility in this regard would be that of Head of Chancery in the Mission.

(ii) *In cases where rental ceilings have not been fixed by the Government.*

Formal sanctions for initial renting will continued to be issued by the Ministry (Prop. I), *vide* Item 22 III(3) (a) of Sch.I/Part I of the Booklet on "Financial Powers of Government of India's Representation Abroad". The formal sanctions in such cases should be issued immediately after issue of telex approval. A "Control Register" for this purpose will be maintained by Prop. I Section to watch issue of sanction in each individual case of renting of accommodation.

Sanctions in the "Proforma" as illustrated in EAI|63|1|150 (page 3 of EA Manual 1963) for continue renting of accommodation should be issued by the Mission under

Item No. 22(III) (1) (3) (b) & (c) of Sch.I Part I of the booklet on "F.P. of Government of India's Representatives Abroad" read with para 8 of General conditions of the "F.P. of Government of India's Rep. Abroad". As already pointed out above, copies of such sanctions when issued may please be attached with the bill for first payment of rent after initial renting/continued renting. The responsibility in this regard would devolve on the Head of Chancery.

**(B) Non-receipt of payees receipt in Audit Offices.**

The procedure as laid down in EAI|57|1|319 (page 249-250 of E.A. Manual 1957 may please be strictly followed. The existing outstanding items of objections in this regard may please be reviewed and necessary disbursement certificate in consolidated form may please be furnished to Audit for the settlement of outstanding audit objections.

3. It is also observed that the overpayments pointed out by Audit in Local Audit Reports etc. are not promptly recovered from the officials while they are in that Mission but are allowed to be deferred for long with the result that the Ministry has to pursue the recovery with the Mission or Missions where they are posted subsequently entailing avoidable work all round. In this connection attention is invited to para 2(b) of FAI|66|1|53 (page 35 of EA Manual 1966) which provides that recovery of retrenchment orders issued by audit should be carried out and should not be deferred for any reason. Therefore, the Missions should ensure during the local audit of their Missions that either such cases of overpayments are settled during the course of local audit with reference to the rules|orders etc. or if they are included in the Audit Report prompt action should be taken to effect the recoveries. In cases where such recoveries could not be effected due to transfer of the officer, such recoveries should be noted in the L.P.C. of the officer or the next Mission|Hqrs. where the officer has been transferred should be promptly intimated. It will be the responsibility of the Head of Chancery to arrange the settlement of such objections finally. It has been observed that the Missions in such cases ward off their responsibility by simply intimating that the officer has been transferred.

4. You may, therefore, once again direct the Head of Chancery to follow the above directives and dispose of the objections still outstanding in respect of your Mission. Observance of these



instructions will also avoid the possibility of audit objections being raised in future on similar grounds.

5. I shall be grateful if the results of the action taken by you are reported to this Ministry within one month of the receipt of this letter. If there is any particular difficulty in the settlement of any objection, full facts of the case may kindly be intimated to the Ministry for follow up action with Audit or other concerned authorities.

This is an administrative matter and some Heads of Missions may be inclined to give it low priority for their personal attention. While directing the Head of Chancery, may I request that some time-barred check and supervision at the progress in the clearance of these objections should be maintained by you. This task should be seen in the context of the Emergency and the efforts which the Prime Minister has directed to galvanise efficiency in general and the clearance of arrears in particular.

Yours sincerely,

Sd/-

(J. S. Mehta)

To: All Heads of Indian Missions|Posts abroad, including I.C.M. Kathmandu (as per mailing list).

Copy for informaion and necessary action to:—

- (1) Accountant General, Central Revenues, (EM Section), New Delhi (2 copies).
- (2) Director of Audit, Indian Accounts, Washington.
- (3) Director of Audit, Indian Accounts, London.
- (4) Attache (GA), US (PA), US (Prop.) US (PB), US (PS), US (SE); US (PE), US (PF), US (XP).

Attache (Cash) and OSD (TG) with the request that Sections under their charge may be instructed to attend to the audit objections concerning their Sections, promptly. It is observed that the replies to the audit objections|information asked for in this regard is not furnished in most of the cases inspite of repeated reminders. In such cases, the non-clearance of outstanding audit objections will rest with the concerned Branch Officers.

- (5) GA|PA|PB|PC|PD|PE|PF|PR|TG|Cash. I, II, III Cashier Cell, TA Cell, BF. III, Prop. I|II, Purchase Unit.
- (6) OSD (XP)—5 copies.
- (7) Director (IF); US (BF).
- (8) Financial Adviser, Ministry of Finance (E.A. Division), New Delhi.

Sd|—  
 (B. Krishnamurthi)  
 Under Secretary (BF)

EAI|63|I|150

*Sanctions for continued renting of accommodation*

A draft proforma for sanctions to be issued by Head of Mission| Post for the renting|and continued renting of residential accommodation is attached. It is requested that your sanctions may please be issued accordingly and copies thereof may kindly be forwarded invariably to the Accountant General, Central Revenues, and the Ministry of External Affairs, (Prop. I Section).

[No. Q|Prop. I|861(307)|68 dt. 7-1-1964]

Reference—Ministry of External Affairs

(This Mission) letter No. \_\_\_\_\_

2. In exercise of the powers conferred in item No. \_\_\_\_\_ of the schedule I of the booklet Financial Power of the Government of India's representatives abroad, the Ambassador|High Commissioner etc. is pleased to accord sanction to the renting|continued renting of the furnished|unfurnished accommodation at|on a rent of Rs. \_\_\_\_\_ p.m. payable monthly|quarterly|six monthly|annually in advance for the residence of \_\_\_\_\_ single|married for a period of \_\_\_\_\_ from \_\_\_\_\_

3. The accommodation consists of \_\_\_\_\_

4. \*The advance of rent of three|six months|one year has been paid *vide* Ministry of External Affairs sanction letter \_\_\_\_\_ or under the powers delegated to the Head of the Mission.

5. The rent for the accommodation is within the ceiling prescribed for the above officer in the Ministry of External Affairs letter \_\_\_\_\_

\*To be filled in only if applicable.

No. \_\_\_\_\_ dated \_\_\_\_\_ or is within the rent sanctioned for  
the officer under Ministry of External Affairs letter No. \_\_\_\_\_  
dated \_\_\_\_\_

[O.M. No. Q (BF IV) |7341| (1) |74 dt. 23-2-76]

## APPENDIX XIX

### MINISTRY OF TOURISM AND CIVIL AVIATION (DEPARTMENT OF TOURISM)

#### Recommendation

The Committee take a very serious view that the Ministries|Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanction for establishment not received (Rs. 35.00 lakhs) (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing|disbursing officers.

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations|inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of the outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Com-

mittee are confident that a better performance will ensure in regard to the implementation of the audit observations.

[S. Nos. 1 to 4 (Paras 1.6 to 1.9) of Appendix to the 169th Report  
(Fifth Lok Sabha)]

#### Action taken

(i) The field offices|Sections at the Headquarters have been once again asked to strictly follow the procedure prescribed for the settlement of Audit Objections|Inspection Reports and to submit their quarterly returns of outstanding audit objections Inspection Reports in proforma prescribed to enable the Department to ensure expeditious settlement of these objections.

(ii) A copy of Section I of the Standing Guard File containing detailed procedure for the settlement of the outstanding observations|Inspection Reports has been circulated for their guidance.

(iii) The offices of the various A.Gs. from whom the half yearly statements are not received have been asked to send these regularly to enable the Department to take necessary action for the settlement of these objections.

(iv) The field offices have been asked to supply the requisite information to the Audit office concerned and or to meet them personally for discussion so as to ensure that such objections are settled quickly.

[D.O. No. 4-2/75-IF dt. 19.11.1975]

## APPENDIX XX

### MINISTRY OF TOURISM & CIVIL AVIATION (DEPARTMENT OF CIVIL AVIATION)

#### Recommendations

The Committee take a very serious view that the Ministries|Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections; namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing|disbursing officers.

The outstanding audit observations reveal serious failure of the administrative Ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations|inspection reports. Guidelines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations|inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous

paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of audit observations.

[S. Nos. 1—4 (Paras 1.6 to 1.9 of Appendix to the 169th Report (Fifth Lok Sabha)].

### Action taken

A gist of the instructions contained in Section I of the Standing Guard File issued by the Ministry of Finance has been circulated to all the field offices/sections at Headquarters in this office circular letter No. G. 25012/8/74-Bud, dated the 4th August, 1975. They have also been asked:

- (i) to expedite settlement of all outstanding audit objections for the period prior to April, 1973.
- (ii) to nominate an officer of suitable rank, who should visit periodically the Accountant General's office with complete and final replies to the audit objections and Inspection Reports and obtain on the spot settlement to those objections from Accountant General.
- (iii) to send a progress report indicating the number of audit objections settled and number of meetings arranged with the officers of the Accountants General concerned.
- (iv) The fact of non-receipt of the Half yearly statements regularly from the various Accountants General was brought to the notice of the Ministry who in their turn have requested all the Accountants General to submit the Half yearly returns in time *vide* Ministry's D.O. No. 1-1/75-IF dated the 16th September, 1975.

(D.O. No. 4-2/75-IF—dt. 7-3-1976).

## APPENDIX XXI

### MINISTRY OF TOURISM & CIVIL AVIATION (INDIA METEOROLOGICAL DEPARTMENT)

#### Recommendations

The Committee take a very serious view that the Ministries|Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapses. All the five types of audit objections, namely (i) sanction for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing|disbursing officers.

The Outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection or information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations|inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations|inspections reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the imple-



mentation of audit observations.

[Paras 1.6—1.9 of Appendix to the 169th Report (Fifth Lok Sabha)]

### **Action taken**

The Heads of Offices/Sections-in-charges at the Headquarters have been once again asked to strictly follow the procedure prescribed for the settlement of Audit Objections/Inspection Reports and to submit their monthly returns of outstanding audit objection/inspection reports in proforma prescribed to enable the Department to ensure expeditious settlement of these objections.

Detailed procedure for the settlement of the outstanding observations/inspection reports contained in Section I of the Standing Guard File has been circulated for their guidance. It has been noted to indicate the details of audit observations/inspection Reports in the Annual Report of the Department.

The offices of the various A.Gs. from whom the half yearly statements are not received has been asked to send these regularly to enable the Department to take necessary action for the settlement of these objections.

The heads of offices have been asked to supply the requisite information to the Audit offices concerned and or to meet them personally for discussion so as to ensure that such objections are settled quickly.

[D.O. No. 4-2/75-IF dt. 2-12-1975/27-5-1976]

## APPENDIX XXII

### MINISTRY OF DEFENCE

#### Recommendations/Conclusions

The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely, (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and misc. expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawings not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[S. No. 1—Para No. 1.6—of Appendix to the Hundred and Sixty-ninth Report of PAC (5th Lok Sabha)]

#### Action taken

In the C & AG's report for the year 1972-73, 213 adjustment bills for advances on account of TA/Leave Travel Concession and Leave Salary were shown outstanding against the Ministry of Defence. In the Ministry's last report sent to the Public Accounts Committee, *vide* this Ministry's D.O. No. 10(4)/74/D (Est. 2/Cash), dated the 20th March, 1975, it was indicated that out of 213 objections, 181 objections had been settled, leaving a balance of 32 objections, which remained to be settled. Since then, 17 more objections have been settled. Out of these 15 objections, 11 fall under the category (iv) and the remaining 4 under category (v) as per classification indicated in the above recommendation. The eleven cases pertaining to the first category relate to the adjustment bills for which advances were drawn by the officers but the particulars thereof could not be furnished to the AGCR as the officers concerned, consequent on their reversion to their parent Deptts. after completion of their tenure, have taken away their pay bills files with them. However, efforts are being made to obtain the particulars of the relevant bills under which the advances drawn by them were adjusted. As regard the other 4

objections falling under category (v), the old records are not readily forthcoming and efforts are being made to locate them. As soon as the requisite details from the officers concerned are received and the missing records are traced, it is hoped that it will be possible to settle all these objections.

[D.O. No. F. 15(7) |75|D (Est. 2) |Cash dt. 10-12-1975]

## APPENDIX XXIII

### MINISTRY OF ENERGY (DEPARTMENT OF POWER)

#### Recommendations

The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) Vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual reports of the Ministries/Departments, statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous para-

graphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.

[S. Nos. 1—4 (Paras 1.6, 1.7, 1.8 and 1.9) of the Appendix to the 169th Report (Fifth Lok Sabha)]

#### Action Taken

All the controlling officers have been asked to review the position of outstanding Audit objections|inspection Reports in the light of the recommendations of the Public Accounts Committee and to take vigorous action for effecting expeditious settlement. They have also been required to report progress of settlement every quarter in the prescribed proforma for keeping a close watch.

From the reports received so far from the controlling officers, it is seen that out of 2,868 audit objections and 4,291 paras in the Inspection Reports outstanding as on 31st August, 1973, 1,224 Audit objections and 2113 paras have since been settled.

The Committee's recommendations that details of the outstanding audit objections and inspection reports should be shown in the Annual Reports of the Ministries/Departments has been noted for compliance.

[O.M. No. G.25017|4|75-Bud, dt. 10-11-1975]

## APPENDIX XXIV

### DEPARTMENT OF SCIENCE & TECHNOLOGY BOTANICAL SURVEY OF INDIA

#### Recommendation

The outstanding audit observations reveal serious failure of the Administrative Ministries to regulate expenditure strictly according to financial rules. The committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time.

\* \* \* \*

[Sr. No. 2 (para No. 1.7) of Appendix to the One Hundred Sixty Ninth Report of the Public Accounts Committee.]

#### Action Taken

<u>Period of I.R.</u>	<u>Para</u>	<u>Subject</u>
(i) 1.2.64 to 31-7-66	5	Scholarship amounting to Rs. 725.80 awaiting recovery.

Since all efforts to recover the decreased amount of Rs. 725.80 with exparte costs from the research scholar proved abortive, the amount has been written off as per this office order No. BSI/156/1/75/Acctt. dated 7-8-75 copy enclosed.

The para may be treated as settled.

<u>Period of I.R.</u>	<u>Para</u>	<u>Subject</u>
(ii) 1-8-66 to 31-3-68	8	Missing publications.

Out of 28 missing publications, 9 have since been traced out. All efforts to trace out the remaining 19 publications proved abortive and as such the cost of 11 priced publications amounting to Rs. 57.76 has been written off as per this office order No. BSI/156/1/75/Acctt. dated 7-8-75 (copy enclosed). The rest 8 publications are unpriced. These 19 publications have been struck off from the records of Botanical Survey of India.

The para may be treated as settled.

<u>Period of I.R.</u>	<u>Para</u>	<u>Subject</u>
(iii) 1-8-66 to 31-3-68	9	Recovery of the amount of Rs. 1848.65p. from a party.

In spite of our continuous efforts, recovery of the amount from M/s. International Book House (P) Ltd., Bombay could not so far been effected. A further attempt has been made by requesting our Regional Botanist of the Western Circle, Botanical Survey of India, Poona to contact the party personally and apprise this office of the position. Further action will be taken on receipt of reply/recommendation from him.

### ZOOLOGICAL SURVEY OF INDIA, CALCUTTA

#### Recommendation

The outstanding audit observations reveal serious failure of the Administrative Ministries to regulate expenditure strictly according to financial rules. The committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time.

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[Sr. No. 2 (para No. 1.7) of Appendix to the One Hundred Sixty Ninth Report of the Public Accounts Committee.]

#### Action Taken

Name of the circle of account to which audit objections and Inspection Reports belong—Rajasthan and Chandigarh Circle.

Financial Year in which the Objection raised	No. of para/Objection which was outstanding on 1-9-74	Action taken for settlement
1	2	3
1965-66]	One	The objection relates to erroneous payment of electricity duty to the tune of Rs. 138.87 as charged by the Rajasthan State Electricity Board. As efforts to recover the amount yielded no results, the amount has since been written off under the financial powers of the head of the department as per requirements of the audit authorities.

1	2	3
1968-69	One	The objection relates to non-production of the Cash Book. The matter is <i>sub-judice</i> as the Cash book was seized by the Special Police Establishment in connection with a case. No action for settlement could be taken before the case is finally disposed of by the court of law.
1970-71	Two	<p>(i) The audit objection relates to non-recovery of propulsion and detention charges from the Director, Central Arid Zone Research Institute, and District Electorate Officer, Jodhpur, totalling Rs. 556.76 for use of Staff Car. In conformity with the established practice based upon the principle of reciprocity, the car was given these organisations for undertaking journeys for official duties. As further pursuance in the matter will not bear any fruitful purpose, it was decided to write off the amount. An order to this effect already been issued by the competent authority.</p> <p>(ii) In this objection the audit brought the notice of the Director that the Government had incurred an avoidable expenditure of Rs. 2,160/- on pay and allowances of the Staff Car Driver during the period the vehicle was off the road. As neither the service of the permanent incumbent could be dispensed with nor he could be transferred elsewhere during the uncertain period, he had to be utilised for miscellaneous jobs and the expenditure in question should not therefore, be treated as avoidable.</p>
1971-72	Eleven	Since settled by the Accountant General, Rajasthan and Chandigarh.

(ii) Name of the circle of account to which audit objections and Inspection Reports belong—Tamil Nadu Circle.

Financial year in which the objections raised	No. of para/objection which was outstanding on 1-9-1974.	Action taken for settlement
1970-71	One	<p>Non-completion of annual verification of stock.</p> <p>The physical verification which remained undone was completed on a later date.</p>



(iii) Circle of account to which audit objections and Inspection Reports belong: West Bengal Circle (Central).

Financial year in which the objection raised	No. of para/objection which was outstanding on 2-9-74	Steps taken for settlement
1971-72	One	The audit objection pertains to non-recovery of outstanding balance of Rs. 2033.35 P. from a Research Scholar who left the institution before completion of the term. The Govt. have since waived the recovery from the scholar of the above amount. The audit is being informed of the waiver.

(iv) Name of the circle of account to which audit objections and Inspection Reports belong—Madhya Pradesh Circle.

Financial year in which the objection raised.	No. of para/objections which was outstanding on 1-9-74.	Steps taken for settlement
1972-73	One	The audit objection pertains to hiring of fans instead of purchasing the same. Fans have since been purchased. The audit is being requested to treat the case as closed.

(v) Name of the circle of account to which audit objections and Inspection Reports belong Uttar Pradesh Circle—II.

Financial year in which the objection raised	No. of para/objection which was outstanding on 1-9-1974	Action taken for settlement
1	2	3
1972-73	One	The objection, involving total amount of Rs. 11,071.33p., incurred towards meeting certain items of essential day-to-day administrative and functional expenditure, was raised on the ground that the expenditure exceeded the limit of financial powers delegated to the officer-in-Charge, Regional

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Station as "Head of Office". For the purpose of regularisation of these expenditure, the audit called for ex-post facto sanction orders from the competent authority.

Some of the items of expenditure were already within the financial powers of the Officer-in-Charge, Regional Stations and ex-post-facto sanction of the head of the department has been accorded for some other items leaving a balance of Rs. 3602.15 which is under examination for according post-facto-sanction of the head of the department.

[O.M. No. G-25011(10)/74-A/cs.  
dt. 26-9-1975]

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## APPENDIX XXV

### MINISTRY OF PLANNING (DEPARTMENT OF STATISTICS)

#### Recommendation

The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (1) sanctions for establishment not received (Rs. 35.00 lakhs) (ii) sanction not received for contingent and miscellaneous expenditure (Rs. 395.49 lakhs) (iii) sanction estimates not received (Rs. 1380.73 lakhs) (iv) detailed bills for lump sum drawals not received (Rs. 760.22 lakhs) and (v) vouchers not received (Rs. 1724.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[Sl. No. 1 (Para 1.6) of the recommendation contained in PAC's  
169th Report (Fifth Lok Sabha)]

#### Action taken

In chapter VII relating to outstanding audit objections and inspection reports of the Report of C.A.G. for the year 1972-73 Union Govt. (Civil) this Department has not been specifically named. (The Department of Statistics was a part of Cabinet Sectt. till it became a part of the Ministry of Planning in Feb. 73). During 1972-73 Deptt. of Statistics were concerned with Demand No. 42-Statistics which was group head under the Ministry of Home Affairs. Matters, i.e. Audit paras, if any, pertaining to this Deptt. and the Appropriation Accounts for the year 72-73 were defended by the Ministry of Home Affairs (Controlling Authority) on the basis of the information already furnished to them by this Department. We are not aware whether the audit observations pertaining to this Department, if any, have been included in the objections shown against the Ministry of Home Affairs or the Cabinet Sectt. Necessary details in this regard have already been called for from the A.G.C.R., New Delhi. The position will be examined on receipt of a reply from them. However,

according to information available with us only 53 audit objections and 4 paras of inspection reports are pending for settlement.

### **Recommendation**

The outstanding audit observations reveal serious failure of the administrative Ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.

[Sl. No. 2 (Para 1.7) of the recommendations contained in PAC's 169th Report (Fifth Lok Sabha)].

### **Action taken**

The observations have been noted. Regarding recommendations that details of the outstanding audit objections should be shown in the Annual Report of the Departments, this Department is of the view that this is a matter for general decision to be taken by the Ministry of Finance. This Department will have no objection in following the instructions that may be issued by the Ministry of Finance in this regard.

### **Recommendation**

The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations|inspection reports. Guidelines should be issued to all administrative Ministries in this regard.

[Sl. No. 3 (Para 1.8) of the recommendations contained in PAC's 169th Report (Fifth Lok Sabha)].

### **Action Taken**

Whenever considered necessary this Department issues instructions to all the concerned authorities for prompt settlement of outstanding audit objections and inspection reports. Monthly progress reports have been prescribed for the attached and the subordinate

offices. The progress of the settlement of the audit objection and inspection report will now be watched through these reports and suitable instructions issued, wherever necessary.

Guidelines that may be issued by the Ministry of Finance will be followed and also brought to the notice of all the Head of Departments for compliance.

### **Recommendation**

The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.

[Sl. No. 4 (Para 1.9) of the recommendations contained in PAC's 169th Report (Fifth Lok Sabha)].

### **Action taken**

The observations have been noted.

[D.O. No. G 25015/2/75—B&C dt. 20-9-1975]

## APPENDIX XXVI

### \*MINISTRY OF LABOUR

#### Recommendations

The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs) (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawal not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[Sl. No. 1 (Para 1.6) of Appendix to the 169th Report of the Public Accounts Committee (Fifth Lok Sabha)]

The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries|Departments, Statutory and Autonomous Bodies.

[Sl. No. 2 (Para 1.7) of Appendix to the 169th Report of the Public Accounts Committee (Fifth Lok Sabha)]

The Committee have no doubt that it is for the administrative Ministries|Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of

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\*Not vetted in Audit.

outstanding audit observations/inspection reports. Guidelines should be issued to all administrative Ministries in this regard.

[Sl. No. 3 (Para 1.8) of Appendix to 169th Report of the Public Accounts Committee (Fifth Lok Sabha)]

The Committee have noted there has been negligible progress in the clearance of the outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and spirit, the Committee are confident that a better performance will ensure in regard to the implementations of the audit observations.

[Sl No. 4 (Para 1.9) of Appendix to the 169th Report of the Public Accounts Committee (5th Lok Sabha)]

#### **Action taken**

1. In para 1.1 of the 169th Report of the Public Accounts Committee, the number of Audit observations pending with the former Ministry of Labour and Rehabilitation as on the 31st August, 1973 has been shown as 9068. Out of this, only 2202 pertain to the Ministry of Labour. The number of outstanding Inspection Reports has been shown in para 1.1 of the Report as 2461 against the former Ministry of Labour and Rehabilitation. Of this, only 191 reports pertain to the Ministry of Labour. According to the available information, the number of outstanding Audit observations as on the 30th June, 1975 in respect of Labour Ministry was 551 only. The latest information regarding Inspection Reports is not readily available.

2. All the Controlling Officers of the Ministry of Labour have been requested to take the following measures for the settlement of outstanding Audit Observations and Inspection Reports:—

- (i) to get excluded the audit observations etc. shown in the list of outstanding Audit Observations and Inspection Reports which pertain to other Department etc. but have been erroneously included in the pending list concerning the Ministry of Labour;
- (ii) to get excluded such of the Audit Observations as have been replied to;
- (iii) to get excluded the audit observations etc. which have appeared twice in the list maintained by the Audit through oversight;

- (iv) to find ways and means to settle the old audit observations and inspection Reports, if necessary by personal contacts, so that a minimum number of audit observations|inspection reports remain outstanding at the end of a financial year.

They have also been advised to gear up the existing machinery for early settlement of the audit observations.

The settlement of the outstanding audit observations|inspection reports is being watched through the quarterly progress reports.

3. The Committee's recommendation that details of the outstanding audit observations and inspection reports should be shown in the Annual Reports of the Ministries|Departments has been noted.

[D.O. No. G 25015|15|75|B&A dt. 26-9-1975]



## APPENDIX XXVII

### MINISTRY OF INFORMATION AND BROADCASTING\*

#### Recommendation

The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding Audit Observations totalling 1,34,820 as administrative lapse. All the five types of Audit objections, namely, (i) Sanctions for establishment not received (Rs. 35.00 lakhs) (ii) Sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) Sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) Detailed bills for lump sum drawals not received (Rs. 760.22 lakhs) and (v) Vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[Sl. No. 1 (Para 1.6) of the 169th Report of the Public Accounts Committee (5th Lok Sabha)]

#### Action taken

The total number of Audit observations shown pending against this Ministry upto March, 1973 but outstanding on 31st August, 1973 are 3407, involving an amount of Rs. 81.26 lakhs; out of which 331 were made prior to April, 1970, involving an amount of Rs. 1.70 lakhs. Even before the receipt of the copy of the report of the Public Accounts Committee, this Ministry, on receipt of the report of the Comptroller and Auditor General of India for the year 1972-73—Union Government (Civil), had taken up the matter vigorously with all the 14 attached and subordinate offices, emphasising that the outstanding audit observations should be resolved and settled with maximum speed. It may, however, be mentioned that the DGAIR have 118 stations/offices located all over India and similarly Directorate of Field Publicity, another media unit of this Ministry, has 212 Field Units operating in various parts of the country, and therefore receipt and collection of information in respect of audit observations pending with each such field formation takes

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\*Not Vetted in Audit.

time. However, from the data collected from the various attached and subordinate offices, the latest position, as it emerges, is indicated below:—

Name of the Media Unit	No. of audit observations made upto March 1973 but outstanding on 31-8-73	Observations still pending	Remarks
1	2	3	4
Directorate of Field Publicity .	326	42	For want of PSR, non-adjustment of TA & other advances etc.
Registrar of News papers for India. . . . .	4	nil.	
Research and Reference Division	4	nil.	
National Film Archives of India.	22	5	Relating to payee's stamped receipts.
Photo Division . . . . .	22	4	Relating to T.A. advance adjustments.
Publications Division . . . . .	170	136	Out of 136, 102 relate to payee's stamped receipts in respect of which certificate of the D.D.O. that all payments were made to the party concerned has been sent, as desired by audit.
Directorate of Advertising and Visual Publicity. . . . .	166	6	Adjustment bills wanted
Films Division . . . . .	nil.	nil.	
Song & Drama Division . . . . .	63	nil.	
Press Information Bureau . . . . .	218	22	Pertaining to payee's stamped receipts
Central Board of Film Censors	nil.	nil.	
Directorate of Film Festivals	nil.	nil.	The Dte. was formed in Oct. 1973
Film and T. V. Institute of India	nil.	nil.	
DG AIR . . . . .	951	331	Out of 331, 203 relate to payee's stamped receipts.
Ministry (Main) . . . . .	7	nil.	
<b>TOTAL . . . . .</b>	<b>1931</b>	<b>546</b>	

As would be observed from column 2 of the above statement, the total number of outstanding audit observations does not tally 258 LS—9.

with the figure given in the report of the Comptroller and Auditor General. The difficulty experienced in this behalf was that in each circle of account, this Ministry has field formations of various media units. Every Accountant General had furnished the figures of audit observations pending at a given point of time in respect of the whole of this Ministry for compilation of data for the report of the Comptroller and Auditor General. It was not possible in the given time to ascertain from each Accountant General the number of audit observations pending in respect of each field formation and the number and date of the correspondence under which the office of the Accountant General had communicated those audit observations to a particular field unit. On the other hand, each media unit and its field formations have given the information in respect of pending audit observations according to the picture available with them, when they were asked to supply the desired information. However, on the basis of the report of the Comptroller and Auditor General for the year 1973-74, this Ministry had taken the anticipatory action of addressing the various Accountant Generals to intimate the details of the outstanding audit observations/objections, indicating to which particular subordinate office they pertain, so that it may be easy to identify the particular office concerned with the particular audit observations/objections. This would also permit fixing of responsibility for undue delay. Replies from some of the Accountant Generals are still awaited.

*Outstanding Inspection Reports:*

73 inspection reports containing 136 paragraphs have been shown outstanding against this Ministry in respect of 'departmentally managed commercial and quasi-commercial undertakings'. Only 2 media units fall under this category *viz.* DGAIR and the Films Division, Bombay. The position as intimated by them is tabulated below:—

Name of the Media Unit	No. of paragraphs of inspection reports outstanding on 31-8-73	Paragraphs still pending	Remarks
1	2	3	4
Films Division Bombay	30	16	In case of most of the outstanding paragraphs, needful has been done and confirmation of audit that they have dropped the paragraphs, is awaited.
DGAIR	351*	59	

\*It would be observed, according to the record of the DGAIR the number of outstanding paragraphs of inspection reports are

more than the total number shown in the report of the C&AG. The DGAIR has attributed this to the reason that intimation of settlement of objections pertaining to their various subordinate offices has not been received. The Heads of the Offices concerned have been advised to confirm from the audit, which of the objections have since been treated as settled. As stated in the foregoing paragraphs, when detailed information is received from the Accountant Generals concerned in respect of the figures given in the report of the C&AG for the year 1973-74, it would be possible to identify which paragraphs of various inspection reports pertaining to which particular office, are treated to be outstanding by audit, to enable concerted efforts being made to liquidate the paragraphs so identified.

### **Recommendation**

The outstanding audit observations reveal serious failure of the Administrative Ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the Audit observations are compiled within a reasonable period of time. The outstanding Audit objections with details should be shown in the annual reports of the Ministries/Departments, statutory and autonomous bodies.

[Sl. No. 2 (Para 1.7) of 169th Report of the Public  
Accounts Committee (5th Lok Sabha)].

### **Action taken**

The Ministry has already taken stringent measures that the audit observations and objections are identified in respect of each subordinate office to keep a watch on their speedy disposal/settlement within a reasonable period of time. Instructions have already been issued that outstanding audit objections with details should be shown in the annual reports, placed before the Parliament.

### **Recommendation**

The Committee have no doubt that it is for the Administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to device proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should device a suitable machinery for the expeditious settlement

of outstanding audit observations/inspection reports. Guidelines should be issued to all Administrative Ministries in this regard.

[Sl. No. 3 (Para 1.8) of 169th Report of the Public Accounts Committee (5th Lok Sabha)].

#### **Action taken**

As desired by the Committee, this Ministry has already geared up the machinery for timely and effective action by impressing upon the Heads of Departments to devise proper forms or returns for the expeditious collection of information from their subordinate formations. When guidelines in this behalf have been formulated by the Ministry of Finance, those will also be adopted by this Ministry and its attached and subordinate offices.

#### **Recommendation**

The Committee have noted that there has been regligible progress in the clearance of outstanding audit observations/inspections reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit. The Committee are confident that a better performance will ensue in regard to the implementation of the audit observations.

[Sl. No. 4 (Para 1.9) of 169th Report of the Public Accounts Committee (5th Lok Sabha)].

#### **Action taken**

The contents of this paragraph of the report of the Committee have been noted for information and future guidance.

[O.M. No, G-25015|4|75-B&A, dt. 17-9-1975]

## APPENDIX XXVIII

### MINISTRY OF STEEL & MINES (DEPTT. OF STEEL)\*

#### Recommendations

The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in setting a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimate not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

The outstanding audit observations reveal serious failure of the administrative Ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.

The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports, Guidelines should be issued to all administrative Ministries in this regard.

The Committee have noted that there has been negligible progress in the clearance of the outstanding audit observations/inspection

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\*Not vetted in audit.

reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensue in regard to the implementations of the audit observation.

[S. Nos. 1—4 (Paras 1.6 to 1.9) of Appendix of 169th Report of the Public Accounts Committee (5th Lok Sabha)]

### Action taken

Out of 79 observations in respect of Deptt. of Steel 30 audit observations pertain to Iron & Steel Control Organisation and 49 audit observations pertain to Deptt. of Steel (Secretariat proper).

#### I. IRON & STEEL ORGANISATION

##### *i. Audit observations*

The position as on 31st August, 1975 of the audit observations in respect of Iron & Steel Organisation is given below year-wise.

Year	No. of outstanding observations	Position as well as action taken by the Govt. as upto 31-8-75
1	2	3
1959-60	1	Case pending in Court. Action has been taken to settle the matter expeditiously through the appropriate authority.
1960-61	2	Both the cases are pending in the Court. Action has been taken to settle the matter through appropriate authority.
1961-62	4	All the cases are pending in Court/ Arbitration. Action for persuading the matter has already been taken through the appropriate authority.
1962-63	1	All the cases are pending in Court. Action for persuading matters has already been taken through the appropriate authority.
1963-64	3	Action is being taken for closing these objections with the appropriate authority through formal communication.
1965-66	1	Case is pending in court. Further action will be taken on receipt of instruction from the Court.
1968-69	1	Request for settling the objection has already been made to the audit. Formal Communication is awaited.
1970-71	5	In respect of three objections details of expenditure as desired by the audit are being obtained from the appropriate authority. As regard other 2 objections, for 1 case legal action is pending for which the Ministry of Law is being pursued with for expeditious action, and for other objection request for dropping the objection has been made to the audit from whom formal communication is awaited.

1	2	3
1971-72	8	Out of 8 objections it has been informally ascertained from the audit that 3 objections stand settled/dropped. However, the audit has been requested to confirm this position through formal communication. Request for dropping 4 more objections has been made to the audit. Reply from the audit in this regard is awaited. One more objection pertaining to this year is pending in the Court.
1972-73	4	Out of 4 objections 1 has already been settled. In respect of 1 objection, request for settling objection has been made to audit from whom formal communication is awaited. As regard balance of 2 objections action for settlement of these objections expeditiously has been taken with the audit.

## 2. Inspection Reports

Only 3 inspection reports containing 6 paras were outstanding against I&SC Organisation pertaining to year 1971-72. The latest position of these inspection reports as on 31st August, 1975 is given below. Out of 6 paras of the 3 inspection reports, 4 paras have already been settled. In respect of other 2 paras, 1 case is pending due to the decision of the Court/arbitrators and the other case is expected to be settled early.

## 3. Steps taken to settle audit objections

Mostly the cases pertaining the Iron & Steel Control Organisation are either pending in the court or awaiting decisions of the arbitrators. Action for clearing these matters has already been taken by I&SC Organisation with the appropriate authorities like Ministry of Law, Central Government, Counsels and other legal agencies. They are also being reminded frequently to persuade with the Court authority/Arbitrators for speedy settlement of the cases.

## 4. Details of audit observations

A statement giving brief on each audit observations is enclosed (Annexure I).

## II. DEPARTMENT OF STEEL (SECRETARIAT PROPER)

### I. Audit observations

The position as on 31st August, 1975 of the audit observations in respect of Department of Steel (Secretariat proper) is given below year-wise :

Year	No. of outstanding observations	Position as well as action taken by the Govt. as upto 31-8-75
1962-63	3	Recovery of festival advance from three Government employees. No details are available at this distance of time, in all these cases AGCW&M has been requested to drop the objections.



Year	No. of outstanding observations	Position as well as action taken by the Govt. as upto 31-8-75
1963-64	2	Recovery of TA advance scooter advance from 2 Government employees. Since recovery has been effected in all these cases AGCW&M has been requested to delete these objections.
1964-65	1	Recovery of P.T.O. advance. The recovery would have been made by the Ministry where the Government employee was transferred. Matter is under examination/verification.
1966-67	1	Recovery of LTC advance would have been made by the Ministry concerned where the officer was transferred. The matter is being checked up with that Ministry.
1968-69	4	The recovery of transfer TA, leave salary and T.A. advances from officers. Recoveries in all these cases have already been effected and audit has been accordingly requested to drop these objections.
1969-70	3	Recovery of leave salary advance, over drawn amount and TA advance from 3 officers. The position is being checked up with the respective officers where these officers were transferred whether recoveries have already been made by those officers.
1970-71	3	Recovery of overdrawn pay and allowances, TA advance and payment of import duty. In one case the recoveries has already been effected and AGCW&M has been requested to delete the objection. In other two cases necessary particulars have been called for final settlement.
1971-72	5	Objections pertain to the recovery of TA advances paid to various officers excess pay and allowances, LTC advance and payment of trunk call bills. In two cases recoveries have already been effected and AGCW&M has been requested to drop these objections. As regard the recovery of balance of LTC advance, AGCW&M has been informed that the same has already been recovered and thus request for dropping this objection has also been made. In case of payment of trunk call bills attested copy of adjustment bill has been supplied to AGCW&M. In the fifth case the officer concerned has been requested to send the requisite particulars in order to settle the objections as early as possible.
1972-73	23	In 14 cases recoveries of TA advances have already been effected and AGCW&M has been requested to drop these objections. In other two cases too recoveries of LTC and leave salary advances have been effected and AGCW&M has been requested to drop these two objections. In the remaining 7 cases, 6 objections pertain to adjustment of TA Advances for which detailed particulars have been called for from officers concerned and the remaining one objection belongs to Regional Iron & Steel Controller, Kanpur. AGCW&M has been requested to transfer this objection to that office.

## 2. Inspection Reports

All the 6 paras in Inspection Reports for 1970-71 and 1971-72 have since been settled.

3. Steps taken to settle audit objections

Steps have already been taken with the officer/offices concerned to settle the objections expeditiously.

4. Details of audit objections

A statement giving brief on each audit observation is enclosed (Annexure II).

## ANNEXURE I

## DEPARTMENT OF STEEL

[Brief in respect of Audit observations pertaining to Iron and Steel Organisation]

Year	No. of Out- standing observa- tions	Amount  Rs.	Position	Remark	
	2	3	4	5	
1959-60	1	3,100-25	A Civil suit No. 107 of 1969 was filed in the Calcutta High Court in December, 1968 for recovery of Municipal Taxes and Rent from M/s. Muralimal Sartaram. This has not come up of hearing so far. But meanwhile the defendant's solicitor has been asked to furnish a copy of his client's affidavits of documents as per latest intimation receipt from the Central Government solicitor. No further development has been in this case.	Case pending in the Court.	
1960-61	2	2-00 1-00	(i)	This relates to excess and unpaid for bundles of steel tubes supposed to have been delivered to now defunct Howrah-Amra light Railways by M/s. Stewarts and Lloyds and M/s. George Waller (now under liquidation). Matter still under examination by Deputy Director Supplies, Calcutta, who has been advised to take legal steps against the aforesaid firms.	Case pending for taking legal action.

Case pending in Court.

(ii) 1.00 An award for Rs. 11129.65 for loss and damages etc. in favour of Union of India was given by sole arbitrator in December, 1971. The award was subsequently filed in Calcutta High Court in Jan., 1972 but Court decrees in terms of awards are still awaited. Ministry of Law was recently reminded to persuade the matter.

Legal action pending.

1961-62 . . . . 4 52985.40  
 (i) 52982.40 Certified copy of Court's judgement confirming award given in connection with the recovery of Rs. 52982.40 on account of liquidated damages, is still awaited. Min. of Law has recently been reminded to expedite the matter.

(ii) 1.00 This relates to claims of Iron & Steel Controller on account of liquidated damages and over drawal of ocean freight etc. in respect of Bengal Corporation. Arbitration proceedings since revived under orders of Calcutta High Court given in June, 1975. Next meeting of arbitration fixed on 3rd September, 1975.

(iii) 1.00 These items for realization of ocean freight etc. from M/s. Bengal Corporation are included in the arbitration proceeding since revived as explained above.  
 (iv) 1.00 Arbitration case pending.

Case pending in court.

1962-63 . . . . 1 1.00 This relates to liquidated damages etc. from M/s. Apecjay Private Ltd. Arbitrator's award for Rs. 35753 in favour of Union of India has been contested by the other party and affidavit in opposition filed by Union of India on 21-3-75. Matter is still pending in High Court.

Formal communication closing &amp; the objection solicited.

1963-64 . . . . 3 1545.10 These relate to recovery of over payment of deputation pay and allowances to certain deputationists from the office of A.G., West Bengal and Director of Audits & Accounts P. & T. Calcutta. The two Audit Offices were therefore, furnished with necessary statements indicating amount overdrawn by each individual reverted to the parent officers for effecting recovery and for crediting amount recovered from each individual

to the Sr. D.A.G. C. W&M, Calcutta. The recovery has since been made in full and Sr. D.A.G. C. W&M, Calcutta was accordingly requested to treat these item of objection closed. On the contrary the Iron & Steel Controller is being pressed to furnish the detail of the relevant exchange account through which the credits were passed to his office. As exchange account are inter audit matters it is only appropriate for Sr. D.A.G. C. W&M to collect the requisite particulars from the A.Gs, concerned. Accordingly A.G., West Bengal, Calcutta was requested to furnish the details of the exchange account through which the amount was credited to Sr. D.A.G. C. W&M, Calcutta. He considered this to be impracticable after long years of such actual recovery. In view of this, these objections could be treated as dropped.

This relates to amount recovered from M/s. DOR Corp. and refundable to M/s. Special Steel Ltd. on account of cost of defective steel supplied. Arbitrator's award since received shows the deduction of money from M/s. DOR Corp. was not justified. Further action will be taken in consultation with Min. of Law after this award is confirmed by the Court.

Case pending in court.

1963-66

20286.33

I

1968-69

1300.00

I

This involves recovery of advance of pay by an officer of Central Vigilance Commission, New Delhi at the time of his transfer to I&SC Orgn. That officer was subsequently transferred to the Ministry of Law (Branch Secretariat Calcutta) which under the Audit control of A.G. Central Calcutta. A.G. Central Calcutta who was requested to recover the amount has confirmed that the said amount was recovered by him in 1969 and credit passed on to the Sr. D.A.G. C. W&M Calcutta and has been requested to delete this item of objection. Sr. D.A.G. C. W&M Calcutta is now insisting upon I&SC Organisation to communicate

the details of exchange account through which credit has been passed on to his office pending which this objection cannot be treated as settled. Since this matter lies between the audit offices, the Sr. D.A.G., C.W.&M has been requested to contact A.G. Central Calcutta to finalise the matter. Further development is yet to be known.

1970-71 . . . . . 5

4146.38

- (i) 250.00 This being the cost of legal charges for filing written statement etc.
- (ii) 250.00 This being the amount paid to Shri B.K. Chakraborty towards the cost for meeting expenses for stamps etc.
- (iii) 2587.50 This being the amount required for installing it against M/s. Kalyanji Dhanji and others for recovery of subsidy allowance.

The position of the above mentioned three items is that the legal and arbitration Section under the Price & Account Division of I&SC Organisation has approached the Min. of Law (Branch Secretariat) Calcutta and Central Govt. Solicitor to furnish details of expenditure but no reply has since been received from the said authorities.

Legal action pending.

- (iv) 1054.88 This being the amount paid as fees to arbitrator in respect of arbitration matter of M/s. J.S. Cohen & Co. Calcutta. This item cannot be cleared so long as the judgement of the High Court on the award is not given and decree enforced. This matter is however, being pursued with the Ministry of Law for expeditious action.
- (v) 4.00 This being the amount stated to be the residual balance of TA advance made to Shri M.C. Chatterji. The position is that no such TA advance is outstanding. Request for dropping objection has been made.

in records of I&SC Organisation. Sr. D.A.G., C.W&M Calcutta has so far failed to furnish any details or to waive this amount of Rs. 4 as requested by the I & SC Organisation. The audit is again being requested to waive the said amount from objection book.

1971-72 . . . . . 8 3279.66 As the details of these amount were not readily available with I&SC organisation the office of the Sr. D.A.G., C.W&M Calcutta was contacted personally by the Account Officer of I&SC Orgn. to make a scrutiny of the item. It was verbally informed that the number of objections as since come down to five involving an amount of Rs 2097. The Sr. D.A.G., C.W&M has been requested to confirm the position formally. As regard five outstanding objections the present position is given below:—

3 1182.66 Settled/dropped. (As intimated verbally by the Sr. D.A.G., C.W&M's office)

(i) 2097.00 This being the share of the arbitration cos payable by M/s. Chiman Lal and Brothers to the Union of India.

(ii) 60.00 This being the amount paid to Shri F. S. Nariman Counsel Bombay who was brief on behalf of Union of India. Request for dropping objection has been made.

(iii) 180.00 This being the amount paid to Shri C. T. Saha Counsel as fees.

(iv) 125.00 This being the amount paid to Shri S. P. Nanjur, Asstt. Govt. Advocate, Min. of Law & Justice, New Delhi towards the cost of Court fees stamps.

As regard (i) above the position is that the item cannot be cleared so long as the certified copy of the judgement on the award for realisation of the awarded amount from the party is received from the High Court Calcutta. Position regarding (ii) & (iii) above is that the amount spent were not in the nature of advance. It was paid through Central Govt. Solicitor concerned who certified the amount involved as the professional fees of the counsel concerned. The position regarding (iv) above is that the amount of Rs. 125'00 was not an advance because the amount was required for the Central Government Solicitor as cost of Court fees stamps. The Sr. D.A.G., C. W. & M. Calcutta was accordingly requested to delete the items referred to as at (ii), (iii) and (iv) above. The Sr. D.A.G., is again being requested to delete these items from the objection book.

Request for dropping objection has been made.

This being the advance made to Smt. Santi Lata Dutta wife of late Shri Provash Chandra Dutta. The latest position is that A.G., Central has since confirmed that the amount in question has been recovered from the D.C.R. Gratuity admissible to deceased Provash Chandra Dutta and credit is being afforded to Sr. D.A.G., C. W & M. in the exchange account for March, 75 final. This item of objection has been urged for deletion from the objection book.

Request for settling objections has been made.

This amount has been shown outstanding in the books of Sr. D.A.G., C. W.&M. Calcutta on account of advance of T.A. On personal contact made by the account officer of I & SC Organisation with the concerned section in the office of Sr. D.A.G. C. W.&M. it was verbally told that this amount has since been removed from the outstanding list on the basis of particulars furnished by the account officer. The Sr. D.A.G. has been requested to confirm formally that this item of objection has been treated as settled. Formal communication from him is awaited.

I 72-73	• • • •	4	(v)	432'00	Request for dropping objection has been made.
1715'00	(i)	4		220'00	Request for settling objections has been made.



4

3

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1

(ii) 190.00 This relates to medical advance given to Shri Khalil Khan. Adjustment of this advance has since been effected and the item of objection stands settled as indicated by the Sr. D.A.G., C. & W&M, Calcutta.

(iii) 1305.00 This amount has been shown outstanding against Regional Iron & Steel Controller, Kanpur for the year 1972-73. These two objections relate to pay advance of Rs. 710.00 and T.A. advance of Rs. 595 given to Shri R. K. Sharma, Section Officer on his transfer to Kanpur as Regional Iron & Steel Controller Kanpur. The Iron & Steel Controller, Calcutta and Regional I & S.C. Kanpur have been advised to take immediate action to settle these objections.

Brief in respect of Inspection Report—Iron & Steel Organisation—latest position as on 31st August, 1975.

Period of Report	Para No.	Particulars	Present position
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(1)	(2)	(3)	(4)
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1971-72 : 31/R-6 Paras 1. Recovery of Government dues effected but not shown in the cash book. Settled.

2. Irregularities in purchase of 2 woollen carpets. Settled.

3. Realisation of the cost of arbitration from private parties.

In this case five Private parties are involved. The position in respect of each of the five parties is detailed below.

(i) This is an arbitration case between Union of India Vs. J. S. Cohen. The arbitrator gave judgement in favour of J. S. Cohen.

Accordingly the Union of India paid the total cost of arbitration including the share of respondent. Decree in terms of the award. file in the High Court Calcutta has not yet been obtained. Min. of Law has been reminded to pursue the matter.

(ii) This another arbitration case between U.O.I. Vs. J. S. Cohen. The arbitrator directed U.O.I. to pay his remuneration including the share of respondent. The decree and judgement obtained was sent to the H. C. London of execution.

The H. C. London has now directed to have a certified copy of the firm and same is being obtained.

(iii) This is the third arbitration case between U.O.I. Vs. Shri J. S. Cohen. In this case the arbitrator directed that his fees along with the clerks remuneration should be paid by U.O.I. in the first instance and then realise the share of the respondent from him. The award for Rs. 4530-00 has filed by the arbitrator in the Calcutta High Court for a decree in terms of the award. This has not been obtained and the Law Min. has been reminded to pursue the matter.

(iv) This is an arbitration case between U.O.I. and Apecjay Pvt. Ltd. In this matter of dispute the total cost of arbitrator fees was to be shared equally by the claimant U.O.I. and respondent. The entire fee was paid by I & SC as directed and the award was filed in the High Court. The award has been challaned by the opposite party and matter is still pending in the High Court.

(v) This is an arbitration case between U.O.I. and M/s. Chiman Lal Bros. The arbitrator directed to pay his fees alongwith the clerks remuneration and cost of stamp in the first instance and then realise the share of the respondent from him. The award was filed in Calcutta High Court of obtaining decree. In terms of the award a decree has been passed by the High Court. Certified copy of the judgement is still awaited. Min. of law is pursuing the matter.

4. Discrepancies in the maintenance of service book and leave account class III and class IV officials.
-

(1)	(2)	(3)	(4)
I Sub-para III	Amount outstanding at the credit of G.P.F. Account of late Balai Gopal Ganguly not yet paid to legal heir of the deceased officials.	The position as it stands now is that payment of G.P.F. balance in respect of late Balai Gopal Ganguly could not be made as the claimant could not establish her right so far. Smt. Brihaspati Ganguly stated to be the wife of the deceased has been requested to furnish succession certificate from the court of law in absence of which the matter cannot be settled.	
2	Disposal of unserviceable duplicating machine and eight condemned type-writer machines.	Settled on 18-1-1975.	

## ANNEXURE—II

*Brief in respect of Audit Observations pertaining to Deptt. of Steel (Sectt. proper)*

Year	No. of Outstanding observations	Amount	Particulars of Audit Objections.	Latest Position
(1)	(2)	(3)	(4)	(5)
1962-63	3	(i) Rs. 51.00 (ii) Rs. 94.00	Recovery of Festival Advance from S/Shri Uday Singh, R. P. Gupta and K.C. Pant.	Recovery of festival advance was shown in L.P.C. at the time of their transfer to Min. of Defence/Finance in 1962-63. These advances were recoverable in 3/5 monthly instalments and would have been recovered by the respective ministries. In the case of Shri Uday Singh, when he reverted back to this Department, no festival advance had been shown in the L.P.C. as outstanding.

1963-64	2	(iii)	Rs. 18.00	Recovery of festival Advance	No details are available at this distance of time, in all these cases A.G.C. W & M has been requested to drop this objection.
			63.00		
1964-65	1		Rs. 2844.58	Recovery of transfer T.A. advance from Shri N. K. Nair, Asstt. on transfer from Paris and Scooter advance from Shri S. N. Diwan.	No such officials were on the roll of this office. A.G. has been asked to delete this objection from his books.
1964-65	1		Rs. 50.00	Recovery of P.T.O. Advance from Shri B. K. Choudhary, L. D.C.	The official was transferred to Min. of Home Affairs in Dec. 1964. Recovery of P.T.O. advance would have been made by that Ministry from the final TA bill.
1966-67	1		Rs. 72.00	Recovery of L. T. C. Advance from Shri D.M. Terker.	The official was transferred to Home Affairs in 8/66. Recovery would have been effected by that Ministry from his final T.A. bill.
1968-69	4	(i)	Rs. 4133.00 Rs. 2100.00	Transfer TA to Shri Sushil Kumar Dy. Secy.	L.P.C. of this office was issued by Audit Office when he was reverted back to A.P. State Government and recovery would have been effected as per directions in L.P.C.
		(ii)	Rs. 1500.00	L.S. Advance to Shri P.P. Caprihan, Dy. Secy.	Cabinet Secretariat have recovered the amount
		(iii)	Re. 1.00	T.A. Advance to Shri C. A. Nair, US	Recoveries effected and A.G.C. W & M has been requested to delete this objection.
		(iv)	Rs. 532.00		
			Rs. 4133.00		
1969-70	3	(i)	Rs. 575.00	Recovery of L.S. Advance to Shri R. Raja-gopalan.	The Advance was taken by the officer from B. H. E. L. who would have recovered the same from his leave salary bill paid by that office. Normally such advances are adjusted in lump sum from regular leave salary bills.
		(ii)	5.00	Recovery of over drawn amount by Shri N. Bhoi.	The official has been requested to refund the amount.
		(iii)	150.00	T.A. Advance by Shri V. K. Mehta.	The officer belongs to the Geological Survey of India under the Department of Mines.

(1)	(2)	(3)	(4)	(5)
1970-71	3	100.00	Overdrawn Pay & Allowances—Recovery from Shri Ram Charan.	Recovery effected & A.G.C. W & M has been requested to delete the objection.
	(ii)	1626.00	For want of detailed bill.	The amount was drawn for payment to the Central Excise as import duty for import of spare parts for staff car. The payment was made on 8-2-71. Adjustment bill is being submitted.
	(iii)	1.00	T.A. Advance to Shri J. C. Luther, Dir.	The officer has been asked to furnish T.A. particulars for its settlement.
		----- 1727.60		
1971-72	5	1.00	T. A. adjustment of foreign tour of Shri H. C. Sarin, Ex-Secy.	In case of Shri H. C. Sarin, the adjustment bill has been furnished to A.G.C. W & M and also he has been requested to drop this objection.
	(ii)	1.00	Shri G. Thyagarajan, P.S. to Minister /	As regards Shri G. Thyagarajan, the requisite particulars are still awaited from him.
	(iii)	165.80	Excess pay & allowances paid to Shri Babu Ram, Driver.	The official was transferred to I & B Ministry on 31-12-70 and amount was shown in L.P.C. The recovery would have been made by that Ministry.
	(iv)	114.50	Trunk call bill.	Attested copy of adjustment bills supplied to A.G.C. W & M.
	(v)	1.30	Balance of L.T.C. Advance to Shri P. V. Narayana Kutty, Steno.	Balance recovered.
1972-73	23	71,105.54	Recovery of T.A. advances from S/Shri T. C. Pant (Rs. 500), M. Prasad (Rs. 600), S. Vangala (Rs. 345.96), Rs. 10076.00 & Rs. 5966.00), K. V. Ramnathar (Rs. 502, Rs. 201 & Rs. 8084), H. C. Sarin (Rs 16510 Rs. 40.50, Rs. 83.80 & Rs. 2232.08), K. G. R. Iyer (Rs. 5966), Wadud Khan (Rs. 11202).	A.G.C. W&M has been requested to drop these objections.

- I 400.80 Recovery of L. T. C. advance from Shri G. K. Nair. Recoveries has since been effected in this case and AGCW&M has been requested to drop these objections.
- I 330.00 Recovery of L. S. advance from Shri R. P. rushottam. The recovery has since been effected and AGCW&M has been requested to drop this objection.
- 6 21,972.15 Adjustment of TA advances given to S/Shri Hari Bhushan (Rs. 960, Rs. 9596, Rs. 247.50), G. Thyagarajar (Rs. 400.50), J. C. Luther (Rs. 491.15) & S. Das Gupta (Rs. 10268). In case of Shri Hari Bhushan, the entire expenditure would be borne by the Ministry of Industrial Development and as such the AGCW&M has been requested to transfer this objection from D/Steel to that Ministry. In the rest of the cases, the adjustment bills have been sent to the respective officers for some more particulars and on receipt of the same, AGCW&M will be requested to drop these objections.
- I 1,382.10 Adjustment bill of Shri K. P. Srivastava. The officer belongs to Reg. Iron & Steel Control, Kanpur. AGCW&M has been requested to transfer this objection to that office.

3. *Details of cases attracting penal Section 196 and 197 of the Indian Penal Code.*

None of these cases attracted the Penal Section 196 and/or 197 of the Indian Penal Code.

4. *The reasons for a large number of inspection reports outstanding (in many cases since 1951-52)*

All the six paras in the Inspection Reports for 1970-71 and 71-72 have since been settled.

5. *Steps taken to reduce the number.*

No action is required in view of the reply as per item 4.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the standing guard file.*

As already stated we are in touch with the office of the A.G.C.W. & M., New Delhi and hence it has not been considered necessary to hold a meeting with the Audit Officers. The position will, however, be reviewed periodically.

[Letter No. BGT-4(1)/75 dt. 1-3-1976.]

## APPENDIX XXIX

### MINISTRY OF STEEL AND MINES

#### (DEPARTMENT OF MINES)

#### Recommendation

The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95.49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80.73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60.22 lakhs) and (v) vouchers not received (Rs. 17,24.61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.

[S. No. 1 para 1.6 of Appendix to the 169th Report of the P.A.C.  
(Fifth Lok Sabha)]

#### Action taken

We are concerned with the following offices/subordinate Departments:—

1. Secretariat of the Department of Mines.
2. Geological Survey of India.
3. Indian Bureau of Mines.
4. Airborne Mineral Surveys and Exploration.
5. Controller of Mining Leases.

The recommendation of the Committee has been brought to the notice of these offices/Departments. The Heads of these Departments have been informed that they will be personally responsible for ensuring prompt settlement of outstanding audit observations/inspection reports paras. A copy of the instructions issued in this regard is enclosed (*vide* annexure-I).

## ANNEXURE-I

IMPORTANT/IMMEDIATE

No. 4/8/75-IF

GOVERNMENT OF INDIA

MINISTRY OF STEEL &amp; MINES

(Department of Mines)

---

New Delhi, the 23rd May, 1975.

To

1. Shri C. Karunakaran,  
Director General,  
Geological Survey of India,  
Jawaharlal Nehru Road,  
Calcutta.
2. Shri S. Narainaswamy,  
Deputy Director General,  
A.M.S.E., Bangalore.
3. Shri D. N. Bhargava,  
Controller,  
Indian Bureau of Mines,  
Nagpur.
4. Shri D. N. Bhargava,  
Controller of Mining Leases,  
Nagpur.

Subject: 169th Report of P.A.C. on Chapter VII of Report of Controller and Auditor General of India for the year 1972-73 Union Government (Civil) relating to Outstanding Audit Observation and Inspection Reports.

---

Sir,

I am directed to say that the 169th report of the Public Accounts Committee (Fifth Lok Sabha) was presented to the Lok Sabha on 20-4-75. In this connection an extract from the report of P.A.C. containing the recommendations of the Committee is enclosed.



2. The main recommendations of the P.A.C. are as under:—

- (i) That responsibility be fixed on DDO's for unusual delays in settling Audit Objections.
- (ii) That Government should make every effort to ensure that audit observations are complied with within a reasonable period of time and the outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.
- (iii) Administrative Ministry should gear up their machinery to take timely and effective action to post necessary staff or to devise proper forms or returns for expeditious collection of information from lower formations.
- (iv) That Ministry of Finance should devise a suitable machinery and issue guidelines for expeditious settlement of outstanding audit observations/inspection reports.

3. For implementing the above recommendations of the P.A.C., it has been decided to take the following action:—

- (i) The Heads of the Deptt. of GSI|IBM|AMSE|CML will hereafter be personally responsible for ensuring action for expeditious settlement of outstanding objections/Inspection reports. All the outstanding audit observations/inspection reports shown in the report of the Comptroller and Auditor General for the year 1972-73 should be settled by 31-7-75.
- (ii) You should submit every month a statement showing details of outstanding audit objections/inspection reports and action taken to settle them. This statement should be forwarded by the 10th of each month by name to the Director/Deputy Secretary administratively concerned with your organisation.
- (iii) Senior Officers of your Organisations should hold meetings with the concerned Audit Officers at least once a month for expeditious settlement of outstanding objections/inspection reports.

4. Please acknowledge receipt of this letter.

Yours faithfully,  
(M. S. BHATNAGAR)  
Deputy Secretary to the Government of India.

Copy forwarded to:—

Director (B). In so far as the Sectt. proper is concerned. Dir.(B) will be personally responsible for ensuring action for expeditious settlement of outstanding audit objections/inspection reports. He is required to settle all the outstanding audit objections covered by the Audit Report of the CAG for 1972-73 (Civil) by 31-7-75.

Director (N)/DS (J)/DS (N) for personally watching the progress of the pending audit objections etc. and to ensure that the same are settled by 31-7-75.

All Sections.

Sd/-

(M. S. BHATNAGAR)

Deputy Secretary

[O.M. No. 4(1)/75-IF dt. 10-9-1975]

## APPENDIX XXX

### *Main conclusions/Recommendations*

S. No.	Para No.	Ministry/ Dept. Concerned	Recommendations/Conclusions
(1)	(2)	(3)	(4)

1 I.10 All Ministries/Departments While the Committee are happy that certain measures aimed at securing the expeditious settlement of Outstanding Audit Observations and Inspection Reports have been taken by the various Ministries/Departments in pursuance of the Committee's recommendations contained in their 169th Report (Fifth Lok Sabha), there is still considerable scope for improvement, and unless concerted efforts are made continually, the position may well become irretrievable. It is of particular concern that the number of Audit Observations made upto March 1974 but outstanding as on 31st August 1974 should be as large as 1,44,054, involving a total amount of Rs. 128.59 crores as against the corresponding figures of 1,34,820 and Rs. 113.28 crores respectively as on 31st August 1973. That this should be so despite the 'comprehensive instructions and guidelines' stated to have been laid down in the 'Standing Guard File' would indicate that these

instructions and guidelines have been honoured more in the breach than in the observance. Now that these have been reiterated by the Ministry of Finance, the Committee hope that there would be a greater awareness on the part of the Ministries/Departments of the importance of expeditious settlement of Audit Objections. The Committee would be watching the position in this regard through the future Audit Reports.

The Committee find that as on 31st August 1974, advances totalling Rs. 334.44 lakhs paid to Government servants had not been recovered in as many as 37,386 cases. Similarly an amount of Rs. 18.10 lakhs, representing overpayments or amount, disallowed in audit in 1242 cases was pending recovery. The Committee take a serious view of these outstandings and desire that these should be recovered early.

It is disconcerting that a number of Inspection Reports are stated to be outstanding for well over two decades. The reasons for this sorry state of affairs should be gone into thoroughly and necessary remedial measures adopted and implemented.

The Committee take an extremely serious view of the failure on the part of the India Supply Mission, London, in not even replying to an Audit objection raised in August 1973 till January 1975. In another case, even though the Mission had promised, in February

2 I.11

--do--

3 I.12

--do--

4 I.13

--do--

(1) (2) (3) (4)

1969, that attempts would be made to recover the loss accruing on account of delayed delivery of stores contracted in November 1965, the final position had not been intimated to Audit till January 1975, despite several reminders'. The Committee desire that responsibility for this impermissible delay should be fixed for appropriate action.

Sl. No.	Name of Agent	Sl. No.	Name of Agent
<b>WEST BENGAL</b>		32.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.
21.	Grantholoka, 5/1, Ambica Mookherjee Road, Belgharia, 24-Paraganas.	33.	Bahree Brothers, 188, Lajpat Rai Market, Delhi-6.
22.	W. New Man & Company Ltd., 3, Old Court House Street, Calcutta.	34.	Jayna Book Depot, Chhapparwala Kuan, Karol Bagh, New Delhi.
23.	Firma K. L. Mukhopadhyay, 6/1-A, Banchharam Akur Lane, Calcutta-12.	35.	Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi.
24.	Mrs. Manimala, Buys & Sells, 128, Bow Bazar Street, Calcutta-12.	36.	People's Publishing House, Rani Jhansi Road, New Delhi.
25.	M/s. Mukerji Book House, Book Seller, 8B, Duff Lane, Calcutta.	37.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.
<b>DELHI</b>		38.	Hind Book House, 82, Janpath, New Delhi.
26.	Jain Book Agency, Connaught Place, New Delhi.	39.	Book Well, 4, Sant Nirankari Colony, Kingsway Camp, Delhi-9.
27.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	40.	M/s. Saini Law Publishing Co., 1899, Chandi Chowk, Delhi.
28.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	<b>MANIPUR</b>	
29.	J. M. Jaina & Brothers, Mori Gate, Delhi.	41.	Shri N. Chaob Singh, News Agent, Ram Lal Paul High School Annexe, Imphal.—MANIPUR.
30.	The Central News Agency, 23/90, Connaught Place, New Delhi.		
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PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT OF  
BUSINESS IN LOK SABHA (FIFTH EDITION) AND PRINTED BY THE GENERAL  
MANAGER, GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI.

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