



**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**FOR**

**THE YEAR 1976-77**

**UNION GOVERNMENT (CIVIL)**



## ERRATA

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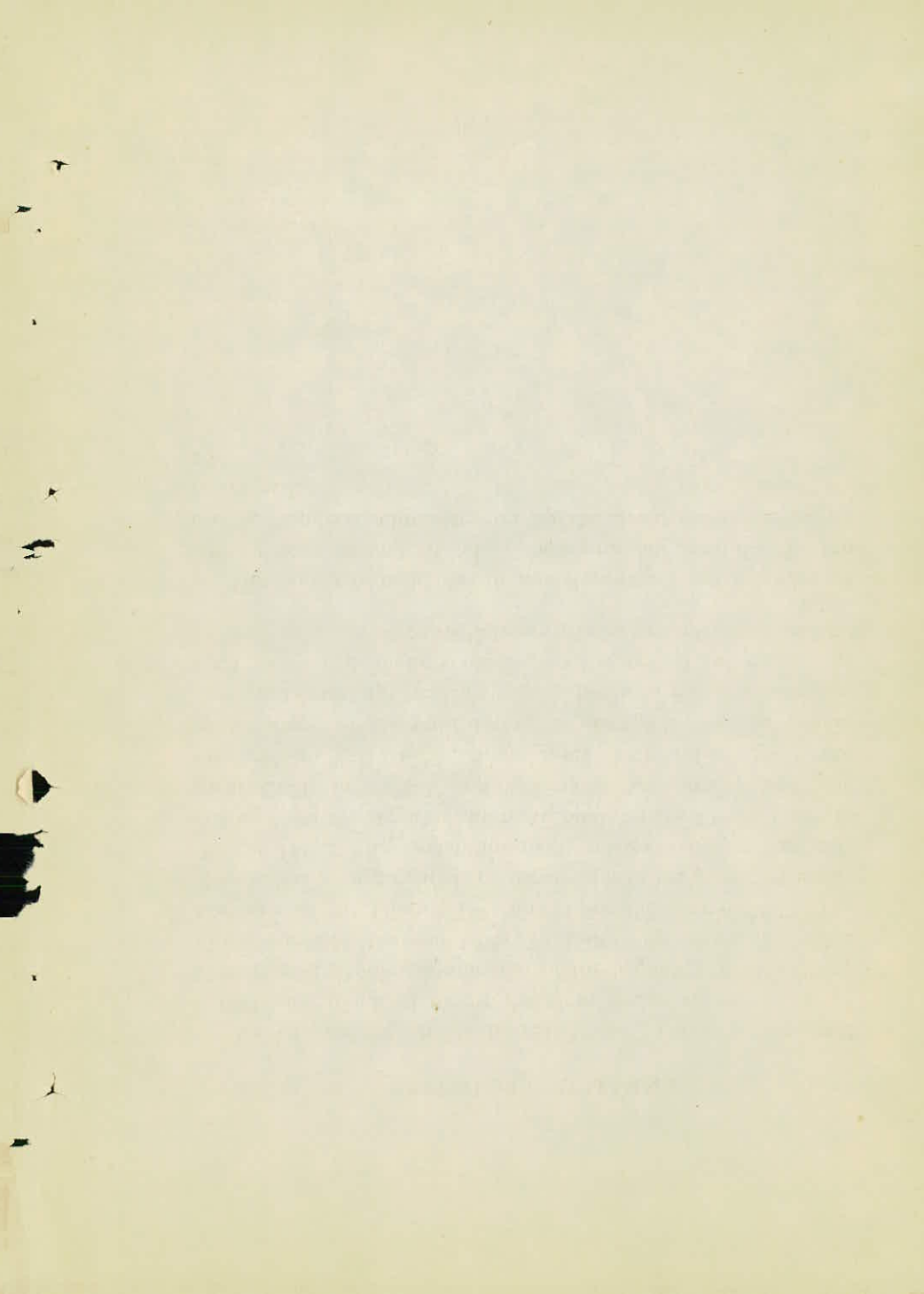
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## PREFATORY REMARKS

An Advance Report for the year 1976-77 Union Government (Civil) was submitted to the President under Article 151 of the Constitution pending submission of the accounts of the Union Government for the year 1976-77. Following finalisation of the accounts of the Union Government for the year 1976-77, this Report has been prepared for submission to the President under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts of the Union Government (Civil) for 1976-77 and the Finance Accounts of the Union Government for 1976-77. Some cases which had come to notice in the course of test audit during the year 1976-77 or in earlier years but could not be dealt with in previous Reports have also been mentioned; matters relating to the period subsequent to 1976-77 have also been included, wherever considered necessary.

The points brought out in this Report are not intended to convey or to be understood as conveying any general reflection on the financial administration by the departments/authorities concerned.



## CHAPTER I

### I—GENERAL

The original budget estimates and actuals of revenue receipts, expenditure met from revenue and expenditure on capital account during 1976-77 are shown below with the corresponding figures for the preceding two years:—

		Budget estimates	Actuals	Variation	Percentage of variation
		(Crores of rupees)			
Revenue Receipts*	1974-75	@6338.09	7260.11	+922.02	+14.5
	1975-76	@7913.84	8932.12	+1018.28	+12.9
	1976-77	@9188.57	9749.27	+560.70	+6.1
Expenditure met from revenue	1974-75	@6080.29	6495.82	+415.53	+6.8
	1975-76	@7265.42	8045.24	+779.82	+10.7
	1976-77	@8653.56	9468.94	+815.38	+9.4
Expenditure on Capital Account	1974-75	1223.13	1630.20	+407.07	+33.3
	1975-76	1532.75	2250.45	+717.70	+46.8
	1976-77	1889.28	1850.51	-38.77	-2.1

\*Excludes payments to States of their share of divisible proceeds of taxes on income and estate duty and to Union Territory Governments of their share of estate duty on agricultural land which are taken as reduction of revenue receipts. Such payments to States/Union Territory Governments during the three years were :—

	1974-75	1975-76	1976-77
	(Crores of rupees)		
Taxes on Income . . . . .	516.16	734.10	652.24
Estate Duty . . . . .	10.03	8.21	9.52

@Budget estimates for revenue receipts shown above include Rs. 25.70 crores, Rs. 46.84 crores and Rs. 5.15 crores during 1974-75, 1975-76 and 1976-77 respectively being the share of Union Excise Duties payable to States as a result of budget proposals. The figures of budget estimates for expenditure met from revenue shown above do not include these amounts.

During 1976-77, the revenue receipts and expenditure met from revenue exceeded the budget estimates by Rs. 560.70 crores and Rs. 815.38 crores respectively. The expenditure on capital account was, however, less than the budget estimates by Rs. 38.77 crores.

During the course of the year supplementary grants for expenditure were obtained, the effect of which was to increase the above estimates of expenditure met from revenue and expenditure on capital account by Rs. 1067.79 crores and Rs. 197.61 crores respectively.

Further details of revenue receipts have been given in the Report on Revenue Receipts.

## II—OVERALL EXPENDITURE (REVENUE AND CAPITAL)

2. The following table compares the expenditure on revenue account during 1976-77 under broad heading with the provision of funds made thereunder:—

Head of Expenditure	Budget estimates	Actuals	Variation
		(Crores of rupees)	
Organs of State . . . . .	90.68	80.40	—10.28
Fiscal Services . . . . .	279.49	321.39	+41.90
Interest payment and Servicing of Debt .	1351.85	1374.44	+22.59
Administrative Services . . . . .	361.07	389.97	+28.90
Pensions and Miscellaneous General Services . . . . .	141.67	138.84	—2.83
Social and Community Services . . . . .	577.72	609.04	+31.32
General Economic Services . . . . .	252.72	337.78	+85.06
Agriculture and Allied Services . . . . .	447.78	718.05	+270.27
Industry and Minerals . . . . .	262.78	253.98	—8.80
Water and Power Development . . . . .	106.32	86.92	—19.40
Transport and Communications . . . . .	99.06	102.72	+3.66
Grants-in-aid and Contributions . . . . .	2396.79	2708.21	+311.42
Defence Services . . . . .	2285.63	2347.20	+61.57
<b>Total . . . . .</b>	<b>8653.56</b>	<b>9468.94</b>	<b>+815.38</b>

3. The expenditure during 1976-77 compared with that during the previous two years is shown below :

	1974-75	1975-76	1976-77
			(Crores of rupees)
Organs of State . . . . .	59.80	74.77	80.40
Fiscal Services . . . . .	126.36	189.17	321.39
Interest payment and Servicing of Debt . . . . .	1000.76	1228.16	1374.44
Administrative Services . . . . .	320.37	388.77	389.97
Pensions and Miscellaneous General Services . . . . .	23.17	196.07	138.84
Social and Community Services . . . . .	427.60	519.76	609.04
General Economic Services . . . . .	132.48	203.58	337.78
Agriculture and Allied Services . . . . .	404.60	365.28	718.05
Industry and Minerals . . . . .	137.67	251.57	253.98
Water and Power Development . . . . .	48.62	78.63	86.92
Transport and Communications . . . . .	75.57	97.07	102.72
Grants-in-aid and Contributions . . . . .	1818.61	2201.27	2708.21
Defence Services . . . . .	1920.21	2251.14	2347.20

4. The variation in expenditure under some of the heads mentioned in the preceding paragraph is analysed below :

(a) Fiscal Services:	1974-75	1975-76	1976-77
			(Crores of rupees)
Collection of Taxes on Income and Expenditure . . . . .	31.21	38.81	39.29
Customs . . . . .	16.83	*19.09	21.74
Union Excise Duties . . . . .	23.52	*30.63	30.40
Currency, Coinage and Mint . . . . .	38.57	70.94	81.50

The increase is mainly due to (i) larger payments to the International Monetary Fund for the administration of SDR Account and (ii) larger purchases of materials, payment of arrears consequent on increase with retrospective effect from 1st April 1974 in the rates charged by the Security Paper Mill for the paper supplied by it and installation of Super Simultan and Guillotine machine.

\*Differs from the figures shown in the Report of the Comptroller and Auditor General of India for the year 1975-76—Union Government (Civil) due to subsequent correction.

	1974-75	1975-76	1976-77
	(Crores of rupees)		
Other Fiscal Services . . . . .	2.43	6.49	120.74

The increase is mainly due to larger payment of interest on Additional Dearness Allowance Deposits Account.

Other Heads . . . . .	*13.80	*23.21	27.72
TOTAL . . . . .	126.36	189.17	321.39

(b) Administrative Services :

Police . . . . .	162.55	209.10	207.06
Public Works . . . . .	17.84	24.62	16.02
External Affairs . . . . .	34.45	49.05	59.62

The increase is mainly due to larger expenditure on establishment in missions abroad.

Other Administrative Services . . . . .	26.86	32.52	28.72
Other Heads . . . . .	78.67	73.48	78.55
TOTAL . . . . .	320.37	388.77	389.97

(c) Social and Community Services :

Education . . . . .	141.85	175.77	195.35
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The increase is mainly due to (i) payment of additional dearness allowance as well as arrears of salaries consequent on pay revision to employees of autonomous bodies/organisations and educational institutions financed by grants from Government, (ii) larger grants to University Grants Commission and (iii) larger grants to Delhi Municipal Corporation for primary education.

Scientific Services and Research . . . . .	112.02	134.08	155.93
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The increase is mainly due to (i) payment of arrears to the Indian Air Force for Air-photography for the Survey of India, (ii) larger expenditure on Department of Space and (iii) larger grants to Council of Scientific and Industrial Research.

Medical . . . . .	30.36	37.17	42.40
Public Health, Sanitation and Water Supply . . . . .	9.00	11.38	13.56

\*Differs from the figures shown in the Report of the Comptroller and Auditor General of India for the year 1975-76—Union Government (Civil) due to the figures pertaining to the head "Other Fiscal Services" shown separately.

	1974-75	1975-76	1976-77
	(Crores of rupees)		
Broadcasting . . . . .	22.06	29.61	47.66

The increase is mainly due to (i) transfer of net revenues from Commercial Services to the newly created Akashwani and Doordarshan Commercial Revenues Fund and (ii) payment of arrears as a result of revision of pay scales of staff artists with retrospective effect from 1st January 1973.

Labour and Employment . . . . .	22.40	31.90	42.29
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The increase is mainly due to larger Government's share of contribution to the Family Pension-cum-Life Assurance Fund and Deposit-Linked Insurance Scheme for industrial workers and coal miners.

Social Security and Welfare . . . . .	47.88	53.22	50.35
Other Heads . . . . .	42.03	46.63	61.50
TOTAL . . . . .	427.60	519.76	609.04

The expenditure at (c) above does not include grants to State Governments and Union Territory Governments for development purposes which are booked under 'Grants-in-aid and Contributions'.

(d) Grants-in-aid and contributions:

Payments to States of their share of Union Excise Duties . . . . .	702.54	856.71	1027.98
Grants to State Governments and Union Territory Governments:			
(i) Under proviso to Article 275(i) of the Constitution . . . . .	363.41	(a)38.35	57.42
(ii) Grants under (Distribution of Revenue) order . . . . .	..	503.12	500.44
(iii) Grants in lieu of Tax on Railway Passenger fares . . . . .	16.25	16.25	16.25
(iv) Grants to Union Territory Governments . . . . .	39.90	70.74	74.19
(v) Other Grants and Contributions . . . . .	696.51	(a)716.10	1031.93
TOTAL . . . . .	1818.61	2201.27	2708.21

(a) Differs from the figure shown in the Report of the Comptroller and Auditor General of India for the year 1975-76—Union Government (Civil) due to subsequent correction.

	1974-75	1975-76	1976-77
	(Crores of rupees)		
(e) Economic Services:			
General Economic Services . . . . .	132.48	203.58	337.78
<p>The increase is mainly under the head 'Foreign Trade and Export Promotion' due to (i) larger expenditure on export promotion measures, assistance to export promotion organisations and <i>ex gratia</i> payments to Indian Nationals for properties seized by Pakistan during and after 1965 conflict, (ii) export subsidy on sugar and (iii) payment of interest subsidy to the State Bank of India on credits advanced to foreign Governments.</p>			
Agriculture and Allied Services . . . . .	404.60	365.28	718.05
<p>The increase is mainly due to payment of subsidies to (i) indigenous manufacturers of phosphatic fertilizers and (ii) larger subsidy to the Food Corporation of India including payment of Rs. 106 crores representing arrears of subsidy relating to previous years.</p>			
Industry and Minerals . . . . .	137.67	251.57	253.98
Water and Power Development . . . . .	48.62	78.63	86.92
Transport and Communications . . . . .	75.57	97.07	102.72
TOTAL . . . . .	798.94	996.13	1499.45

5. The saving in expenditure on capital account as compared with the budget estimates of 1976-77 was mainly made up of savings under the following heads:—

Head	Budget estimates	Actual expenditure	Saving
	(Crores of rupees)		
Defence Services . . . . .	258.37	215.34	43.03
Mining and Metallurgical Industries . . . . .	381.48	304.49	76.99
Ports, Lighthouses and Shipping . . . . .	44.58	20.61	23.97
Railways . . . . .	259.50	190.03	69.47

The savings under the above heads were partly offset by excesses under other heads resulting in a net saving of Rs. 38.77 crores.



6. The following table shows the expenditure on capital account during the three years ending 31st March 1977 and also progressive capital outlay up to the end of 1976-77:—

	1974-75	1975-76	1976-77	Total capital outlay up to the end of 1976-77
(Crores of rupees)				
Currency, Coinage and Mint . . . . .	10.96	232.92	73.57	1082.46
Public Works . . . . .	10.85	11.39	15.94	*165.57
Defence Services . . . . .	192.06	221.15	215.34	2621.17
Scientific Services and Research	25.08	35.82	33.12	115.89
Housing . . . . .	12.48	18.62	30.20	*145.76
Broadcasting . . . . .	7.89	12.21	14.30	*81.61
Social Security and Welfare . . . . .	2.51	5.85	6.38	(a)81.06
Co-operation . . . . .	0.19	13.34	23.10	*135.11
Investments in General Financial and Trading Institutions	6.51	60.08	2.25	208.50
Investments in International Financial Institutions . . . . .	9.90	0.15	0.56	162.31
Agriculture . . . . .	367.83	255.88	62.85	*802.92
Machinery and Engineering Industries . . . . .	7.73	53.01	33.17	483.05
Petroleum, Chemicals and Fertilizers Industries . . . . .	196.61	329.66	380.62	1622.43
Aircraft and Ship-building Industries . . . . .	2.66	2.10	2.10	(b)101.88
Consumer Industries . . . . .	29.30	27.68	104.71	211.09
Atomic Energy Development . . . . .	32.06	35.89	44.98	420.98
Mining and Metallurgical Industries . . . . .	202.78	269.56	304.49	2552.14
Irrigation, Navigation, Drainage and Flood Control Projects . . . . .	10.37	8.14	9.61	170.35

\*The balances have been arrived at after incorporating *pro forma* corrections.

(a) Increased *pro forma* by Rs. 0.01 crore due to rounding.

(b) Decreased *pro forma* by Rs. 0.01 crore due to rounding.

	1974-75	1975-76	1976-77	Total Capital outlay up to the end of 1976-77 (Crores of rupees)
Ports, Light-houses and Ship- ping . . . . .	24.82	23.14	20.61	208.76
Civil Aviation . . . . .	12.73	10.08	13.54	229.27
Roads and Bridges . . . . .	79.19	72.60	84.05	*1025.68
Railways . . . . .	219.22	250.87	190.03	*4557.22
Posts and Telegraphs . . . . .	56.26	79.41	25.44	(a)553.21
Other Items . . . . .	110.21	220.90	159.55	*1132.48
TOTAL . . . . .	1630.20	2250.45	1850.51	18870.90

7. The total investment of Government in statutory corporations, Government companies, other Joint stock companies, co-operative banks, and societies, etc., up to March 1977 was Rs. \*\*5852.51 crores. Against this investment the amount brought to account during 1976-77 by way of dividend was Rs. 34.44 crores; this includes dividend received from (a) Indian Oil Corporation (Rs. 5.69 crores), (b) State Trading Corporation of India (Rs. 1.50 crores) and (c) Minerals and Metals Trading Corporation (Rs. 1.35 crores), the total investment in these companies being Rs. 101.08 crores at the end of 1976-77. The dividend in the two preceding years was Rs. 21.35 crores (1975-76) and Rs. 27.16 crores (1974-75). Particulars of the main investments and dividends are given in Appendix I. The contributions

\*The balances have been arrived at after incorporating *pro forma* corrections.

(a) Increased *pro forma* by Rs. 0.01 crore due to rounding.

\*\*The figure includes value of bonus shares, gift materials treated as investment, shares transferred on consideration other than cash etc. Please also see statement no. 13 of Finance Accounts—Union Government, 1976-77.

received by Government from the Railways and Posts and Telegraphs excluding interest\* during the three years ending 1976-77 are as under:

	1974-75	1975-76	1976-77
	(Crores of rupees)		
Railways . . . . .	—8.10**	—11.49	—14.86
Posts and Telegraphs . . . . .	1.03	1.05	0.93

Contribution from Railways shown above does not include Rs. 16.25 crores received each year for payment to State Governments as grants in lieu of tax on railway passenger fares ; Rs. 1.74 crores, Rs. 1.73 crores and Rs. 2.00 crores paid by the Railways during 1974-75, 1975-76 and 1976-77 respectively as contribution towards safety works are also not included in the figures shown above.

### RECEIPT AND DISBURSEMENT OUTSIDE THE REVENUE ACCOUNT

8. The following tables give a broad analysis of the receipts and disbursements outside the revenue account during the three years ending 31st March 1977:—

	1974-75	1975-76	1976-77
	(Crores of rupees)		
<b>(a) Receipts</b>			
<i>Consolidated Fund—</i>			
(i) Miscellaneous Capital Receipts . . . . .	170.59	243.74	0.30

\*Interest received by Government from Railways and Posts and Telegraphs during three years ending 1976-77 was:—

	1974-75	1975-76	1976-77
	(Crores of rupees)		
Railways . . . . .	177.58	191.65	(a)232.94
Posts and Telegraphs . . . . .	20.16	24.34	27.63

\*\*This does not include Rs. 15.79 crores payable in 1973-74 but actually paid in 1974-75.

(a) This includes erroneous adjustment of Rs. 27.28 crores pertaining to the head "Other receipts".

	1974-75	1975-76	1976-77
		(Crores of rupees)	
(ii) Internal Debt (Other than treasury bills and <i>ad hoc</i> treasury bills)*	802.00	995.86	1282.00
(iii) External Debt . . . . .	857.65	1415.52	1376.71
(iv) Repayment of loans and advances by State Governments, etc. . . . .	1191.49	1485.52	1287.22
<i>Contingency Fund</i> . . . . .	..	..	20.00
<i>Public Account</i> —			
Small Savings, Provident Funds, etc. (Net)	455.43	974.41	1482.83
Reserve Funds (Net) . . . . .	24.56	—47.28	113.23
Deposits and Advances (Net) . . . . .	220.64	—187.48	—71.07
Suspense and Miscellaneous (Net) . . . . .	—335.70	—107.07	209.94
Remittances (Net) . . . . .	105.66	—1.01	4.01
Total receipts outside the revenue account .	3492.32	4772.21	5705.17
Add—Debt raised by issue of treasury bills and <i>ad hoc</i> treasury bills (Net) . . . . .	679.98	745.65	—441.80
GRAND TOTAL . . . . .	4172.30	5517.86	5263.37
<b>(b) Payments</b>			
Capital Outlay—Civil . . . . .	1162.66	1699.02	1419.70
Capital Outlay—Railways . . . . .	219.22	250.87	190.03
Capital Outlay—Posts and Telegraphs . . . . .	56.26	79.41	25.44
Capital Outlay—Defence . . . . .	192.06	221.15	215.34
TOTAL . . . . .	1630.20	2250.45	1850.51
Loans and Advances by Central Government . . . . .	2629.24	3151.37	3517.40
Appropriations to Contingency Fund . . . . .	..	..	20.00
<i>Repayment of debt</i> —			
Internal Debt (Other than treasury bills and <i>ad hoc</i> treasury bills) . . . . .	218.72	212.74	281.70
External Debt . . . . .	307.07	343.77	370.03
Inter-State Settlement . . . . .	0.37	(a)	..
Total expenditure outside the revenue account . . . . .	4785.60	5958.33	6039.64
Total receipts as in sub-paragraph (a) above . . . . .	4172.30	5517.86	5263.37
Excess of expenditure over receipts pertaining to heads outside the revenue account . . . . .	—613.30	—440.47	—776.27
Revenue Surplus (+) . . . . .	+764.29	+886.88	+280.33
Net Surplus (+) } . . . . .	+150.99	+446.41	—495.94
Deficit (—) } . . . . .			

\*The receipts shown against this head include Rs. 100 crores each during 1974-75, 1975-76 and 1976-77 on account of conversion of *ad hoc* treasury bills into dated securities (c.f. paragraph 10).

(a) The actual amount is—Rs. 2,272.

It will be seen that if net expansion of treasury bills and conversion of *ad hoc* treasury bills of Rs. 100 crores into dated securities during each year are taken into account the overall deficit was Rs. 628.99 crores, Rs. 399.24 crores and Rs. 154.14 crores during 1974-75, 1975-76 and 1976-77 respectively.

(c) The year 1976-77 closed with a deficit of Rs. 154.14 crores against the anticipated deficit of Rs. 327.67 crores (budget) and Rs. 325.02 crores (revised estimate exclusive of conversion of *ad hoc* treasury bills for Rs. 100 crores into dated securities). The table below gives the analysis of the deficit:—

	Budget	Actuals	Variation
		(Crores of rupees)	
Treasury bills and <i>ad hoc</i> treasury bills (Net)	327.35	—441.80	+769.15
Conversion of <i>ad hoc</i> treasury bills into dated securities	..	100.00	—100.00
Decrease of Cash Balance	+0.32	+495.94	—495.62
TOTAL	327.67	154.14	+173.53

### III—DEBT

9. (A) The following table indicates the outstanding under 'Public Debt' and 'Small Savings, Provident Funds, etc.' at the end of 1955-56, 1975-76 and 1976-77:—

	31st March 1956	31st March 1976	31st March 1977
	(Crores of rupees)		
Public Debt—			
(a) Internal Debt—			
(i) Market Loans	1569	7107	8052
(ii) Treasury Bills	595	1064	(a)1777
(iii) <i>Ad hoc</i> Treasury Bills		4746	(a)3592
(iv) Other Internal Debt	189	982	1038
(b) External Debt	111	7489	(b)8610
(c) Small Savings, Provident Funds, etc.—			
(i) Small Savings Collections	576	3945	4358
(ii) Provident Funds	169	1537	(b)1722
(iii) Other Accounts	13	524	(b)1629
TOTAL	3222	27394	30778

(a) Includes effect of *pro forma* correction. Also refer 'Note' on page 13.

(b) Includes effect of *pro forma* corrections.

(B) The net balances at the credit of reserve funds and deposit accounts as shown below also constitute liabilities of Government as these have not been separately invested but are merged in the general cash balance of Government.

	31st March 1956	31st March 1976	31st March 1977
			(Crores of rupees)
Reserve Funds bearing interest . . . . .		489.28	(a)593.52
Reserve Funds not bearing interest . . . . .		404.72	(a)424.73
Deposits bearing interest . . . . .	(x)188.96	327.75	(a)436.57
Deposits not bearing interest . . . . .	(y)233.14	(b)1535.52	(a)1375.12

(C) Details of debt transactions during 1976-77 are given below:—

	Receipts	Payments	Net increase(+) dec- rease(-)
			(Crores of rupees)
(a) Internal Debt—			
(i) Market Loans . . . . .	*1222.60	278.10	+944.50
(ii) Treasury Bills . . . . .	5826.28	5815.58	+10.70
(iii) <i>Ad hoc</i> Treasury Bills . . . . .	4253.05	4705.55	-452.50
(iv) Other Internal Debt . . . . .	59.40	3.60	+55.80
(b) External Debt . . . . .	1376.71	370.03	+1006.68
(c) Small Savings, Provident Funds, etc.—			
(i) Small savings Collections . . . . .	1705.31	1291.98	+413.33
(ii) Provident Funds . . . . .	418.31	222.89	+195.42
(iii) Other accounts . . . . .	930.78	56.70	+874.08
TOTAL . . . . .	15792.44	12744.43	+3048.01

(a) Includes effect of *pro forma* corrections.

(b) Differs from the figure shown in the Report of the Comptroller and Auditor General of India for the year 1975-76—Union Government (Civil) due to subsequent correction.

(x) Includes amount under Reserve Funds bearing interest.

(y) Includes amount under Reserve Funds not bearing interest.

\*Includes—Rs. 0.01 crore on account of write back of erroneous adjustment made during 1974-75.

10. (A) **Market Loans**—The following are the details of the receipts during 1976-77 from market loans:—

	In cash	By conversion of loans maturing during the year	By conversion of <i>ad hoc</i> treasury bills held by the Reserve Bank of India	Total
				(Crores of rupees)
4 per cent Loan, 1980 . . . . .	(a)	..	..	(a)
3 per cent conversion Loan, 1946 . . . . .	0.01	..	..	0.01
5½ per cent Loan, 1984 . . . . .	8.02	33.16	..	41.18
6 per cent Loan, 1993 (2nd Issue) . . . . .	68.43	..	..	68.43
6 per cent Loan, 1993 (3rd Issue) . . . . .	45.05	..	..	45.05
6 per cent Loan, 1994 . . . . .	39.74	48.51	..	88.25
6¼ per cent Loan, 1997 . . . . .	75.00	..	..	75.00
6½ per cent Loan, 2000 . . . . .	231.19	163.82	..	395.01
6½ per cent Loan, 2002 . . . . .	309.75	..	..	309.75
6½ per cent Loan, 2003 . . . . .	99.93	..	..	99.93
6¼ per cent Loan, 1996 . . . . .	..	..	75.00	75.00
5¾ per cent Loan, 2002 . . . . .	..	..	25.00	25.00
<b>TOTAL</b> . . . . .	877.12	245.49	100.00 (b)	1222.61

(B) **Treasury Bills, Securities and Bonds**—These include :—

(a) *Ad hoc* Treasury bills issued to the Reserve Bank of India. Rupees 3591.41 crores were outstanding on 31st March 1977.

(a) The actual amount is Rs. 12,150.

(b) Excludes Rs. 0.01 crore for the reasons explained *vide* footnote\* on page 12.

NOTE : In the previous reports some *ad hoc* treasury bills were shown as having been issued to some State Governments. The Reserve Bank of India has clarified (July 1978) that *ad hoc* treasury bills are issued only in favour of the Reserve Bank of India and not to the State Governments. Necessary *pro forma* correction has been made in the accounts of 1976-77.

(b) Treasury bills issued to State Governments, Banks and other parties. Rupees 1776.70 crores were outstanding on 31st March 1977. These were held by the Reserve Bank of India (Rs. 442.46 crores), State Governments (Rs. 231.49 crores) and other parties (Rs. 1102.75 crores).

(c) Non-negotiable, non-interest bearing securities issued to the International financial institutions (Rs. 1016.70 crores) and compensation and other bonds (Rs. 21.04 crores).

11. (A) Interest payment on account of debt etc. is analysed below:

	1974-75	1975-76	1976-77
	(Crores of rupees)		
(i) Interest paid by Government on debt and other obligations . . . . .	1000.76	1228.16	1374.44
(ii) Deduct:—			
(a) Interest received on loans to State and Union Territory Governments	373.61	456.39	390.14
(b) Interest received on other loans from investment of cash balances and other items [excluding the receipts mentioned at item (iv) below]	44.44	88.00	109.14
(iii) Net amount of interest charges . . . . .	582.71	683.77	875.16
(iv) Interest from Departmental Commercial Undertakings, Public Sector Undertakings and other Undertakings including Railways and Posts and Telegraphs . . . . .	357.47	389.35	606.17
(v) Net amount of interest charges after deducting the receipts shown at item (iv) above. . . . .	225.24	294.42	268.99



(B) Further details of interest paid by Government of India are given below:

	1974-75	1975-76	1976-77
	(Crores of rupees)		
Interest on Market Loans . . . . .	292.11	338.51	376.97
Discount on Treasury Bills . . . . .	236.31	251.59	260.17
Payment to Reserve Bank for management of debt . . . . .	0.93	1.88	1.62
Interest on External Debt . . . . .	160.81	190.39	207.63
Interest on Provident Funds . . . . .	71.82	98.71	112.96
Interest on Savings Certificates . . . . .	75.82	83.74	85.03
Other items . . . . .	162.96	263.34	330.06
TOTAL . . . . .	<u>1000.76</u>	<u>1228.16</u>	<u>1374.44</u>

#### IV—GRANTS AND LOANS FROM FOREIGN SOURCES

12. (a) Upto 31st March 1977, Rs. 15131.95 crores were received as grants (Rs. 3180.97 crores) and loans (Rs. 11950.98 crores)\* from foreign countries, International Bank for Reconstruction and Development, International Development Association, etc. In addition, contributions in shape of technical services etc. which are not reflected in Government accounts, have been received from UNTAA, UNESCO, etc. and certain international philanthropic organisations. Certain contributions received upto 1973-74 in the shape of materials, equipment, etc. were also not reflected in Government accounts. From 1974-75 onwards, value of all materials, equipments, etc. received as aid from foreign sources is accounted for in Government accounts.

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\*Figures upto 5th June 1966 at pre-devaluation rates and after 5th June 1966 at post-devaluation rates.

(b) *Grants.*—The amounts received as grants are shown below:

Programme	Source	Grants Received		Earliest period from which grants have been received	Remarks
		During 1976-77	Upto the end of 1976-77		
1	2	3	4	5	6
(Crores of rupees)					
Indo-U.S. Technical Cooperation aid programme . . . . .	U.S.A.	Nil	136.25	1952-53	Assistance received in the form of technical services is not reflected in Government Accounts.
Grants under P.L. 480 and Other Funds, 1974 . . . . .	U.S.A.	Nil	2071.37	1960-61	
Colombo Plan . . . . .	Australia	Nil	17.56	1951-52	
	Canada	Nil	344.90	1952-53	
	Newzealand	Nil	3.51	1951-52	
	United Kingdom	Nil	2.12	1954-55	
Debt Relief . . . . .	Denmark	0.43	1.00	1975-76	
	Netherlands	Nil	7.53	1975-76	
	Sweden	Nil	1.02	1975-76	
	United Kingdom	Nil	20.43	1975-76	

Assistance for Imports	E.E.C.	Nil	45.79	1975-76	
	Netherlands	Nil	11.59	1975-76	
	Sweden	15.60	24.07	1975-76	
	United Kingdom	Nil	27.13	1975-76	
Assistance for development of Coal Mining Capacity . . . . .	United Kingdom	Nil	4.56	1975-76	
Assistance for Mixed projects . . . . .	United Kingdom	7.52	14.01	1975-76	
Development of fisheries . . . . .	Norway	0.81	3.92	1953-54	In the form of fishing equipment.
Assistance for purchase of foodgrains under the emergency operation programme of United Nations . . . . .	U.N.O.	Nil	38.45	1975-76	
Assistance under United Nations Fund for population activities . . . . .	U.N.O.	1.71	2.02	1975-76	
Assistance towards Cost of D. T. Vaccine . . . . .	U.N.O.	Nil	0.13	1975-76	
Assistance for special social service programme . . . . .	Netherlands	Nil	2.24	1975-76	
Assistance under Indo-Swedish Development credit . . . . .	Sweden	20.45	31.93	1975-76	
Assistance for Family Planning Programme	Sweden	3.31	7.28	1974-75	
	UNICEF	0.20	0.20	1976-77	
	U.N. Fund	0.16	0.16	1976-77	
	Denmark	0.20	0.20	1976-77	
	Germany	0.10	0.10	1976-77	
Value of paper received as gift . . . . .	Sweden	Nil	1.36	1974-75	
	Norway	0.79	0.79	1976-77	

1	2	3	4	5	6
Food aid under International Grain Arrangement Programme . . . . .	Australia	7.50	23.13	1975-76	
	Belgium	Nil	3.87	1975-76	
	Canada	46.56	95.38	1975-76	
	E.E.C.	Nil	23.94	1975-76	
	Netherlands	0.62	2.12	1975-76	
	Sweden	Nil	6.25	1975-76	
	United Kingdom	6.30	10.05	1975-76	
	France	3.75	3.75	1976-77	
Grant for Computers . . . . .	Netherlands	Nil	1.22	1975-76	
Assistance for Equipment for Bombay-Poona T. V. Centre . . . . .	Federal Republic of Germany	Nil	1.58	1975-76	
Value of gift fertilizers . . . . .	Denmark	Nil	0.72	1975-76	
	F.A.O.	Nil	7.00	1975-76	
	Norway	3.60	7.61	1975-76	
	Sweden	Nil	6.38	1975-76	
	U.N.O.	Nil	2.11	1975-76	
	Federal Republic of Germany	1.17	1.17	1976-77	
Assistance for postmortem Programme	Norway	2.33	2.33	1976-77	
Multipurpose Workers Schemes .	UNICEF	0.06	0.06	1976-77	
Strengthening of Health Administration .	W.H.O.	0.09	0.09	1976-77	
Assistance for advanced training institute for Electronics and Process Instrumentation, Hyderabad . . . . .	Sweden/I.L.O.	0.11	0.11	1976-77	

Assistance for Foreman Training Institute, Bangalore . . . . .	Federal Republic of Germany	0.01	0.01	1976-77
Equipment of Doordarshan Kendra, Delhi	Federal Republic of Germany	2.28	2.28	1976-77
T.B. Control Programme . . . . .	UNICEF	0.28	0.28	1976-77
Development of agriculture sub-system and nutrition aspect of food policy . . . . .	Ford Foundation	0.01	0.01	1976-77
Salt Fortification Project	UNICEF	0.01	0.01	1976-77
Tool Room Project . . . . .	Denmark	0.22	0.22	1976-77
Special social services programme of the Calcutta Metropolitan Development Authority . . . . .	Netherlands	2.40	2.40	1976-77
Maintenance Grant . . . . .	United Kingdom	81.31	81.31	1976-77
Sectoral Grant . . . . .	United Kingdom	2.41	2.41	1976-77
Subsidy towards 1975 Oil Facility . . . . .	I.M.F.		7.38	1976-77
Assistance for Development of certain projects . . . . .	United Kingdom	12.15	12.53	1976-77
Assistance for financing foreign exchange cost of goods and services for Power and Coal Sectors . . . . .	United Kingdom	3.25	3.25	1976-77
Debt Refinancing grant . . . . .	United Kingdom	18.51	18.51	1976-77
	Sweden	1.46	1.46	1976-77
	Netherlands	13.93	13.93	1976-77
	Denmark	0.85	0.85	1976-77
Population Grant . . . . .	Sweden	0.96	0.96	1976-77
Other programme/purposes . . . . .	Ford Foundation	Nil	*12.68	1951-52
	TOTAL	271.17	3180.97	

\*Information about programmes for which assistance was received, is not readily available.

13. The foreign loans outstanding at the end of 1976-77 were Rs. 8610.42 crores. The detail of these loans are given below :

Source	Amount authorised	Received		Repaid		Out-standing at the end of 1976-77**	Rate of interest
		During 1976-77	Upto the end of 1976-77*	During 1976-77	Upto the end of 1976-77*		
(Crores of rupees)							
1	2	3	4	5	6	7	8
U.S.A. . . . .	4197.05	142.88	4116.09	57.56	2344.94	2392.79	3/4 per cent to 6 per cent
U.S.S.R. . . . .	941.99	32.13	878.18	81.99	672.97	362.80	2½ per cent
Federal Republic of Germany . . . . .	914.64	190.13	1014.53	66.99	525.61	620.20	1 per cent to 6½ per cent
Canada . . . . .	384.24	23.68	320.36	8.57	50.07	281.29	4½ per cent to 6 per cent
Japan . . . . .	619.87	133.40	697.08	51.02	223.80	527.56	4 per cent to 6 per cent
U.K. . . . .	1199.75	20.13	1220.70	31.63	303.13	1037.82	(A)
International Bank for Reconstruction and Development . . . . .	546.75	16.96	313.42	23.41	253.31	160.10	4 per cent to 6½ per cent
International Development Association . . . . .	2925.86	556.26	2267.67	7.78	21.01	2367.56	No interest is charged. A service charge of 3/4 per cent is payable on the amount outstanding.
Iraq . . . . .	131.44	26.98	(a)110.56	..	..	(a)110.56	(B)
Iran . . . . .	..	..	(b) 31.60	..	..	(b)31.60	(B)

Netherlands . . . . .	168.30	52.02	171.25	6.15	14.45	162.61	2½ per cent to 5½ per cent
Czechoslovakia . . . . .	166.10	10.27	84.52	5.80	62.88	29.36	2½ per cent
France . . . . .	389.19	57.57	296.66	16.36	54.17	242.49	3 per cent to 3½ per cent
Others (including Denmark, Austria, Belgium, Norway, Poland, Sweden, Switzerland, Yugoslavia, Italy, Hungary, Bahrain, and other Trucial States in connection with retirement of Indian currency, etc.,) . . . . .	494.97	114.30	428.36	12.77	176.33	283.68	(C)
<b>TOTAL . . . . .</b>	<b>13080.15</b>	<b>1376.71</b>	<b>11950.98</b>	<b>370.03</b>	<b>4702.67</b>	<b>8610.42</b>	

\*Figures upto 5th June 1966 are at pre-devaluation rates and after 5th June 1966 at post-devaluation rates.

\*\*The closing balances include the effect of devaluation.

(A) Credit from Lazard Bros. and Company carried interest at 1 per cent above U.K. Bank rate (with a minimum of 4 per cent per annum).

(B) Information is awaited.

(C) Interest rate varies from country to country.

(a) Includes Rs. 83.58 crores adopted *pro forma* in rectification of erroneous adjustment of 1975-76.

(b) Adopted *pro forma* in rectification of erroneous adjustment of 1975-76.

## V—LOANS AND ADVANCES BY UNION GOVERNMENT

14. Details of loans and advances outstanding against State Governments, Foreign Governments, etc. at the end of 1975-76 and 1976-77 are given below :

To whom lent	Amount out- standing on 31st March 1976	Loans paid during 1976-77	Loans repaid during 1976-77	Amount out- standing on 31st March 1977
	(Crores of rupees)			
State Governments . . . . .	*9671.75	1446.67	651.96	10466.46
Union Territory Governments.	106.04	33.97	3.62	136.39
Foreign Governments . . . . .	110.19	184.81	105.71	189.29
Government Corporations, Non-Government Institutions, Local Funds, Cultivators etc . . . . .	*5730.51	1775.02	490.83	**7014.71
Government Servants . . . . .	*71.58	76.93	35.10	**113.34
TOTAL . . . . .	15690.07	3517.40	1287.22	17920.19

15.(a) For loans granted to State Governments for rehabilitation of displaced persons from erstwhile East Pakistan and West Pakistan, State Governments have been paying to Government of India only the amounts actually recovered from displaced persons.

In January 1964, Government decided that the entire loss not exceeding 10 per cent of the total loans advanced to States for rehabilitation of displaced persons from West Pakistan would be borne by the Union Government. In May 1964, it was decided by Government that losses on loans granted upto 31st March 1964 to displaced persons from erstwhile East Pakistan would be borne fully by the Union Government. The decision was not to be applied to loans granted to displaced persons

\*Differs from the figures shown in the last year's Report due to *pro forma* corrections.

\*\*Includes effect of *pro forma* corrections.



migrating after 31st December 1963. All such loans outstanding against each State Government on 31st March 1974 have been consolidated and the terms and conditions of recovery have been further revised from 1st April 1974. The Union Government has so far (upto 31st March 1977) remitted or written off (Rs. 25.69 crores) of such loans.

(b) In June 1976, Government, in terms of the recommendations of the Sixth Finance Commission, sanctioned a write off of Rs. 22.19 crores on account of preautonomy and other loans sanctioned to the State Governments.

16. During 1976-77, Rs. 150.00 crores were paid as Ways and Means advances to State Governments for clearance/avoidance of overdrafts from the Reserve Bank of India. The entire amount was recovered within that year.

17. The terms and conditions of the following loans to Government owned Companies/Corporations, etc. have not yet (June 1978) been settled:

Ministry sanctioning the loan	Name of the concern to which loan was paid	No. of loans	Total amount of loans	Earliest period to which the loans relate
(Crores of rupees)				
Steel and Mines (Department of Steel)	Steel Authority of India Ltd., New Delhi	28	253.74	1975-76
	Indian Iron and Steel company Ltd.	4	29.14	1976-77
	Khudremukh Iron Ore Company Ltd., Bangalore	1	1.50	1976-77
Industry (Department of Industrial Development)	Hindustan Paper Corporation Ltd., New Delhi	1	0.20	1976-77

13.(a) Details of Loans and Advances to State Governments, in which recovery of principal and interest remained in arrear at the end of 1976-77 are shown below :

Ministry sanctioning the loan	Name of the State Government	Amount outstanding on 31st March 1977		Earliest period to which the arrears relate
		Principal	Interest	
		(Lakhs of rupees)		
Ministry of Energy (Department of Power).	Jammu and Kashmir	4.78	6.57	1976-77
Agriculture and Irrigation (Department of Agriculture)	Haryana	0.03	0.02	1976-77
	West Bengal	0.35	0.26	1976-77
Civil Supplies and Co-operation (Department of Co-operation)	Jammu and Kashmir	..	0.33	1976-77
Agriculture and Irrigation (Department of Irrigation)	Kerala	2.00	2.57	1976-77
	Bihar	31.33	23.99	1976-77
	Orissa	7.00	8.98	1976-77
	Assam	24.67	25.61	1976-77
Ministry of Shipping and Transport.	Jammu and Kashmir	0.69	0.92	1976-77

(b) Details of loans and advances to Government Corporations, Non-Government Institutions, Local Funds, etc. in which recovery of principal and interest remained in arrear at the end of 1976-77 are shown in Appendix II.

19. **Assistance to various countries.**—Government of India has been rendering assistance to various countries under the Colombo Plan and Special Commonwealth African Assistance Plan. The aid rendered under the Colombo Plan was Rs. 10.65 crores during 1976-77 and Rs. 132.18 crores up to 1976-77 of which Rs. 125.16 crores were to Nepal (for national highways, hydro-electric projects, minor irrigation works, village development programme, training of technical personnel and services of Indian experts). The aid rendered under the Special

Commonwealth African Assistance Plan was Rs. 14 lakhs during 1976-77 and Rs. 163 lakhs up to the end of 1976-77.

In addition Government has also given loans to foreign countries, the amount outstanding on that account at the close of 1976-77 was Rs. 189.29 crores.

**20. Guarantees given by the Union Government.**—During 1976-77 Government issued guarantees in 66 cases (including renewal of old guarantees) for Rs. 1088.76 crores. The total amount guaranteed by Government outstanding at the end of 1976-77 was Rs. 2190.43 crores (including certain cases where the sums are payable in foreign currencies). The guarantees were given for loans raised by 21 Joint stock companies, 71 Government companies, 8 statutory corporations, 5 port trusts, 4 co-operative banks, 115 co-operative societies, 2 State Electricity Boards, 2 State Financial Corporations, 65 consumers co-operative societies, numerous small scale industries under the credit guarantee scheme, an autonomous body, Industrial Development Bank and a State Government. In addition Government has also guaranteed a minimum dividend on the share capital of certain corporations, as also payment of interest on debentures etc. floated by them.

Payments by Government under the terms of guarantees:—

(i) *Branch line railway companies.*—Government has guaranteed a net return of  $3\frac{1}{2}$  per cent/5 per cent per annum on the paid up share capital of branch line railway companies. The guarantee was invoked during 1976-77 in the case of four companies and Rs. 23.94 lakhs were paid by Government.

(ii) *Credit guarantee scheme for small scale industries.*—Guarantees were invoked in 112 cases during 1976-77 and Rs. 74.85 lakhs were paid as Government's share on account of default in repayment of loans/advances.

**21. Contributions to International Organisations.**—The total amount of contributions to international bodies made during

1976-77 was Rs. 1615.31 lakhs. The more important contributions made during each of the three years ending 1976-77 are indicated below:

To whom paid	1974-75	1975-76	1976-77 (Lakhs of rupees)
<i>Ministry of Education and Social Welfare—</i>			
United Nations Educational Scientific and Cultural Organisation	78.48	93.13	(A)90.46
United Nations International Children's Emergency Fund	85.00	100.00	118.00
<i>Ministry of External Affairs—</i>			
United Nations Organisation	20.40	*284.36	(B)565.72
<i>Ministry of Finance—</i>			
United Nations Development Programme	307.54	359.52	369.84
<i>Ministry of Agriculture and Irrigation—</i>			
Commonwealth Agricultural Bureau	9.62	9.62	(C)13.13
Food and Agricultural Organisation	65.30	**..	113.59
<i>Ministry of Health and Family Planning—</i>			
World Health Organisation	108.95	110.98	(D)190.13
<i>Ministry of Labour—</i>			
International Labour Organisation	55.35	97.49	86.90
<i>Ministry of Communications—</i>			
International Telecommunications Union	23.78	30.39	(E)32.03
<i>Department of Atomic Energy—</i>			
International Atomic Energy Agency	5.19	***25.51	(F)78.05

(A) Excludes Rs. 3.31 lakhs paid during 1976-77 but adjusted in the accounts for 1977-78.

(B) Includes Rs. 228.27 lakhs and Rs. 14.11 lakhs paid during 1972-73 and 1975-76 respectively.

(C) Excludes Rs. 1.87 lakhs paid during 1976-77 but not adjusted in the accounts for the year.

(D) Includes Rs. 37.91 lakhs paid during 1972-73.

(E) Excludes Rs. 2.55 lakhs paid during 1976-77 but adjusted in the accounts for 1977-78.

(F) Includes Rs. 34.91 lakhs paid during 1975-76.

\*Includes Rs. 272.57 lakhs paid during 1974-75 and excludes Rs. 14.11 lakhs paid in 1975-76 but not adjusted during the year.

\*\*Rupees 74.20 lakhs were paid during 1975-76; this amount has been adjusted in the accounts for 1977-78.

\*\*\*Excludes Rs. 34.91 lakhs paid during 1975-76 but adjusted in the accounts for 1976-77.

CHAPTER II  
**APPROPRIATION AUDIT AND CONTROL OVER  
 EXPENDITURE**

**Results of appropriation audit**

22. The table given below shows the amount of original and supplementary grants and appropriations, the actual expenditure and the savings in the revenue and capital sections during 1976-77.

	Total grants/ approp- riations	Actual expen- diture	Saving —		
			Amount	Perce- tage	
(Crores of rupees)					
<i>Voted Grants—</i>					
Revenue					
Original	3642.13	4504.94	4321.69	—183.25	4.1
Supplementary	862.81				
Capital					
Original	4009.59	4505.25*	4059.10*	—446.15	9.9
Supplementary	475.66				
Appropriation to the Contingency Fund of India	20.00				
<i>Charged Appropriations—</i>					
Revenue					
Original	2891.83	2983.90	2967.32	—16.58	0.6
Supplementary	92.07				
Capital					
Original	11078.00	12668.67	12639.54	—29.13	0.2
Supplementary	1590.67				
<b>GRAND TOTAL</b>		<b>24662.76*</b>	<b>23987.65*</b>	<b>—675.11</b>	<b>2.7</b>

\*Includes Rs. 20 crores transferred from the Consolidated Fund to the Contingency Fund of India under Section 2 of the Contingency Fund of India (Amendment) Act, 1976.

The overall saving of Rs. 675.11 crores represents about 3 per cent of the total amount of voted grants and charged appropriations; it was the net result of savings of Rs. 219.17 crores in 126 grants/appropriations in the revenue section and Rs. 476.59 crores in 76 grants/appropriations in the capital section and excess of Rs. 19.34 crores in 10 grants/appropriations in the revenue section and Rs. 1.31 crores in 6 grants/appropriations in the capital section. The savings in 1976-77 have been analysed in paragraph 25.

23. **Supplementary grants/appropriations.**—During the year supplementary provision of Rs. 862.81 crores and Rs. 475.66 crores were obtained under 60 and 29 grants in the revenue and capital sections respectively. Supplementary appropriations of Rs. 92.07 crores and Rs. 1590.67 crores were also obtained for charged expenditure under 18 and 17 appropriations in the revenue and capital sections respectively.

The amount of supplementary grants/appropriations obtained during the previous three years were :—

Year	(Crores of rupees)	
	Voted	Charged
1973-74	725.40 (in 56 cases)	346.04 (in 18 cases)
1974-75	1380.38 (in 85 cases)	516.18 (in 25 cases)
1975-76	1411.76 (in 97 cases)	348.28 (in 34 cases)

In twenty nine cases\* supplementary provision of Rs. 55.37 crores (revenue Rs. 5.03 crores and capital Rs. 50.34 crores) proved unnecessary as the expenditure did not even come upto the original grant/appropriation. In these cases, supplementary provision of Rs. 6.94 crores (revenue Rs. 5.03 crores and capital Rs. 1.91 crores) was obtained in March 1977.

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\*Details of these cases are given in Appendix III.

#### 24. Excess over grants/appropriations

(a) *Excess over grants.*—There were excesses of Rs. 18.71 crores in 6 grants in the revenue section and Rs. 1.11 crores in 2 grants in the capital section; these excesses require regularisation under Article 115 of the Constitution; the details of the excesses are given below :—

Sl. No.	Grant	<i>Revenue Section</i>		
		Total grant Rs.	Actual expenditure Rs.	Excess Rs.
<b>Ministry of Chemicals and Fertilizers</b>				
(1)	11—Ministry of Chemicals and Fertilizers	32,01,000	32,49,327	48,327

Excess occurred under 'A.—Secretariat—Economic Services : A.1—Secretariat : A.1(1)—Ministry of Chemicals and Fertilizers' (expenditure Rs. 32.49 lakhs; provision Rs. 32.01 lakhs) and was mainly due to more expenditure on telephones and settlement of old dues.

#### Ministry of Energy

(2)	29—Ministry of Energy	60,68,000	60,82,926	14,926
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Excess occurred mainly under 'A.—Secretariat—Economic Services: A.1—Secretariat : A.1(2)—Department of Coal' (expenditure Rs. 20.89 lakhs; provision Rs. 20.66 lakhs) and was mainly due to more expenditure owing to departmentalisation of accounts.

#### Ministry of Finance

(3)	39—Other Expenditure of the Ministry of Finance	1,85,09,96,000	2,02,62,15,745	17,52,19,745
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Excess occurred mainly under 'A.—Department of Economic Affairs : A.4—Miscellaneous General Services : A.4(2)—Loss by Exchange' (expenditure Rs. 1856.93 lakhs; provision "Nil") and was mainly due to adjustments largely pertaining to years prior to 1976-77 which had to be carried out at the fag end of the financial year.

### Ministry of Home Affairs

(4) 57—Andaman and Nicobar Islands	23,23,42,000	24,27,55,310	1,04,13,310
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Excess occurred mainly under 'A.—General Services : A.12—Public Works : A.12(5)—Suspense : A.12(5)(1)—Stock' (expenditure Rs. 463.56 lakhs; provision Rs. 323.40 lakhs) and was due to liquidation of past liabilities and receipt of more material.

### Ministry of Information and Broadcasting

(5) 66—Broadcasting	58,04,08,000	58,11,10,524	7,02,524
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Excess occurred mainly under 'A.—Broadcasting : A.1—All India Radio: A.1(4)—Operation and Maintenance' (expenditure Rs. 527.47 lakhs; provision Rs. 456.32 lakhs) and was mainly due to issue of more stores, adjustment of old liabilities and accelerated progress of works.

### Ministry of Shipping and Transport

(6) 80—Roads	85,43,02,000	85,50,20,750	7,18,750
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Excess occurred mainly under 'A.—Roads and Bridges : A.2—National Highways : A.2(1)—Maintenance : A.2(1)(1)—Maintenance by Roads Wing' (expenditure Rs. 2342.00 lakhs; provision Rs. 2066.42 lakhs) and was mainly due to unforeseen expenditure on special repairs to damages caused by floods, etc.

### Capital Section

#### Ministry of Finance

(1) 40—Loans to Government Ser- vants, etc.	75,85,00,000	76,95,22,214	1,10,22,214
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Excess occurred mainly under 'AA.—Loans to Government Servants, etc. : AA.1—House Building Advances' (expenditure Rs. 2366.80 lakhs; provision Rs. 1358.86 lakhs) and was due to payment of more house building advances than anticipated.



### Ministry of Home Affairs

(2) 54—Other Expenditure of the Ministry of Home Affairs	39,38,34,000	39,39,27,000	93,000
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Excess occurred under 'CC.—Loans and Advances to Union Territory Governments : CC. 1—Non-Plan Schemes : CC.1(1)—Loans to cover gap in resources' (expenditure Rs. 1070.52 lakhs; provision Rs. 1065.52 lakhs).

(b) *Excess over charged appropriations.*—There were excesses of Rs. 0.63 crore in 4 appropriations in the revenue section and Rs. 0.20 crore in 4 appropriations in the capital section. These excesses, except the excess in the capital section (Charged) of Grant No. '36—Currency, Coinage and Mint', also require regularisation under Article 115 of the Constitution. The details are :—

#### Revenue Section

#### Ministry of Finance

(1) 38—Transfers to State and Union Territory Governments	15,27,81,98,000	15,28,41,97,084	59,99,084
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Excess occurred mainly under 'C.—Payment of States' Share of Union Excise Duties : C.2—States' Share of Additional Excise Duties in lieu of Sales Tax' (expenditure Rs. 25448.74 lakhs; provision Rs. 25388.75 lakhs) and was due to inadvertant release of Rs. 18.32 crores instead of Rs. 17.72 crores to Madhya Pradesh Government resulting in excess payment of Rs. 60 lakhs.

#### Ministry of Home Affairs

(2) 52—Police	20,000	35,333	15,333
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Excess occurred mainly under 'A.—Police : A.2—Border Security Force : A.2(1)—Directorate General of Border Security Force' (expenditure Rs. 0.25 lakh ; provision "Nil") and was mainly due to unanticipated payment of decretal award.

### Ministry of Law, Justice and Company Affairs

(3) 70—Administration of Justice	65,33,000	65,33,692	692
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Excess occurred under 'A.—Administration of Justice : A.1—Supreme Court' (expenditure Rs. 65.34 lakhs; provision Rs. 65.33 lakhs).

### Ministry of Shipping and Transport

(4) 80—Roads	1,30,000	3,90,520	2,60,520
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Excess occurred under 'A.—Roads and Bridges : A.4—District and Other Roads : A.4(1)—Road Development met from subvention from Central Road Fund : A.4(1)(1)—Roads in Delhi' (expenditure Rs. 2.90 lakhs; provision Rs. 0.19 lakh) and was due to payment of decretal awards.

### Capital Section

### Ministry of Finance

(1) 36—Currency, Coinage and Mint	5,60,000	5,60,248	248
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Excess occurred under 'AA.—Currency, Coinage and Mint : AA. 6—Mint : AA. 6(1)—Buildings' due to an adjustment of Rs. 9,248 as 'Charged' expenditure instead of 'Voted'. The excess does not require regularisation in terms of paragraph 7 of 16th Report of the Public Accounts Committee (1st Lok Sabha), 1955-56.

### Ministry of Home Affairs

(2) 56—Chandigarh	17,00,000	17,01,153	1,153
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Excess occurred mainly under 'BB.—Capital Account of Social and Community Services : BB.4—Capital Outlay on Housing : BB.4(2)—Accommodation for Government Employees' (expenditure Rs. 0.09 lakh; provision "Nil").

### Ministry of Steel and Mines

(3) 83—Department of Steel	2,00,00,000	2,05,33,139	5,33,139
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Excess occurred under 'AA.—Capital Outlay on Mining and Metallurgical Industries : AA.1—Iron and Steel : AA.1(4)—

Acquisition of Land (Acquisition of Land for Durgapur Steel Plant)' (expenditure Rs. 5.33 lakhs; provision "Nil") and was due to provision in the voted portion of the grant.

### Ministry of Works and Housing

(4) 96—Housing and Urban Development	31,86,51,000	32,01,10,638	14,59,638
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Excess occurred mainly under 'AA.—Capital Outlay on Housing : AA.1—Government Residential Buildings: AA.1(1)—Construction : AA.1(1)(1)—Buildings : AA.1(1)(1)(1)—Works and Housing' (expenditure Rs. 36.03 lakhs; provision Rs. 23.10 lakhs) and was mainly due to payment of court awards.

25. **Savings in voted grants and charged appropriations.**—The overall saving of Rs. 675.11 crores was the net result of excesses and savings as shown below :—

	Savings		Excesses		Net Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
	(Crores of rupees)					
Voted Grants	201.96 (in 93 grants)	447.26 (in 51 grants)	18.71 (in 6 grants)	1.11 (in 2 grants)	—183.25	—446.15
Charged Appropriations	17.21 (in 33 appropriations)	29.33 (in 25 appropriations)	0.63 (in 4 appropriations)	0.26 (in 4 appropriations)	—16.58	—29.13

It would be seen from Appendix IV that in 21 grants (7 grants in the revenue section and 14 grants in the capital section), the savings (more than Rs. 5 lakhs in each case) exceeded 20 per cent of the funds; in 13 grants (revenue 4 and capital 9) of these cases, the savings exceeded 30 per cent.

Out of the final saving of Rs. 649.22 crores (Rs. 201.96 crores in revenue section and Rs. 447.26 crores in capital section) under voted grants, savings in 6 grants, particulars of which are given below, accounted for savings of Rs. 399.37 crores (Rs. 30.83

crores in revenue section and Rs. 368.54 crores in capital section) :—

Sl. No.	Grant	<i>Revenue Section</i>	Saving
(1)	37—Pensions		Rs. 30.83 crores

Saving occurred mainly under 'A.—Pensions and Other Retirement Benefits : A.1—Superannuation and Retirement Allowances : A.1(1)—Ordinary Pensions' (Rs. 33.31 crores) and was due to non-utilisation of lump provision for additional relief to pensioners in relation to Railways, Posts and Telegraphs and Defence pensioners.

Sl. No.	Grant	<i>Capital Section</i>	Saving
(1)	2—Agriculture		Rs. 114.03 crores

Saving occurred mainly under (i) 'AA.—Capital Outlay on Agriculture : AA. 1—Seeds : AA.1(2)—Investment in State Seeds Corporation' (Rs. 0.60 crore) and (ii) 'AA.3—Manures and Fertilizers: AA.3(1)—Purchase of Fertilizers' (Rs. 112.82 crores).

Saving was mainly due to (i) non-release of funds for want of approval and (ii) less import of fertilizers.

(2)	14—Foreign Trade and Export Production		Rs. 142.31 crores
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Saving occurred mainly under 'HH.—Advances to Foreign Governments: HH.7—Loans to Government of U.S.S.R. : HH.7 (1)—Technical credits incorporated in Trade Agreements' (Rs. 249.66 crores) and was mainly due to less requirement of technical credits under trade agreement with U.S.S.R.

(3)	39—Other Expenditure of the Ministry of Finance		Rs. 29.93 crores
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Saving occurred mainly under (i) 'AA.—Department of Economic Affairs : AA.4—Loans to Railways : AA.4(1)—Loans to Railway Development Fund' (Rs. 16.74 crores) and (ii) 'AA.4 (2)—Loans to Railway Revenue Reserve Fund' (Rs. 12.77 crores) and was due to less requirement of loans by Railways owing to transfer of their surplus to the Fund.

(4)	72—Petroleum and Petro-Chemicals Industries		Rs. 36.55 crores
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Saving occurred mainly under (i) 'AA.—Capital Outlay on Petroleum, Chemicals and Fertilizers Industries : AA.1—Petroleum : AA.1(7)—Indian Oil Corporation Limited' (Rs. 21.25 crores) and (ii) 'BB.—Loans for Petroleum, Chemicals and Fertilizers Industries : BB.1—Petroleum : BB.1(1)—Loans to Public Sector and Other Undertakings : BB.1(1)(1)—Indian Oil Corporation Limited' (Rs. 21.25 crores) and was due to less Government investment and lesser payment of loans to Indian Oil Corporation.

(5) 83—Department of Steel

Rs. 45.72 crores

Saving occurred mainly under (i) 'AA.—Capital Outlay on Mining and Metallurgical Industries : AA.1—Iron and Steel : AA.1(2)—Investment in Steel Authority of India Limited (SAIL)' (Rs. 23.00 crores) and (ii) 'AA.1(6)—Investment in Kundremukh Iron Ore Company' (Rs. 50.89 crores).

Saving was mainly due to (i) less investment on capital expenditure and (ii) non-finalisation of tenders for equipment and non-completion of civil works.

(ii) The rest of the saving under voted grants of Rs. 249.85 crores (Rs. 171.13 crores in revenue section and Rs. 78.72 crores in capital section) largely occurred in the revenue and capital sections of the following grants:—

<i>Revenue Section</i>		<i>Controlling Ministry</i>
<i>Grant</i>		
2—Agriculture	(Rs. 7.39 crores)	Agriculture and Irrigation
6—Department of Food	(Rs. 6.91 crores)	Agriculture and Irrigation
7—Department of Rural Development	(Rs. 11.82 crores)	Agriculture and Irrigation
14—Foreign Trade and Export Production	(Rs. 9.98 crores)	Commerce
30—Power Development	(Rs. 9.38 crores)	Energy
31—Coal and Lignite	(Rs. 10.91 crores)	Energy
35—Audit	(Rs. 10.10 crores)	Finance
38—Transfers to State and Union Territory Governments	(Rs. 12.58 crores)	Finance
72—Petroleum and Petrochemicals Industries	(Rs. 7.27 crores)	Petroleum
91—Aviation	(Rs. 6.33 crores)	Tourism and Civil Aviation
100—Nuclear Power Schemes	(Rs. 8.15 crores)	Department of Atomic Energy

*Capital Section**Grant**Controlling Ministry*

12—Chemicals and Fertilizers Industries (Rs. 5.87 crores)	Chemicals and Fertilizers
61—Industries (Rs. 9.55 crores)	Industries and Civil Supplies
91—Aviation (Rs. 5.52 crores)	Tourism and Civil Aviation
99—Atomic Energy Research, Development and Industrial Projects (Rs. 14.97 crores)	Department of Atomic Energy

**26. Non-furnishing of certificate regarding expenditure being covered by proper sanction.**—With the departmentalisation of accounts of the Civil Departments of the Union Government introduced in stages during the course of 1976-77 (with effect from 1st April 1976, 1st July 1976 and 1st October 1976), the Comptroller and Auditor General of India ceased to be responsible, in terms of Section 11 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for the preparation (with a few exceptions) of the Appropriation Accounts of the Union Government (Civil) with effect from the year 1976-77. The responsibility for preparation of the Appropriation Accounts was entrusted by Government to the Controller General of Accounts from 1976-77 onwards.

The Controller General of Accounts and the Secretary, Ministry of Finance had to record in the Appropriation Accounts of the Union Government (Civil) for 1976-77 a certificate that "all expenditure incurred after departmentalisation of accounts and included in the Appropriation Accounts.....has been sanctioned by the competent authority". In June/July 1978, however, the Controller General of Accounts stated that the accounting organisation came into existence only in 1976 and was in the process of building up during 1976-77 and 1977-78 and that, therefore, some of the formations had not been able to collect details of the cases of payments, if any, made without sanction of competent authority. According to him, it was difficult to collect the details of such cases for the years 1976-77 and 1977-78 at this stage and to furnish the required certificate in the Appropriation Accounts for these years. He, however, stated that the required certificate would be included in the Appropriation Accounts for the year 1978-79 onwards.

## CHAPTER III

### CIVIL DEPARTMENTS

#### MINISTRY OF AGRICULTURE AND IRRIGATION

(Department of Agriculture)

27. **Departmental Advances.**—The Directorate of Extension under the Department of Agriculture of the Ministry of Agriculture and Irrigation holds national/regional livestock and poultry shows, exhibitions, training workshops, seminars, etc. in rural and urban areas with a view to educating the public, especially the farmers, in the latest techniques of animal husbandry, poultry and agricultural developments. Most of these activities are organised outside the Directorate's headquarters, at places spread throughout the country, and the bulk of the expenditure is incurred in cash mostly at outstations. In order to finance these shows, exhibitions, etc. money is drawn from the treasury/bank and advanced to the officers of the Directorate, who are required to render detailed accounts of these advances within two to six months after the show/exhibition is over.

The position of the drawals of these advances in each of the financial years from 1971-72 to 1976-77 *vis-a-vis* the total amount of outstandings at the end of each of those years is shown below :

Year	Amount of advances drawn (Rupees)	Amount outstanding as on 31st March in lakhs)
1971-72	4.66	6.03
1972-73	15.56	7.57
1973-74	7.00	7.98
1974-75	7.01	7.38
1975-76	9.19	6.61
1976-77	10.31	7.98

Government stated (December 1977) that out of Rs. 7.98 lakhs outstanding as on 31st March 1977 advances for which adjustment accounts were not then due for submission by that date amounted to Rs. 3.82 lakhs.

The following points were noticed in test audit of these advances:—

(i) The total amount of advances outstanding on 28th June 1977 (*i.e.* the date of closing of cash book for the month of June 1977) was Rs. 5.91 lakhs. Its year-wise break up was as follows:—

Year	Number of cases	Amount Rs.
1972-73	2	1,940
1973-74	1	2,462
1974-75	1	12,097
1975-76	5	36,595
1976-77	42	5,38,251
	<u>51</u>	<u>5,91,345</u>

(ii) Rendition of accounts in 64 cases involving Rs. 7.57 lakhs had been delayed considerably as indicated below :

Delay in rendition of adjustment accounts after due date	Year of drawal	Number of cases	Amount Rs.
1 to 6 months	1973-74	4	15,462
	1974-75	10	32,182
	1975-76	9	1,40,899
	1976-77	9	45,252
7 to 12 months	1973-74	8	1,53,798
	1974-75	7	82,500
	1975-76	5	57,770
13 to 18 months	1973-74	6	1,29,131
	1975-76	1	5,275
Above 18 months	1973-74	1	9,753
	1974-75	4*	84,687
<b>TOTAL</b>		<u>64</u>	<u>7,56,709</u>

\*In one case (Rs. 66,779) there was delay of 21 months and in another (Rs. 2,992) of 25 months.



Government stated (December 1977) that "there are practical difficulties in getting the accounts completed on account of time lag involved in getting regular receipts/vouchers from various parties, State Governments or Departments of the Government of India".

(iii) The practice obtaining in the Directorate in regard to drawal of funds for exhibitions/shows is that usually the whole of the sanctioned amount is drawn from the treasury/bank in anticipation of actual requirement and disbursed to the concerned officers in instalments as and when demanded by them. A review of 385 cases (Rs. 34.50 lakhs) of such advances (each of Rs. 500 and above) drawn during the years 1973-74 to 1976-77 revealed that in 214 cases (Rs. 4.54 lakhs) the time lag between the dates of drawal and disbursement to the officers concerned ranged from 1 to 25 months.

(iv) In the following cases, amounts drawn towards the end of the year were actually disbursed in the following financial year:—

Year	Number of cases	Amount Rs.	Dates of drawal		Dates of disbursement	
			From	To	From	To
1973-74	8	99,200	27-3-1974	30-3-1974	3-4-1974	25-5-1976
1974-75	8	59,470	28-3-1975	31-3-1975	3-4-1975	21-10-1976
1975-76	5	1,20,200	9-3-1976	31-3-1976	2-4-1976	15-7-1977
1976-77	8	76,393	8-2-1977	30-3-1977	7-4-1977	18-7-1977
	29	3,55,263				

Government stated (December 1977) "that substantial portion of the activities of the Directorate, such as shows, exhibitions, competitions, seminars, etc., are planned and usually organised during the last quarter of the financial year due to the fact that during this quarter the season is best throughout the country. The expenditure connected with the shows etc. during this quarter usually spills over during the first few months of the next financial year".

(v) Out of 385 cases reviewed, money drawn in 104 cases (Rs. 3.35 lakhs) exceeded the requirements.

(vi) A test-check also revealed that out of Rs. 2.30 lakhs drawn between September 1973 and March 1977, Rs. 0.62 lakh had been returned unspent to the Directorate after delay ranging from 3 months to 28½ months.

(vii) Money no longer required for immediate disbursement is required to be remitted into the treasury immediately. The number of cases where the unspent amounts had been actually remitted by the Directorate into the bank after considerable delay is indicated below:

Year	Number of cases	Period of delay ranging from	Total amount involved Rs.
1973-74	12	14 days to 14 months	28,325
1974-75	11	9 days to 9 months	18,710
1975-76	13	8 days to 7 months	29,410
1976-77	18	8 days to 3½ months	33,508

The total unremitted amount on account of the advances drawn during the years 1973-74 to 1976-77 available with the Directorate as on 30th June 1977 was Rs. 59,029 with year-wise break up as under:

Year during which advance was drawn	Unremitted amount as on 30-6-1977 Rs.
1973-74	1,956
1974-75	2,000
1975-76	1,671
1976-77	53,402
<b>TOTAL</b>	<b>59,029</b>

Government stated (December 1977) that refund of such amounts "would depend upon final rendition of accounts by the officers, scrutiny and acceptance of the detailed accounts and clearance from them that no more money would be needed for disbursement."

LOSSES AND IRRECOVERABLE DUES WRITTEN OFF/WAIVED AND  
*Ex Gratia* PAYMENTS MADE

28. A statement showing losses and irrecoverable revenue, duties, advances, etc. written off/waived and also *ex gratia* payments made during 1976-77 is given in Appendix V to this Report.

CHAPTER IV  
WORKS EXPENDITURE  
MINISTRY OF WORKS AND HOUSING

29. **Construction of storage bins at Gaya.**—The Ministry of Food and Agriculture accorded (August 1964) administrative approval (Rs. 88.04 lakhs) to works including construction of 20 reinforced cement concrete bins of capacity 4,000 tonnes each for storage of food grains at Gaya (Bihar). Technical sanction to a detailed estimate for Rs. 46.94 lakhs for construction of 20 bins was accorded by the Chief Engineer (Food) in December 1964. The work was awarded (17th June 1965) by the Food Storage Division, Patna for Rs. 45.97 lakhs to a contractor 'A', who was required to commence it in June 1965 and complete it by March 1967. When the work was in progress, the Ministry reduced (September/October 1965) the quantum of work from 20 to 8 bins as a measure of economy and the contractor was informed accordingly by the Executive Engineer in November 1965. The contractor demanded (November 1966) 10 per cent increase in rates because of reduction in the number of bins to be constructed. The department did not agree to any increase in rates in view of the provision in the agreement that if after commencement, for any reason, the whole of the work was not required to be carried out, the contractor was to be given a notice to this effect, but that he was not entitled to any compensation on that account. The contractor stopped the work in May 1967, by which time the work had been done partially (total value of executed work: Rs. 8.97 lakhs). The Executive Engineer served (December 1967) a notice on the contractor and rescinded (December 1967) the agreement.

The estimated cost of the balance work (including electrical items) was Rs. 8.51 lakhs. Work (exclusive of electrical items)

estimated to cost Rs. 8.35 lakhs was awarded (May 1969) to another contractor 'B' after inviting tenders (tendered cost: Rs. 11.86 lakhs). It was to be commenced in May 1969 and completed by February 1970. It, however, did not progress according to stipulated schedule due to non-availability of labour and materials, change in design, etc. and extension of time was granted 29 times, the last one being granted upto June 1974.

In June 1974, the Central Food Storage Division, Patna was abolished and merged with the Central Food Storage Division, Kanpur.

Eight bins were completed in December 1975 at a total cost of Rs. 22.28 lakhs (covering payments to both contractors 'A' and 'B') involving extra cost of Rs. 1.72 lakhs as compared to the rates of 'A'. There was a total delay of 2202 days in completing the work; reasons for the delay were stated (August 1977) by the Chief Engineer to be contractor's inexperience, non-supply of materials and designs to the contractor in time by the department (1800 days), delay in providing aeration ducts by the fabricators (185 days) and rains, floods, etc. (217 days). It would appear that designs had not been prepared when the initial contract was awarded.

The bins were handed over (June 1976) to the Food Corporation of India which undertakes procurement and storage operations on behalf of Government of India. Due to delay in completion of the bins, the Food Corporation of India had to construct temporary platforms (cost: Rs. 0.62 lakh) for the storage of food grains at Gaya during February 1970 to December 1975.

During the first monsoon (June 1976) after completion of the bins, rain water entered through an opening in the dome and started oozing out of the walls. The Chief Engineer (Food) inspected (June 1976) the bins and observed that the top-covers of the openings of the domes had not been closed securely. In subsequent rains, heavy leakages and damp patches on walls

were noticed (August 1976) and these rendered the bins unsafe for storing food grains. The department stated (September 1976) that the water-proofing already done required strengthening to overcome the defects; an estimate for Rs. 4.22 lakhs was accordingly prepared (September 1976) to do guniting on the external surface of the bins. This work was awarded to a contractor 'C' in December 1976 and completed in April 1977 at a cost of Rs. 4.76 lakhs. Consequently, even after taking over of the bins in June 1976, the Food Corporation of India, Patna could not make use of the bins for storing food grains procured during *kharif* of 1976 and *rabi* of 1977 and had to spend Rs. 1.65 lakhs on rent of godowns hired from private parties. Even after the completion of guniting treatment in April 1977, dampness inside the bins was observed during the monsoon of 1977. Only four bins were brought into use by the Food Corporation of India in 1977-78 for storage of 8,340 tonnes of food grains. These too could not be filled to their maximum capacity due to leakage.

The Ministry of Works and Housing, to which the matter was reported in September 1977, attributed (October 1977) the defects to the large dimensions of the bins which necessitated concreting work to be done in stages resulting in a number of construction joints and to the wide variations in temperature at Gaya causing cracks, particularly at construction joints.

Summing up, the following are the main points that emerge:—

- (i) The work, which was originally anticipated to be completed by March 1967, was actually completed in December 1975 at an extra cost of Rs. 1.72 lakhs.
- (ii) Though the agreement with contractor 'A' was rescinded in December 1967, the balance work was awarded to another contractor 'B' in May 1969.
- (iii) Due to delay in completion of the work, the Food Corporation of India had (a) to incur expenditure of Rs. 0.62 lakh on construction of temporary platforms for

storage of food grains at Gaya (February 1970 to December 1975) and (b) to spend Rs. 1.65 lakhs on rent of godowns hired from private parties (1976 and 1977).

- (iv) Even after completion, the bins were found leaking (August 1976) and guniting, to prevent leakage, had to be done at an additional cost of Rs. 4.76 lakhs.
- (v) Out of eight bins completed after guniting at a total cost of Rs. 27.04 lakhs, only four were brought into use by the Food Corporation of India in 1977-78 but even these could not be filled to their maximum capacity due to leakage.

## MINISTRY OF SHIPPING AND TRANSPORT

### (Border Roads Development Board)

30. **Execution of a road project.**—Improvement and surfacing of a 64 kilometres long road in two stretches connected by a ferry—the road having been taken over from the Central Public Works Department in 1965—was authorised by the Border Roads Development Board in 4 different sanctions issued between July 1965 and June 1966 at an aggregate cost of Rs. 57.89 lakhs. Later, based on a project report prepared in December 1965, the Board sanctioned (November 1966) the construction of 4 major bridges on the road alignment at an estimated cost of Rs. 43.89 lakhs.

In December 1966, tenders for construction of the 4 bridges were invited. Offers from 7 firms were received in January 1967. After protracted correspondence with the lowest tenderer, the work was re-tendered in August 1967 and 3 quotations were received, valid for acceptance until 23rd November 1967.

In the meantime, on 11th August 1967, the Task Force Commander informed the Project Chief Engineer that the Central Public Works Department authorities had cut, 2 years

earlier, a few protective channels by the side of a nearby township and mentioned, *inter alia*, that these channels (one of which was reported to have taken the shape of a full fledged nallah) were posing a danger to one of the proposed bridge sites. The Task Force Commander apprehended a change in the course of the river, completely avoiding the proposed bridge site, and had also brought (January 1967) this to the notice of a staff officer of the Director General, Border Roads during the latter's visit to the area.

Though the tenders received were valid for acceptance until 23rd November 1967 and technical sanction(s) for the work(s) had yet to be issued, the Project Chief Engineer issued (26th August 1967) a letter of acceptance (from Delhi) to the lowest tenderer for all the four bridges as detailed below :

	(Rs. in lakhs)
Bridge 'A'	6.28
Bridge 'B'	9.04
Bridge 'C'	17.06
Bridge 'D'	6.32
	<hr/>
	38.70
	<hr/>

A contract was also entered into on the same date. All the bridges were scheduled for completion within 24 months of the date of handing over of the first site, the remaining sites being required to be handed over within 3 months thereafter.

Within 3 days of the signing of the contract the Project Chief Engineer addressed the contractor (from Delhi) asking him not to incur any expenditure on the design and construction of bridge 'C' due to 'uncertainty of the site for the location of the bridge'. On 16th September 1967, he informed the Task Force Commander that the latter's communication of 11th August 1967 had been discussed with the Director General, Border



Roads during his visit to Delhi and that further details, informally obtained from the Central Water and Power Commission, indicated that the river, due to its meandering course and its tendency to move towards the township, might 'force us to abandon the selected site'.

Later, on 17th January 1968, the Project Chief Engineer informed the Director General, Border Roads that on detailed examination the proposed site for bridge 'C' was not considered suitable and that a change of site and possible re-alignment of the road was also likely to affect the site for bridge 'D'. On 7th March 1968, the work on bridges 'C' and 'D' (Rs. 23.38 lakhs —60 per cent of the total value of the contract) was formally 'suspended'.

In the meantime, a work order for bridges 'A' and 'B' was placed on the contractor on 26th November 1967 and the sites were handed over on 7th December 1967. Technical sanctions in respect of these two bridges were issued by the Project Chief Engineer on 23rd January 1968.

After work on bridges 'A' and 'B' had progressed to the extent of 22.4 per cent (up to July 1968) and 3.5 per cent (upto May 1968) respectively, the contractor did not proceed further with the work. In October 1968, the contractor, *inter alia*, claimed compensation of Rs. 7.76 lakhs for failure to hand over the sites of bridges 'C' and 'D'. In April 1970, the matter was referred to arbitration at the contractor's request.

A committee, convened (December 1968) under the orders of the Director General, Border Roads, recommended in May 1970 new sites for bridges 'C' and 'D'. In September 1970, on the advice of the Ministry of Law, the contract (in part) relating to the construction of bridges 'C' and 'D' was terminated in terms of the general conditions of the contract.

The value of work done by the contractor was assessed at Rs. 1.65 lakhs. In August 1971, the residual work on bridges

'A' and 'B' was awarded to another contractor (at the risk and cost of the first contractor) at a cost of Rs. 19.49 lakhs, for completion by 15th October 1973. However, up to the end of March 1977, the work on bridges 'A' and 'B' had progressed to the extent of 53 *per cent* and 51 *per cent* respectively. Extension of time had been allowed for completion of work by 31st December 1977.

In October 1971, the arbitrator awarded Rs. 3.76 lakhs in favour of the contractor (as against his total claim for Rs. 11.90 lakhs) and Rs. 5.60 lakhs in favour of the Department (as against its claim for Rs. 7.15 lakhs) on account of the extra cost of getting the incomplete work on bridges 'A' and 'B' executed at the risk and cost of the contractor.

The amount of Rs. 3.76 lakhs payable to the contractor could have been avoided if the Project Chief Engineer had not issued a letter of acceptance to the contractor and entered into a contract with him on 26th August 1967 in view of the letter dated 11th August 1967 of the Task Force Commander.

In December 1971 the contractor challenged the award in a Civil Court and in September 1975 the Court issued a decree for Rs. 1.84 lakhs only in favour of the Department in terms of the award. The contractor had filed (July 1976) an appeal in the High Court.

Meanwhile, in May 1972, the Project Chief Engineer proposed a new alignment for a portion of the road (11.75 kilometres—cost Rs. 17.70 lakhs) involving re-location of bridges 'C' and 'D'. A Board of Officers constituted by the Army Headquarters in December 1976 did not favour construction on the realignment proposed by the Project Chief Engineer and opined that provision of powered ferries along the existing alignment was adequate to make the route reliable as an alternative access. This proposal was under consideration of the Government (December 1977).

The Border Roads Development Board stated (February 1976/December 1977) that a few channels were dug some time in 1965 with a view to protecting the town and, though these channels could have posed some danger to the site of bridge 'C', it was during the monsoon of 1967 that there was excessive flooding of these channels thereby aggravating the situation and necessitating consideration of a change of site of bridge 'C', also involving re-location of bridge 'D' and consequential realignment of a portion of the road. The Board added that the road was being used by crossing the river by timber bridges/ferries.

Summing up, the following are the main points that emerge:—

- (i) Despite (a) the letter of the Task Force Commander dated 11th August 1967 warning about the danger to one of the proposed bridge sites, (b) the validity of the tenders being upto 23rd November 1967 and (c) technical sanctions for the works not having been yet issued, the Project Chief Engineer issued a letter of acceptance (26th August 1967) to the lowest tenderer and entered into a contract with him for all the four bridges.
- (ii) Though the contract with the first contractor was terminated in respect of two bridges, *viz.*, 'C' and 'D', in September 1970, it was only in August 1971 that the residual work on bridges 'A' and 'B' was awarded to another contractor at the risk and cost of the former for completion by 15th October 1973; the work had not been completed (December 1977).
- (iii) Rupees 3.76 lakhs became payable to the first contractor by way of compensation in terms of the award of the arbitrator mainly because of the letter of acceptance and contract referred to at (i) above.

## CHAPTER V

### FINANCIAL ASSISTANCE GIVEN BY GOVERNMENT

31. (i) *Loans and advances*.—Details of loans and advances paid by Union Government during 1976-77 are given in paragraph 14.

(ii) *Grants*.—During 1976-77, Rs. 2157.94 crores were paid as grants by Union Government to State and Union Territory Governments, statutory bodies, registered and private institutions, etc. as detailed below:

(Lakhs of rupees)

(a) Grants to State and Union Territory Governments :	
(i) Grants to State Governments under proviso to Article 275(i) of the Constitution	57,42.43
(ii) Other grants to State Governments	14,90,09.84
(iii) Grants to Union Territory Governments	74,19.44
(b) Grants to statutory bodies, non-Government institutions or bodies and individuals (the details of grants Ministry-wise are given in Appendix VI to the Report)	5,36,22.62

## CHAPTER VI

### DEPARTMENTALLY MANAGED GOVERNMENT UNDERTAKINGS

32. **General.**—On 31st March 1977, there were 37 departmentally managed Government undertakings of commercial and quasi-commercial nature, same number as on 31st March 1976. During 1976-77, while one undertaking, *viz.* Bank Note Press, Dewas, became a commercial undertaking, another, *viz.* Pathini Tea Estate, ceased to be a departmentally managed undertaking consequent upon transfer of its ownership to the Tea Trading Corporation of India Limited with effect from 1st July 1976.

The financial results of these undertakings are ascertained annually by preparing *pro forma* accounts outside the general accounts of Government. Trading and Profit and Loss Accounts and Balance Sheet are not prepared by two undertakings *viz.* Department of Publications, Delhi and Government of India Presses; instead only stores accounts are prepared.

*Pro forma* accounts for the year 1976-77 have been received so far (June 1978) for audit from only 10 undertakings (Serial Nos. 9, 10, 16, 18, 23, 27, 29, 31, 35 and 38 of Annexure A). A synoptic statement showing the summarised financial results of all departmental undertakings, on the basis of their latest available accounts, is given in Annexure A.

## ANNEXURE 'A'

## SUMMARISED FINANCIAL RESULTS OF DEPARTMENTALLY MANAGED GOVERNMENT UNDERTAKINGS

(Figures in thousands of rupees)

Sl. No.	Name of the Undertaking	Period of accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss (-)	Interest on Government Capital	Total return	Percentage of total return to mean capital	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MINISTRY OF FINANCE										
1.	India Security Press, Nasik Road	1975-76	3,31,74	3,19,76	1,46,27	(+)2,09,16	55,10	(+)2,64,26	25.42	
2.	Currency Note Press, Nasik Road	1975-76	5,37,83	4,56,08	1,40,76	(+)1,56,00	52,38	(+)2,08,38	21.08	
3.	Government Opium Factory, Ghazipur	1975-76	22,02	18,24	4,42	(+)10,47,59	..	(+)10,47,59	..	

4. Government Opium Factory, Neemuch	1975-76	14,77	13,74	1,03	(+)12,15,03	..	(+)12,15,03	..
5. Government Alkaloid Works, Neemuch	1974-75	1,83,89	**	**	**	**	**	**
**There are no figures as the undertaking is under construction.								
6. Government Alkaloid Works, Ghazipur	1975-76	8,18	5,59	2,59	(-)24,90	3	(-)22,67	..
7. India Govern- ment Mint, Bombay	1974-75	6,83,19	1,59,25	*7,11	(+)9,27,42	1,96	(+)9,29,38	175.87
8. India Govern- ment Mint, Calcutta	1975-76	1,40,18	1,19,20	1,87,80	(+)4,70,49	64,49	(+)5,34,98	43.97
9. India Govern- ment Mint, Hyderabad	1976-77	5,67,73	1,81,19	31,31	(+)1,71,00	40,08	(+)2,11,08	28.44
10. Assay Depart- ment, Bombay	1976-77	1,70	1,42	*10	(+)4,17	..	(+)4,17	..
11. Assay Depart- ment, Calcutta	1975-76	74	67	*3	(+)59	..	(+)59	..

\*Depreciation for the year only.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
12. Silver Refinery, Calcutta	1974-75		59,62	51,08	62,86	(—)2,06,98	3,16,25	(+)1,09,27	3.36	
13. Bank Note Press, Dewas	**									**Accounts of the Under- taking for the year 1976-77 have not been received.

MINISTRY OF  
INFORMATION  
AND BROAD-  
CASTING

54

14. All India Radio 1973-74	49,07,60	Capital Assets	14,62,26	(—)1,24,30	1,52,62	(+)28,32	0.91
		34,45,34 Revenue Assets					
		44,28	*9,63				
15. Radio Publi- cations, All India Radio 1973-74	1,23,38	14	*3	(—)12,34	25	(—)12,09	..



16. Films Division	1976-77	1,16,05	1,19,79	1,00,78	**(-)1,40,32	12,70	**(-)1,27,62	..	**Before adjustment of notional value (Rs. 70,29,116) on films released for free exhibition.
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17. Commercial Broadcasting Service, All India Radio	1973-74	53,70	Capital Assets	7,72	(+)3,31,74	..	(+)3,31,74	..	
			<u>45,98</u>						
			Revenue Assets						
			<u>6,97</u>						*42

MINISTRY OF COMMUNICATIONS

18. Overseas Communications Service, Bombay	1976-77	29,09,08	8,57,09	**7,04,46	(+)19,49,06	1,29,13	(+)20,78,19	86.56	**Excludes a sum of Rs. 2,68,73 thousands representing depreciation on 'Intelsat' which has been excluded from the Fixed Assets.
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\*Depreciation for the year only.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
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MINISTRY OF  
SHIPPING AND  
TRANSPORT

19. Lighthouses and Lightships Department	1975-76	***15,98,39	13,83,78	2,17,89	(+)8,05	@@23,89	(+)31,94	2.13	***This consists of the balances of Government Capital Account and Capital Outlay Account. @@Interest in accordance with the instructions contained in the Ministry of Finance Office Memo. No. F. 1(35)-B/71 dated 23-1-1974 has not been charged.
20. Shipping Department, Andamans	1972-73	43,58	56,80	*7,89	(—)80,15	4,47	(—)75,68	..	

21. Ferry Service, <sup>@</sup> Andamans	1974-75	2,69	14,09	*2,49	(-)19,38	70	(-)18,68	..
22. Marine Department <sup>@</sup> (Dockyard), Andamans	1974-75	73,26	4,67	*5	(-)5,93	3,33	(-)2,60	..
23. Chandigarh Transport Undertaking, Chandigarh	1976-77	1,24,52	1,00,87	23,65	(-)6,92	6,54	(-)38	..

MINISTRY OF  
AGRICULTURE  
AND IRRIGATION

24. Central Fertilizer Pool	1969-70	58,31,29	..	..	(+)3,87,78	1,62,89	(+)5,50,67	15.63
25. Delhi Milk Scheme	1975-76	4,95,21	2,89,38	3,59,71	(-)5,76,78	44,87	(-)5,31,91	..

\*Depreciation for the year only.

<sup>@</sup>*Pro forma* accounts have not been prepared according to the revised procedure *vide* Ministry of Finance Office Memo. No. F. 1(35)-B/71 dated 23-1-1974.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
26. Forest Department, Andamans	1974-75	51,40	50,06	*5,46	**(+)	51,84	5,91	(+)	57,75	99.33	**Includes Rs. 49.76 lakhs being royalty on departmental extraction which was hitherto being credited direct to Capital Account.
27. Ice-cum-Freezing Plant, Ernakulam	1976-77	29,37	9,01	17,64	(—)	1,38	79	(—)	59	..	
MINISTRY OF HOME AFFAIRS											
28. State Transport Service, Andamans. @	1974-75	7,31	9,91	27,67	(—)	11,12	47	(—)	10,65	..	
MINISTRY OF HEALTH AND FAMILY WELFARE											
29. Central Research Institute, Kasauli	1976-77	16,87	7,65	**9,72	(+)	2,74	1,92	(+)	4,66	13.13	**Depreciation includes consumption on Live Stock for the year 1976-77 only.

30. Medical Stores Depots@	1973-74	8,11,05	43,18	15,11	(+)31,34	43,63	(+)74,97	8.45
31. Bakery and Vegetable Garden of the Central Institute of Psychiatry, Kanke, Ranchi	1976-77	31	29	0,5*	(+)4	1	(+)5	23.34

MINISTRY OF  
WORKS AND  
HOUSING

32. Department of Publications, Delhi	1973-74**							
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33. Government of India Presses	1974-75**							
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\*\*Trading and Profit and Loss Accounts and Balance Sheet are not prepared, instead only stores accounts are prepared.

\*Depreciation for the year only.

@Pro forma accounts have not been prepared according to the revised procedure vide Ministry of Finance Office Memo. No. F1(35)-B/71, dated 23-1-1974.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MINISTRY OF ENERGY										
34. Electricity										
Department,										
Aidamini@.	1973-74	49,20	49,66	*3,10	(—)28,00	2,68	(—)25,32	..		
35. Electricity										
Department,										
Lakshadweep	1976-77	53,09	37,69	11,43	(—)17,79	2,54	(—)15,25	..		
DEPARTMENT OF ATOMIC ENERGY										
36. Atomic Power										
Authority	1974-75	1,11,57,40	53,94,03	12,82,48	(+)31,65	4,81,52	(+)5,13,17	4.92		
37. Rajasthan										
Atomic Power										
Station-I	1975-76	61,40,59	53,51,54	4,68,95	(—)1,22,28	3,51,48	(+)2,29,20	3.46		Figures are based on the unaudited accounts

MINISTRY OF  
COMMERCE

38. Pathini Tea  
Estate

1976-77  
(1-4-1976  
to  
30-6-1976)

38,07

25,81

11,66

(+)2,57

77

(+)3,34

5.89 Ownership  
of the under-  
taking was  
transferred  
to the Tea  
Trading  
Corporation  
of India  
Limited with  
effect from  
1st July  
1976.

\*Depreciation for the year only.

@Pro forma accounts have not been prepared according to the revised procedure vide Ministry of Finance Office Memo No. F. 1(35)-B/71 dated 23-1-1974.

## MINISTRY OF AGRICULTURE AND IRRIGATION

(Department of Agriculture)

33. **Establishment of Mother Dairy at Patparganj, Delhi.**—A proposal to set up a second dairy in Delhi (to be known as Mother Dairy) had been under consideration of Government since January 1967. In March 1970, sanction for the purchase of land from the Delhi Development Authority for the proposed Mother Dairy on payment not exceeding Rs. 37.03 lakhs was conveyed by the Ministry of Agriculture to the Delhi Milk Scheme and the payment by the latter was made on the 31st March 1970. In April 1970, the National Dairy Development Board (NDDB) (a society registered under the Indian Societies Act and the Bombay Public Trust Act) was entrusted with the preparation of a project report for the Mother Dairy at a fee of one per cent of the total cost of the dairy or Rs. 3 lakhs, whichever was higher.

In August 1972, the establishment of the Mother Dairy at an estimated cost of Rs. 471.47 lakhs (excluding cost of land) for processing and distribution of milk upto 4 lakh litres a day and milk products was sanctioned by the Ministry with the following stipulations:—

- (i) The procurement and installation of machinery and equipment for the dairy with allied facilities was entrusted to the Indian Dairy Corporation (IDC—a Government Company), on a turn-key basis, in collaboration with the National Dairy Development Board.
- (ii) The entire cost was to be adjusted against the funds generated from the sale of skimmed milk powder and butter oil donated by the World Food Programme under Operation Flood and the necessary provision to meet the expenditure was to be made in the budget of the Delhi Milk Scheme.



- (iii) The question as to whether the operative control of the Mother Dairy would be entrusted to the Delhi Milk Scheme or to a separate Corporation was to be considered separately.

In June 1973, the Ministry decided that, as the entire cost of the Mother Dairy was to be met by the Indian Dairy Corporation from out of Operation Flood funds, no provision for funds was necessary in the budget of either the Ministry or the Delhi Milk Scheme and that the National Dairy Development Board would act as the executing agency on behalf of the Indian Dairy Corporation which had already been entrusted with the implementation of the project on a turn-key basis. It was also decided that, after construction, the operative control of the Mother Dairy would be handed over by the Indian Dairy Corporation/National Dairy Development Board to an agency to be nominated by Government; a proposal to set up a subsidiary company of the Indian Dairy Corporation for this purpose was stated (June 1973) to be separately under consideration.

The Mother Dairy went into production in December 1974 and was reported (September 1977) to be selling about 2 lakh litres of milk daily. The total cost incurred up to March 1977 by the Indian Dairy Corporation was Rs. 486.88 lakhs. Expenditure upto March 1976 was shown in the Corporation's accounts as advances to the National Dairy Development Board. In the accounts for 1976-77, the total advances paid were re-adjusted as grant and loan to the Mother Dairy, Delhi in the ratio of 30 : 70 though the latter does not have a distinct legal status.

While the construction of the Mother Dairy, Delhi was undertaken by the NDDDB on behalf of the IDC, no separate agency to take over the operational control of the Mother Dairy after commencement of production in December 1974 has been nominated by the Government, and the operational control remains with the National Dairy Development Board. Even

though the ownership of the Mother Dairy vests in Government neither the capital outlay nor the sale proceeds of milk are reflected in the Consolidated Fund of India; the latter are retained by the Mother Dairy for meeting its day-to-day working expenses. Consequently, the capital outlay incurred on the establishment of the Mother Dairy and the expenditure on and income from its operations have remained outside the purview of parliamentary financial control.

The Ministry stated (October 1977) that the question of setting up a separate company for the management of the affairs of the Mother Dairy was under consideration of Government and that a decision was likely to be taken shortly. Further developments were awaited (April 1978).

The Ministry added (February 1978) that the statement of accounts for the period from December 1974 to March 1977 had been duly prepared and presented to the Ministry by the National Dairy Development Board.

## CHAPTER VII

### OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

34. **Outstanding Audit Observations.**—Audit observations on financial transactions of Government are communicated to the departmental authorities from time to time. Half-yearly reports of such observations which remain outstanding for more than six months are also sent by Audit to Administrative Ministries for taking necessary steps to expedite their settlement.

(i) With the departmentalisation of accounts of Central Ministries/Departments and of the Union Territory of Delhi in a phased manner (with effect from 1st April 1976, 1st July 1976, 1st October 1976 and 1st March 1977), vouchers are not received in the Audit Offices. The outstanding audit observations, therefore, represent only those observations which were made prior to the date of departmentalisation of accounts. The number of such audit observations in respect of the Ministries/Departments noted below and their attached and subordinate offices and outstanding on 31st August 1977 was as follows:—

Ministries/Departments	Total number of obser- vations made up- to the date of depart- mentali- sation of accounts but out- standing on 31st August 1977	Total amount (lakhs of rupees)	Number of ob- servations made prior to April 1974	Amount (lakhs of rupees)
1	2	3	4	5
<i>A. CIVIL DEPARTMENTS</i>				
Agriculture and Irrigation	4,020	182.23	1,223	62.85
Civil Supplies and Cooperation	97	47.71	85	46.59

	1	2	3	4	5
Education and Social Welfare	2,539	123.16	1,062	44.50	
Energy	2,795	1,960.20	480	212.83	
External Affairs	2,507	140.16	1,688	60.96	
Finance	7,611	406.66	2,845	49.90	
Health and Family Welfare	2,074	191.05	1,011	119.13	
Home Affairs	6,186	568.55	2,597	194.36	
Industry	193	33.39	64	0.29	
Information and Broadcasting	1,345	58.41	343	11.04	
Labour	636	45.22	192	27.25	
Law, Justice and Company Affairs	664	23.60	91	1.27	
Planning	763	42.78	146	3.16	
Shipping and Transport	8,852	3,547.94	3,979	2,205.95	
Steel and Mines	2,887	74.51	1,258	37.13	
Supply and Rehabilitation	604	47.47	344	27.17	
Tourism and Civil Aviation	1,340	141.50	569	81.09	
Works and Housing	15,097	6,109.09	2,933	1,013.37	
Culture	2,196	148.03	575	36.11	
Electronics	512	45.48	220	6.26	

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

Energy	62	1.58	33	0.89
Information and Broadcasting	57	1.54	2	0.06

(ii) The following is a broad analysis of the outstanding observations:—

Nature of observations	Number of items	Amount (lakhs of rupees)
1	2	3

*A. CIVIL DEPARTMENTS*

(a) Sanctions for establishment not received	821	66.91
(b) Sanctions for contingent and miscellaneous ex- penditure not received	2,905	343.64
(c) Sanctions to estimates not received	3,569	1,181.99
(d) Detailed bills for lump sum drawals not received	7,827	1,128.46
(e) Vouchers not received	5,327	287.18
(f) Payees' receipts not received	30,450	2,278.79

	1	2	3
(g) Agreements with contractors/suppliers not received		1,265	3,464.87
(h) Payments to contractors/suppliers not in conformity with contracts and agreements		608	138.29
(i) Sanctions to write-off of losses, etc. not received		301	95.04
(j) Breach of financial propriety		52	3.46
(k) Sanctions for reserve stock limit/excess over reserve stock not received		18	17.20
(l) Expenditure incurred on deposit work without deposit/in excess of deposit		4	39.45
(m) Shortage of materials, non-accountal/less accountal of materials, acceptance of material below specification, loss due to theft, damage, etc.		18	173.40
(n) Disbursement certificates of payment to opium cultivators not received		19	138.78
(o) Excess over technical sanction/administrative approval and technical sanction in excess of administrative approval		1,639	2,860.27
(p) Land award statements not received		571	665.00
(q) Other reasons		7,524	1,054.41

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

(a) Sanctions for contingent and miscellaneous expenditure not received	20	0.10
(b) Detailed bills for lump sum drawals not received	2	0.06
(c) Vouchers not received	31	1.15
(d) Payees' receipts not received	57	1.78
(e) Other reasons	9	0.03

The expenditure in respect of which detailed bills and vouchers had not been submitted to the Audit Offices in terms of the procedure existing prior to departmentalisation of accounts could not be subjected to detailed audit scrutiny. In such cases, as also in cases where payees' receipts, etc. had not been furnished, the possibility of mis-appropriation, fraud, etc. remaining undetected cannot be ruled out.

**35. Outstanding Inspection Reports.**—The audit done in Central Office is supplemented by local inspection. All important financial irregularities and defects in initial accounts

noticed during local audit and inspections are included in inspection reports and sent to departmental officers for necessary action. Besides, copies of the inspection reports, where necessary, and half-yearly statements of outstanding inspection reports are also forwarded to the Administrative Ministries.

(i) The Ministries/Departments with comparatively large outstandings are shown below:

Ministries/Departments	Year of issue of the earliest outstanding reports	Number of outstanding	
		Reports	Paragraphs in the reports
1	2	3	4
<i>A. CIVIL DEPARTMENTS</i>			
Agriculture and Irrigation	1952-53	991	5,117
Commerce	1964-65	340	1,432
Education and Social Welfare	1954-55	1,310	3,561
Energy	1960-61	638	8,120
External Affairs	1960-61	231	978
Finance	1956-57	1,341	4,161
Health and Family Welfare	1957-58	261	967
Home Affairs	1956-57	831	2,497
Industry	1960-61	149	473
Information and Broadcasting	1962-63	150	541
Labour	1962-63	295	1,039
Law, Justice and Company Affairs	1959-60	120	301
Planning	1966-67	180	525
Shipping and Transport	1954-55	872	3,101
Supply and Rehabilitation	1956-57	568	2,620
Steel and Mines	1965-66	156	717
Tourism and Civil Aviation	1956-57	299	1,318
Works and Housing	1954-55	2,040	16,721
Culture	1958-59	120	452
<i>B. DEPARTMENTALLY MANAGED COMMERCIAL AND QUASI-COMMERCIAL UNDERTAKINGS</i>			
Finance	1966-67	25	81
Health and Family Welfare	1964-65	30	113
Information and Broadcasting	1969-70	66	190
Shipping and Transport	1971-72	10	32
Works and Housing	1967-68	27	83

(ii) The more important types of irregularities noticed during inspection and local audit are briefly summarised below:

Number  
of offices  
in which  
irregu-  
larities  
were  
noticed

#### A. CIVIL DEPARTMENTS

##### 1. Public Works Offices—

Number of offices inspected during 1976-77	485
(i) Wasteful and infructuous expenditure due to defective plans, designs and abandonment of works	61
(ii) Extra cost to Government due to rejection of lowest tenders or delay in accepting tenders	21
(iii) Excess payments due to non-observance of the conditions of contracts or non-provision of necessary safeguards in contracts	32
(iv) Splitting up of purchase orders	14
(v) Unauthorised financial aids to contractors	25
(vi) Delay in effecting recovery of security deposits from contractors and payment of contractors' bills	20
(vii) Arrears in maintenance and/or non-maintenance of initial accounts of road metal, material-at-site accounts, etc.	71
(viii) Other irregularities	292

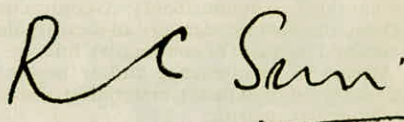
##### 2. Treasuries and other Civil Offices—

Number of offices inspected during 1976-77	1,611
(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.	312
(ii) Securities from persons handling cash and stores not obtained, or if obtained not for the prescribed amount	104
(iii) Stores accounts not maintained properly and periodical verification not done	250
(iv) Defective maintenance and/or non-maintenance of log books of staff cars, etc.	124
(v) Local purchase of stationery in excess of authorised limits and expenditure incurred without proper sanction	101
(vi) Delay in recovery and/or non-recovery of receipts, advances and other charges, etc.	204
(vii) General Provident Fund accounts of Class IV staff not maintained properly	104
(viii) Payment of grant in excess of actual requirements	22
(ix) Sanctions to write-off of loans, losses, etc. not received	70
(x) Overpayment of amounts disallowed in audit not recovered	117
(xi) Non-recovery of library books, physical verification, etc.	14
(xii) Other types of irregularities	878

Number of  
offices in  
which  
irregularities  
were noticed

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

Number of offices inspected during 1976-77	128
(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.	13
(ii) Stores accounts not maintained properly and periodical verification not done	12
(iii) Delay in recovery and/non-recovery of receipts, advances and other charges, etc.	7
(iv) Other types of irregularities	77



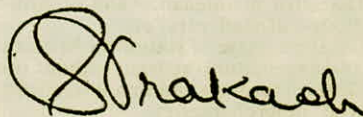
(R. C. SURI)

*Accountant General, Central Revenues.*

New Delhi :  
The

16 AUG 1978

Countersigned.



(GIAN PRAKASH)

*Comptroller and Auditor General of India.*

New Delhi :  
The

16 AUG 1978



## APPENDIX I

(Vide paragraph 7)

### MAIN INVESTMENTS AND DIVIDENDS

Name of Undertaking/Concern	Investment			Dividend credited to Government	
	During 1975-76	During 1976-77	Upto 1976-77	During 1975-76	During 1976-77
1	2	3	4	5	6
	(Lakhs of rupees)				
<b>I. Statutory Corporations—</b>					
Air India Corporation . . . . .	300	200	6682	..	..
Indian Airlines Corporation . . . . .	..	..	5278	..	..
Oil and Natural Gas Commission . . . . .	3210	7409	24134	..	..
Life Insurance Corporation . . . . .	..	..	500	..	..
Central Warehousing Corporation . . . . .	184	272	2018	@67	55
Food Corporation of India . . . . .	10575	1424	20460	..	..
<b>II.(a) Government Companies—</b>					
Indian Oil Corporation Ltd. . . . .	..	1100	8208	569	569
Neyveli Lignite Corporation Ltd. . . . .	3811	1650	17903	..	..
Bharat Heavy Electricals Ltd. . . . .	..	..	13000	..	..
Hindustan Steel Ltd. . . . .	..	..	61085	..	..
Heavy Engineering Corporation Ltd. . . . .	50	..	16179	..	..
Hindustan Antibiotics Ltd. . . . .	40	70	422	..	..
Hindustan Cables Ltd. . . . .	84	46	1182	@..	54
National Newsprint and Paper Mills Ltd. . . . .	..	..	255	..	..
State Trading Corporation of India . . . . .	..	..	1000	120	150
Minerals and Metals Trading Corporation . . . . .	..	..	900	108	135

@Differs from the last year's figure due to subsequent correction.

	1	2	3	4	5	6
National Coal Development Corporation . . . . .	..	..	14332	..	..	..
Fertilizer Corporation of India Ltd. . . . .	12529	11100	66275	..	..	..
Hindustan Machine Tools Ltd. . . . .	163	140	*3431	..	..	..
Hindustan Shipyard Ltd. . . . .	206	127	1734	..	..	..
Indian Telephone Industries Ltd. . . . .	..	..	412	50	..	..
Mogul Lines Ltd. . . . .	..	..	313	..	..	..
National Instruments Ltd. . . . .	..	34	432	..	..	..
Hindustan Insecticides Ltd. . . . .	83	354	562	10	11	..
Bokaro Steel Ltd. . . . .	..	..	60000	..	..	..
National Mineral Development Corporation Ltd. . . . .	..	..	7604	..	..	..
Fertilizers and Chemicals, Travancore . . . . .	474	16	7056	..	..	..
Shipping Corporation of India . . . . .	..	..	2795	168	..	..
Singareni Collieries Company Ltd. . . . .	..	..	272	..	..	..
National Building Construction Corporation Ltd. . . . .	50	50	445	..	..	..
Indian Drugs and Pharmaceuticals Ltd. . . . .	350	810	4580	..	..	..
Mazagaon Dock Ltd. . . . .	..	..	488	29	59	..
Hindustan Aeronautics Ltd. . . . .	..	..	5695	100	100	..
Garden Reach Ship Builders and Engineers Ltd. (formerly Garden Reach Workshop Ltd.) . . . . .	300	400	1425	..	..	..
Indian Rare Earths . . . . .	125	..	323	15	17	..
Praga Tools Ltd. . . . .	35	281	579	@..	..	..
Hindustan Organic Chemicals Ltd. . . . .	..	..	970	48	48	..
Hindustan Photo Films Manufacturing Co. Ltd. . . . .	1000	..	1632	..	..	..
National Small Industries Corporation Ltd. . . . .	200	..	750	..	..	..
Cement Corporation of India Ltd. . . . .	912	1300	4211	..	..	..
Indian Tourism Development Corporation Ltd. . . . .	140	50	1360	30	..	..

\*Includes Rs. 460 lakhs relating to erstwhile Machine Tools Corporation of India Ltd., Ajmer adopted *pro forma*.

@Differs from the last year's figure due to subsequent correction.

1	2	3	4	5	6
Mining and Allied Machinery Corporation Ltd. . . .	2380	..	4380	..	..
Hindustan Zinc Ltd. . . .	1500	1350	4750	..	..
Bharat Aluminium Company .	300	328	9768	..	..
State Agro-Industries Corporation . . . . .	239	..	2828	16	..
Hindustan Paper Corporation	656	1801	4808	..	..
Central Inland Water Transport Corporation . . . . .	146	134	733	..	..
Rural Electrification Corporation Ltd. . . . .	500	500	6000	50	55
Housing and Urban Development Corporation . . . . .	200	400	1300	..	..
Coal Mines Authority Ltd. . . . .	3845	..	11550	..	..
Jute Corporation of India . . . . .	100	..	300	4	..
Cotton Corporation of India Ltd. . . . .	100	150	400	..	25
Mineral Exploration Corporation Ltd. . . . .	400	340	1449	..	..
Steel Authority of India Ltd.	8391	9854 (a)	25367	..	..
Bharat Ophthalmic Glass Ltd. . . . .	270	..	310	..	..
Indian Petro-Chemicals Corporation Ltd. . . . .	6600	3100	18600	..	..
Bharat Coking Coal Ltd. . . . .	4167	.. (a)	4953	..	..
National Textile Corporation Ltd. . . . .	..	7190	8975	..	..
Dredging Corporation of India Ltd. . . . .	1984	..	1984	..	..
Kudremukh Iron Ore Co.Ltd..	..	3761	3761	..	..
Industrial Development Bank of India . . . . .	5000	..	5000	..	..
National Hydro Electric Power Corporation Ltd. . . . .	30	2108	2138	..	..
Braithwaite & Co. Ltd. . . . .	..	1003	1003	..	..
Burn Standard Co. . . . .	..	883	883	..	..

(a) Rs. 100 lakhs transferred *pro forma* from 'Steel Authority of India Ltd.,' to 'Bharat Coking Coal Ltd.'

1	2	3	4	5	6
<b>(b) Other Companies—</b>					
Indian Explosives Ltd. . . . .	..	..	274	@33	34
National Fertilizers Ltd. . . . .	6300	9927	17676	..	..
Oil India Ltd. . . . .	(A)—84	(A)—130	1548	24	261
British India Corporation . . . . .	..	..	106	..	..
<b>III. International Finance Corporation . . . . .</b>					
IV. Others . . . . .	**5799	13662	77314	*694	1871
<b>TOTAL . . . . .</b>	<b>***83644</b>	<b>83194</b>	<b>585251</b>	<b>2135</b>	<b>3444</b>

(A) Represents redemption of debenture stock.

\*Differs from the last year's figure due to (i) subsequent corrections during 1975-76 and (ii) exhibition of certain items of investments distinctly.

\*\*Differs from the last year's figure due to exhibition of certain investments separately.

\*\*\*Differs from the last year's figure by Rs. 5664 lakhs due to subsequent correction during 1975-76 (Rs. 664 lakhs) and 1976-77 (Rs. 5000 lakhs).

@Differs from the last year's figure due to subsequent correction.

**APPENDIX II**  
[Vide paragraph 18(b)]

ARREARS IN RECOVERY OF LOANS AND ADVANCES GIVEN TO GOVERNMENT COMPANIES, NON-GOVERNMENT INSTITUTIONS, LOCAL FUNDS, CULTIVATORS, ETC.

To whom loan was paid	Amount outstanding on 31st March 1977		Earliest period to which the arrears relate
	Principal	Interest	
1	2	3	4
(Lakhs of rupees)			
<b>Ministry of Agriculture and Irrigation</b> (Department of Food)			
Food Corporation of India, New Delhi . . . . .	29.90	0.05	1976-77
<b>Ministry of Commerce</b>			
Tea Trading Corporation, Calcutta . . . . .	2.22	2.00	1976-77
Handicrafts Emporium, Madras . . . . .	4.69	..	*
Handicrafts Emporium, Kerala . . . . .	..	12.94	*
Central Cottage Industries Association, Janpath, New Delhi . . . . .	15.36	10.39	1973-74
India United Mills, Bombay . . . . .	175.00	..	1965-66
Shilpi Kendra, Bombay . . . . .	0.10	..	1971-72
	197.37	25.33	
<b>Ministry of Chemicals and Fertilizers</b>			
Pyrites, Phosphates and Chemicals Ltd., New Delhi . . . . .	..	29.29	1976-77
	(Since recovered in 1977-78)		
Indian Drugs and Pharmaceuticals Ltd., New Delhi . . . . .	..	687.24	1976-77
	(Since recovered in 1978-79)		
	..	716.53	

\*Information is awaited.

1	2	3	4
<b>Ministry of Communications</b>			
Telepost Co-operative House Construction Society Ltd., Madras . . . . .	..	1.15	1964-65
New Switching Factory, Rai Bareilly . . . . .	9.50	7.18	1975-76
I.T.I. Transmission Factory, Naini . . . . .	9.55	3.91	1976-77
Telephone Instrument Factory, Naini . . . . .	4.50	2.39	1976-77
	23.55	14.63	
<b>Ministry of Civil Supplies and Cooperation</b>			
Super Bazar, New Delhi . . . . .	1.83	0.25	1972-73
<b>Delhi Administration</b>			
Municipal Corporation of Delhi . . . . .	120.72	111.96	1965-66
<b>Ministry of Defence</b>			
Loans to Individual . . . . .	33.48	2.51	1970-71
Mazagaon Dock Ltd., Bombay . . . . .	..	7.37	1973-74
Garden Reach Ship Builders and Engineers Ltd. (formerly Garden Reach Workshop) Calcutta* . . . . .	194.52	145.72	1972-73
Goa Shipyard Ltd., Vasco-de-Gama . . . . .	27.00	7.88	1969-70
Bharat Electronics Ltd., Bangalore . . . . .	86.00	..	1974-75
Bharat Earth Movers Ltd., Bangalore . . . . .	130.42	81.47	1974-75
Andhra Scientific Co. . . . .	..	5.90	1974-75
Consumer's Co-operative Stores, Dum Dum . . . . .	0.17	..	1974-75
	471.59	250.85	

\*Figures against the concern are upto the date of pre-departmentalisation of accounts. Information for the period after departmentalisation of accounts is awaited.

1	2	3	4
<b>Ministry of Education and Social Welfare</b>			
Various Educational Institutions and Engineering Colleges*	163.67	56.54	1960-61
Vidya Bhawan Society, Udaipur	1.13	..	1966-67
People's Education Society, Bombay	0.75	..	1974-75
National Sports Club of India, Bombay	0.42	0.07	1975-76
Co-operative Crafts Schools, Delhi/New Delhi*	2.43	2.14	1963-64
Institute of Telecommunications, New Delhi*	1.07	..	1973-74
Council of Architecture, New Delhi*	0.20	..	1974-75
	169.67	58.75	
<b>Department of Electronics</b>			
Kerala State Electronics Development Corporation, Trivandrum	..	0.79	1976-77
<b>Ministry of Energy (Department of Power)</b>			
Delhi Electricity Supply Undertaking, New Delhi	906.15	1554.77	1974-75
<b>Ministry of Energy (Department of Coal)</b>			
Coal India Ltd., Calcutta	361.11	1392.32	1975-76
Bharat Coking Coal Ltd., Dhanbad	..	939.52	1973-74
National Coal Development Corporation, New Delhi	..	887.75	1974-75
	361.11	3219.59	
<b>Ministry of Home Affairs</b>			
Municipal Corporation of Delhi, Delhi	140.13	53.10	1968-69

\*Figures against the concern are upto the date of pre-departmentalisation of accounts. Information for the period after departmentalisation of accounts is awaited.

1	2	3	4
<b>Ministry of Home Affairs</b>			
<b>(Department of Personnel and Administrative Reforms)</b>			
Central Government Employees Consumers Co-operative Societies, New Delhi . . . . .	2.00	0.70	1976-77
	(Rs. 2.00 lakhs and Rs. 0.65 lakhs towards principal and interest respectively recovered in 1977-78)		
Departmental Canteen . . . . .	0.02	..	1976-77
	<u>2.02</u>	<u>0.70</u>	
<b>Ministry of Health and Family Welfare</b>			
<b>(Department of Health)</b>			
Tibbia College Board and Hospital, New Delhi . . . . .	2.00	..	1962-63
<b>Ministry of Industry and Civil Supplies</b>			
<b>(Department of Heavy Industry)</b>			
Gresham and Cravan, Calcutta . . . . .	..	0.32	1976-77
Burn and Company Ltd., Calcutta . . . . .	..	108.84	1976-77
Arthur Butler and Company Ltd., Muzaffarpur (Bihar) . . . . .	..	2.28	1976-77
Mining and Allied Machinery Corporation, Durgapur . . . . .	2.00	116.08	1972-73
Bharat Pump and Compressor Ltd., Naini . . . . .	..	77.38	1976-77
Scooters India Ltd., Lucknow . . . . .	119.01	116.74	1974-75
Triveni Structural Ltd., Naini . . . . .	96.89	167.45	1971-72
Hindustan Machine Tools Ltd., Bangalore	348.34	146.26	1973-74
Tungbhadra Steel Products Ltd., Karnataka	22.77	14.35	1973-74
Heavy Engineering Corporation Ltd., Ranchi . . . . .	683.52	1034.48	1973-74
Bharat Heavy Plates and Vessels Ltd., Vishakhapatnam . . . . .	0.57	225.31	1971-72
M/s. Braithwaite and Company, Calcutta	575.94	262.69	1975-76
Richardson and Cruddas Ltd., Bombay . . . . .	..	47.09	1972-73
Bharat Heavy Electricals Ltd., New Delhi	2553.60	..	1974-75
	(Rs. 524.21 lakhs since recovered)		
	<u>4402.64</u>	<u>2319.27</u>	



1	2	3	4
<b>Ministry of Industry and Civil Supplies</b>			
<b>(Department of Industrial Development)</b>			
Cement Corporation of India Ltd., New Delhi . . . . .	3.46	2.87	1974-75
Tannery and Footwear Corporation of India Ltd., Kanpur . . . . .	..	62.88	1974-75
Hindustan Cables Ltd., Rupnarianpur . . . . .	5.43	6.89	1974-75
Bharat Ophthalmic Glass Ltd., Durgapur . . . . .	3.02	2.15	1974-75
(Rs. 2.02 lakhs towards principal recovered in 1977-78)			
National News print and Paper Mills Ltd., Nepanagar . . . . .	0.68	0.04	1975-76
National Instruments Ltd., Calcutta . . . . .	8.82	20.46	1974-75
Instrumentations Ltd., Kota . . . . .	11.67	14.98	1973-74
Hindustan Photo Film Manufacturing Company Ltd., Ootacmund . . . . .	..	67.94	1974-75
National Small Industries Corporation, New Delhi . . . . .	52.63	5.49	1974-75
Khadi and Village Industries Commission, Bombay . . . . .	630.46	705.63	1972-73
Universal Trade Emporium, Faridabad . . . . .	0.05	0.91	1970-71
Dogra Steel Ltd., Faridabad . . . . .	0.12	0.43	1972-73
	716.34	889.77	

#### Ministry of Information and Broadcasting

Film Finance Corporation of India, Bombay	26.40	18.57	1971-72
Samachar Bharti, New Delhi . . . . .	0.75	..	1972-73
Andhra Pradesh State Electricity Board, Hyderabad* . . . . .	..	0.04	1975-76
	27.15	18.61	

#### Ministry of Labour

Barbil Central Co-operative Stores Ltd., Barbil . . . . .	1.56	1.19	1967-68
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\*Figures against the concern are upto the date of pre-departmentalisation of accounts. Information for the period after departmentalisation of accounts is awaited.

1	2	3	4
<b>Ministry of Supply and Rehabilitation</b>			
<b>(Department of Rehabilitation)</b>			
United Council for Relief and Welfare, Alwar, Rajasthan . . . . .	0.03	0.08	1955-56
Harijan Sewak Sangh, Ahmedabad . . . . .	0.35	..	1973-74
Rehabilitation Industries Corporation Ltd., Calcutta . . . . .	588.22	265.94	1970-71
Municipal Corporation of Delhi . . . . .	35.52	41.12	1974-75
	624.12	307.14	
<b>Ministry of Shipping and Transport</b>			
Vishakhapatnam Port Trust . . . . .	13.00	53.82	1972-73-
	(Rs. 9.25 lakhs and Rs. 10.32 lakhs to- wards principal and interest respectively recovered in 1977-78)		
Paradip Port Trust, Paradip . . . . .	5.50	9.22	1976-77
Calcutta Port Trust, Calcutta . . . . .	1018.63	1806.73	1973-74
Cochin Shipyard Ltd., Cochin . . . . .	..	390.67	1976-77
Central Inland Water Transport Corpora- tion Ltd., Calcutta . . . . .	650.52	710.73	1963-64
Departmental Canteen . . . . .	0.04	..	1975-76
Central Road Transport Corporation Ltd., Calcutta . . . . .	121.83	82.50	1975-76
	(Rs. 67.20 lakhs to- wards principal re- covered in 1977-78)		
Delhi Transport Corporation, New Delhi . . . . .	2747.76	2250.46	1966-67
Shipping Development Fund Committee, New Delhi . . . . .	..	3463.92	1973-74
Vishakhapatnam Dock Labour Board, Vishakhapatnam* . . . . .	0.06	0.09	1975-76
Madras Dock Labour Board, Madras* . . . . .	1.70	0.20	1975-76
Delhi Educated Persons Co-operative Trans- port Society, Delhi (Under Liquidation)* . . . . .	1.05	0.27	1962-63
	4560.09	8768.61	

\* Figures against the concern are upto the date of pre-departmentalisation of accounts. Information for the period after departmentalisation of accounts is awaited.

1	2	3	4
<b>Ministry of Steel and Mines</b>			
<b>(Department of Steel)</b>			
Steel Authority of India Ltd., New Delhi . . . . .	83.33	..	1975-76
Orissa Mining Corporation Ltd., Bhubaneswar . . . . .	..	93.77	1976-77
	83.33	93.77	
<b>Ministry of Steel and Mines</b>			
<b>(Department of Mines)</b>			
Hindustan Copper Ltd., Calcutta . . . . .	100.00	1727.03	1968-69
Bharat Gold Mines Ltd., Oorgaum . . . . .	184.89	112.33	1973-74
Sikkim Mining Corporation Ltd., Rangpo, Sikkim . . . . .	14.30	8.13	1967-68
	299.19	1847.49	
<b>Ministry of Tourism and Civil Aviation</b>			
Karan Enterprises (P) Ltd., Hyderabad . . . . .	6.86	6.15	**
Ritz Continental Hotels Ltd., Calcutta . . . . .	3.75	1.24	**
Hotel Horizan (P) Ltd., Bombay . . . . .	44.46	23.87	**
	(Rs. 13.10 lakhs towards interest recovered in 1977-78)		
Piem Hotels (P) Ltd., Bombay . . . . .	42.80	10.25	**
	(Interest recovered in 1977-78)		
East West Hotel (P) Ltd., Bangalore . . . . .	3.16	6.82	**
Adyar Gate Hotel (P) Ltd., Madras . . . . .	9.37	3.42	**
	110.40	51.75	
<b>Ministry of Works, Housing and Supply</b>			
Water Supply Sewage Disposal Undertaking, Delhi* . . . . .	499.88	599.42	1970-71
Municipal Corporation of Delhi, Delhi* . . . . .	141.21	72.71	1965-66
Orissa Industries Ltd., Barang, Cuttack* . . . . .	..	0.67	1960-61
	641.09	672.80	

\*Figures against the concern are upto the date of pre-departmentalisation of accounts. Information for the period after departmentalisation of accounts is awaited.

\*\*Information is awaited.

APPENDIX III  
(Vide paragraph 23)

EXTENT OF UTILISATION OF SUPPLEMENTARY GRANTS/APPROPRIATIONS

Sl. No.	Grant/ Appropriation	Amount of Grant/ Appropriation		Actual expenditure	Saving (Col. 3+4-5)
		Original	Supple- mentary		
1	2	3	4	5	6

Cases where supplementary grants/appropriations proved unnecessary.

**Revenue-Voted**

(Lakhs of rupees)

**Ministry of Agriculture and Irrigation**

1.	4-Animal Husbandry and Dairy Development	3,687.08	98.95	3,326.86	459.17
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**Ministry of Education and Social Welfare**

2.	27-Education	16,297.13	0.02	15,948.62	348.53
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**Ministry of Energy**

3.	30-Power Development	5,518.86	0.01	4,580.62	938.25
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**Department of Revenue and Banking**

4.	43-Union Excise Duties	4,285.00	78.14	3,922.44	440.70
5.	45-Opium and Alkaloid Factories	2,550.00	88.63	2,530.32	108.31

**Ministry of Home Affairs**

6.	54-Other Expenditure of the Ministry of Home Affairs	13,651.72	152.55	13,406.21	398.06
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**Ministry of Industry and Civil Supplies**

7.	62-Village and Small Industries	3,278.98	42.81	3,226.06	95.73
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1	2	3	4	5	6
<b>Ministry of Tourism and Civil Aviation</b>					
(Lakhs of rupees)					
8.	90-Meteorology	1,127.32	0.01	974.58	152.75
9.	92-Tourism	385.89	24.05	370.88	39.06
<b>Ministry of Works and Housing</b>					
10.	97-Stationery and Printing	2,857.31	14.88	2,753.36	118.83
<b>Department of Atomic Energy</b>					
11.	98-Department of Atomic Energy	44.02	1.00	42.53	2.49
Revenue-Charged					
<b>Ministry of Finance</b>					
12.	35-Audit	94.13	0.05	93.79	0.39
<b>Department of Revenue and Banking</b>					
13.	43-Union Excise Duties	0.83	0.43	0.48	0.78
<b>Ministry of Home Affairs</b>					
14.	51-Department of Personnel and Administrative Reforms	0.05	0.24	..	0.29
<b>Ministry of Shipping and Transport</b>					
15.	79-Ministry of Shipping and Transport	..	0.12	..	0.12
<b>Ministry of Steel and Mines</b>					
16.	85-Mines and Minerals	..	0.04	..	0.04
<b>Parliament, Department of Parliamentary Affairs, Secretariats of the President and Vice-President and Union Public Service Commission</b>					
17.	Staff, Household and Allowances of the President	67.67	1.23	66.08	2.82

1	2	3	4	5	6
<b>Capital-Voted</b>					
<b>Ministry of Commerce</b>					
(Lakhs of rupees)					
18.	14-Foreign Trade and Export Production	38,438.84	4,068.03	28,275.89	14,230.98
<b>Ministry of Home Affairs</b>					
19.	57-Andaman and Nicobar Islands	970.30	2.24	896.76	75.78
20.	59-Lakshadweep	108.30	16.54	102.84	22.00
<b>Ministry of Industry and Civil Supplies</b>					
21.	62-Village and Small Industries	3,366.95	0.02	3,332.02	34.95
<b>Ministry of Steel and Mines</b>					
22.	83-Department of Steel	41,488.50	728.81	37,645.67	4,571.64
<b>Department of Rehabilitation</b>					
23.	88-Department of Rehabilitation	946.77	46.01	905.19	87.59
<b>Ministry of Tourism and Civil Aviation</b>					
24.	90-Meteorology	203.20	0.01	58.36	144.85
<b>Ministry of Works and Housing</b>					
25.	94-Public Works	1,475.16	161.80	1,404.78	232.18
26.	96-Housing and Urban Development	2,027.28	1.00	1,831.73	196.55
<b>Department of Atomic Energy</b>					
27.	99-Atomic Energy Research, Development and Industrial Projects	9,452.77	0.01	7,955.94	1,496.84
<b>Capital-Charged</b>					
<b>Ministry of Agriculture and Irrigation</b>					
28.	6-Department of Food	19.25	5.75	16.00	9.00
<b>Ministry of Home Affairs</b>					
29.	55-Delhi	250.00	4.04	174.19	79.85

## APPENDIX IV

(Vide paragraph 25)

### SAVINGS UNDER VOTED GRANTS

Sl. No.	Grants	Total grant	Expenditure	Saving	Percentage of Saving
1	2	3	4	5	6

Voted grants where the savings (more than 5 lakhs in each case) exceeded 20 per cent of the final grant are given below :

(Lakhs of rupees)

Revenue					
1.	82-Road and Inland Water Transport	107.44	50.83	56.61	52.7
2.	37-Pensions	6,300.00	3,217.11	3,082.89	48.9
3.	31-Coal and Lignite	2,234.64	1,143.76	1,090.88	48.8
4.	103-Department of Electronics	775.72	468.15	307.57	39.6
5.	91-Aviation	2,681.03	2,048.52	632.51	23.6
6.	75-Planning Commission	471.11	364.45	106.66	22.6
7.	100-Nuclear Power Schemes	3,852.30	3,036.97	815.33	21.2
Capital					
8.	68-Labour and Employment	9.88	0.04	9.84	99.6
9.	90-Meteorology	203.21	58.36	144.85	71.3
10.	45-Opium and Alkaloid Factories	67.37	23.35	44.02	65.3
11.	34-Stamps	184.25	83.97	100.28	54.4
12.	92-Tourism	427.40	209.88	217.52	50.9
13.	58-Dadra and Nagar Haveli	135.65	72.89	62.76	46.3

1	2	3	4	5	6
			(Lakhs of rupees)		
14.	14-Foreign Trade and Export Production	42,506.87	28,275.89	14,230.98	33.9
15.	4-Animal Husbandry and Dairy Development	385.99	263.48	122.51	31.7
16.	82-Road and Inland Water Transport	1,305.43	903.74	401.69	30.8
17.	15-Ministry of Communications	836.00	642.00	194.00	23.2
18.	91-Aviation	2,542.82	1,990.53	552.29	21.7
19.	65-Information and Publicity	115.50	91.06	24.44	21.2
20.	10-Department of Irrigation	678.50	535.78	142.72	21.0
21.	2-Agriculture	55,645.95	44,242.96	11,402.99	20.5



APPENDIX V  
(Vide paragraph 28)

STATEMENT SHOWING LOSSES, IRRECOVERABLE REVENUE, DUTIES, ADVANCES, ETC. WRITTEN OFF/WAIVED AND *Ex Gratia*  
PAYMENTS MADE DURING THE YEAR

In 1825 cases, Rs. 46.44 lakhs representing mainly losses due to theft, fire, etc. and irrecoverable revenue, duties, advances, etc. were written off/waived, and in 174 cases *ex gratia* payments aggregating Rs. 124.83 lakhs were made during 1976-77, as detailed below :

Name of the Ministry/Department	Write off of losses, irrecoverable revenue, duties, advances, etc.		Waiver of recovery		<i>Ex gratia</i> payments	
	No. of cases	Amount (Rs.)	No. of cases	Amount (Rs.)	No. of cases	Amount (Rs.)
1	2	3	4	5	6	7
Agriculture and Irrigation	58	4,14,992	..	..	..	..
Commerce	..	..	..	..	146	122,96,636*
Education and Social Welfare	2	1,69,278	6	9,516	..	..
Energy	257	9,09,293	4	2,378	..	..
External Affairs	..	..	23	11,515	..	..
Finance	12	2,848	..	..	..	..
Health and Family Welfare	17	1,293	..	..	..	..
Home Affairs	27	53,597	2	3,313	..	..
Industry	5	32,117	2	176	..	..
Information and Broadcasting	8	7,427	..	..	..	..
Labour	1	251	..	..	..	..
Planning	2	967	..	..	..	..

\*Represents payments to Indian nationals/companies for properties confiscated by Government of Pakistan during and after Indo-Pak conflict in 1965.

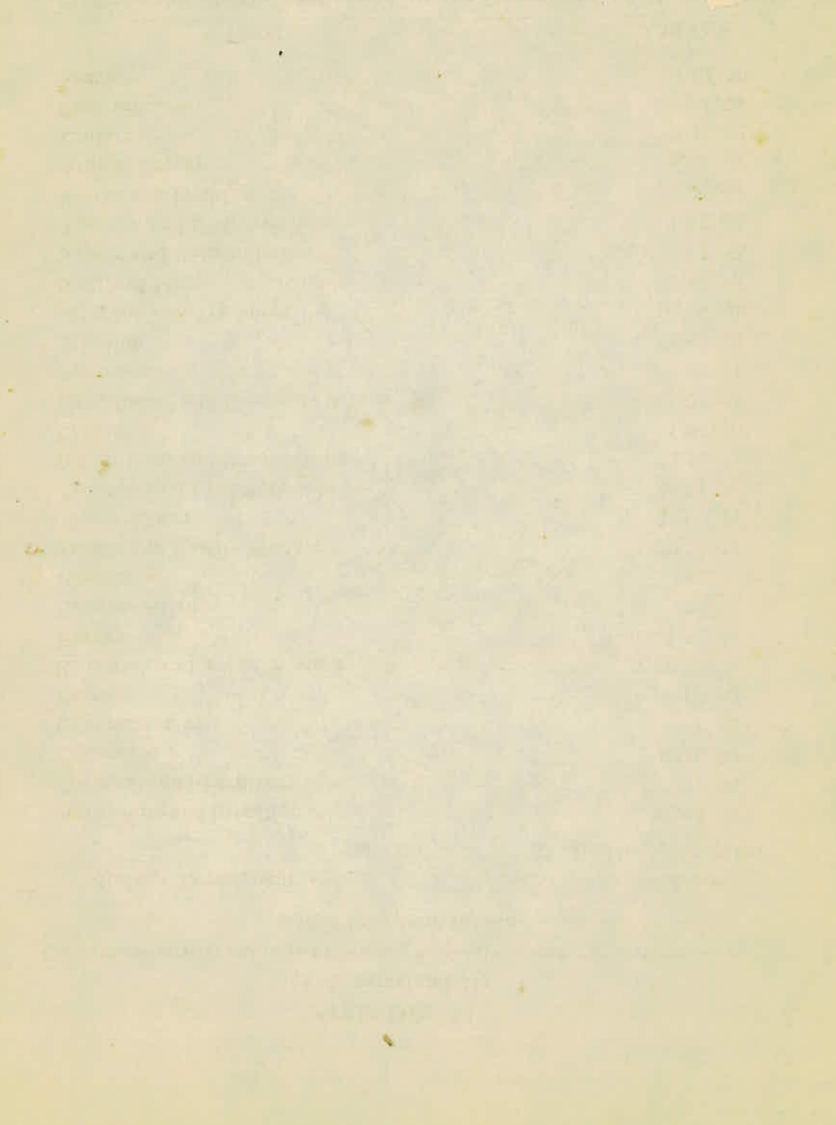
	1	2	3	4	5	6	7
Shipping and Transport		1193	26,56,024	17	5,147	28	1,86,723
Steel and Mines		3	19,655	..	..	..	..
Supply and Rehabilitation		125	1,99,603	1	415	..	..
Tourism and Civil Aviation		1	4,700	1	4,445	..	..
Works and Housing		15	84,565	..	..	..	..
Atomic Energy		21	20,082	..	..	..	..
Culture		1	700	1	491	..	..
Space		18	25,185	2	4,470	..	..
TOTAL		1766	46,02,577	59	41,866	174	124,83,359

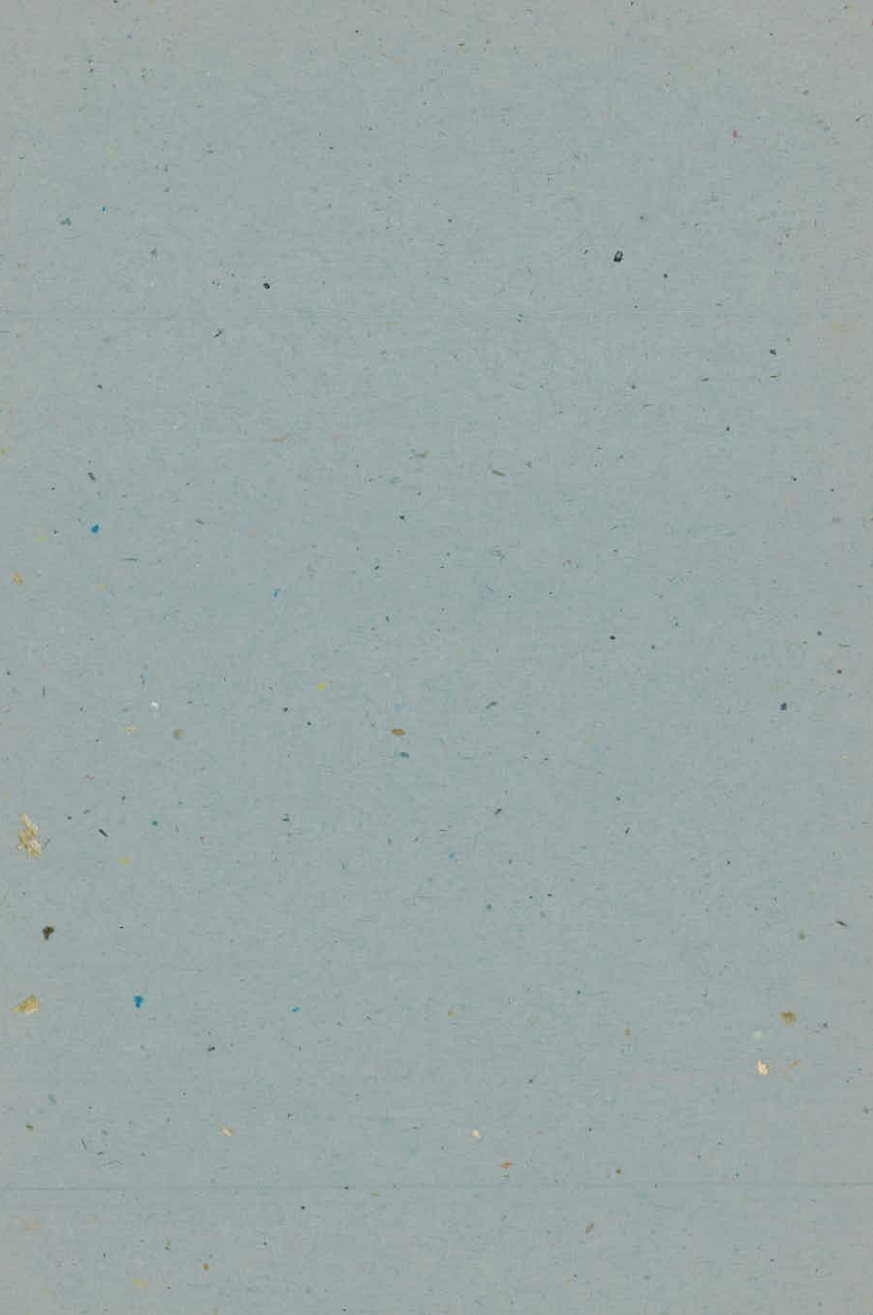
APPENDIX VI  
(Vide paragraph 31)

GRANTS-IN-AID TO STATUTORY BODIES, NON-GOVERNMENT INSTITUTIONS OR  
BODIES AND INDIVIDUALS

Ministry/Department	Amount (Lakhs of rupees)
Agriculture and Irrigation	67,44.06
Chemicals and Fertilisers	19.00
Commerce	93,01.90
Communications	1.32
Defence	10.40
Education and Social Welfare	1,39,43.38
Energy	1,52.46
External Affairs	76.69
Finance	2,00.74*
Health and Family Welfare	20,26.21
Home Affairs	27,03.21
Industry and Civil Supplies	34,83.79
Information and Broadcasting	1,58.71
Labour	1,43.10
Law, Justice and Company Affairs	27.44
Petroleum	0.21
Planning	56,88.34
Shipping and Transport	16,86.90
Steel and Mines	55,86.55
Supply and Rehabilitation	1.52
Tourism and Civil Aviation	1,82.67
Works and Housing	21.08
Atomic Energy	6,65.98
Culture	3,48.92
Electronics	2,86.74
Space	1,61.30
<b>TOTAL</b>	<b>5,36,22.62</b>

\*Includes the amount pertaining to the Department of Revenue and Banking also.





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Comptroller and Auditor General of India  
1978

PAGCR, 21.76-77 (Final)  
1850-1978 (DSK III)

*Price:* Inland : Rs. 10.00  
Foreign £ 1.17 or \$ 3.60



