



REPORT

OF THE

PUBLIC ACCOUNTS COMMITTEE

ON THE

ACCOUNTS OF THE

GOVERNMENT OF PAKISTAN

FOR THE YEARS

1962-63, 1963-64 and 1964-65.

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

In accordance with Rule 109 of the Rules of Procedure and Conduct of Business of the National Assembly of Pakistan the Standing Committee on Public Accounts is to consist of 10 members to be elected by the Assembly and the Finance Minister and Parliamentary Secretary concerned are to be members *ex-officio*. The following were elected as members of the Standing Committee on Public Accounts :—

1. Mr. Nurul Amin, M.N.A.*	<i>Member</i>
2. Mr. Abdullah-al-Mahmood, M.N.A.	”
3. Mr. Mobarak Ali, M.N.A.	”
4. Mr. Nural Hoda Choudhury, M.N.A.	”
5. Major Zulfiqar Ali Khan Qizilbash, M.N.A.	”
6. Mr. Mashhur Rahman, M.N.A.	”
7. Mr. Mohammad Ashraf Raja, M.N.A.	”
8. Mir Darya Khan Khoso, M.N.A.	”
9. Mr. Mizanur Rahman, M.N.A.**	”
10. Mr. Md. Azizur Rahman, M.N.A.	”

*Mr. Nurul Amin was appointed as Chairman.

**Mr. Mizanur Rahman could not attend the meetings of the Committee because the Government of East Pakistan did not grant him permission as he was detained under D.P.R.

REPORT

We assembled at Rawalpindi on Friday, the 3rd March, 1967 for examining the Appropriation Accounts of the Government of Pakistan for the years 1962-63, 1963-64 and 1964-65 and the Comptroller and Auditor-General's Report thereon. Since the Chairman, Mr. Nurul Amin, was unable to attend due to illness Mr. Abdullah-al-Mahmood was elected as Acting Chairman for the March session. We had two sessions. The first session was from 3rd March to 9th March and the second from 10th April to 17th April, 1967. During these two sessions we examined the Accounts for the three years mentioned above. In all eighteen sittings were held. The proceedings of these meetings are appended as Annexure I of our Report. The specific recommendations, directions and observations which are included in the proceedings are to be regarded as a part of our Report. The statements of Appropriations, expenditure, savings and excesses are contained in Annexure II of the Report.

2. In scrutinizing the Appropriation Accounts and the Audit Reports the principles laid down in Rule 109 (3) of the Rules of Procedure and Conduct of Business of the National Assembly, which defines the scope of our duties, were observed. For facility of reference the Rule is reproduced below :—

"In scrutinizing the Appropriation Accounts and the Report of the Comptroller and Auditor-General thereon, it shall be the duty of the Committee to satisfy itself—

- (a) that the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged ;
- (b) that the expenditure conforms to the authority which governs it ; and
- (c) that every re-appropriation has been made in accordance with such rules as may be prescribed by the Finance Ministry.

It shall also be the duty of the Committee—

- (a) to examine such trading, manufacturing and profit and loss accounts and balance sheets as the President may have required to be prepared and the Comptroller and Auditor-General's report thereon ; and
- (b) to consider the report of the Comptroller and Auditor-General in case where the President may have required him to conduct an audit of any receipts or to examine the accounts of stores and stock."

3. We are grateful to the Comptroller and Auditor-General for bringing to our notice important cases of financial irregularities and instances of improper expenditure of public funds, etc., and also for the assistance rendered by him and his officers in the examination of the Accounts and the Audit Reports. We are also thankful to the Secretary and other officers of the National Assembly Secretariat for arranging our meetings and drawing up the proceedings and the Report. We were assisted by departmental representatives in our examination of the grants pertaining to their Ministries. The Committee noted with regret that the importance of the Public Accounts Committee was not fully realised by all and some of the Secretaries did not attend the meetings and some of the departmental representatives had not come fully prepared and were not exact in their replies. The Committee directs that Secretaries/Heads of Autonomous and Semi-autonomous bodies should attend personally and that they should come fully briefed.

The Committee observed that the replies/explanations of the Ministries/Divisions to the observations made by the Comptroller and Auditor-General should be made available to the Assembly Secretariat well in time, so that they are circulated to the Members at least 7 days before the meeting to enable them fully to consider the same before they attend the meeting.

4. The Committee noted the difficulties experienced by the Pakistan Audit Department in the timely compilation and submission of the Accounts. A variety of factors were responsible for this. It is however a source of great satisfaction to us that, although most of these difficulties continue, the arrears have been overtaken and the accounts have been brought up-to-date.

5. In the accounts for all the three years, savings and excesses over voted grants and charged appropriations were reported in a number of cases in respect of each of the years 1962-63, 1963-64 and 1964-65. The reasons for these savings/excesses were examined by us and our comments are embodied in the relevant proceedings. Control over expenditure is an important duty of the Secretary of a Ministry by virtue of his being the Principal Accounting Officer. In our view it is very necessary that the Ministries/Divisions should be close in their estimation so that they do not ask for funds which are not really required. It is extremely necessary that the Ministries carefully assess the position of provision of funds and in particular carefully review the provisions towards the close of the financial year, determine the amounts of supplementary grants realistically and make well in time surrenders of funds which are not required.

6. It was also noticed that in a number of cases variations were caused because of differences between the departmental figures and the expenditure brought to account in the books of the Audit Offices. This was due to the fact that a very large number of controlling officers had not carried out regular and timely reconciliation and they had also not effected the necessary corrections before the accounts of the year were closed. We would stress the necessity of timely and regular reconciliation and would request that Secretaries and Heads of Departments to regard this matter as their personal responsibility.

7. We also noticed that savings/excesses were reported to have occurred due to debits not being received or adjusted in respect of previous years. We invited departmental representatives of the Ministry of Rehabilitation and Works (Works Division), Ministry of Industries and Natural Resources (Industries Division) and Economic Affairs Division to meet us on Monday, the 17th April, 1967. The discussions are included in the proceedings. We consider it as essential that all Ministries/Divisions/Departments should follow up these cases personally with the Divisions concerned and ensure that funds are available to meet the outstanding liabilities or debits are received in time so that the budget provisions are utilised and do not have to be unnecessarily surrendered.

8. In respect of a number of development schemes heavy provisions were made, which were not fully implemented for one reason or the other and the provision lapsed or was surrendered. We did not consider this a happy state of affairs, since it retarded the development effort of the country. In view of the food shortage this was all the more serious in respect of schemes connected with agriculture. Our firm opinion is that in order to maintain the grow more food campaign and to improve the lot of the common man it is extremely necessary that provisions made in respect of schemes connected with the country's development or agriculture must be utilised and the implementation of these schemes should be strictly according to the time schedule. In this respect we were also concerned that the Provincial Governments could not utilise fertilisers to the maximum extent possible. We feel that all efforts should be made to popularise

the use of fertilisers and that steps should be taken to remove the bottlenecks connected with the distribution of fertilisers and lack of credit facilities to the small farmers.

9. Some of the Ministries explained that provisions could not be utilised as schemes were sanctioned too late and insufficient time was left to implement them. We decided to make two test cases of such schemes. Firstly, the Air Survey Scheme under Grant No. 8KI(3)(4)—Other Charges and have called for a detailed report to be submitted at our next session to find out when the scheme was prepared by the Surveyor General, when it was submitted to the Agriculture Division, Development Working Party, and Executive Committee of the National Economic Council and when it was approved. The second case is in respect of the Rangpur Radio Station. The Rangpur Radio Station was scheduled to go into operation in 1964, but it actually did so in 1967. In this case, too, we have asked for detailed causes leading to the delay in implementation.

10. We also observed that a number of departmental representatives laid the responsibility for savings etc. in the grants controlled by them on other departments such as the Pak. P.W.D., the Department of Investment Promotion and Supplies and the Economic Affairs Division for their failure to execute the works or to procure supplies of stores in time or non-receipt of advice about the adjustment of expenditure debitible to Foreign Aid, we have directed that in all such cases documentary evidence should be produced before us showing the action which the controlling Ministry has been taking from time to time about ensuring the timely execution of work or procurement of stores or for securing advice for adjustment of Foreign Aid. We also desired that the viewpoint of the serving departments on whom the responsibility for non-utilisation of funds was laid, should also be brought before us.

11. A number of the departmental representatives had complained about the matter of belated and wrong adjustments in respect of telephone bills. We requested that this question be looked into closely by the Ministry of Communications in consultation with the Comptroller and Auditor-General and the Director General, T&T and a detailed report submitted at our next session.

12. We noticed that in many cases Court of Enquiry/departmental proceedings were either not instituted until long after the event necessitating them had occurred or if they were held it was a long time before action was finalised. The result was that the losses became irrecoverable and action could not be taken against the government servants, who have died, absconded or retired. We urged that all such proceedings should be instituted quickly and finalised with all expedition.

13. Two serious cases of financial irregularities came to our notice. The first was in respect of the transfer of the Karachi Road Transport Corporation to a private concern. The Ministry of Communications were requested to prepare a report in all detail, in consultation with the Ministry of Finance and the Comptroller and Auditor-General and to submit it at our next session. A report on similar lines was to be drawn up by the Ministry of Finance in consultation with the Comptroller and Auditor-General regarding the grant of loans by the House Building Finance Corporation to Messrs Hussain D' Silva.

14. As Chairman of the Committee I record my sincere thanks to the members of the Committee for the keen interest they took in the task entrusted to them and the co-operation I received from them in conducting the proceedings of the meetings.

NURUL AMIN,

Chairman,

Standing Committee on Public Accounts.

Rawalpindi,

the 31st May, 1967.

NATIONAL ASSEMBLY OF PAKISTAN

Proceedings of the First Meeting of the Public Accounts Committee held on Friday, the 3rd March, 1967.

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 10.00 a.m. on 3rd March, 1967.

Members present

1. The Minister for Finance.
2. Mir Darya Khan Khoso, M.N.A.
3. Mr. Mobarik Ali, M. N. A.
4. Major Zulfikar Ali Khan Qizilbash, M. N. A.
5. Mr. Mohammad Ashraf Raja, M. N. A.
6. Mr. Nurul Hoda Choudhury, M. N. A.
7. Mr. Abdullah-al-Mahmood, M. N. A.
8. Mr. Mohammad Haneef Khan, M. N. A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S. Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Mr. S. M. Rahman, S. K., Joint Secretary, National Assembly of Pakistan, attended.

The meeting commenced with a recitation from the Holy Quran.

2. The telegram from Mr. Nurul Amin, Chairman, Public Accounts Committee, regretting his inability to attend the meeting of the Public Accounts Committee owing to illness was read.

3. In accordance with sub-rule (2) of rule 112 of the Rules of Procedure and Conduct of Business of the National Assembly of Pakistan the Committee unanimously chose Mr. Abdullah-al-Mahmood to act as Chairman. The Committee also expressed the hope that the Chairman, Mr. Nurul Amin, would soon recover and be able to join.

4. Major Zulfikar Ali Khan Qizilbash moved a resolution of condolence on the sad, most untimely and lamented demise of Mr. W. B. Kadri, Secretary, National Assembly of Pakistan. The resolution was adopted unanimously. It was decided that a copy of the resolution be conveyed to the family of late Mr. Kadri.

5. The Minister for Finance then stressed the importance and role of the Public Accounts Committee, which is the most important Committee of the House. He said that the Committee acts as an eye of the Legislature and he regards it as his most important ally in ensuring that the financial discipline is observed by the spending organisations. He made, *inter alia*, the following suggestions for the consideration of the Committee :—

- (i) that before calling the departmental representatives it may hold its own brief session to go through the accounts and audit reports presented to it and take up important irregularities of points of principle with the departmental representatives. It could issue a questionnaire to the Ministries to come prepared with the answers ; and
- (ii) that the Comptroller and Auditor-General briefs the Committee each morning about the more important irregularities pertaining to the Demands coming up before the Committee on that day.

The Chairman thanked the Minister for Finance for his very valuable advice and the guide-lines provided by him for the Committee. The Committee then had a general discussion regarding the programme and considered the requests for re-adjustment of dates in respect of two Divisions. It was decided that—

- (i) the Committee should try to complete the work earlier than the 18th March to enable the Members to return to their homes before Idul-Azha.
- (ii) it may hold two sessions every day—one from 9.00 a. m. to 1.30 p. m. and the other from 4.30 p. m. to 7.00 p. m.
- (iii) the Committee may not sit on Saturday, the 11th March, 1967, and
- (iv) the programme may be recast.

The Chairman then adjourned the meeting to meet again at 9 a. m., on Saturday, the 4th March, 1967.



Proceedings of the Second Meeting of the Public Accounts Committee held on Saturday, the 4th March, 1967.

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9.00 a.m. on 4th March, 1967.

Members present

1. Mr. Abdullah-al-Mahmood, M.N.A.
2. Mir Darya Khan Khoso, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
5. Mr. Mohammad Ashraf Raja, M.N.A.
6. Mr. Nural Huda Choudhury, M.N.A.
7. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. M. S. M. Raza, S. Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Departmental Representative

Mr. M. H. Zuberi, S. Pk., SQA, CSP., Secretary, Ministry of Communications.

Mr. S. M. Rahman, S. K., Joint Secretary, National Assembly of Pakistan, attended.

2. In pursuance of sub-rule (2) of rule 112 of the Rules of Procedure and Conduct of Business of the National Assembly of Pakistan, Major Zulfiqar Ali Khan Qizilbash proposed and Mir Darya Khan Khoso seconded the name of Mr. Abdullah-al-Mahmood to act as Chairman.

3. At the outset the Comptroller and Auditor-General of Pakistan observed that generally the following defects were observed in the accounts of the various Ministries and Divisions relating to the years 1962-63 to 1964-65 :—

- (i) Expenditure was incurred in excess of the final grant.
- (ii) Unnecessary or excessive supplementary grants were obtained.
- (iii) Unnecessary re-appropriation was made from the Contingency Items.
- (iv) Savings remained unsurrendered.
- (v) Surrenders were made in excess of or in the absence of savings available under the Grant and that too at the *fag-end* of the year.

He also added that as far as possible they would ignore minor variations and concentrate on important points.

4. The Committee then took up the examination of the appropriation accounts for the years 1962-63 to 1964-65 relating to the Ministry of Communications.

(1) *Grant No. 26.—Ministry of Communications for 1962-63.*—The Committee noticed that the original grant of Rs. 22,19,000 was unnecessarily increased to Rs. 25,53,000 by a supplementary grant of Rs. 1,53,000 and by an allocation of Rs. 1,81,000 from the Contingency Item resulting in the surrender of a sum of Rs. 1,20,641.

The departmental representative explained that this happened because of non-receipt of book debits from the Audit Department in time.

(2) *Grant No. 34.—Capital outlay on Ports and Communications, 1962-63.*—The Committee noted that the original grant of Rs. 1,65,00,000 was increased to Rs. 1,80,33,000 by obtaining a supplementary grant and an allocation out of the Contingency Item, but the actual expenditure of Rs. 1,48,87,000 was even less than the original grant ; thus the supplementary grant and allocation from the contingency item were unnecessary. The surrender was more than Rs. 88 lakhs. The departmental representative explained that it was due to slow progress of works and lesser expenditure incurred by the PWD. He also explained that the savings occurred because of the difference between the anticipated expenditure and the booked expenditure. It was estimated that the expenditure would be incurred, but the book debits were not raised ; hence the saving of about Rs. 92 lakhs, out of which a sum of Rs. 88 lakhs was surrendered, and the rest was reappropriated. The saving came to notice at the close of the financial year when the supplementary grant of Rs. 3,81,000 for the construction of an all-weather road had already been obtained. As there is a time-limit for getting a supplementary grant it was obtained for the adjustments of all the anticipated expenditure but the saving came to notice after the supplementary grant had been obtained. It was also pointed out that the weather conditions affected the construction of the road, due to which the expenditure thereon could not be forecast accurately. It was further explained that the Indus road was handed over to the Army for construction and they anticipated that they would complete the job earlier than any other agency. The Army authorities demanded additional grant for building the culverts and bridges, which was placed at their disposal, but it could not be utilized. The PAC finally observed that the original grant was much more than sufficient to cover the actual expenditure, even after making allowance for the lapses on the part of the MAG and the AGPR ; and that the department concerned should have framed its estimates after making allowances for the weather conditions, etc., which is almost a recurring feature. They felt that there was no necessity for a supplementary grant.

(3) *Grant No. 31.—Development Expenditure of the Ministry of Communications, 1962-63.*—The Committee took note of the saving of about Rs. 24,35,000 under the head 'Grants-in-aid, Contributions, etc.', from the Central Road Fund. The departmental representative explained that the saving was mainly due to the non-receipt of completion report in respect of Juldia Academy, which is a place far away across the river. It was added that the Academy was built without a jetty, and when the floods came, everything was swept away. A penalty was imposed on the contractors who, however, ran away. Therefore, the entire provision made for the purpose remained unutilized. The PWD got the work completed during the next year.

The Committee desired that when the Works and Rehabilitation Division comes before the Committee, they would like to take up such matters with them.

Finally the Committee desired that the amount authorized for works should be fully utilized and that savings, specially in development grants, are as objectionable as excesses in expenditure.

(4) *Grant No. 6—Ministry of Communications, 1963-64.*—The Committee noted that the original grant of Rs. 23,83,000 was raised to Rs. 24,94,000 by obtaining additional funds while the actual expenditure was Rs. 18,86,000 only, i.e., even much less than the original appropriation. The Committee felt unhappy about obtaining unnecessary supplementary grants. The Secretary, Communications explained that a supplementary grant of Rs. 67,000 was obtained for the main Ministry, and was fully utilized; while the saving of Rs. 6,07,000 came to light after the accounts had been closed. It was due to non-receipt of debits from the Pakistan Western Railway on account of the Railway Wing of the Ministry. This debit has been adjusted in the accounts of the subsequent year.

(5) *Grant No. 16—Capital Outlay on Ports and Communications, 1963-64.*—The reasons for large savings under this Grant were the same as in respect of 1962-63. The saving was attributed to non-receipt of certain debits and non-drawal of payments by the consultants. The Committee was unhappy to note again a substantial saving in the expenditure on construction of an all-weather road along the Indus. This saving was attributed to the non-receipt of debits from the Ministry of Defence. The Committee directed that there should be better co-ordination between the Ministry of Defence and the Ministry of Communications. The expenditure actually incurred by the Ministry of Defence should be communicated to the Ministry of Communications sufficiently in time to enable the latter to revise their estimates.

(6) *Grant No. 11—Lighthouses and Lightships, 1963-64.*—The departmental representative explained that the excess of about Rs. 4,65,000 under the sub-head D.I. Stock was due mainly to belated adjustments of the cost of a Light float which arrived in 1961-62. As the vessel was not according to specifications, some adjustments were required to be made in it and the manufacturers were asked to carry out the required adjustments. The Ministry did not get timely intimation of the payment made to the manufacturers by the DGIP&S and the adjustment in accounts was made without budgetary cover.

(7) *Grant No. 13—Other Expenditure of Ministry of Communications, 1963-64.*—The Committee noted the excess of Rs. 18 lakhs under the sub-head "Block Head Grant for Transfer to the Central Road Fund". The excess was said to be due to larger receipts on account of the Customs and Central Excise duties on Petrol, resulting in more accretions to the Central Road Fund. It was too late to be regularized before the close of the year. The Committee directed that the controlling Ministry should, in consultation with the Central Board of Revenue and in the light of the past experience devise effective ways and means to ensure henceforth that such unexpected excesses do not occur. The Secretary, Communications, undertook to report on the matter at the next session of the Committee.

(8) *Grant No. 12—Development Expenditure of Ministry of Communications for 1963-64.*—The Committee again noted that the allocation of more than Rs. 34,00,000 made from the Central Road Fund could not be utilized by the Provinces. The Secretary, Communications, informed the members that, at their instance, the Government of East Pakistan had already bifurcated their Buildings and Roads Department, and that they were now fully utilizing the funds placed at their disposal while the Government of West Pakistan had not done so, with the result that the allocation made to them was not utilized fully. The Committee, therefore, recommended that for better utilization of the allocations made from the Central Road Fund, in the interest of quicker development of the country, the West Pakistan Government may take an early decision in regard to the setting up of a separate Roads organization as had been done by the Government of East Pakistan. The progress made in the matter should be reported.

(9) *Grant No. 25—Ministry of Communications, 1964-65.*—The Committee noted that, in spite of an excess of Rs. 4,24,000, a sum of Rs. 25,000 was surrendered. It was explained before the Committee that the excess was due to book adjustment of debits for previous years which was not in the knowledge of the Ministry of Communications until the expiry of the financial year. They were also in some doubt about the procedure of obtaining additional funds out of the Contingency Item. The Committee, however, felt unhappy about the unnecessary surrender in the face of the excess in expenditure, and not providing for their outstanding liabilities and commitments relating to the previous years.

(10) *Grant No. 28—Management of Chalna Port, 1964-65.*—The Committee raised an objection to the surrender of Rs. 2,48,800 when sufficient saving was not available, and they wanted to know from the department as to how such a situation had arisen. The departmental representative undertook to guard against surrender of funds in such a situation in future.

(11) *Grant No. 35—Capital Outlay on Ports and Communications.*—The Committee noted that a sum of Rs. 95,16,200 was surrendered, while the actual expenditure exceeded the final appropriation by about Rs. 6,00,000. The departmental representative stated that the excess in expenditure on the construction of an all-weather road along the Indus River and the existing unsatisfactory position in regard to non-utilization of allocations have already been explained under the accounts for the years 1962-63 and 1963-64.

As regards the non-utilization of funds for Chalna Port, the provision made could not be utilized as the foreign exchange component was not available due to the falling through of the negotiations for a loan from the World Bank.

(12) *Grant No. 31—Development Expenditure of the Ministry of Communications.*—The Committee noted that against the final grant of Rs. 27,06,000 authorized for grants-in-aid etc., from Central Road Fund the actual expenditure was only of the order of Rs. 16,44,000 resulting in a saving of Rs. 10,62,000, for which no explanation was furnished by the departmental representative. The Committee directed that necessary explanation for the saving should be furnished in the next session of the Committee.

(13) *Commercial Accounts, 1962-63—Paragraph 17(a) (viii) Chalna Anchorage.*—The accounts for the years 1957-58 to 1962-63 were not compiled and submitted before the Committee. The reason explained was that an inordinate delay took place in the finalization of the accounting procedures and forms for Chalna Port. It was explained by the departmental representative that, unlike Karachi and Chittagong ports, which are autonomous organizations, working independently under their own authorities, the Chalna port was a government organization. It is administered and controlled by the Ministry of Communications. A question arose whether, like Karachi and Chittagong ports, the accounts of Chalna port should be maintained on government line or on the commercial basis. The controversy has since been resolved but it would take some time before the accounts are reconstructed so as to conform to the system of government accounting.

The Committee was not satisfied with this explanation and was of the opinion that the delay should not have taken place and the accounts should have been compiled much earlier.

(14) *Paragraph 69.*—It was noted that final adjustment in respect of certain overhead charges was not carried out in the accounts for 1962-63. The departmental representative explained that necessary data was being collected and final adjustments would soon be made. The Committee accepted the explanation.

(15) *Paragraph 70.*—The Committee stressed the desirability of conducting physical verification of stores at the close of each financial year as delay in stock verification for one reason or the other forfeits the very purpose of the exercise.

(16) *Paragraph 79 (ii)—Karachi Road Transport Corporation.*—The Committee expressed its concern that the pre-liquidation period accounts of the K.R.T.C. could not be audited by the Comptroller and Auditor-General due to the absence of the previous records and showed its keen interest in finding out the whereabouts of the previous records, and in ascertaining whether they were maintained correctly. The departmental representative explained that every year a balance-sheet was produced and audited by the Chartered Accountants, and that the balance-sheets were available. However, he undertook to look into the points raised by the Committee and furnish an explanation.

COMMERCIAL ACCOUNTS 1964-65

(17) *Paragraph 304.*—The Committee noted that the Karachi Road Transport Corporation showed the following profits and loss :—

Year	Profit		Loss	
		Rs.		Rs.
1959-60 (8 months)	..	14,29,963	..	
1960-61	24,53,065	..	
1961-62	24,420	..	
1962-63	63,85,539	

The Committee showed its concern over the abrupt loss of Rs. 63,85,539 during 1962-63, particularly when in all the previous years there had been profits. The abrupt loss perhaps compelled the Government to hand it over to a private party on terms which were not favourable to Government. The Committee enquired, in the first place, as to how it incurred the loss of Rs. 63,85,539. The departmental representative explained in detail the several contributory factors. The Committee recommended further investigation into the matter, and desired that a fuller report in this case be furnished at the next session of the Committee.

(18) *Paragraph 308.*—The Committee noted with concern that, although there was a cash and bank balance of Rs. 58,02,078 at the close of the year 1964-65, neither the dividend of Rs. 12,75,000 in respect of 1959-60 was paid to the Government and private shareholders, nor was any payment made on account of the interest amounting to Rs. 2,82,397 in respect of Government loan of Rs. 67,00,000. The timely payment of dividends at least would have helped in stabilizing the market prices of the shares of the Corporation.

The departmental representative undertook to look into the matter and submit a detailed report.

APPROPRIATION ACCOUNTS, POST OFFICES, TELEGRAPHS AND TELEPHONES 1962-63

(19) *Page 4, paragraph 7.*—The Committee noted that a fund known as the "Post Office Improvement Fund", had been established in 1956-57 with a credit of Rs. 10,00,000 (Rs. 4.10 lakhs for Post Offices and 5.90 lakhs for Telegraphs and

Telephones Departments). The entire amount remained unutilized till 1963-64. In 1964-65 the amount allocated for the Post Office Department was over-spent to the extent of Rs. 1.92 lakhs while there was no expenditure on the Telegraphs and Telephones side. The Secretary, Communications, explained that it was really a combined fund for both the departments, and was to be utilized mostly for providing beds in the T.B. Sanatoriums attached to two hospitals, one in East Pakistan and the other in West Pakistan. The Government of East Pakistan agreed to the proposal of the Central Government to provide beds for T.B. patients. Therefore, the expenditure was incurred in East Pakistan. So far as West Pakistan is concerned, they have not accepted the proposal, and therefore the amount has remained unspent. The Secretary, Communications, explained that it was an *ad hoc* grant and was non-lapsable. The Committee directed that the funds should either be utilized or surrendered and suggested that its name could be changed from "Improvement Fund" to "Benevolent Fund" or "Amenities Fund" so that the nomenclature may correctly indicate the purpose of the Fund.

(20) *Grant No. 27—Telegraphs and Telephones Department (1962-63), pages 23-27.*—The Committee noted that only in a few cases reasons for excesses have been given, and in other cases they have not been furnished to the Committee. The Committee directed that reasons should be furnished in all cases. The Committee felt that there should not have been any difficulty in assessing the amount of interest payable on debt, or in providing for additional expenditure on this account. The departmental representative explained that the accounts were received after the close of the financial year and the excess in expenditure did not come to their notice in time.

(21) *Grant No. 33—Capital Outlay on Telegraphs and Telephones Department, 1962-63.*—The Committee noted that there were substantial savings. The departmental representative explained that it was due to non-adjustment of debits and non-utilization of funds by the Pak PWD, the Department of Investment Promotion and Supplies and the Telephone Industries of Pakistan. The Committee commented that no explanation had been furnished for the variations between the final grant and the actual expenditure. It was pointed out that while there were overall substantial savings under the grant, there is an excess of over rupees 15 lakhs under the heading "Telegraph Buildings". The departmental representative explained that the excess was due to back adjustments while savings had occurred due to delay in adjustment of debits from the three sources. The Committee suggested that the department may have its own works department to execute specialized works of the Department. The departmental representative explained that this matter was already under the active consideration of Government.

(22) *Paragraph 69.*—The Committee desired to know the details of the losses and whether suitable steps had been taken by the department concerned to guard against the recurrence of similar losses, etc. The departmental representative explained that in a case where transactions to the tune of rupees 282 crores were involved, and cash was handled by over 40,000 persons, the net loss of about Rs. 80,000 would not seem to be large. However, a number of cases were still in the courts, and special magistrates had been appointed to try the persons concerned. Some of the defaulters had already been convicted, certain cases were pending and there is a possibility that a portion of the losses may be made good. The Committee desired that further steps should be taken to expedite the disposal of the cases pending in the courts, and departmental enquiries, where pending, should be speeded up.

(23) *Paragraph 77—Non-recovery of premium for the conveyance of Mails.*—The departmental representative explained that the type of contract which is one-sided and requires a party to render free service and in addition pay to Government a certain premium is not enforceable and is not good in law according to

the advice received from the Ministry of Law. The practice has since been discontinued, and now Government is paying for the services of the mail-carriers. The Committee decided not to comment on the legal point and desired that the Ministry should take steps to write off the irrecoverable dues.

(24) *Paragraph 78—Fraudulent withdrawal of money.*—The Committee noted that the case of fraudulent withdrawal of money from savings bank accounts by Extra Departmental Branch Postmaster was sub-judice. They desired that further progress of the case should be reported to the Committee.

(25) *Paragraph 79—Postmaster absconded with Government money.*—The Committee desired to know whether any security is obtained from the officials handling cash in post offices. It was explained to the Committee that the amount of the security is rather small, and in this particular case it has already been forfeited to the Government. The departmental representative further explained that as a result of police investigation the case was filed by the court because the accused had absconded to India. Further enquiries conducted with a view to finding out whether anyone else was responsible for the irrecoverable loss revealed that the responsibility lay solely on the Postmaster.

(26) *Paragraph 80—Shortage of Stores.*—The departmental representative clarified that the discrepancy related to the period 1952 to 1953. Some of the relevant records were washed away in the Cyclone of 1960. The matter was investigated and it was found that the valuation of stores at Rs. 1,22,325.39 was excessive being based on revised values. The actual value at prevailing prices should be Rs. 78,139.28. Out of this amount stores costing Rs. 16,405.78 had actually been transferred to Sargodha Stores Depot, and were wrongly taken into account. Most of the remaining items have been finalized leaving a few items of the value of Rs. 13,057.60.

The Committee desired that every effort should be made to finalize the case as expeditiously as possible and a report furnished to them.

(27) *Paragraph 81—Insured articles found missing in mail bag.*—It was explained that police investigation had been completed, and a sum of Rs. 1,200 had been recovered from the pay of the Sub-Postmaster. All claims in respect of missing insured articles have since been settled and the case will be closed on the completion of recoveries which are being made in instalments.

(28) *Paragraph 82—Misappropriation of accounts of money orders by postmen.*—The departmental representative informed the Committee that out of 34 claims, 32 have already been settled and departmental proceedings were in progress against the official concerned. The Committee desired that further progress in the matter should be reported.

(29) *Page 74 (ii).*—On an inquiry by the Public Accounts Committee regarding the summary of transactions of the Telegraph and Telephone Department, it was explained that the earnings of the Telephone Department were increasing while those of Post Offices and Telegraphs were falling. It came to the notice of the Committee that this question was raised in 1958-59, and the Committee was informed that it was happening in other countries as well, that the Telegraphs side was losing and the Telephones side was gaining. One of the reasons advanced was the preference of the public to use the telephones wherever it was available. Steps are being taken, however, to mechanize and modernize the telegraph and post office systems.

AUDIT REPORT 1963-64

(30) *Page 13, paragraph 9 Surrenders made in the absence of savings.*—The Committee enquired as to how a sum of Rs. 7,57,000 was surrendered, on the face of an excess of expenditure to the tune of Rs. 6,91,789 incurred during the year by the Pakistan Telephone and Telegraph Department. There were some other instances as well. The departmental representative explained that they had to intimate surrenders before the close of the financial year, and sometimes intimations regarding adjustments of book debits, etc., were not received in time. Hence the surrenders and excesses cannot always be co-related. The Committee still desired that steps should be taken to anticipate book adjustments as well and to retain provision in their funds for meeting likely book adjustments in respect of the commitment of the Departments made by them earlier.

(31) *Page 48, paragraph 75—Execution of works without calling for tenders in violation of the rules.*—In the case under report the departmental representative informed that the contracts were awarded without calling for tenders in accordance with the rules. It was explained that the previous contractor had absconded and only a small portion of the work remained to be done. Because calling of tenders would have resulted in delay in execution of the work and consequently loss to Government, the work was awarded to another party, but not at an enhanced rate. Therefore, the Government was not put to any loss. The Committee, however, desired that some uniform principles should be formulated for regulating such cases in future.

APPROPRIATION ACCOUNTS 1964-65
POST OFFICES, TELEGRAPHS AND TELEPHONES

(32) *Page 1, paragraph 1.*—In the budget of the Post Offices Department a profit of Rs. 93.98 lakhs was anticipated, whereas the accounts disclosed a loss of Rs. 19,32,000, the total of deficiency being of the order of Rs. 1,12,00,000. The departmental representative explained that they anticipated higher earnings due to the rise in the postal rates except for the postcards. An additional income of Rs. 50 lakhs was expected from the rise in the rates. It was, however, found that the sale of postcards far exceeded those of envelopes, from which a substantial income was expected, and it also resulted in the incurring of expenditure on the larger amount of printing of postcards. There was also an unforeseen adjustment to the tune of Rs. 81,00,000 from the Telephone and Telegraph Department. The departmental representative, however, assured the Committee that the position had improved in recent years, and they expected to have a more balanced and realistic budget in future.

(33) *Grant No. 33—Capital Outlay on Pakistan Post Office Department, 1964-65.*—When the Committee enquired about the savings of Rs. 14,00,000, the departmental representative mentioned that it was due to non-receipt of book debits before the end of the financial year. The Committee again desired that steps should be taken to avoid such heavy savings through keeping a watch over timely receipt and adjustment of book debits for which provision had been made.

AUDIT REPORT 1964-65

(34) *Demand No. 27—Telegraph and Telephone Department.*—The Committee noted that a supplementary grant of Rs. 3,00,000 was obtained which was found to be superfluous in the face of a saving of Rs. 2,52,654. It was explained by the departmental representative that the expenditure related to interest on debt, which was adjusted in accounts long after the expiry of the financial year and savings could not be anticipated.

(35) *Page 92, paragraph 92—Losses, defalcations of public money in posts, telegraph and telephone offices.*—The Committee invited the departmental representative to enlighten them on the present position of the case of defalcations under report. The departmental representative explained that the cases were still under investigation.

At the end, the Committee thanked and conveyed their satisfaction to the departmental representative that in such a big organization as the Ministry of Communications, handling substantial sums of money, the observance of financial rules was commendable, especially in the matter of utilization of funds appropriated by them.

The Committee adjourned at 2-30 p.m. to meet again on Monday, the 6th March, 1967.

**Proceedings of the Third Meeting of the Public Accounts Committee held on Monday,
the 6th March, 1967**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9-00 a.m. on 6th March, 1967.

Members present

1. Mr. Abdullah-al-Mahmood, M.N.A.
2. Mir Darya Khan Khoso, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
5. Mr. Mohammad Ashraf Raja, M.N.A.
6. Mr. Nural Hoda Choudhury, M.N.A.
7. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Departmental Representatives

1. Mr. Riazuddin Ahmad, C.S.P., Additional Secretary, Establishment Division.
2. Mr. M. Masood, C.S.P., Secretary, Central Public Service Commission.
3. Mr. Agha Abdul Hameed, S.Q.A., C.S.P., Cabinet Secretary.
4. Mr. Roedad Khan, T.Pk., C.S.P., Joint Secretary, States and Frontier Regions Division and Technological Research Division.

Mr. S. M. Rahman, S.K., Joint Secretary, National Assembly of Pakistan, attended.

2. Mr. Mohammad Haneef Khan, M.N.A. and Parliamentary Secretary proposed the name of Mr. Abdullah-al-Mahmood, M.N.A. to act as Chairman of the Committee. All the Members present unanimously supported.

3. Mir Darya Khan Khoso mentioned that the minutes of the meeting held on the previous days had not been circulated. It was decided that the same should be supplied to the Members soon after approval by the Chairman.

4. The Committee then took up the consideration of the accounts of the Establishment Division.

(1) *Grant No. 111—Establishment Division for 1962-63.*—The excess of Rs. 2,39,543 was explained by the departmental representative to have been resulted because of an incorrect adjustment of Rs. 1,96,000 by the Audit Office and a belated adjustment of Rs. 41,000 pertaining to previous years. The representative of the Audit Department accepted the incorrect adjustment of Rs. 1,96,000 and said that it had already been set right in subsequent accounts.

The Committee while realising all the difficulties faced by the Audit Department directed that in future the accounts offices should be more prompt and expeditious in the matter of adjustment of accounts and debits.

(2) *Sub-head A-4—Other Charges.*—The excess of Rs. 20,300 was attributed to belated adjustment of debit pertaining to telephone and trunk call charges. It was brought to the notice of the Committee that it was a general complaint that the departments do not receive telephone bills in time and the debits are raised by the Audit Offices without the knowledge of the Ministry. The Comptroller and Auditor-General of Pakistan informed the Committee that he had already taken note of this matter and had asked the Comptroller, Posts and Telegraphs to give him a note on the subject. The matter will be placed before the Committee later.

The Committee directed that the Ministries/Divisions/Departments should not leave it to the Telephone authorities to send the bills any time they liked. They should themselves call for the bills and ensure proper accounting in the year concerned so that the provision made for the purpose is fully utilized and excesses are not caused in a subsequent year.

(3) *Sub-head F—National Institute of Public Administration.*—Out of an excess of Rs. 71,527 under this sub-head a sum of Rs. 30,603 incurred on the NIPA cell in the Civil Service Academy could not be met by re-appropriation, as it was proposed to be met from U. S. aid which was not available in time and hence corresponding expenditure provision could not be made. The Committee was not satisfied with the explanation and enquired from the departmental representative, the *modus operandi* for securing the aid for financing the NIPA. The Committee was informed that the U. S. aid was no longer available and the entire expenditure on NIPA was met by the Government.

(4) *Grant No. III—Amount recoverable from Staff Mess Fund.*—The Committee enquired as to what the actual position in regard to the recovery of Rs. 6,000 was. It was informed that on reconsideration it had been decided not to recover the amount of Government contribution from the C.S.P. probationers. It is now a private fund and is administered by the probationers themselves.

(5) *Grant No. 13—Development Expenditure of Establishment Division, 1962-63.*—The Committee expressed its concern over the non-utilization of about Rs. 59,000 provided for grant of scholarships to children of non-gazetted Government servants. The Committee desired to know why appropriate action was not taken at the proper time to release the funds. The departmental representative gave an undertaking to make an enquiry and inform the Committee explaining the circumstances in which the funds remained unutilized.

(6) *Grants to Village Aid Academies.*—At the outset the Committee invited the departmental representative to explain the scheme of Academies for Village Aid Administration, their resources for meeting the expenditure other than from the Government grant, etc. The departmental representative explained that the expenditure on the Academies for V-AID is mostly met from Government resources although they also receive aid from certain foreign agencies, e.g., Ford Foundation. In the case of Village Aid Academy, Comilla, they have some area attached to it and therefore the institution sells its products. The income is not substantial but is properly accounted for. The Public Accounts Committee desired that direct financing of private institutions by foreign Governments should be examined to ensure that there was no direct dealing between a foreign Government and an autonomous organization and no strings, political or otherwise, were attached to such an aid.

(7) *Grant No. 114—Other Expenditure of Establishment Division.*—There is a small excess of Rs. 6,734 which is attributable to wrong classification. It was desired by the Committee that in future the controlling authority should be careful about such wrong classifications. Had the figures been reconciled in time the incorrect classification would have been detected and necessary corrections carried out.

APPROPRIATION ACCOUNTS 1963-64

(8) *Grant No. 111—Establishment Division.*—The Committee noted an excess of Rs. 11,198 under sub-head 'A-1 Pay of Officers' which was attributed to the demand of arrears of pay and another excess of Rs. 14,576 under sub-head 'A-4 Other Charges' due to more expenditure on telephones than anticipated. The Committee was not satisfied with the explanations and observed that the administrative Ministry should have anticipated their outstanding liabilities and made adequate provision. The Committee expressed the hope that this would be done in future and the Controlling authority could avoid its recurrence.

(9) *Sub-head B-4—Other Charges.*—The Committee observed that the saving of Rs. 25,903 due to non-receipt of book debit should have been taken into account by the controlling authority and it should have pressed for it in time to avoid the said saving. The departmental representative explained that they had taken necessary action to obtain the information which was not however available before the close of the financial year.

(10) *Appropriation Accounts, 1964-65—Grant No. 109—Establishment Division.*—The Committee enquired about the recovery of Rs. 10,50,000 under the sub-head 'G-National Institute of Public Administration' which had not been made. The departmental representative explained that the said sum was received by the Ministry of Finance for construction of buildings for NIPAs at Karachi, Lahore and Dacca. One of the NIPAs (at Karachi) is administered by the Centre and the other two NIPAs (at Dacca and Lahore) by the Provincial Governments. The shares of the Provincial NIPAs have been transferred to them. The amount reserved for the NIPA, Karachi, could not be transferred on account of difference of opinion in regard to the shifting of its headquarter to Islamabad. The matter has since been resolved and it has been decided to keep the NIPA at Karachi. The building is now under construction and the grant since released. The Committee was satisfied with the explanation.

(11) *Sub-head A-1—Pay of Officers.*—The Committee enquired as to why the excess of Rs. 11,310 could not be avoided by staggering payment. The excess was said to have been caused by payment of arrears of pay for five months on the last day of the financial year. The departmental representative explained that the arrears had been claimed earlier although payment was made by the Accounts Office on the last day of the financial year.

(12) *Grant No. 111—Development Expenditure of Establishment Division.*—The saving of Rs. 3,08,000 under the sub-head Grants-in-Aid to Academies for Rural Development was attributed to non-adjustment of debits in respect of the grant paid in 1964-65 to the Rural Academy at Comilla which had not been adjusted by the Audit Office. The Accountant-General concerned has already been asked by the Comptroller and Auditor-General to intimate the circumstances under which the debit was not raised. The Committee observed that the remarks made by them in this behalf in their earlier discussion would apply to this case as well. In regard to scholarships to children of non-gazetted Government servants, the Committee reiterated its earlier observation that some system should be devised to ensure that the scholarship money is released in time. The departmental representative explained that the scholarships were paid through the educational

institutions where the wards of the non-gazetted Government servants studied. They have however since changed the system and at present the students are paid through their parents rather than through the institutions. He, however, undertook to look into the matter further.

APPROPRIATION ACCOUNTS 1962-63

(13) *Central Public Service Commission.*—The Public Accounts Committee observed that for a small organization like the Central Public Service Commission the saving of Rs. 7,700 seems to be rather heavy. The departmental representative was invited to enlighten them as to how this had happened.

It was explained that certain posts had been sanctioned for the Lahore Centre of the Public Service Commission which could not be filled in time because no suitable candidate was available even from abroad.

APPROPRIATION ACCOUNTS 1963-64

(14) *Central Public Service Commission.*—The excess of Rs. 5,000 under the sub-head 'A—3 Allowances and Honoraria' was attributed to more than anticipated tours undertaken by the Commission in connection with examinations. The explanation furnished previously about more tours by the members of the Commission due for retirement was withdrawn. The Public Accounts Committee enquired whether it was not possible to call the candidates for the various posts and services at one time and examine them instead of going to a particular place again and again. The Secretary, Public Service Commission and the Cabinet Secretary explained that despite their efforts to combine these interviews it was not possible for them to do so and hence more than one visit to a particular place became necessary. The Committee accepted the explanation.

APPROPRIATION ACCOUNTS 1964-65

(15) *Central Public Service Commission.*—The departmental representative explained that the excess of Rs. 17,353 under this appropriation could not be regularised by the close of the financial year as information was received from the Pakistan High Commission in London after the close of the financial year. The Committee observed that the C.P.S.C. should have taken steps to get the information in time from abroad so that this excess did not occur.

The Committee thanked the Additional Secretary, Establishment Division and took up consideration of the Accounts of the Scientific and Technological Research Division.

(16) *Grant No. 95—Other Expenditure of Natural Resources Division, 1964-65—Atomic Energy Commission.*—The Committee noted that additional funds of Rs. 3 lakhs were obtained, and the entire amount proved unnecessary. It was explained by the departmental representative that sanctions to the release of funds were not issued, which resulted in the saving. This explanation was not considered satisfactory and the departmental representative was asked to go into the matter further and report.

(17) *Grant No. 101, Capital Outlay on Fuel and Power—A. Development of Atomic Energy.*—The Committee noted that there were excesses under sub-heads A. 1, A. 2(1) and A. 2(2) and a substantial excess under A. 2(3). The explanation furnished by the departmental representative was not clear. The Committee desired that clear and concise explanation should be furnished by the department instead of attaching copies of correspondence.

The Committee thanked the departmental representative and started examination of the accounts of the Cabinet Division.

APPROPRIATION ACCOUNTS 1962-63

(18) *Grant No. 110—Cabinet Division.*—The Committee observed that the original grant of Rs. 60,25,000 was sufficient to cover the actual expenditure of Rs. 56,26,000, and an unnecessary supplementary grant of Rs. 4,01,000 was obtained. The departmental representative explained that the savings under the sub-heads A. 1(4) and A. 2(4) had occurred due to non-adjustment of debits and non-materialisation of purchase of cars. The Committee, therefore, desired that they would like to take up this matter with the Industries Division when it appear before it in due course. The Committee also observed that in such a case the funds should not have been retained but surrendered in time.

(19) The Committee made a general remark that the Pakistan Missions abroad and other departments should be required to furnish periodical returns to those on whose behalf the expenditure is incurred. Where such returns are not received by the department concerned and they are aware that certain expenditure was incurred on their behalf, they should remind the Mission or the department concerned to expedite the information.

(20) *Appropriation—Cabinet (Charged).*—The Committee noted that a surrender of Rs. 1,90,000 was made while there was an excess of Rs. 1,31,000, thus making the surrender unnecessary. The departmental representative explained that the main excess was under the sub-head 'A. 3—Tour Expenses', which was due to adjustment of debits on account of charges for railway saloons used by the Ministers, and the details of the actual expenditure on this account came to their notice after the funds had been surrendered. The Committee desired that the Cabinet Division should take steps to prevent such occurrences. The question of the decentralization of the Grant to facilitate proper maintenance of accounts was considered, and on the explanation of the departmental representative, the suggestion was dropped.

(21) The departmental representative further explained that now they have devised means to get the necessary information in time from the Ministries and Divisions but the position in regard to the expenditure on the maintenance and haulage of railway saloons was still unsatisfactory. The Committee desired that the Cabinet Division should take up the matter with the railways concerned to resolve it.

(22) The Committee further desired to be enlightened in regard to the purpose of the discretionary grants of the Ministers. It was explained that the grant was intended for making non-recurring donations to schools, dispensaries, institutions, indigent persons, charitable institutions, etc., engaged in public or social sphere. The Committee accepted the explanation.

APPROPRIATION ACCOUNTS 1963-64

(23) *Grant No. 110—Cabinet Division.*—The Committee observed that the supplementary grant of Rs. 5,42,000 was partially unnecessary in the face of a saving of Rs. 2,12,000 which occurred under the grant. The Committee also noted that the saving under the sub-head 'A. 2(4) Other Charges—Central Pool of Cars' was also due to the non-receipt of debits from the DGIP&S. In this behalf the Committee referred to its earlier remarks for taking up the matter with the representative of the Industries Division when he appears before it.

(24) The excess of Rs. 61,104 under the sub-head 'A. 1(4)—Other Charges', was attributed to the payment of cost of motor-cycle received during 1962-63. The Committee expressed its surprise that for the stores purchased in 1961-62 the debits were received in 1963-64. The Committee reiterated its earlier remarks

that the Ministries/Divisions should be advised to furnish information about the services rendered to other departments at the proper time, say, within a couple of months of the supply of stores of the rendering of services.

(25) *Appropriation Cabinet (Charged)*.—The Committee noted that the final appropriation of Rs. 3,30,000 under the sub-head 'A. 3—Tour Expenses', was exceeded by Rs. 3,36,000. It was again explained to the Committee that the excess was due to belated adjustment of debits for depreciation charges and annual recurring charges of the railway saloons of Ministers. These debits related to previous years. The Committee desired that a formula should be devised by the Cabinet Division, the Ministry of Finance and others concerned, to ensure that the railways submitted their claims in time and payments were made promptly in future. It also desired that the Comptroller and Auditor-General should look into the matter and in cases where circumstances are not unavoidable, responsibility be fixed and action taken against the official responsible for delay.

(26) *Grant No. 108—Cabinet Division, 1964-65*.—The Committee viewed with disfavour that while a supplementary grant of Rs. 16,62,000 was obtained and a surrender of Rs. 1,81,359 made, the actual expenditure exceeded the final grant by Rs. 2,89,205. The Committee accepted the justification for incurring the expenditure, but the departmental representative was asked to ensure that in future such excesses and savings were co-related before making surrenders. They felt that some of the excesses could have been foreseen. The Committee thanked the Secretary, Cabinet Division and then started examination of the accounts of the States and Frontier Regions Division.

APPROPRIATION ACCOUNTS 1962-63

(27) *Grant No. 17—States and Frontier Regions Division*.—The Committee observed that the surrender of Rs. 1,19,000 was unnecessary in view of the excess of Rs. 2,57,729. The departmental representative explained that the confusion was due to mis-classification of Rs. 2,77,000 which pertained to Grant No. 118, Frontier Regions. The Committee observed that had reconciliation been done in time, this error would have been detected and rectified before finalization of accounts.

(28) *Grant No. 118—Frontier Regions (Account 1, Frontier Watch and Ward)*.—The Committee enquired about the huge excess of more than Rs. 6,00,000 under sub-head 'B-Buildings and Communications'. It was enquired whether the expenditure in question could not be anticipated, so that the excess had been avoided. The departmental representative explained that a dispute between the Central and Provincial Governments about the rate of maintenance charges has been existing for a number of years. The Central Government made provision for payment of maintenance charge at the rate of 1.5 per cent, while the Provincial Government demanded and actually received, the charges at 4 per cent, as is being done in the case of their own buildings. At present the Central Government has no option but to pay them at 4 per cent. He, however, assured the Committee that he would soon discuss this matter with the Chief Engineer, Provincial PWD, and resolve this long-existing dispute.

(29) *Grant No. 118—Frontier Regions—Recoveries, South Waziristan Scouts*.—The Committee desired to know the reason for the short recovery of Rs. 5,63,247 from the Provincial Government. The departmental representative explained that the dispute about the proportionate recovery has since been resolved and the amount due has been more or less recovered.

(30) *Privy Purses (Charged)*.—The Committee enquired whether the amount of Privy Purses was fixed and, if so, the excess of Rs. 6,98,395 needed an explanation. It was mentioned that, although the amount of Privy Purses was fixed, yet sometimes debits were raised at a later stage, and the excess was the result of belated debits for previous years.

(31) *Grant No. 119 : Development Expenditure of States and Frontier Regions Division—Account 1, Frontier Watch and Ward; Account 2, Other Charges*.—The Committee again expressed its concern over the non-utilization of funds intended for development purposes. The departmental representative, however, explained the conditions in Frontier Regions from those prevailing in settled areas. There are insurmountable difficulties in most of these areas. The rights and privileges of the local people have to be considered, and the agreements made with them to employ them, provide them labour and employ them as contractors. Sometimes the jobs remained unfinished leading to savings. The Committee accepted the explanation for the saving.

(32) *Grant No. 120 : Other Expenditure of States and Frontier Regions Division*.—The departmental representative pointed out that, according to their figures, there was a minor excess of Rs. 141 only. However, the difference between the departmental and the audit figures could not be reconciled. The Committee reiterated its earlier observation that appropriate action should be taken for periodical reconciliation of accounts to avoid the recurrence of such differences.

APPROPRIATION ACCOUNTS 1963-64

(33) *States and Frontier Regions Division Paragraph 113 of the Audit Report*.—In regard to the recovery of Rs. 12,939 for the period from 1-6-1961 to 31-10-1962 the departmental authorities were asked to recover the money as early as possible and credit the same into Government treasury. The departmental representative explained that action was taken by them in 1964 when the matter was brought to their notice. The Committee desired that action should be expedited and the matter resolved as early as possible and the progress made should be reported.

APPROPRIATION ACCOUNTS 1963-64

(34) *Grant No. 119 : Frontier Regions—Account 1, Frontier Watch and Ward*.—The excess of Rs. 70,27,456 was explained by the departmental representative to be on account of payment of Rs. 60,00,000 due to arrears as a result of revision of scales of pay. The sanction was received towards the close of the financial year when additional funds could not be obtained. The Committee observed that the controlling authority should have taken into account the additional expenditure and asked for additional funds at the proper time. The practice of paying such huge amounts towards the close of the financial year without ascertaining the availability of funds was looked upon with disfavour.

(35) *Grant No. 119 : Frontier Regions, Account No. 1—Frontier Watch and Ward—Recoveries*. The Committee again noted the short realization of the amount recoverable from the Provincial Government on account of Scouts and Levies. The departmental representative explained that the procedure for making recoveries from the Provincial Government has since been finalized, on the basis of 60 per cent by the Centre and 40 per cent by the Provinces, and recoveries are now being effected accordingly. This will be reflected in the future accounts.

(36) *Grant No. 120: Development Expenditure of States and Frontier Regions Division*.—The Committee noted with dissatisfaction that as in the previous

year, the actual development expenditure of the Frontier Regions was much less than the budget provision. It amounts to about Rs. 9 lakhs against the budgeted provision of Rs. 22.19 lakhs. The departmental representative explained that the system had since been streamlined; a Committee had been set up and the powers of the administrative departments of the Provincial Government are now exercised by the Commissioners. The development plans will also be locally prepared and the Committee will be charged with the responsibility of granting administrative approval. He hoped that in view of these measures the spending capacity will improve, and the provision made was expected to be fully utilized in future.

APPROPRIATION ACCOUNTS 1964-65

(37) *Audit Report, paragraph 12, States and Frontier Regions Division.*—The Committee pointed out that it was highly irregular to incur expenditure of Rs. 33,795 in 1961-62, and to postpone its adjustment to the accounts of the next year. It was a case of disregard of the rules. The departmental representative assured the Committee that the attention of the authorities concerned had been invited to the rules on the subject, and an assurance received for their observance in future.

(38) *Paragraph 13 of Audit Report.*—The Committee viewed with disfavour the loss of Rs. 1,38,945 due to defective award of ration contracts. The departmental representative assured the Committee that in the light of the remarks made by the audit and the experience gained by them, a better system would be evolved which will be satisfactory and in accordance with the rules.

(39) *Paragraph 14, page 58 of Audit Report.*—The explanation of the departmental representative in regard to irregular expenditure of Rs. 65,028 on the transportation of rations issued on payment basis was accepted by the Committee. It however desired that the expenditure should be regularized through issue of proper sanction.

(40) *Paragraph 15 of Audit Report.*—In regard to the non-recovery of carriage charges from a contractor, amounting to Rs. 13,688, the departmental representative explained that a court of enquiry was instituted, and it made its report after two years. The Committee desired that the action taken should be reported at the next meeting.

(41) *Paragraph 16 of Audit Report.*—The Committee desired that further progress in regard to recovery of the loss of Rs. 1,652 from the contractor should be reported to the Committee. The Committee felt that the facts were not conclusive. Fuller details of all the facts should be supplied at the next meeting of the Committee.

(42) *Paragraph 17, overpayment to a ration contractor.*—The Committee enquired whether the contractor whose stock had to be paid for at the market rate had actually obtained the stock at the market rate, and not at the controlled rate. The departmental representative stated that they had ascertained that it was purchased at the market rate, and the contractor had to be reimbursed at that rate.

(43) The Committee directed that Ministries and Departments should give the required information well in advance, so that it could be incorporated in the Audit Reports and such trivial matters might not come before the Committee.

APPROPRIATION ACCOUNTS 1964-65

(44) *Grant No. 118: Development Expenditure of States and Frontier Regions Division.*—The Committee again expressed its concern over a huge saving of more than Rs. 19 lakhs in development expenditure. In view, however, of the explanation of the departmental representative that the system for sanctioning development schemes had since been streamlined, they expressed the hope that such large savings would not accrue in future. They emphasized, however, the need for timely reconciliation of the departmental figures with those of the audit office and of the timely surrender of savings, if any.

(45) The Committee considered the request of the Ministry of Home Affairs, conveying the inability of the Secretary to appear before the Committee in the afternoon of 6th March. It was decided that the accounts of the Home Affairs Division be taken up first on the 7th March, 1967.

(46) The Committee thanked the departmental representative and then adjourned to meet again at 9 a.m. on Tuesday, the 7th March, 1967.



**Proceedings of the Fourth Meeting of the Public Accounts Committee
held on Tuesday, the 7th March, 1967.**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9.00 a. m. on 7th March, 1967.

Members present

1. Mr. Abdullah-al-Mahmood, M.N.A.
2. Mir. Darya Khan Khoso, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Mr. Nural Hoda Choudhury, M.N.A.
5. Mr. Mohammad Ashraf Raja, M.N.A.
6. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
7. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Faza, S. Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Departmental Representatives

1. Mr. A. B. Awan, S. Pk., PSP., Secretary, Ministry of Home and Kashmir Affairs.
2. Mr. Vaqar Ahmed, SQA., P.A. & A. S., Secretary, Ministry of Commerce.
3. Mr. Zahiruddin Ahmed, SQA., Managing Director, Pakistan Insurance Corporation.
4. Mr. M. L. Rahman, T. Pk., Member, Jute Board.

Mr. S. M. Rahman, S. K., Joint Secretary, National Assembly of Pakistan, attended.

2. Mr. Mohammad Ashraf Raja proposed the name of Mr. Abdullah-al-Mahmood to act as Chairman. Mr. Nural Hoda Choudhury seconded the proposal.

3. The Chairman mentioned that a communication had been received from the Government of East Pakistan to the effect that Mr. Mizanur Rahman Choudhury, MNA., a member of the Public Accounts Committee, would be unable to attend the meetings of the Committee.

4. The Committee then took up the examination of the Appropriation Accounts of the *Home Affairs Division*.

APPROPRIATION ACCOUNTS 1962-63

(1) *Grant No. 83 : Home Affairs.*— (i) The Committee noted that the original grant was Rs. 16,09,000; a supplementary grant of Rs. 2,62,000 was obtained, and a sum of Rs. 10,000 was surrendered, leaving a modified grant of Rs. 18,61,000 against an actual expenditure of Rs. 17,53,000 and resulting in a net saving of Rs. 1,18,000. It was observed that excessive supplementary grant was obtained. It was explained that, out of the saving of Rs. 1,18,000 including

the surrendered amount a sum of Rs. 58,000 remained unutilized due to non-receipt of debits on account of barbed wire fencing and non-execution of work by the Pak. PWD and that the Ministry had incorrectly made the provision for this expenditure under its Grant. The expenditure related to Civil Works and was met from the grant of the PWD.

(ii) The Committee was of the view that, as the provision was made in the grant of the Home Affairs Division, they were responsible for its operation, and desired that an enquiry should be made as to how this wrong provision was made and a report made at the next meeting.

(2) *Grant No. 84 : Passport Organization.*—(i) The original grant of Rs. 17,54,000 was supplemented by a sum of Rs. 29,000. Subsequently a surrender of Rs. 1,65,000 was made, thus leading to an excess expenditure of Rs. 95,000. The departmental representative explained that, as the process of centralization of the Passport Organization could not be completed during the year, it resulted in the surrender of Rs. 1,65,000. Inexperience of the staff in the Central Office, the hiring of buildings etc. in certain places had led to defective budgeting and deficient control of expenditure. The Committee was assured that, in view of the experience since gained, such things will not recur. The Committee recommended that instructions should be issued to all concerned.

(ii) The Committee also desired that details of the expenditure under sub-head 'A. 4-Other Charges' should be made available during the next session of the Committee.

(3) *Grant No. 85 : Police.*—The Committee noted that against the estimated recovery of Rs. 3,49,000 a sum of Rs. 3 lakhs was recovered and wanted to know the reasons for the short recovery of Rs. 49,000. The departmental representative explained that they estimated the recovery on the basis of the police force placed at the disposal of the State Bank of Pakistan. The amount is not paid to them during the same year, and protracted correspondence takes place between the Special Police Establishment and the State Bank of Pakistan in regard to the details of staff, etc. The Committee was not satisfied with the existing state of affairs, and recommended that payment should be made by the State Bank of Pakistan to the Special Police Establishment on the basis of figures of departmental expenditure for the first three quarters, and for the last quarter this would be subject to acceptance by the State Bank and audited actuals and the payment can be made in the following year. The departmental representative stated that the previous accounts had been settled but for future he undertook to draw up a procedure for payment in accordance with the recommendations of the Committee.

(4) *Grant No. 86 : Civil Defence.*—Noting that from the original grant of Rs. 4,28,000 an amount of Rs. 1,57,000 was surrendered the Committee observed that it was another case of excessive budgeting and heavy surrender. They desired to know the reasons for obtaining an excessive grant and then for surrendering more than 30 per cent of it. The departmental representative attributed it to the reorganization of the civil defence organization and undertook to furnish fuller explanation at the next meeting.

(5) *Grant No. 87 : Other Expenditure of Home Affairs Division.*—The Committee noted that the original grant was Rs. 15,84,000, a supplementary grant of Rs. 2,82,000 was obtained, and a surrender of Rs. 3,18,000 made; but still there was a saving of Rs. 1,45,000. The Committee enquired why a supplementary grant was obtained when surrender of a higher amount was made, and why, despite this heavy surrender, there was still a saving of Rs. 1,45,000. It was explained by the departmental representative that the supplementary grant

was obtained to meet the charges of the Controller of Printing and Stationery and to pay to the Provincial Government. As, however, necessary book debits were not received in time, the amount in question was surrendered. The Committee enquired as to whether any steps were taken to obtain the bills from the Controller of Printing & Stationery and the Provincial Government. It was observed that there was a tendency to shift the responsibility for not sending the debits/bills in time on other organizations without substantiating it by quoting or producing the correspondence on the subject. The Committee desired that in future the departments blaming other departments or the provinces for the non-utilization of funds should quote and produce copies of such correspondence.

(6) *Audit Report, 1963-64.*—Paragraphs 30 and 31—The Committee was informed that the paragraphs related to the Karachi Administration which now formed part of the Provincial Government. Therefore, it would be better if these paragraphs are reported to the Provincial Public Accounts Committee for consideration.

APPROPRIATION ACCOUNTS 1963-64

(7) *Grant No. 75 : Home Affairs Division.*—The Committee noted that the original grant was Rs. 20,01,000, an amount of Rs. 32,000 was surrendered, bringing the modified grant to Rs. 19,69,000, while the actual expenditure amounted to Rs. 18,33,000, resulting in a saving of Rs. 1,36,000. The departmental representative explained that the saving was due to non-receipt of debits in respect of :—

- (a) telephone bills ;
- (b) contribution to CENTO ;
- (c) TA of an officer of East Pakistan Government to attend Inter-Ministerial Conference on Minorities held in New Delhi ; and
- (d) incorrect provision for public works expenditure. The Committee reiterated its earlier recommendation that in such cases copies of correspondence asking for book debits, etc., should be supplied to the Committee.

(8) *Grant No. 76 : Passport Organization.*—The Committee again noted that the original grant was Rs. 16,08,000, of which a sum of Rs. 71,000 was surrendered, bringing the modified grant to Rs. 15.37 lakhs, while the actual expenditure exceeded the modified grant by Rs. 92,000. The Committee observed that the surrender was unnecessary, and showed lack of financial control. It was desired that in future better control should be exercised.

(9) *Grant No. 77 : Police.*—(i) The Committee noted that the original grant was Rs. 4,13,35,000, a supplementary grant of Rs. 6,000 was obtained, and a sum of Rs. 52,86,000 surrendered, but even then there was a saving of Rs. 98,00,000. The Committee observed that the original grant was pitched too high, and an unnecessary supplementary grant was obtained. It was explained to the Committee that there was a difference of opinion between the Central and the Provincial Governments regarding the payment of Rs. 1,15,00,000 on account of border police and contribution by the former State of Bahawalpur regarding defence although the basis of payment for the future has been settled at 60 : 40 basis, the dispute regarding defence contribution has not yet been resolved. The departmental representative undertook to look into the matter further and report to the Committee.

(ii) The Committee expressed the view that the original grant was unduly heavy, and in future the budget should be more realistic.

APPROPRIATION ACCOUNTS 1964-65

(10) *Grant No. 79 : Police.*—(i) The Committee noted that the original grant was Rs. 2,93,49,000, and a sum of Rs. 20,99,000 was surrendered, bringing it down to Rs. 2,72,50,000. Actually there was an expenditure of Rs. 2,82,15,000, resulting in an excess of Rs. 9,65,000. The departmental representative explained that after the surrender was made, an amount of Rs. 11,00,000 was adjusted against the sub-head 'B' without the knowledge of the Ministry.

The Comptroller and Auditor-General undertook to look into the matter and report the correct position to the Committee.

(11) *Recovery.*—The observations already made by the Committee in regard to the recovery from the State Bank of Pakistan will also apply to 1964-65 Accounts.

(12) *Grant No. 81 : Other Expenditure of Home Affairs Division.*—(i) The Committee noted that the original grant was Rs. 7,16,000, of which a sum of Rs. 65,000 was surrendered, but still the year closed with a saving of Rs. 1,40,000, and observed that this grant had been continuously closing with savings during the last three years. It was explained to the Committee that the saving was mainly due to non-adjustment of debits on account of travelling allowance to officers of the East Pakistan Government on their appointment in the Census Department and non-receipt of book debits from the Controller of Printing & Stationery.

(ii) The Committee observed that heavy savings on account of non-adjustment of book debits were a recurring feature and directed that specific action should be taken to obtain and adjust the debits in time, so that savings may not recur from year to year.

The Committee thanked the Secretary, Home and Kashmir Affairs and then took up the accounts of the Ministry of Commerce.

PAKISTAN INSURANCE CORPORATION

(13) *Commercial Accounts, 1962-63.*—From the Commercial Accounts pertaining to 1962-63 the Committee noted that there had been substantial progress in the business of the Pakistan Insurance Corporation. The Chairman of the Corporation explained the working and salient features of the National Co-Insurance Scheme and the Export Credit Guarantee Scheme. The Committee was informed that the Export Credit Scheme, as its name implied, was a promotional scheme, not designed to earn profits but to help the small exporters in particular. The Managing Director assured the Committee that with the gaining of experience, the scheme is reviewed from time to time, and the compulsory coverage under the Export Scheme as recommended by the Committee during the course of discussion will be kept in view.

(14) *Paragraph 14, Page 697, Loans to occupants of building.*—The Committee noted that loans worth Rs. 1,26,344 were advanced to the occupants for vacating the Pakistan Insurance Corporation building on their personal security and surety, and that large amounts of recoveries were still outstanding while the prospects of realizing a portion of the outstanding loans were thin. The Committee directed that action to recover the outstanding loans should be expedited and the progress made reported to the Committee.

COMMERCIAL ACCOUNTS 1963-64

(15) *Para 6 (Page 163), Unpaid Dividends and Bonus.*—The Committee noted that dividend and bonus amounting to Rs. 3,411 for the years 1957 to 1961 remained unpaid. It was explained that a sum of Rs. 1,233 had since been paid. The Committee directed that further efforts should be made to trace the beneficiaries and make the payment of the balance.

COMMERCIAL ACCOUNTS 1964-65

(16) *Paragraph 10 (Page 229), Reserve for Taxation.*—The Committee noted that for the last five years no assessment of the final tax liability of the Pakistan Insurance Corporation was made and that a balance of Rs. 9 lakhs appeared in the balance-sheet of the Corporation. The Committee directed that when the representative of the Central Board of Revenue appears before the Committee, he should be asked to explain why this was so.

(17) *Paragraph 11 (Page 229) Debts—Reserve for Bad and Doubtful Debts.*—The Committee directed that, in view of the fact that only a very insignificant amount had been recovered from the ex-occupants of the PIC building against the loan of Rs. 1,28,000 which remained overdue since long, additional suitable reserve may be kept to cover the contingent liability of the Corporation.

(18) *Paragraph 14 (Page 231)—Declaration of Exports.*—The Committee noted that, as required under the rules of the Export Credit Guarantee Scheme some of the exporters were not regularly submitting month-wise declaration of exports. The Managing Director assured the Committee that there were some cases of default, but in the interest of the Scheme, they have not taken resort to the action provided under law, as such a measure would detract from the popularity of the scheme. They will, however, keep the observations of the auditors in view for enforcement when the situation so warranted.

(19) *Paragraph 15 (Page 232)—Commission payable Rs. 154.*—The Committee noted that approval of the Government for the appointment of canvassers was not necessary.

JUTE BOARD

COMMERCIAL ACCOUNTS 1962-63

(20) *Para. 263 (Page 213)—Profit or loss.*—The Committee noted that the Board incurred a loss of Rs. 37,353 in 1960-61, while it earned a profit of Rs. 1,19,995 in 1959-60. It was explained to the Committee that, of the said loss, a sum of Rs. 6,59,785 represented interest on capital and the rest was due to payment of audit charges and the administrative expenses. The Committee enquired about the reason for heavy administrative expenses and why the interest was not adjusted in the accounts of the respective year. The Member, Jute Board, admitted that the interest should have been paid in the respective year, but now as the payment had already been made, and the accounts settled, no further action was considered necessary.

(21) *Paragraph 266 (Page 213)—Defalcations.*—(i) The Committee enquired from the departmental representative the circumstances leading to the misappropriation of Rs. 8,51,000 and the measures taken to effect the recovery. The departmental representative explained that an ex-cashier of the Jute Board was responsible for the misappropriation of Rs. 8,51,000. As soon as the defalcation came to the notice of the Board, legal action was taken and a total fine of Rs. 8,59,000 was imposed on him. The property belonging to the convicted person was confiscated

and receivers appointed for collecting the money from the cinema and house rent. A sum of Rs. 31,000 has been recovered. Subsequently, learning that the receivers were the men of the convicted cashier, they were removed. They have now appealed against the order of the District Judge. The case is pending in the High Court.

(ii) The Committee directed that the result of further action should be reported at the next meeting. It also added that effective and stringent measures should be adopted to guard against the misappropriation of Government money, by demanding security of a reasonable amount commensurate with the cash etc. handled by the person concerned.

(22) *Paragraph 269 (Page 213)—Sundry Debtors.*—(i) The Committee noted that a sum of Rs. 1,23,63,133 was outstanding against sundry debtors on 30th June, 1962 and desired to know why this amount was not being realized. The departmental representative explained that the number of debtors against whom the total sum is outstanding is 112. Civil suits were pending against 38 debtors and since in double-lock cases the Court had ruled that the Agents were not responsible, collection seemed unlikely in such cases, which numbered 50.

(ii) The Committee was dissatisfied with the state of affairs as reported to them and directed that vigorous effort should be made to realize Government dues as early as possible and the matter be reported at the next session.

(iii) The Committee also noted that a sum of over rupees four lakhs was due from M/s. M. M. Ispahani Ltd., Calcutta, arising out of a barter deal agreement of 1950-51, and enquired whether Mr. Ispahani was in Pakistan. The departmental representative replied in the affirmative but that the company concerned is incorporated in Calcutta. The question as to what action could be taken against him in the present circumstances was under reference to the Legal Adviser, Jute Board. The Committee recommended that the Ministry of Commerce should consult the Ministry of Law in this case.

(iv) The Committee also enquired about the working of the Jute Board, and whether it did any trading itself. The departmental representative explained that initially it was set up to give support to jute prices, and that as and when the prices went down, the Jute Board entered the market and made purchases. In doing so it had to sustain a loss of about rupees nine crores. Its main function is, however, not trading in jute, but to deal with jute problems on the spot, to keep the Central Government informed about what is happening from day to day because, jute being the main foreign exchange earner, Government could not afford to take any risk in respect of this valuable commodity.

(v) The Committee admitted that there was no denying the fact that the Jute Board was absolutely necessary, but observed that ways and means should be devised to keep the losses at the lowest ebb. The Committee further directed that the Ministry should see whether the losses could not be curtailed and administrative expenses reduced. It recommended that action should be taken to see that recoveries of outstanding dues were effected and results reported to the Committee at its next session.

APPROPRIATION ACCOUNTS 1962-63

(23) *Grant No. 21—Ministry of Commerce.*—The Committee noted that the original grant was Rs. 76,24,000; a supplementary grant of Rs. 1,09,000 was obtained, raising the total to Rs. 77,33,000, and after the surrender of Rs. 28,000, it was reduced to Rs. 77,05,000. Actual expenditure was Rs. 78,77,000 resulting in an excess of Rs. 1,72,000. The departmental representative explained that

the excess had resulted mainly due to the debit of expenditure to the extent of Rs. 2,41,000 incurred by the Trade Offices abroad. But for this erroneous debiting, there would have been a saving of Rs. 68,000. It was also pointed out that the Ministry of Commerce should not ask the AGPR to send the details of expenditure in question to the Ministry in the proforma proposed to enable it to reconcile the accounts, but should regularly obtain required information each month from the Trade Offices and follow the normal procedure of sending the departmental representative to the AGPR's office for reconciliation of accounts. The departmental representative accepted the position and agreed to direct the Trade Offices abroad to furnish the required statements to the Ministry.

AUDIT REPORT 1963-64

(24) *Paragraph 58 (Page 42)—Non-recovery of Government dues.*—The Committee directed that the case of non-recovery of water and heating charges from certain officers and staff of the trade office at Montreal should be settled and reported to the Committee. It was also directed that the Ministry of Commerce, the Ministry of Finance and the Ministry of Foreign Affairs should settle among themselves whether any amount was due from the officer or officers concerned and make a report to the Committee at its next meeting.

APPROPRIATION ACCOUNTS 1964-65

(25) *Grant No. 20 : Ministry of Commerce.*—(i) The Committee noted with dissatisfaction that there was an excess expenditure under almost all the heads. They expressed the hope that more care would be exercised in future in incurring the expenditure.

(ii) The Committee further directed that details of expenditure in regard to sub-heads A. 4, C. 4 and E. 4 (other Charges) should be furnished at the next meeting of the Committee.

(26) *Grant No. 59—Miscellaneous Capital Investment.*—The Committee noted that the Ministry of Commerce obtained a supplementary grant of Rs. 25 lakhs for investment in the Export Credit Guarantee Scheme, which remained unspent, and invited the departmental representative to explain the circumstances under which the funds could not be utilized. The Committee was given an assurance that necessary details would be given at the next session of the Committee.

5. The Committee directed that a fresh programme of the Public Accounts Committee be drawn up so as to enable it to adjourn on the 9th March, 1967, and re-assemble on the 10th April, 1967. The Ministries/Departments affected by the revision of programme were to be informed immediately.

The Committee thanked the Secretary, Ministry of Commerce and then adjourned to re-assemble at 4-30 p.m.

Proceedings of the Fifth Meeting of the Public Accounts Committee held on Tuesday, the 7th March, 1967

The Public Accounts Committee met in the Ayub Hall, Rawalpindi, at 4-30 p.m. on the 7th March, 1967.

Members present

1. Mr. Abdullah-al-Mahmood, M.N.A.
2. Mr. Mobarak Ali, M.N.A.
3. Mr. Nural Hoda Choudhury, M.N.A.
4. Mr. Mohammad Ashraf Raja, M.N.A.
5. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
6. Mir Darya Khan Khoso, M.N.A.
7. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S. Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Departmental Representative

Brig. M. S. Haque, S.Q.A., Director-General, Health & *ex-officio* Joint Secretary.

Mr. S. M. Rahman, S.K., Joint Secretary, National Assembly of Pakistan attended.

APPROPRIATION ACCOUNTS 1962-63

Grant No. 74 : Health Division.—The Committee noted that under this grant there was an excess of Rs. 27,000 due to the payment of arrears of pay at the fag end of the financial year. The Committee desired that the said expenditure should have been foreseen and provision made for it.

(2) *Grant No. 75 : Medical Services.*—(i) The Committee noted that from a grant of Rs. 1,32,55,000 a sum of Rs. 11,30,000 was surrendered. The actual expenditure was, however, Rs. 89,86,000 leading to a saving of Rs. 31,39,000. The Committee observed that excessive funds were obtained in the first instance and despite a heavy surrender substantial savings still occurred. The Committee thought that the budget had not been properly prepared.

(ii) The Director General Health, explained that they had not received the bills for the drugs and other materials supplied by the Medical Store Depots. For future they had already taken up the matter with the Ministry of Finance in connection with the streamlining of the procedure for purchase of drugs so as to guard against the lapse of funds in future. The Comptroller and Auditor-General remarked that since the Medical Depots were under the Provincial jurisdiction, they would ask the Provincial Public Accounts Committee to enquire from the Medical Depots authorities. After hearing the departmental representative, the Committee remarked that the state of affairs as explained to them was unsatisfactory, and that the Health Division had been making provisions and obtaining grants which were not fully utilized. The departmental representative was directed to take effective steps to ensure that the debits and the bills were received in time from the Medical Store Depots. For the previous debits the Director General Health was directed to press the matter and settle the accounts.

(3) *Grant No. 76 : Public Health.*—The Public Accounts Committee expressed its dissatisfaction with the heavy saving and the explanation that book debits had not been received from the Medical Store Depots or that the figures intimated by the Accounts Office were not accepted by the Division or that the bills were not accepted by the Audit Office. The Committee directed that the Health Division should exercise more closer financial control over its subordinate offices and periodical re-conciliation should be done to avoid difference in the departmental and the Audit figures.

(4) *Grant No. 77 Development Expenditure of Health Division.*—The Committee noted that the original grant was Rs. 41,00,000 a surrender of Rs. 5,00,000 was made, while the expenditure was only Rs. 18,00,000 leaving a saving of about Rs. 18,00,000. The Committee observed that it was again a case of excessive budgeting and insufficient surrender. The departmental representative explained that substantial saving occurred on account of non-completion of buildings by the Pak. P.W.D. due to which they could not procure equipment or employ staff. This, however, accounted for the surrender of Rs. 5,00,000 only. The Committee directed that in future better control should be exercised and the debits obtained from the organisations concerned, where the building is not expected to be completed or the equipment received in time, the Division should surrender the savings instead of tying up the funds until the end of the year.

(5) *Grant No. 82 : Capital Outlay on Medical Stores.*—The Committee noted that from the original grant of Rs. 3,05,00,000 a sum of Rs. 1,99,00,000 was surrendered leaving a balance of Rs. 1,06,00,000. The actual expenditure was, however, to the tune of Rs. 1,09,00,000. The Committee enquired as to why a very high amount, namely, about Rs. 2 crores was surrendered. The departmental representative explained that the surrender was due to circumstances beyond their control, namely, the Medical Stores Depots were transferred to the Provincial Government. The Committee accepted the explanation.

APPROPRIATION ACCOUNTS 1963-64

(6) *Grant No. 67—Medical Services.*—(i) The original grant was Rs. 1,37,00,000 of which a sum of Rs. 6,96,000 was surrendered. The actual expenditure was, however, Rs. 1,09,00,000. The Committee observed that heavy savings were a regular feature of the Health Division. The departmental representative explained that the heavy saving of Rs. 28,00,000 was due to non-receipt of debits from other departments. The Committee observed that their earlier observations in regard to obtaining debits from the respective departments would apply in this case as well.

(ii) The Public Accounts Committee noted that the Jinnah Post-Graduate Medical Centre was exempted from preparing the accounts up to 1954-55. The subsequent accounts were required to be prepared in a proforma drawn up in consultation with the Audit Office but the accounts had not been prepared according to the agreed form. The Director-General, Health explained that it was possible to prepare the accounts on quantity basis but not according to value. The Committee directed that the matter should be further examined, the accounts prepared according to the agreement and the progress reported at the next meeting of the Committee.

(7) *Grant No. 69 : Development Expenditure of Health Division.*—The Committee noted that a very heavy grant was obtained but about 60 per cent of it was surrendered. Even under sub-heads, such as Pay of Officers and Establishment there were very heavy surrenders which could not be attributed, as in other cases, to non-receipt of bills or book debits, etc. The Committee observed that contingencies such as non-utilization of the pay of officers and staff could have

been foreseen. Budgeting being a continuous process needed a very wise anticipation of expenditure and savings. With a little more application to the preparation of Budget a realistic anticipation of expenditure should be possible. The department was asked to prepare a more realistic budget in future.

(8) *Grant No. 74 : Capital Outlay on Medical Stores.*—The Committee again observed that from the original grant of Rs. 1,13,00,000 a sum of Rs. 70,00,000 was surrendered. It was explained to the Committee by the departmental representative that the amount surrendered was intended for the purchase of *penicillin*. As the factory supplying penicillin was transferred to WPIDC, the Medical Depots which are under the Provincial Government were advised to obtain their requirements direct from the Daudkhel Factory. The Committee accepted the explanation.

APPROPRIATION ACCOUNTS 1964-65

(9) *Grant No. 68 : Health Division.*—The Committee noted that from the original grant of Rs. 29,52,000 a sum of Rs. 2,95,000 was surrendered which resulted in an excess expenditure of Rs. 51,000. The Committee was unhappy about the excessive surrender. It directed the departmental representative to explain the matter fully and furnish a report at the next meeting.

(10) *Grant No. 69 : Medical Services.*—The Committee observed that there would have been an excess of Rs. 7,36,000 which as a result of a surrender of Rs. 3,40,000 was raised to Rs. 10,76,000. The Committee felt that in view of the excess, the surrender was superfluous. The departmental representative attributed the excess to the payment of railway freight on stores received late and the customs duty thereon. The Committee directed that in future the administrative Ministry should give a fuller explanation for the variations otherwise the whole picture becomes misleading.

(11) *Grant No. 70 : Public Health.*—The Committee noted that there was a saving of Rs. 4,45,000 of which Rs. 2,22,000 were surrendered. The Committee wanted to know the reason for this large saving. It was explained that it was due to non-receipt of debits for medicines, telephones, petrol etc.

(12) *Grant No. 71 : Development Expenditure of Health Division.*—The Committee desired the departmental representative to explain the heavy saving of Rs. 41,00,000 under this Grant. They expressed their dissatisfaction that more than 50 per cent of the money placed at their disposal was not utilised. The departmental representative explained that the saving had occurred due to non-receipt of equipment and other stores for the National Health Laboratories and considerably less expenditure incurred on the shifting of the laboratories to Islamabad. Another reason given for the heavy saving was that in certain cases they had approached the Ministry of Finance for expenditure sanction which did not come in time. The Committee directed that the Health Division should furnish a fuller report in consultation with the Ministry of Finance explaining the difficulty experienced in obtaining the financial sanction in time.

(13) *Grant No. 76 : Capital Outlay on Medical Stores.*—The Committee noted that from the original grant of Rs. 42,59,000 a sum of Rs. 13,82,000 was surrendered but still there was a saving of Rs. 7,00,000. The departmental representative was invited to account for a heavy saving of about Rs. 21,00,000. It was explained that the original demand was based on the supply expected to be received from the Managing Agents of the DDT factory and the requirement of certain other stores. The working of the DDT factory and the mode of payment involved in its management was also explained to the Committee. The

Public Accounts Committee remarked that the explanation was not very clear to them. They desired a fuller note regarding the production of DDT and the mode of payment etc. should be placed before them at the next meeting.

COMMERCIAL ACCOUNTS 1963-64

(14) *Paras 152—158 (pp. 103-104) and paras 207-208 (pp. 147-148) DDT Factory Nowshera.*—After going through the Commercial Accounts and the Audit comments, balance sheet, etc. of the DDT Factory, the Committee invited the attention to its earlier direction for placing before them a fuller note regarding the working of the DDT factory, the mode of payment, its production capacity etc. They proposed that the note should also cover the points raised by the Director of Commercial Audit.

COMMERCIAL ACCOUNTS 1964-65

(15) *Paragraph 45 (Page 26).*—The Committee enquired about the unnecessary expenditure of Rs. 96,315 on account of payment of storage charges for Benzene to private parties during the period July, 1962 to December, 1964. It was pointed out that this expenditure could be avoided by restricting the purchase of the material or by providing necessary storage capacity in the factory's premises. The departmental representative explained that Benzene was highly inflammable and the construction of storage expensive. He, however, agreed to restrict the purchases to save expenditure on storage. The Committee directed that the question of construction of storage should be re-examined and a report made at the next meeting.

(16) *Paragraph 17(b) (i) (Page 7).*—The accounts of the Bureau of Laboratories had not been compiled by the Health Division in time. The Bureau of Laboratories has been asked to finalise the arrear accounts without further delay. The Public Accounts Committee stressed the need for timely compilation of the annual accounts and the earliest clearance of arrears.

(17) *Paragraph 157 (Page 107).*—In regard to the uniform 15 per cent rate to cover up the overall breakages, rejections, wastages, etc. of vaccine, etc. the departmental representative explained that the percentage was compared with certain other countries and it was found that they had allowed up to 25 per cent as compared to 15 per cent in Pakistan. It was also explained to the Committee that separate percentages for each type of losses were fixed and orders to this effect were issued in March, 1966. The Public Accounts Committee directed that the copies of the orders issued should be supplied to the Audit at an early date.

(18) *Paragraph 158 (Page 107).*—(i) The Public Accounts Committee noted that the recovery of debts was extremely slow and the amount outstanding had risen to 1,73,959 of which about 1,00,000 pertains to Government departments. The Committee directed that the pace of recovery should be accelerated particularly in respect of Government departments and the matter should be taken up at the highest level.

(ii) It further directed that certain amounts were outstanding since 1950-51. In such cases if the amounts were found to be irrecoverable, action for regularization should be taken.

(19) *Paragraph 159 (Page 107).*—The Public Accounts Committee directed that a ledger account of the Sundry Creditors in respect of an outstanding amount of Rs. 90,65,000 should be prepared and maintained up-to-date. It further desired that the progress made in this behalf should be reported at the next meeting of the Committee.

(20) The Committee thanked the Secretary, Health Division and adjourned at 7-45 p.m. to meet again on Wednesday, the 8th March, 1967, at 9 a.m.

Proceedings of the Sixth Meeting of the Public Accounts Committee held on Wednesday, the 8th March, 1967

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9-00 a.m. on the 8th March, 1967.

Members present

1. Mr. Abdullah-al-Mahmood, M.N.A.
2. Mr. Mobarak Ali, M.N.A.
3. Mir Darya Khan Khoso, M.N.A.
4. Mr. Muhammad Ashraf Raja, M.N.A.
5. Mr. Nural Hoda Choudhury, M.N.A.
6. Major Zulfikar Ali Khan Qizilbash, M.N.A.
7. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Departmental Representatives

1. Mr. W. A. Shaikh, S.Q.A., C.S.P., Secretary, Ministry of Industries.
2. Mr. S. S. Jafri, S.Q.A., C.S.P., Vice-Chairman, Investment Promotion Bureau.
3. Mr. M. Yaqub, Financial Advisor, Natural Resources Division.

Mr. Muzafar Husain, S.Q.A., C.S.P., Secretary, National Assembly of Pakistan attended.

Mr. Muhammad Ashraf Raja proposed the name of Mr. Abdullah-al-Mahmood for chairmanship, and Mr. Nural Hoda Choudhury seconded.

APPROPRIATION ACCOUNTS 1962-63

(2) *Industries Division*.—Before the Committee took up the Accounts of the Industries Division it was informed that, as it had been decided earlier that since the PIDC had been transferred to the Provinces, their accounts should not be examined by the Public Accounts Committee, the accounts of the Indus Gas Company, which is still with the Centre, shall only be examined.

(3) *Grant No. 92—Industries Division*.—The Committee noted that from the original grant of Rs. 33,81,000 a sum of Rs. 10,35,000 was surrendered, which was considered to be rather very heavy. The departmental representative, who was invited to throw light on this heavy savings offered to furnish a detailed explanation in regard to the surrenders and savings at the next session of the Committee.

(4) *Grant No. 94—Department of Supply and Development.*—(i) The Committee noted that from a grant of Rs. 74,41,000 an amount of Rs. 1,58,000 was surrendered, but even then there was a saving of Rs. 4,73,000. The main reasons for the saving were certain posts remaining vacant (Rs. 1,17,000) and non-purchase of stores and delay in the adjustment of debits (Rs. 3,46,000). The Committee desired to know the reasons for the non-purchase of stores in time.

(ii) The departmental representative undertook to furnish a detailed explanation at the next session of the Committee.

(iii) In regard to delay in adjustment of accounts it was noted that the Audit Office could not reconcile its figures with those of the department. However, the normal practice was that the representative of the department was expected to reconcile quarterly the departmental figures with the Audit Office. The Committee was of the view that the department and the Audit Office had not been able to arrive at an agreement. It was explained to the Committee by the departmental representative that there were certain differences regarding the booking of the figures and also certain changes in the heads of account. The Committee was of the view that another effort should be made to reconcile the departmental and audit accounts, and a report made to the Committee at the next meeting.

(5) *Grant No. 95—Stationery and Printing.*—(i) The Committee noted that the original grant amounted to Rs. 1,69,00,000 out of which a sum of Rs. 8,75,000 was surrendered. Despite the surrender there was a saving of Rs. 14 lakhs which without it, would have amounted to Rs. 23 lakhs. It was explained that the heavy savings were due to non-delivery of paper and other stationery stores by the suppliers.

(ii) The Committee also enquired about the details for which orders were placed, and whether any time-limit was provided in the contract for supplies. They also enquired whether there was only one or more suppliers for the supply of papers. In general, the Committee felt, that there was scope for more efficient budgeting.

(iii) The departmental representative offered to make enquiries in the matter and report back to the Committee at its next session.

(6) *Grant No. 96—Development Expenditure of Industries Division.* (i) The Committee noted that the original grant was Rs. 79,46,000 which was increased to Rs. 88,70,000. However, there was a saving of Rs. 44,32,000 out of which only a sum of Rs. 19 lakhs was surrendered. The Committee observed that in the first instance the budget was unrealistic, then an unnecessary supplementary grant was taken and later an amount substantially less than the actual saving was surrendered. The departmental representative attributed the heavy savings to non-adjustment of foreign aid in respect of Investment Advisory Centre and Ford Foundation aid for Rural Industrial Service Pilot Centres and non-payment of grants to Provincial Governments, etc.

(ii) The Committee observed that :—

(a) the budget of the Ministry should be more realistic, as inaccurate drawal of grants deprives other Divisions and Ministries of the funds needed by them ;

(b) as the surrenders are made about the end of the financial year, they should take account of all the savings which may accrue due to non-adjustment of debits and non-receipt of stores, etc.; and

(c) where the excesses or the savings are attributed to other Ministries/ Divisions, copies of the references made to them should invariably be placed before the Committee.

(iii) The Committee further stressed the need for closer co-operation amongst the different departments of the Government to enable it to function more efficiently and promptly.

(7) *Grant No. 103—Capital Outlay on Printing Presses.*—The Committee noted that the original appropriation was Rs. 14,29,000 out of which a sum of Rs. 1,69,000 was surrendered; but even then there was a saving of Rs. 5,95,000. The departmental representative invited attention of the Committee to the explanation given in their written replies, which was accepted.

(8) *Grant No. 104—Capital Outlay on Miscellaneous Stores.*—The Committee noted that the original grant was Rs. 16,71,000. It was supplemented by a grant of Rs. 13,28,000 raising it to about Rs. 30 lakhs. The actual expenditure was, however, only Rs. 26,60,000 resulting in a saving of more than Rs. 3 lakhs. The Committee observed that, in the first instance, the budget was under-estimated, and later an excessive supplementary grant was obtained. The departmental representative explained that the saving was mainly due to non-payment of the claim of M/s. Eastern Federal Insurance Company and also partly due to non-adjustment of debits.

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(9) *Paragraph 5—Scheme for purchase of reserve Stores.*—(i) After hearing the explanation of the departmental representative in regard to finalisation of accounts in respect of the pre-Independence stock of iron and steel and other reserve stores, as well as the other state trading schemes, the Public Accounts Committee directed that the accounts should be finalized and a report submitted along with the remarks of the Audit Officer, Industries, Supply and Food, at the next session of the Committee.

(ii) The Committee further desired that accounts in respect of ferrous and non-ferrous metals and rubber, which are more than 15 years old, should be finalized with the help of the Audit Officer, Industries, Supplies and Food, and the result reported at the next meeting of the Committee.

(10) The scheme regarding the purchase and sale of cars of the diplomats was explained to the Committee. The Committee directed that a comprehensive note giving full particulars of all the cars sold at a loss, along with the bids and the names of the successful bidders, proposals which may facilitate the maintenance of the cars in a tiptop condition until their disposal, and running the whole scheme on a no-profit-no-loss basis (including the levy of a surcharge, etc.) should be prepared and placed before the Committee at its next meeting.

(11) *Paragraph 6—Scheme for production and Supply of Coal.*—(i) The Committee was informed that the scheme in question was initiated in 1947-48 and transferred to the Provincial Government in July, 1964. A reference was made to the loss of about Rs. 60 lakhs in respect of 1,429 missing coal wagons. The departmental representative explained that a committee of representatives of Ministry of Finance, D P&S and an Audit Officer had been set up to look into the ways and means to expedite the settlement of outstanding bills in respect of the loss in question.

(ii) The Committee directed that the matter should be settled as expeditiously as possible and the result thereof reported to the Committee at its next meeting.

APPROPRIATION ACCOUNTS 1963-64

(12) *Grant No. 87—Stationery and Printing.*—(i) The Committee observed that an unnecessary supplementary grant of Rs. 7 lakhs was obtained, and subsequently, despite a surrender of Rs. 15 lakhs, there was still a saving of Rs. 11 lakhs. The departmental representative explained that the main reason for the differences was delay in the purchase of stores. As explained earlier, indents were placed but the goods were not supplied in time.

(ii) The Committee enquired whether some effective steps had since been taken to ensure that in future the purchases materialised in time. The Committee was given to understand that as the number of suppliers of paper had since increased from one to two, conditions had considerably improved.

(iii) Finally the Committee remarked that there was room for more realistic budgeting and better control over expenditure.

(13) *Recoveries from other Government Departments.*—(i) In regard to the short recovery of Rs. 5,18,000 in respect of printing charges, the departmental representative informed the Committee that efforts were being made, and it was hoped that they would be able to effect recoveries.

(ii) The Committee desired that the details of the recoveries made and correspondence regarding the efforts made in this behalf, should be supplied to the Committee at its next meeting.

(14) *Grant No. 88—Development Expenditure of Industries Division.*—(i) The Committee noted that of the final appropriation of Rs. 1,14,00,000 a sum of Rs. 66,97,000 was spent. The saving of about Rs. 47,00,000 was attributed to non-receipt of information from the Economic Affairs Division regarding foreign aid, and less utilization of funds by the eight different units spread all over Pakistan. The non-adjustment of foreign aid and Pak P.W.D's inability to utilize to the full extent the funds provided to them for construction also contributed materially to the savings.

(ii) The Committee desired that the Economic Affairs Division should when they appear before the Committee come prepared with all details and documents in respect of foreign aid and non-payment of contribution to US AID.

(15) *Grant No. 89—Other Expenditure of Industries Division.*—The Committee noted that the expenditure of the Patents and Designs Department for the year 1963-64 amounted to Rs. 4,16,000 whereas they realized Rs. 4,07,000 only. It observed that the position was not satisfactory and the possibility of increasing the patent fees should be considered and reported at the next meeting.

(16) *Grant No. 99—Capital Outlay on Industrial Development.—Refund of Capital by the PIDC.*—In regard to the refund of Rs. 7,72,00,000 the Committee enquired as to why this could not be anticipated and provision made in the budget. The departmental representative undertook to explain the position in the next session of the Committee.

(17) *Grant No. 100—Capital Outlay on Printing Presses.*—The Committee noted that out of the original grant of Rs. 34 lakhs, a sum of Rs. 16 lakhs was saved. The saving was attributed to non-utilization of funds placed at the disposal of the Pak. P.W.D. and non-materialization of indents placed on the D.G.I.P. & S. The Committee expressed the view that in most cases savings had occurred on account of the Pak. P.W.D. or the D.G.I.P. & S. The departmental representative, however, explained that they would go into the matter further and explain the savings in a detailed note at the next session of the Committee.

(18) *Grant No. 101—Capital Outlay on Miscellaneous Stores.*—(i) The Committee noted that the original grant was Rs. 2,82,98,000 of which a sum of Rs. 48 lakhs was surrendered. The actual expenditure was, however, Rs. 2,21,00,000 resulting in a final saving of Rs. 14 lakhs. The overall savings amounted to Rs. 62 lakhs.

(ii) It was explained to the Committee that the saving of Rs. 14 lakhs was mainly due to non-adjustment of customs duty (Rs. 7 lakhs), sales tax (Rs. 2 lakhs) and other miscellaneous debits (Rs. 2 lakhs). The Committee was not fully satisfied with the explanation, and desired that a note explaining the heavy savings and the surrenders should be placed before the Committee at its next meeting.

(19) *Grant No. 101—Recoveries.*—It was noted that against the anticipated recovery of Rs. 2,75,00,000 a sum of Rs. 2,18,88,000 was recovered, leading to a short recovery of about Rs. 56 lakhs. It was explained that the short recovery was mainly due to the non-adjustment of accounts submitted by the Coal Commissioner, which resulted from the bifurcation of the Coal Commissioner's Organization and subsequent transfer to the Provinces. The work was transferred along with the staff, and it was hoped that the successor organizations would settle the matter. Now that the papers etc., had been traced, the departmental representative undertook to try to settle the accounts and make a report to the Committee at its next meeting.

AUDIT REPORT 1963-64

(20) *Paragraph 1 (Page 17)—Delay in Recoveries from non-Government indentors.*—The Committee noted that a huge sum of Rs. 7,67,20,000 was due from non-Government indentors, such as the PIDCs, WAPDAs, KDA, TDA, and certain other non-Government organizations. It was explained to the Committee that strenuous efforts were being made to arrange recovery of outstanding dues from the defaulting parties, but the progress was not very satisfactory. At the instance of the last Public Accounts Committee, this matter was taken up by the Minister for Finance with the Provincial Governors, and the Provincial Governments have already initiated action in the matter. The Committee proposed that, wherever feasible, advances should be obtained from non-Government organizations for the purchase of stores in future. In the present case, the Committee emphasized the need for expeditious recovery and submission of a report to them at the next meeting.

(21) *Paragraph 2 (Page 18) Irregular use of Staff Car.*—In regard to the recovery of Rs. 1,129 in respect of the irregular use of staff car by an officer of the defunct Directorate of Small Industries, the Committee directed that the responsibility should be fixed on the person who was negligent and did not take notice of the irregularity. Actual loss should be recovered or suitable action taken against him.

(22) *Paragraph 3 (Page 18) Infructuous expenditure in foreign exchange and waiving of liquidated damages.*—(i) The Committee noted that an order for 70,000 durries was placed with a firm in October, 1955. The supply was required to be completed in instalments by 31st January, 1956. Only 20,526 durries were, however, supplied by the due date, and the firm was granted extensions in delivery date with reservation of rights to recover liquidated damages. The supply was completed on 6th December, 1958 and liquidated damages amounting to Rs. 1,24,000 were waived and a token penalty of Rs. 500 was imposed on the firm, even though it had been given two import licences for Rs. 11,309 and Rs. 35,587.

(ii) It was explained to the Committee that in certain cases a lenient view has to be taken keeping in view the shortage of raw materials in the market. In this particular case the firm had suffered heavy losses due to flood and high cost of yarn. It was considered that the *bona fides* of the officers competent to waive recovery in such cases may not be questioned by audit and where the authority is competent to waive or write off, such action may not be challenged.

(iii) Learning that the discretion had been justly exercised by the competent authority in this case the explanation was accepted.

(23) *Paragraph 5 (Page 19), Infructuous expenditure of Rs. 12,545.*—The matter was explained to the Committee in detail and the explanation accepted. The Committee observed, however, that the avoidable delay in the processing of the case was unfortunate, and recommended that steps should be taken to ensure avoidance of such delays in future.

APPROPRIATION ACCOUNTS 1964-65

(24) *Grant No. 90—Development Expenditure of Industries Division.*—(i) The Committee noted that there had been persistent savings under the Grants for Development of Expenditure of Industries Division since 1962-63, although the position in the year under review had considerably improved. The Committee remarked that either the original grant should not be taken at a high figure or all efforts should be made to spend the grant, especially the Development Grant.

(ii) The Committee further directed that the details of expenditure in respect of Swedish-Pakistani Institute of Technology should be furnished at the next meeting.

(25) *Demand No. 97—Capital Outlay on Printing Presses.*—The Committee noted that under this grant a saving of Rs. 46 lakhs has occurred, out of which a sum of Rs. 12 lakhs was due to non-utilization of funds by the Pak. P.W.D. in respect of the building of the Pakistan Press, Islamabad, and the remaining amount of Rs. 33 lakhs related to plant and machinery, which could not be imported for want of foreign credit.

(26) *Grant No. 98—Capital Outlay on Miscellaneous Stores.*—The Committee noted that, out of the original grant of Rs. 69,50,000 a sum of Rs. 30 lakhs was surrendered, which was in excess of the available saving by Rs. 16 lakhs. The departmental representative explained that the excess resulted because of the adjustment of expenditure incurred after the transfer of the scheme of procurement of coal and coke to the Provincial Government. The explanation for the excess was accepted by the Committee.

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(27) *Paragraph 2 (Page 53)—Unauthorized advances of Rs. 19,136.*—(i) The Committee noted that in contravention of rules advances had been made to Government officials from the imprest of the department. The departmental representative admitted that a serious irregularity had been committed. He also added that, of the three officers involved in this irregularity two had died and the third had retired. A sum of Rs. 17,204.13 had already been recovered and efforts were still in progress to recover the balance of about Rs. 2,000.

(ii) The Committee desired that the recovery of the balance amount should be expedited, verified by Audit and reported at the next meeting.

(28) *Paragraph 4 (Page 55) Risk Purchase.*- (i) The Committee was informed that a contract for the supply of certain cloth was placed with a firm which was later cancelled at the risk and expense of the firm concerned. The same material was procured from other sources at a higher rate resulting in an excess expenditure of Rs. 61,836 which remained unrecovered despite the lapse of 8 years. The case was sent for arbitration, but a settlement could not be reached. The Law Division have since been consulted, and the matter is at present in the hands of the Standing Counsel.

(ii) The Committee directed that the recovery of the amount outstanding for the last 8 years should be expedited and the result reported at the next meeting. It further directed that in such cases a guarantee should be provided in the agreement form and the law regarding arbitration should be reviewed and if necessary, amended so as to rectify the lacuna in it.

(29) *Paragraph 6 (Page 56) Loss of Rs. 40,291 owing to delay in finalization of contracts.*- It was reported to the Committee that after going into the details of the case, the Ministry had accepted the explanation for the unavoidable delay in the finalization of the contract for the purchase of G.I. sheets. It recommended that the case be closed after the audit had resolved the matter.

30. Consideration of the Commercial Accounts of the Industries Division was postponed.

31. The Committee thanked the Secretary, Industries and then adjourned to meet again at 4-30 p.m.

Proceedings of the Seventh Meeting of the Public Accounts Committee held on Wednesday, the 8th March, 1967

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 4-30 p.m. on the 8th March, 1967.

Members present

1. Mr. Abdullah-al-Mahmood, M.N.A.
2. Mr. Mobarak Ali, M.N.A.
3. Mir Darya Khan Khoso, M.N.A.
4. Mr. Nural Hoda Choudhury, M.N.A.
5. Major Zulfiqar Ali Khan Qizilbash, M.N.A.

Audit representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Departmental representatives

1. Mr. A. M. Sanaul Huq, S.Q.A., C.S.P., Joint Secretary, Natural Resources Division.
2. Mr. M. Yaqub, Financial Adviser, Natural Resources Division.

Mr. Z. A. K. Baqai, T.K., Deputy Secretary, National Assembly of Pakistan attended.

2. The Committee took up the accounts of Natural Resources Division.

APPROPRIATION ACCOUNTS 1962-63

(1) *Grant No. 98—Natural Resources Division.*—The Committee noted that from the original grant of Rs. 33 lakhs, there was a saving of Rs. 8,46,000. The departmental representative explained that the saving was due to non-receipt of river transport which had not arrived in time. Secondly, the required technical manpower for a comprehensive investigation of water resources in East Pakistan was not available in time. The required river transport and the manpower had since been obtained and the organization was now in full swing.

The Committee accepted the explanation.

(2) *Grant No. 99—Bureau of Mineral Resources.*—(i) The Committee noted that from the original grant of Rs. 39,88,000, a sum of Rs. 11,37,000 was surrendered, leading to an excess of Rs. 17 lakhs. The Committee invited the departmental representative to explain why an excess expenditure was incurred and why surrender was made when actually there was an excess.

(ii) The departmental representative explained that more debits than provided for were received for the stores ordered for the organization. The Committee desired to know the particulars of the indents which could not be furnished. The Committee directed that the details of the indents and of the expenditure under the sub-head 'C.4—Other Charges' should be furnished at the next meeting.

(3) *Grant No. 100—Salt.*—The explanation of the departmental representative in regard to the surrender of almost the entire grant of Rs. 34,17,000, which was due to the transfer of the Salt Department to the Provincial Government was accepted.

(4) *Grant No. 10—Other Expenditure of Natural Resources Division.* The Committee noted that the original grant was Rs. 3,41,00,000 and the supplementary grant of Rs. 57,61,000 was unnecessary, because even after a surrender of Rs. 72,000 there was a saving of Rs. 1,09,00,000. It was mentioned that the major portion of the saving (Rs. 92 lakhs) was due to delay in the adjustment of deposits made by oil companies, and another saving of Rs. 16,80,000 was attributed to non-receipt of advice from the Economic Affairs Division for adjustment of foreign aid in respect of the Power Commission. The Committee directed that the reasons for delay in the adjustment of Rs. 16,80,000 should be furnished to the Committee at its next meeting.

(5) *Grant No. 105—Capital Outlay on Mineral Development.*—(i) The Committee noted that from the original appropriation of Rs. 1,71,00,000, only a sum of Rs. 50 lakhs was spent. The saving of Rs. 1,21,00,000 was due to the transfer of work relating to construction of roads in Sore Range Degari Coal Fields and mineral exploration of Chaghai district, development of rock salt mines and quarries, and non-receipt of aid from UN and US AID Funds.

(ii) In regard to the surrender of Rs. 30 lakhs under the sub-head E., the Committee enquired as to how an expenditure of over Rs. 15 lakhs was incurred after the transfer of the scheme to the Provincial Government. The Committee directed that an explanation for an expenditure of Rs. 15 lakhs being incurred after the scheme had been transferred to the Provinces should be placed before it at its next meeting.

(6) *Grant No. 106—Capital Outlay on Irrigation and Electricity.*—(i) The Committee noted that there was an original appropriation of Rs. 3,43,00,000, a supplementary grant to the tune of Rs. 13,57,000 was obtained, but ultimately a sum of Rs. 1,21,00,000 was surrendered, which resulted in an excess expenditure of Rs. 74 lakhs. The Committee enquired as to how such a heavy excess expenditure was incurred after surrendering a huge sum of money. The departmental representative explained that the excess was mainly due to expenditure on Tarbela Dam Project. The Committee ultimately observed that as surrenders are made at about the end of the financial year, it should be possible to take into consideration all the factors and make provision for foreseeable expenditure. In this particular case they were unhappy with the budgeting and directed that in future sufficient care should be taken in this behalf.

(ii) Under this grant the Committee also noted actual recoveries of about 80 lakhs, which were not anticipated in the original budget. The Committee directed that such recoveries should be foreseen and provided for, and that the details of this amount should be given at the next meeting.

(7) *Grant No. 107—Capital Outlay on Fuel and Power.*—(i) The Committee noted that the original grant was Rs. 8,48,00,000 and a supplementary grant amounting to Rs. 50,00,000 was obtained, while a sum of Rs. 2,61,00,000 was surrendered, but still there was a saving of Rs. 81 lakhs. The Committee

observed that the supplementary grant was unnecessary and a smaller amount was surrendered as compared to the actual saving. The departmental representative explained that the savings were due to receipt of stores near about the end of the year, which resulted in the postponement of the adjustment of cost to the next financial year; hence the saving. Further at the time of budgeting they had in view an ambitious programme which, unfortunately, did not materialize.

(ii) The Committee observed that they hoped that in the light of experience gained, the Division will take care in preparing a more realistic budget. They did not view with favour heavy surrenders at the fag end of the year, thus keeping the money locked for the whole year.

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(8) *Grant No. 91—Bureau of Mineral Resources.*—The Committee noted that from an original grant of Rs. 26,75,000 a sum of Rs. 3 lakhs was surrendered, while there was an excess of Rs. 2,28,000. The Committee was perturbed over the surrender of over Rs. 3 lakhs while there was an excess of about Rs. 2 lakhs. The explanation of the departmental representative that the excess resulted from adjustment of debits pertaining to previous years and non-arrival of drilling equipment did not satisfy the Committee. The Committee, therefore, directed that a fuller picture of the debits for previous years adjusted against 1963-64 and the reasons for the non-arrival of the drilling equipment in time should be furnished to the Committee at the next meeting. The Ministry should also furnish details of expenditure in regard to sub-head B. 4—Other Charges of the Geological Survey Wing.

(9) *Grant No. 93—Other Expenditure of Natural Resources Division.*—In regard to the non-realization of the recovery of Rs. 4,76,000 from US Technical Assistance Programme, the departmental representative explained that despite efforts, no advice in this behalf was received from the Economic Affairs Division. The Committee directed that as in similar other cases they should give further details of the efforts made by them in realizing the amount in question, and the matter reported at the next meeting.

(ii) The Committee further desired that the Economic Affairs Division, the PPWD and DGIP&S, should also be informed that a number of cases had been brought to their notice where very wide variations in accounts had occurred due to lack of advice in respect of foreign aid, or the non-supply of stores, or the non-adjustment of the cost of stores, during the year concerned or the building programme being slow or debits not being passed to the administrative Ministries. They also desired to take up the matter with the representatives of the Economic Affairs Division and the Works Division when they appeared before them.

(10) *Grant No. 102—Capital Outlay on Mineral Development.*—In regard to the saving of 104 lakhs, the Committee repeated its observations in regard to similar savings which occurred under 1962-63 accounts.

(11) *Grant No. 103—Capital Outlay on Irrigation and Electricity.*—The Committee noted that the original appropriation was of about Rs. 17,32,00,000 a supplementary grant of Rs. 1,80,00,000 was obtained while a sum of Rs. 2,07,00,000 was surrendered, still leaving a saving of Rs. 14 crores. The Committee enquired as to why a supplementary grant was obtained in the face of the actual expenditure of Rs. 2,80,00,000 only. The departmental representative explained that an estimated expenditure of about Rs. 16 crores was incurred against aid which was provided by the World Bank which had not passed through the accounts. They had expected that the required information will be

received before the close of the financial year, and hence had made the provision. However, the required information was not forthcoming, which led to the saving in question. The Committee observed that the state of affairs was unsatisfactory. Therefore, some ways and means should be devised to formulate a procedure in regard to the adjustment of aid in the accounts of the Ministry concerned. They were, however, assured that the matter had been receiving due consideration, and they had now been able to come to a decision which would prevent such violent variations in the estimates during subsequent years.

(12) *Grant No. 104—Capital Outlay on Fuel and Power.*—The Committee noted that the original grant was Rs. 9 crores, and a saving of Rs. 4 crores. The Committee accepted the explanation of the departmental representative that a saving of Rs. 2 crores was mainly due to non-receipt of debits on account of equipment and material acquired against the USSR loans and the balance on account of certain schemes provided for during the year which did not materialize.

AUDIT REPORT 1963-64

(13) *Paragraph 23, (Page 26) Infructuous Expenditure on Bund Murad Scheme.*—The Committee directed that a fuller report explaining the circumstances under which the scheme was taken up without proper investigation, later handed over to the WAPDA and ultimately abandoned, as well as for not raising credits for the stores handed over to WAPDA, should be compiled and placed before the Committee at its next session.

APPROPRIATION ACCOUNTS 1964-65

(14) *Grant No 93—Geological Survey.*—The Committee noted that the original grant was Rs. 27 lakhs, a sum of Rs. 84,000 was surrendered, while the accounts closed with an excess of Rs. 5,75,000. The Committee thought that it was a glaring instance of unrealistic budgeting and surrendering funds while the accounts ended with a heavy excess. The departmental representative explained that book debits relating to 1959-60 to 1963-64 in respect of customs duty, sales tax, insurance and freight charges, etc., were adjusted after the close of the financial year, which could not be foreseen. The Committee directed that such delays should be taken note of by the Central Board of Revenue who should devise ways and means to ensure that adjustments are made in time in future.

(15) *Grant No. 94—Development Expenditure of Natural Resources Division.*—The Committee noted that the original grant of Rs. 11,50,000 was supplemented by an additional amount of Rs. 3,21,000, out of which a sum of Rs. 7,61,000 was surrendered, reducing the provision to Rs. 7,10,000; while the actual expenditure was Rs. 6,64,000. The Committee again observed that supplementary funds were unnecessarily obtained, while even the original grant was not fully utilized. The departmental representative explained that the main delay occurred in the acquiring of land and obtaining the services of suitable personnel for conducting survey of water resources in East Pakistan.

The Committee accepted the explanation.

(16) *Grant No. 99—Capital Outlay on Mineral Development.*—The Committee noted that the original grant was Rs. 1,27,78,000 out of which Rs. 45 lakhs was surrendered, reducing the grant to Rs. 82 lakhs but then there was an excess of Rs. 91,000. The Committee remarked that their earlier observations in regard to heavy surrender will equally apply to this grant. The Committee also directed that the details of expenditure in regard to sub-head A. 4—Other Charges should be placed before the Committee at the next meeting.

(17) *Grant No. 100—Capital Outlay on Irrigation and Electricity.*—The Committee noted that, in addition to the original grant of Rs. 34 crores, supplementary funds to the extent of Rs. 10 crores were obtained, raising the grant to a total of Rs. 44 crores. Subsequently a sum of Rs. 2-1/2 crores was surrendered, while the year ended with a saving of Rs. 28 crores. The departmental representative explained that the saving of over Rs. 28 crores was mainly on account of the non-adjustment of the foreign aid of the World Bank. They have, however, streamlined the system, and it is hoped that the aid will be adjusted during the next financial year.

(ii) The Committee further observed that the existing state of affairs was not very satisfactory; but they accepted the explanation of the departmental representative in regard to the streamlining of the procedures and assurance to the Committee that such variations will not occur in future.

The Committee noted that the recovery of Rs. 9 crores under Indus Basin Works was not realized, while a sum of Rs. 4,07,00,000 was recovered under other heads. The departmental representative explained the circumstances under which this had happened, and the Committee accepted the explanation.

(18) *Grant No. 101—Capital Outlay on Fuel and Power.*—The Committee noted that to supplement the original grant of Rs. 4,77,64,000 under sub-head C—Oil and Gas Corporation, an additional sum of Rs. 1,57,89,000 was obtained, raising the final appropriation to Rs. 6,35,53,000; while the actual expenditure was Rs. 2,75,51,000, much less than the original grant. The Committee enquired the reasons for obtaining a substantial supplementary grant, while even the original grant was not consumed. The departmental representative explained that additional funds were obtained for adjustment of expenditure incurred on receipt of stores and equipment from the USSR loans. The adjustments, however, could not be made owing to non-finalization of the accounting procedure for the adjustment of the loans. The adjustments were made in subsequent years.

AUDIT REPORT 1964-65

(19) *Paragraph 7, (Page 56) Overpayment of Interim Relief in the Geological Survey of Pakistan Department.*—The Committee noted that 50 per cent of the amount of interim relief, paid to Government officials had already been recovered, and the balance was being recovered.

(20) *Paragraph 8, (Page 56) Shortage of Stores in the Geological Survey Department.*—(i) In regard to the shortage of stores costing Rs. 13,192, it was explained that this had occurred due to inexperience of the staff. However, a departmental enquiry had been instituted and a decision in the matter will soon be arrived at.

(ii) The Committee observed that in a number of cases they had noted that enquiries were instituted long after the occurrence of the irregularities and unnecessarily long time was taken in arriving at a final decision, which made the fixation of responsibility very difficult. They directed that in all such matters enquiries should be instituted promptly and the deliberations concluded with the greatest possible expedition, so that the responsibility could be fixed and appropriate action taken before the staff concerned leaves service.

(21) *Paragraph 9, (Page 36)—Undue financial aid to a Contractor.*—The Committee noted that a sum of Rs. 62,000 was paid as an advance to a firm in Karachi in June, 1961, to meet Customs duty and clearing and forwarding charges without proper sanction or surety; and although a period of five years

had elapsed, the case still remained unsettled. The departmental representative gave an undertaking that the matter will be gone into in detail, and efforts made to recover the advance from the firm concerned, and the responsibility fixed for making an unauthorized advance. The result of the enquiry and the action taken will be reported to the Committee at its next meeting.

(22) *Paragraph 10, (Page 57)—Non-rendering of Accounts of Advances.*—The Committee noted that an adjustment of bills amounting to Rs. 5 lakhs had already been done, leaving a balance of Rs. 2 lakhs. The Committee directed that immediate steps should be taken to settle this outstanding amount, and the progress made be reported at the next meeting.

(23) *Paragraph 11, (Page 57)—Uneconomical purchase of diesel oil.*—The Committee noted that high-speed diesel oil had been purchased from a firm at the rate of Rs. 1/4/- per gallon as against the lower quotation of Rs. 1/3/9 per gallon by another firm. It resulted in an extra expenditure of Rs. 14,325. The departmental representative explained the circumstances under which this had happened, and that the oil was actually purchased at the permissible rate. The Committee accepted the explanation.

COMMERCIAL ACCOUNTS 1962-63

(24) *Paragraph 121, (Page 67)—Avoidable demurrage charges.*—The departmental representative explained that, despite their best efforts to obtain the required crane from the KDA, KIT, etc., for the clearance of the special type of stores from the USSR, they did not succeed until after about 20 days. The delay which had occurred in the clearance of the stores was on account of *bona fide* reasons and hence the payment of demurrage charges became inevitable. The Committee accepted the explanation, but advised that in future such contingencies should be foreseen and proper arrangements made in advance for the clearance of stores of all types.

COMMERCIAL ACCOUNTS 1963-64

(25) *Paragraph 75, (Page 50)—Irregularities in purchase of furniture.*—The circumstances in regard to the purchasing of the furniture at a higher rate than the lowest tender were explained by the departmental representative. After hearing him the Committee observed that although they could not get at the actual position at this stage, yet they were conscious of the capabilities of the former Resident Director, and knowing that he was a very conscientious officer, it was presumed that he must have taken the right decision in the circumstances then prevailing and in the interest of the Corporation. It was, therefore, decided to close the case.

(26) *Paragraph 76, (Page 51)—Loss of Rs. 2,31,443 due to idleness of Helicopters.*—After hearing the explanation of the departmental representative in regard to the arrival of helicopters and certain spare parts, the objection was waived. The Committee also made an observation that loss to the extent of salary of the pilots and the staff was unavoidable.

(27) *Paragraph 77—Loss due to payment of demurrage of Rs. 17,219.*—The Committee noted that the contract for the clearance of the stores which was awarded to one firm by the Oil and Gas Corporation, Karachi, on 5th May, 1962, was subsequently transferred to another firm on 10th May, 1962, notwithstanding the fact that the first firm had completed certain initial formalities for the clearance of the stores. This action of the Corporation had led to delay in the clearance of the stores leading to a payment of demurrage and storage charges. The Corporation argued that the firm to which the contract was awarded subsequently was more reliable and sound. The Committee was not satisfied with the explanation and directed that the loss may be regularized after fixing the responsibility and a report made to the Committee.

(28) *Paragraph 78, (Page 52) Extra Expenditure of Rs. 14,419 on Air freight of stores.*—The Committee enquired as to why the stores in question could not be brought by sea, instead of air-lifting. The departmental representative explained that the equipment involved in this case was required urgently. As the stores were technical, their requirements should not always be foreseen. The departmental representative further submitted that in such cases the authorities concerned had to exercise their discretion in the interest of the work. The Committee accepted the explanation.

COMMERCIAL ACCOUNTS 1964-65

(29) *Paragraph 224, (Page 155) Fixation of maximum limit of stocks.*—The Committee noted that stores and stocks worth about Rs. 3 crores were held by the Oil and Gas Corporation at the close of the financial year. The said stores were mostly imported items obtained against the Soviet credit carrying 2-1/2 per cent interest. The Committee directed that, with a view to lessening the burden of interest charges, the Corporation should examine whether they could lay down minimum limits in consultation with experts in regard to stores which should be held in stock. The departmental representative undertook to make a report to the Committee in this behalf, as the matter was already receiving their attention.

The Committee thanked the departmental representatives and then adjourned to meet again at 9-00 a.m., on Thursday, the 9th March, 1967.

**Proceedings of the Eighth Meeting of the Public Accounts Committee held on Thursday
the 9th March, 1967**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9-00 a. m. on 9th March, 1967.

Members present

1. Mr. Abdullah-al-Mahmood, M.N.A.
2. Mir Darya Khan Khoso, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Mr. Nural Hoda Choudhury, M.N.A.
5. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
6. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Departmental Representative

Mr. M. H. Sufi, C.S.F., Secretary, Ministry of Agriculture and Works.

Mr. Muzafar Husain, S.Q.A., C.S.P., Secretary, National Assembly of Pakistan, attended.

Mir Darya Khan Khoso proposed the name of Mr. Abdullah-al-Mahmood to act as Chairman. Mr. Nural Hoda Choudhury and other M.N.As. present seconded.

2. The Committee then took up the accounts of the Food Wing of the Food and Agriculture Division.

APPROPRIATION ACCOUNTS 1962-63

Grant No. 16—Capital Outlay on Purchases by Food and Agriculture Division.

(1) *Sub-head A-1, Purchase of Food-stuffs in Pakistan.*—(i) The original grant of Rs. 78,70,47,000 was reduced by Rs. 13,64,61,000, but the year ended with an excess of Rs. 16,79,000. The departmental representative explained that the savings which were surrendered in time were due to less arrival of Canadian wheat in June, 1963. The excess, he said, was offset by less expenditure under fare and freight adjustable under sub-head A.3(1), which was erroneously adjusted under sub-head A.1, and led to an excess expenditure of Rs. 16,79,000. The explanation was accepted.

(2) The Committee was not, however, happy about the wrong classification of expenditure and its adjustment under a head other than that to which it related. The Committee was informed that sometimes the discrepancies occurred and remained unreconciled on account of the location of AGPR's office at Jauharabad, which could not be visited in time by the departmental representatives regularly. The Committee recommended that, in the interest of timely reconciliation of departmental and audit figures and economy in the expenditure on tours the AGPR's office should be at one place, instead of being in several places. It should either be in Rawalpindi or in Islamabad.

(3) *Sub-head A.3(2)—Storage charges.*—The Committee observed that from the original grant of Rs. 34,62,000 under this sub-head, an amount of Rs. 7,64,000 was surrendered but the actual expenditure rose to Rs. 51,90,000. The departmental representative was invited to explain such heavy excess over the original grant. It was explained that the excess was due to belated payment of godown rent and additional expenditure due to increased import of wheat. The Committee, however, directed that fuller details may be furnished at the next meeting of the Committee.

(4) *Sub-head A.3(3)—Other Incidental Expenditure.*—The explanation for the heavy saving of Rs. 13,06,000 due to non-materialization of indents for the purchase of gunny bags placed on the Department of IP&S, late delivery of bags and the non-payment of bills, etc., was not considered satisfactory. The Committee directed that an enquiry be made from the Department of IP&S to explain as to why the indents for the purchase of gunny bags were not complied with and completed in time when the purchase was made locally. The Committee desired that the result of the enquiry should be reported to the Committee at the next meeting.

(5) *A.5—Advances ; West Pakistan Government.*—(i) It was explained that the expenditure of Rs. 7 crores which is shown as a saving was actually incurred but adjusted in the next year's accounts. The Committee was not happy with the explanation and desired that some positive steps should be taken against such occurrences.

(ii) In regard to the short recovery of Rs. 28,13,000 in respect of recoveries of advances, the departmental representative explained that advance payments are made to the West Pakistan Government for food purchases on behalf of the Central Government and delay occurs in the adjustment of the advances due to the observance of detailed procedures which require the obtaining of quantitative and qualitative certificates, and also because of delay in the disposal of appeals by the tenderers. Finally the Committee directed that some further elucidation of the procedures followed in regard to the finalization of qualitative and quantitative accounts should be furnished for the information of the Public Accounts Committee at the next meeting.

(iii) The Committee further directed that efforts should be made to give commodity-wise break-up of expenditure and recoveries. It hoped that this will be done in future.

(6) *Grant No. 15—Capital Outlay on Food Storage and Other Works ; Sub-head A.—Construction of Food Storage.*—(i) The Committee noted that from the original grant of Rs. 2,35,50,000 a sum of Rs. 60 lakhs was surrendered. The accounts, however, closed with a further saving of Rs. 17 lakhs. The saving was mainly attributed to delay in the construction of food storage works. The Committee observed that they had been repeatedly informed of variation in the accounts, attributable to the D.G.I.P. & S., P.P.W.D. or Economic Affairs Division who did not supply the stores in time or completed the works or furnished the information in regard to foreign aid very late. It directed that cases in which variations

had occurred due to delays on the part of the said three organizations should be listed and brought to the notice of the departments concerned, directing them to be more prompt in future.

(ii) It further directed that reference to the correspondence which has taken place and replies received from the Ministries or Divisions as to reasons for delay should invariably be mentioned in the replies to the Public Accounts Committee and also communicated to the defaulting Ministry/Department, so that they may know that the variation has been attributed to them, and may come prepared to reply to the allegations attributed to them.

APPROPRIATION ACCOUNTS 1963-64

(7) *Grant No. 63—Capital Outlay on Food Storage : Sub-head A.1—Construction of Food Storage.*—(i) The Committee noted that originally a sum of Rs. 1,80,75,000 was obtained for construction of food storage works, which was increased to Rs. 2,18,39,000. The actual expenditure was, however, Rs. 1,79,78,000 only, and resulted in a saving of Rs. 38,61,000. The Committee were unhappy to know that due to non-construction of storage works in time, the Food Division had to incur heavy expenditure on hiring private godowns. Further, due to noncompletion of work in time, or non-raising of debits in time, either the work suffers or the administrative Ministry has to suffer losses for payment of additional expenditure, besides wide variations occur in the accounts.

(ii) It was explained to the Committee by the departmental representative that some of the difficulties of the Pak. P.W.D. in regard to the completion of buildings were genuine. For example, he mentioned that the Ministries do not always convey administrative approval in time, or release the funds at the fag end of the financial year and sometimes make changes in the plans after tenders have been invited.

(iii) The Committee, appreciating the difficulties of the PPWD, directed that a joint meeting may be held at a later date when representatives of the Economic Affairs Division, the Pak. P.W.D. and the DGIP&S should be present.

(8) *Grant No. 64—Capital Outlay on Purchases by the Ministry of Food and Agriculture : Sub-head A. (i)—Purchases in Pakistan.*—The appropriation under this sub-head was Rs. 66 crores, which was increased to Rs. 71 crores, while the actual expenditure was Rs. 72 crores, leading to an excess of Rs. 1 crore. The departmental representative explained that the excess was due to an increase in freight charges from Washington to East Pakistan. The Committee enquired about the rates of freight from Washington to Chittagong. On being informed that formerly the rate was \$12 per ton which in the second half of 1963-64 was raised to \$20 per ton, the Committee desired to know the reasons for such a heavy and abrupt increase. The departmental representative explained that the increase was due to congestion in ports and the delay which occurred in unloading. The increase in expenditure was also partly due to more deliveries of foodgrains. The departmental representative further informed the Committee that the difficulties in berthing in Pakistani ports and the delays which occurred in unloading for want of space, had been taken note of at the highest level and remedial measures were being taken.

The Committee accepted the explanation.

(9) *Sub-head A. 1(3)—Expenditure in Overseas Countries.*—The saving of Rs. 41,20,000 under this sub-head was attributed to non-incurrence of expenditure owing to late arrival of Australian wheat and the payment being made during 1964-65. The Committee directed that the measures for purchases abroad and

securing shipping space should be co-ordinated so that deliveries may be made at the proper time and extra expenditure may not be incurred on hiring of godowns, etc., for want of shipping space.

(10) *Sub-head A. 2(1)—Fare and Freight.*—The Committee noted that from the original grant of Rs. 2,06,24,000 under this sub-head a sum of Rs. 56,43,000 was surrendered. Against the final appropriations of Rs. 1,49,81,000, the actual expenditure amounted to Rs. 2,11,06,000, leading to an excess of Rs. 61,25,000. The Committee observed that the reappropriation of Rs. 56,43,000 from this sub-head was wholly unnecessary, and had it not been done, the excess would have been of the order of Rs. 5 lakhs only. The Committee stressed the need for better and improved co-ordination in the matter of estimates and expenditure and regularization of excesses and savings.

(11) *Sub-head A. (2) Storage charges.*—The Committee noted that from the original grant of Rs. 32,50,000 under this sub-head there was a saving of about Rs. 8,74,000. The saving was attributed to non-payment of godown rent and other storage charges owing to non-receipt of bills from the Port Trust till the end of the financial year. The Committee observed that timely action should have been taken to get the bills from the authorities concerned. They further directed that the matter should not have been left to the Port Trust and the Division concerned should have taken initiative to call for the bills, made payment during the year to which it related and thus utilized the grant in full.

APPROPRIATION ACCOUNTS 1964-65

(12) The Committee was given a review of the variations in the accounts and their causes which were, however, the same as during 1962-63 and 1963-64, on which directives had already been issued by the Public Accounts Committee.

AUDIT REPORT 1963-64

(13) *Paragraph 6, page 19, Infructuous Expenditure.*—(i) The position in regard to booking of vessels for shipment of food to East Pakistan on the basis of two ports of discharge was explained to the Committee. It gave the Government of East Pakistan option either to have the foodgrains unloaded at Chittagong or partly at Chittagong and partly at Chalna, provided that, if part of the cargo was discharged at Chalna, the shipowner became entitled to receive 50 cents per ton on the entire cargo over and above the rates admissible for Chittagong. Due to this condition in five cases additional expenditure of Rs. 6,16,000 was incurred.

(ii) The departmental representative further explained that the Governors' Conference had taken note of this matter, and agreed that the present decision for East Pakistan, which is on a two-port basis, is very sound and should be continued. The Committee, appreciating the decision of the last Governors' Conference, confirmed that the delivery on two-port basis is on the whole less expensive and more satisfactory.

(14) *Paragraph 7, page 20, extra expenditure of \$11360 due to failure to accept a certain bid.*—The audit comment under this paragraph was discussed in detail, and the Committee decided to drop it.

(15) *Paragraph 89, page 50, Irregular payment of special pay amounting to Rs. 13,140 to a locally recruited Assistant in a mission abroad.*—The Committee was informed that the matter has since been regularized by the issue of an *ex post facto* sanction by Government.

(16) *Paragraph 95, page 52, Extra expenditure of \$ 23,940 due to breach of contract in an Embassy.*—The circumstances which led to the extra expenditure in this case were explained to the Committee. The Committee was further informed that the matter was being pursued further and attorneys are being consulted. The progress made in this case will be reported to the Committee at its next meeting.

(17) *Paragraph 96, page 52, Extra expenditure of \$ 24,705 due to non-acceptance of the lowest bid.*—It was explained to the Committee that the additional expenditure was incurred on obtaining a part supply to utilize the available space in a vessel carrying food to Pakistan. The Committee was further given to understand that it was a usual trade trick that, knowing the space available in a particular vessel, offers were made at a lower rate to secure the contract. Sometimes this could not be helped. The Committee enquired whether additional demand was brought to the notice of other suppliers to find out whether they could tender the required quantity at the lowest rate. The records inspected by the Audit party revealed that no entry about such an enquiry have been made.

(ii) The Committee directed that a further enquiry be made from the Embassy and the whole case re-examined, responsibility fixed for the extra expenditure incurred in this case and for future the contract should be so revised as to clear such contingencies. The progress made should be reported at the next meeting.

(18) *Paragraph 97, page 52, Additional expenditure of \$ 22,901 due to delay in finalization of bids.*—The loss was sustained due to delay in the finalization of negotiations with a US flag vessel within the period stipulated by the bidders. This necessitated purchase of wheat at \$ 64.21 per ton as compared to the accepted lowest bid of \$ 63.09 per ton. The Committee noted that the loss was due to a lacuna in the contract and directed that recurrence of such losses should be avoided, and the Embassy asked to take further action to regularize the extra expenditure.

(19) *Paragraph 98 (i) and (ii) page 53, Infructuous expenditure on chartering ships.*—After learning the circumstances leading to an infructuous expenditure of Rs. 1,95,739 incurred on chartering ships for carrying wheat to one port in Pakistan, and later diverting them to a different port, the Committee enquired whether after diverting the ship intended for Karachi to Chittagong, it was not possible to foresee and charter a ship for Karachi instead of Chittagong and then directing it to discharge its cargo at Karachi. As a satisfactory reply was not forthcoming, the Committee desired that fuller circumstances of the case should be placed before the Committee at the next meeting.

(20) *Paragraph 99, page 54, Extra expenditure due to lack of planning.*—
(i) The Committee was informed that ships were chartered to carry wheat to East Pakistan at the negotiated rate of freight on the basis of two ports of discharge. The difference between the rate of freight on one port basis and two-port basis ranged from 50c to 75c per ton. The shipowner, when approached to allow a rebate on the contract rate as the vessels did not call at the second port, refused to do so on the plea that no such provision existed in the contract. The extra expenditure in question related to two ships only. The cases of remaining three ships are still under reference for arbitration.

(ii) The Committee expressed the view that the agreement should be rather exhaustive, namely, that it should contain clauses concerning rebate, arbitration, etc. They also desired that the question should be examined in detail in regard to the following alternatives :—

- (a) engaging ships on the basis of discharge at two ports ;
- (b) engaging ships on the basis of discharge at one port ; and

- (c) engaging ships on the basis of discharge at one port with a clause that, if the ship is required to discharge at two ports, extra payment will be made.

The Committee directed that the three above alternatives should be considered by the Ministry of Food, the Audit and the Embassy and after examining all the implications, including financial, should make a report to the Committee at its next meeting.

AUDIT REPORT 1964-65

(21) *Paragraph 2, page 35, Capital Outlay on purchases by the Food and Agriculture Division.*—(i) The Committee noted that proper accounts had not been maintained for the purchase and disposal of gunny bags, twines and tarpaulins. The Committee was informed that an enquiry was being made regarding this matter, and the progress will be reported to the Committee at its next meeting.

(ii) The Committee however, further directed that the losses in this behalf should be recovered to the extent possible, and, wherever irrecoverable, should be regularized.

COMMERCIAL ACCOUNTS 1964-65

(22) The Committee noted that the Central Cereals Laboratory and the Rice Grading Centre had been declared as commercial concerns w.e.f. the financial year 1964-65, and the accounting procedures and the form in which the accounts were to be maintained had not yet been finalized by the Department concerned. The Committee directed that whatever action is required to be taken in the matter, whether engagement of necessary staff or the finalization of forms, should be expedited, and the accounts reconstructed and compiled in the required proforma and the progress made in this behalf should be reported at the next meeting.

(23) The Chairman, on behalf of the Committee and himself, offered sincerest thanks for the most lucid and efficient guidance rendered by the Comptroller and Auditor-General and his officers. He expressed the gratefulness of the Committee for the help received from them without which it would not have been possible for them to go into the details of the accounts for three consecutive years. He also thanked the Ministries concerned for the material supplied and the assistance rendered while appearing before the Committee.

(24) The Comptroller and Auditor-General offered his thanks and those of his staff to the Chairman and the Committee. He expressed the hope that the accounts of the Ministries and Divisions, etc., will be maintained more properly and that there will be better control over expenditure and over the budget under the able guidance of the Committee.

The Committee thanked the Secretary, Food and Agriculture Division and then adjourned to meet again at 9 a.m. on Monday, April 10, 1967, in Committee Room No. 1, Ayub Hall, Rawalpindi.

**Proceedings of the Ninth Meeting of the Public Accounts Committee held on Monday,
the 10th April, 1967**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9.00 a.m. on Monday, the 10th April, 1967.

Members present

1. Mr. Nurul Arin, M.N.A., Chairman.
2. Mr. Abdullah-al-Mahmood, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Mr. Nural Hoda Choudhury, M.N.A.
5. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
6. Mr. Muhammad Ashraf Raja, M.N.A.
7. Mr. Mashiur Rahman, M.N.A.
8. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S. Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General of Pakistan.

Departmental Representatives

1. Mr. M. H. Sufi, C.S.P., Secretary, Ministry of Agriculture and Works.
2. Mr. A. K. Khattak, Joint Secretary, Ministry of Agriculture and Works.
3. Mr. Kafiuddin Ahmed, Chief Engineer Pak. P.W.D.

Mr. Muzafar Hussain, S.Q.A., C.S.P., Secretary, National Assembly of Pakistan, attended.

Proceedings started with a recitation from the Holy Quran.

The following condolence resolution was moved by Major Zulfiqar Ali Khan Qizilbash, M.N.A. on the sad demise of Al-haj Abd-allah Zaheeruddin (Lal Mian) M.N.A., Chief Parliamentary Secretary. It was unanimously adopted and *fateha* was offered for the departed soul.

“The Public Accounts Committee places on record its deep sorrow on the sudden demise of Al-haj Abd-allah Zaheeruddin (Lal Mian) Chief Parliamentary Secretary and Chief Whip of the Government of Pakistan, who died at Cox Bazar on April 7, 1967. The Committee also records its high appreciation of the services rendered by the late Mr. Abd-allah Zaheeruddin as an old Parliamentarian and as a patriot who served the country with great devotion”.

The Committee further desired to convey its condolence to Begum Abd-allah Zaheer iddin and other members of the bereaved family”.

The Comptroller and Auditor-General welcomed the Chairman of the Committee and recalled the British Parliamentary tradition under which the P.A.C. is chaired by the Leader of the Opposition. The Chairman regretted his inability to attend the earlier meetings owing to indisposition and hoped for co-operation in the discharge of his duties.

The Committee then took up the examination of the Appropriation Accounts for 1962-63 of the Grants controlled by the Rehabilitation and Works Division in accordance with the agenda for the day's meeting.

Grant No. 10—Civil Works (on pages 65 to 67 of the Appropriation Accounts, 1962-63).—The Committee noted that there was a heavy excess of Rs. 2,00,02,491 under this grant. The original grant was Rs. 6,57,00,000. The Division obtained a supplementary grant of Rs. 21,00,000 and surrendered Rs. 16,84,400. The actual expenditure was Rs. 8,61,38,091, resulting in the above excess. In view of the heavy excess expenditure as compared to the original and the supplementary grant the surrender of Rs. 16,84,400 was entirely unnecessary which increased the excess from Rs. 1,83,18,091 to Rs. 2,00,02,491. In the preceding two years the excess under the grant worked out to 101.21% and 62.45% respectively. This showed lack of financial control. P.A.C. wished to be informed of the reasons for the continuous excesses and the steps taken by the Division to remedy the situation.

The departmental representative explained that the excess occurred due to purchase of more stores because the Pak. P.W.D. placed orders with the Director General, Investment Promotion and Supplies but did not know when the supplies would actually be received and also due to receipt of stores at the close of the year. The Committee pointed out that if that was so there should be savings in earlier years because of non-receipt of stores in that year. One of the reasons for the excess as given in the written reply was that it was due to purchase of more stores than anticipated. The Committee wanted to know full details of the materials purchased *i.e.* when the indents were placed with the D.G.I.P. & S., when the stores were received and what were the stores which were not anticipated in the first instance but had to be purchased. The Committee also wanted to know the position about surrender made during the previous years since the excess was attributed to late supply of materials. The departmental representative undertook to furnish the information in the next session of the Committee and also to issue instructions to the departmental officers concerned for exercising better control over expenditure in future.

In the 'Charged' section of this grant, the original appropriation was Rs. 3,70,000 while a supplementary appropriation of Rs. 4,08,000 was obtained making a total of Rs. 7,78,000. The actual expenditure was Rs. 8,40,817 causing an excess of Rs. 62,817 over the modified provision. The Committee noted that the excess expenditure had resulted from the execution of certain works at the close of the financial year. The P.A.C. wanted to know why the works for which no provision existed could not be postponed to the next year and observed that there appeared to be a tendency to spend money at the close of the year which should be curbed. The departmental representative agreed with the Committee and said that he would issue instructions to the Pak. P.W.D., in this regard.

Recoveries—Page 67 of the Appropriation Accounts.—The Committee noted that the amount of estimated recoveries was Rs. 6,43,10,000 against which the actual recoveries were Rs. 8,36,77,342 indicating more recoveries to the extent of Rs. 1,96,67,342. In the written reply of the Ministry, more recoveries were attributed to the issue of more stores than anticipated. The Committee desired

to have more details about the amount of Rs. 8,36,77,342 and also the reasons why a more realistic estimate could not be framed. The departmental representative promised to furnish the details in the next session and stated that as there was no control on the supply of materials and as there occurred considerable delays in the procurement of materials through the D.G.I.P. & S., adequate stocks had to be maintained so that execution of works might not be delayed. The Committee thereupon desired that all the departments concerned, namely, the D.G.I.P. & S., the Pak. P.W.D. and the Economic Affairs Division be asked to attend a meeting and explain the position as wide variations had been ascribed for some action or inaction on their part. The committee was informed that such a meeting had already been arranged in pursuance of its earlier direction.

*Review Note—5 (on page 68 of the Appropriation Accounts).—*The Review of Expenditure on Establishment and Tools and Plant Charges of the Pak. P.W.D. made in Note 5 appearing below this grant revealed that the percentages of such expenditure in East Pakistan worked out to 9.10% and 3.28% respectively against the authorised percentages of 11 and 2 respectively and that similar percentages in respect of Pak. P.W.D. West Pakistan had not been worked out. The Committee directed that the rates in respect of the Pak. P.W.D. in West Pakistan should also be worked out and that on the basis of the rates as they actually work out the prescribed rates should be reviewed and modified suitably.

*Review Note 7—Suspense (on page 70 of the Appropriation Accounts).—*This note revealed that there were large balances under the suspense heads 'Purchases and Miscellaneous P. W. Advances'. These balances were swelling from year to year. The balance under purchases had gone up from Rs. 10,10,13,753 in June, 1962, to Rs. 14,97,67,089 in June, 1965, while that under Miscellaneous Public Work Advances had risen from Rs. 4,46,91,101 to Rs. 6,24,18,555 during the same period. There was also a very small balance of Rs. 30 under London Stores which was continuously outstanding year after year. The Committee observed that there should obviously be not much difficulty in clearing it. The Committee expressed dissatisfaction over this state of affairs and directed that effective measures should be devised with the assistance of the Audit Department to reduce balances under all suspense heads and that a report on the progress made should be submitted to the Committee in its next session.

The question about two certificates regarding the furniture in the houses of Ministers and the houses of high officials at Lahore not having been furnished was raised before the Committee. In reply the departmental representative said that this did not seem to relate to the P.W.D. and that they would look into it. The Committee wanted to be informed about the matter in the next session.

*Grant No. 11—Rehabilitation of displaced persons and Protection of Evacuee Property (on pages 73 to 75 of the Appropriation Accounts).—*The Committee noted that the original grant was Rs. 2,75,66,000. The Division obtained a supplementary grant of Rs. 2,27,000 and surrendered Rs. 2,20,53,000 giving a modified grant of Rs. 57,40,000. The actual expenditure was Rs. 1,21,70,838 resulting in an excess of Rs. 64,30,838. The departmental representative stated that the surrender and the excess related to the special fund of Rehabilitation of Displaced persons created in 1950. The provision was made in the budget in anticipation of possible accretions to the fund not by them but by the Ministry of Finance. The Committee decided that the consideration of this point may be deferred to the date when the Ministry of Finance appear before the Committee and explain the position. At that time the Ministry of Finance would also state the position regarding collections made after the levy of the Refugee Tax was stopped and regarding the transfer of those collections to the Fund.

Grant No. 12—Development Expenditure of Works and Rehabilitation Division (on pages 77 & 78 of the Appropriation Accounts).—In the 'Other than Charged' section, the original grant was Rs. 8,22,000. A supplementary grant of Rs. 2,29,000 was obtained while a sum of Rs. 3,26,730 was surrendered giving a modified grant of Rs. 7,24,270. The actual expenditure amounted to Rs. 7,79,018 which resulted in an excess of Rs. 54,748 over the modified grant. The Committee noted the actual expenditure fell short of the original grant so that there was no need of a supplementary grant which had to be surrendered and desired to know the reasons why this unnecessary supplementary grant was obtained by the Division. The Committee was not satisfied with the explanation given and directed that the Division should be more careful in asking for supplementary grant in future.

Attention of the Committee was drawn to a similar situation in respect of the 'Charged' section where the original appropriation of Rs. 45,000 was augmented by a supplementary provision of Rs. 1,61,000 against which the actual expenditure was only Rs. 46,115 resulting in a saving of Rs. 1,59,885. It was explained by the departmental representative that the supplementary grant was required to provide additional office accommodation in the Ayub Hall and import of foreign materials and that the ultimate saving occurred due to non-receipt of debits and non-completion of codal formalities. It was, however, pointed out that the money obtained for construction of an approach road had also not been utilised. The departmental representative explained that in certain cases they were rather helpless and the priorities had to be varied. The Committee wanted to have more information and fuller explanation about this supplementary provision of funds which they considered as having been unnecessary. The departmental representative promised to do so. The Committee also advised the Division that when they offer explanation, they should mention the date when the money was given to them and they could not utilise it.

Grant No. 13—Other Expenditure of Rehabilitation and Works Division (on pages 79 and 80 of the Appropriation Accounts).—The Committee noticed that the original grant was Rs. 3,03,000 out of which a provision of Rs. 16,500 was surrendered. The actual expenditure however amounted to Rs. 6,86,241, causing an excess of more than Rs. 3,99,741. The departmental representative stated that the excess related to the Karachi Housing and Settlement Agency which had been transferred in May, 1962, to the Province of West Pakistan and that the Ministry has not been able to obtain reasons for the excess from the Provincial Government. The Auditor-General suggested that in this case the Ministry should either obtain the necessary information from the Provincial Government or the position be examined by the Provincial Public Accounts Committee. The Committee preferred the latter course.

Grant No. 19—Capital Outlay on Civil Works (on pages 109 and 110 of the Appropriation Accounts).—In the 'Charged' section of this grant, there was no original provision. A supplementary appropriation of Rs. 3,29,000 was, however, obtained against which the actual expenditure was only Rs. 13,310 resulting in a saving of Rs. 3,15,690 and rendering the supplementary grant largely unnecessary. The departmental representative explained that the purchases for which the supplementary funds had been obtained were actually made but payments could not be effected because the formalities of final inspection could not be completed by D.G.I.P. & S. The point regarding the need for a final inspection of the materials purchased and the procedure followed in this respect was discussed by the Committee at length. It was explained by the departmental

representative that cent per cent inspection is not carried out by the D.G.I.P. & S. at the time of shipment and that in certain cases (e.g. air-conditioners) the final inspection certificate can be issued only after the materials have actually been installed and operated. The departmental representative cited an instance of procurement of paper for the Survey of Pakistan where the D.G.I.P. & S. did not agree to any experimental check or test by the Survey Department to ensure the requisite quality of paper. However, the Committee desired to have detailed information regarding this particular case bringing out any lacuna in the purchase, inspection and payment procedures so that in future the funds should be utilised according to plan.

In the voted section, the original grant was Rs. 8,97,12,000 out of which a provision of Rs. 6,68,15,219 was surrendered bringing the modified grant to Rs. 22,89,678. Against this the actual expenditure was Rs. 3,12,12,029 causing an excess of Rs. 83,15,148. The departmental representative explained that this surrender was only a technical surrender because the sum of Rs. 443 lakhs had been transferred to the K.D.A. and the rest pertained to small items of which the details were mentioned before the Committee. He further explained that the excess was due to the fact that in some cases the work had to be done at an accelerated pace as in the case of 160 G type and 160 F type quarters built to accommodate the Assembly staff during the sessions at Dacca. The Committee accepted the explanation but directed that expenditure should in future be incurred under proper authority.

The Committee was not satisfied with the explanation given with regard to delay and slow progress of work carried out by the Pak. P.W.D. on behalf of other Ministries and observed that such explanation should be supported by facts and figures and extracts of correspondence exchanged between the P.W.D. and those departments so that the responsibility could be fixed, otherwise the responsibility for slow progress would lie with the Pak. P.W.D.

*Detailed Statement of Expenditure on Important New Works (on pages 111 to 119 of the Appropriation Accounts).—*The Committee noted that the construction of residential quarters for Customs Staff at Landikotal was undertaken without technical sanction and that technical sanctions had not been accorded in many cases, and were accorded *ex post facto* later. The departmental representative explained that the sanctions were delayed due to observance of codal formalities. The Committee observed that it was very irregular to have ordered execution of work without sanction and that it should be ensured that in future such irregularities do not occur.

The following works had been done by Pak. P.W.D. without technical sanction :—

Year	No. of Works	Amount
1962-63	1079	Rs. 1,88,00,000
1963-64	1170	Rs. 4,79,00,000
1964-65	1227	Rs. 5,18,00,000

The departmental representative explained that the sanctions in about 2,000 cases were given before the works were started, but the same were not communicated to Audit in time. They undertook to provide Audit with complete information about the works done without technical sanction as promised in their letter dated 29th March, 1967. The Committee directed that detailed information about all these cases be furnished to the Audit immediately and the compliance reported to the Committee in their next session.

*Grant No. 20.—Capital Outlay on Rehabilitation of Displaced Persons from Kashmir (on page 120 of the Appropriation Accounts).—*The original grant obtained was Rs. 47,65,000 out of which a provision of Rs. 45,54,690 was surrendered bringing the modified grant to Rs. 2,10,310. The actual expenditure was only Rs. 1,16,855 resulting in a saving of 99.09 of the original grant. It was pointed out by the Auditor-General that the saving in this grant was 90% in 1960-61; 24% in 1963-64 and 22% in 1964-65 indicating that proper financial control was not exercised by the Division over the grant. The departmental representative explained that the expenditure related to the construction of colonies for Kashmir refugees. The scheme was prepared in 1962. The approval of the National Economic Council to the scheme was received on 18.2.1963 and funds were released in April of the same year. Thereafter work was entrusted to the Provincial Government. The release of funds involved a detailed procedure, since matters had to be co-ordinated among the different departments concerned in the Provincial Government. The Committee were informed that out of 1,100 quarters proposed to be constructed at Uggoki (Near Sialkot), 500 had been built, out of 500 proposed to be built 300 had been constructed in Gujranwala. The Committee were unhappy that the money had not been utilised promptly and even now the houses constructed were not being utilised for the purpose for which the scheme was sanctioned. In order to avoid delay in the construction of more quarters it was stated that the work of construction of the fourth colony has been entrusted to the Pak. P.W.D.

At the commencement of the afternoon session at 5 p.m. the minutes of the meetings held on 3rd, 4th, 6th, 7th, 8th and 9th March, 1967, were approved by the Committee.

Mr. Darya Khan Khoso's telegram regarding his absence was read out to the Committee and it was pointed out that under the Rules if a Member absented himself from 3 or more consecutive sittings of the Committee without permission of the Chairman a motion may be made by any Member of the Assembly for the discharge of that Member from the Committee. Mr. Khoso was granted leave.

The Committee then took up consideration of the Appropriation Accounts for the year 1963-64.

*Grant No. 94.—Rehabilitation and Works Division—Group head—A. 2 Secretariat (on pages 341 and 342 of the Appropriation Accounts).—*The grant placed at the disposal of the Rehabilitation and Works Division closed with an excess of Rs. 2,83,064. The Division did not accept this position and stated that the excess was only Rs. 64,451 but the discrepancies could not be settled because reconciliation was not carried out by the departmental authorities with the Audit Office.

The Committee directed that reconciliation should be conducted regularly and differences settled before the close of the year's accounts.

*Grant No. 95.—Civil Works (on pages 343 to 348 of the Appropriation Accounts).—*The original grant amounted to Rs. 6,78,96,000 a supplementary grant of Rs. 2,59,000 was obtained and an amount of Rs. 39,000 was transferred from the Contingency Item. Against the total provision of Rs. 6,81,94,000 the actual expenditure, however, was Rs. 9,95,00,594 resulting a heavy excess of Rs. 3,13,06,594, which was 46% of the total grant against the excess of 27% in 1962-63 and of 62% in 1961-62. P.A.C. desired to know the reasons for not foreseeing the excess and making provision accordingly.

The departmental representative stated that the excess was of the order of Rs. 2,89,22,567 and explained that it was due to certain items of stores such as M.S. bars worth Rs. 23,55,000 which were ordered during the previous year but

were received during the year under report and more purchases of stores than anticipated. The Committee directed that full details should be furnished and wanted to know whether there was a corresponding saving in the previous year. It also reiterated its general direction that budgeting should be more realistic and that reconciliation of expenditure should be carried out and the discrepancies settled before the close of the accounts of the year.

*Grant No. 96.—Rehabilitation of Displaced Persons and Protection of Evacuee Property (on pages 349 to 353 of the Appropriation Accounts).—*The Committee noted that as compared to the modified grant of Rs. 64,34,185 the excess was Rs. 20,835 but there would have been a saving of Rs. 37,980 but for the surrender of Rs. 58,815.

*Grant No. 97.—Development Expenditure of Rehabilitation and Works Division (on pages 353 of the Appropriation Accounts).—*The Committee noted that the supplementary grant of Rs. 33,000 and transfer from the contingency item of Rs. 79,000 proved unnecessary as the grant closed with a saving of Rs. 1,57,552 despite a surrender of Rs. 98,000. This revealed lack of financial control and the Committee desired that closer control be exercised.

*Grant No. 98.—Other Expenditure of Rehabilitation and Works Division (on page 355 of the Appropriation Accounts).—*Since the saving in the grant was only of Rs. 5,772 after the surrender of Rs. 6,500 the Committee did not pursue the matter.

*Grant No. 105.—Capital Outlay on New Federal Capital (on page 105 of the Appropriation Accounts).—*In this case the original grant was Rs. 11,35,00,000. Department obtained a supplementary grant of Rs. 1,05,00,000 but surrendered Rs. 1,15,00,000. The actual expenditure was Rs. 11,12,08,640. Thus, as compared to the modified grant of Rs. 11,25,00,000 there was a saving of Rs. 12,91,360. This showed that the supplementary grant was wholly unnecessary. The supplementary grant was obtained on the 24th June, 1964, and the surrender was made by the 30th June, same year. The Committee wanted to know why the saving of Rs. 1,15,00,000 could not be anticipated within these few days when they asked for this supplementary of Rs. 1,05,00,000.

The departmental representative explained that the funds had been obtained to cover the cost of stores which were anticipated to be received before the close of the financial year while the surrender was made because the cost of land for the Second Capital could not be paid for want of sanction and fixation of the price of land. The Committee felt that if there had been better co-ordination within the Ministry and the Pak. P.W.D. such a situation would not have arisen and desired that the matter be looked into and a report submitted at the next session bringing out the causes responsible for this state of affairs and the remedial measures adopted to guard against the recurrence of such a position in future.

*Grant No. 106.—Capital Outlay on Civil Works (on page 389 of the Appropriation Accounts).—*The Committee noted that in the case of this grant as well, the department had not carried out the reconciliation of expenditure in time and settled the discrepancies and reiterated its general direction about the timely reconciliation of expenditure.

Attention of the Committee was also drawn to the actual recovery being of Rs. 9,31,90,980 against the estimated recovery of Rs. 2,35,000 provided under this Grant. The departmental representative explained that as the subject of Karachi Housing and Settlement Agency was transferred to the Provincial Government, they might have got this amount. The Committee expressed its disapproval to the giving of vague explanation based on presumptions, probabilities and likelihoods and directed that all the Ministries and Divisions should avoid making statements before the Committee about the accuracy of which they themselves were not sure.

In their written reply the Ministry had disowned the recovery of Rs. 8,20,97,203 from the fund for Rehabilitation of Displaced Person but the Comptroller and Auditor-General produced a letter from the Ministry to the Director of Audit and Accounts, Works, in which it had given its concurrence to this transfer. This recovery was on account of cost of works carried out for the rehabilitation of refugees which had been charged to the fund first mentioned.

APPROPRIATION ACCOUNTS 1964-65

The Committee now took up the examination of the Appropriation Accounts, 1964-65.

Grant No. 9.—Rehabilitation and Works Division Group head A—Secretariat (on page 38 of the Appropriation Accounts).—Here the original grant was Rs. 36,49,800, the amount surrendered was Rs. 4,649 and the actual expenditure was Rs. 37,51,528 resulting in an excess of Rs. 1,06,377. The surrender was, therefore, unnecessary.

The departmental representative explained that the excess was due to creation of new posts for which no budget provision existed and rise in the expenditure on telephones, as their offices were located in Karachi, Dacca, and Rawalpindi. The Committee was not satisfied with the reply and wanted to know why this heavy excess was not anticipated. There have been excesses against this grant continuously since the year 1962-63. At this stage the Auditor-General referred to the recent Government orders about the use of telephones and hoped that as a result the expenditure on telephones would come down. Nevertheless the Committee reiterated its general direction that there should be better financial control and budgeting should be more realistic.

Grant No.10.—Civil Works (on pages 40 to 43 of the Appropriation Accounts). Under this grant the excess over the modified grant was Rs. 1,51,84,993. It was seen that the excesses had continued to occur as follows :—

1962-63	...	...	27.01%
1963-64	...	...	49.91%
1964-65	...	...	81.67%

The Committee noted that this year too the excess of Rs. 1,22,71,360 was due to more purchase of stores. The Committee directed that when explaining the excesses the Ministry should cover all the three years in compliance with the directions given while discussing this grant in the accounts for the year 1962-63. The Committee also wanted to know why the purchases could not be restricted to the provision of funds in the budget.

In the 'Charged' section of this grant the Committee noticed two points. There was a transfer of Rs. 51,000 from the Contingency item while there was a saving of Rs. 53,367. This transfer was, therefore, unnecessary. Secondly, there should have been no saving at all. The departmental representative explained that this was due to curtailment of some repair work and non-payment of certain charges.

Grant No. 11.—Rehabilitation of Displaced Persons and Protection of Evacuee Property (on pages 44 to 46 of the Appropriation Accounts Excluding Sub-heads 'E' & 'F').—The Committee noted that the original grant was Rs. 85,00,000, out of which Rs. 8,03,133 were surrendered and even then there was a saving of Rs. 4,93,809. This showed that the original grant was over estimated to the extent of a very heavy amount of Rs. 12,96,942. The Committee wanted to know

the reasons for it. The departmental representative explained that the saving related to expenditure on land to be acquired from the Provincial Government and partly to vacant posts and non-receipt of telephone bills. The departmental representative further said that the saving was only Rs. 2,34,149 and that the A.G.P.R. had wrongly booked an expenditure of Rs. 1,10,277 under 'B-2 Pay of Establishment'. The explanation was accepted subject to confirmation by the A.G.P.R. The Committee, however, repeated its earlier general direction that the expenditure should be reconciled in time for the discrepancies may be settled before the accounts of the year are closed.

*Grant No. 12—Development expenditure of Rehabilitation and Works Division (on page 47 of the Appropriation Accounts).—*The original grant was Rs. 3,77,000 against which the expenditure was Rs. 7,21,575 revealing an excess of Rs. 3,44,575. Of this the Division has explained an excess of only Rs. 1,62,185, while the remaining excess was ascribed to differences in figures of expenditure for want of reconciliation. The Committee desired that the expenditure should be reconciled with the A.G.P.R. and the result reported in the next session.

*Grant No. 17—Capital Outlay on New Federal Capitals (on page 55 of the Appropriation Accounts).—*The original grant was Rs. 12 crores, which was increased to Rs. 12,36,00,000 by a supplementary grant of Rs. 10 lakhs and a transfer of Rs. 26 lakhs from Contingency Item. An amount of Rs. 36,33,000 was surrendered and the actual expenditure was Rs. 11,92,78,334 resulting in a saving of Rs. 6,88,666 over the modified grant. The Committee noted that in view of the saving both the supplementary grant and the transfer from the Contingency Item were entirely unnecessary.

The departmental representative explained that the Capital Development Authority had spent all their provision and the saving related to the Second Capital at Dacca and was due to non-payment of price of land to the East Pakistan Government for lack of sanction and agreement on the price of land. The Committee was not satisfied with this explanation and directed that action as indicated earlier in respect of the accounts for 1963-64 should be taken.

*Grant No. 18—Capital Outlay on Civil Works—(Charged Section on page 56 of the Appropriation Accounts).—*The Committee noted that since there was no expenditure the original provision of Rs. 84,000 and transfer of Rs. 2,25,000 from the Contingency Item were quite unnecessary. The Division contended that an expenditure of Rs. 3,15,868 had been actually incurred but it had been booked under other than 'charged' section through oversight.

The Committee noted that the supplementary grant of Rs. 16,54,000 was entirely unnecessary because of the heavy surrender of Rs. 1,04,32,600 and the saving of Rs. 19,41,186. Explanation was offered by the Division for the saving of Rs. 12,57,635. The balance was due to discrepancy between the Audit and Departmental figures due to non-reconciliation.

Other than Charged Section

The Committee observed that this was another case where reconciliation of expenditure was done in time to rectify the error in the accounts before they were closed.

*Grant No. 19—Capital Outlay on Rehabilitation of Displaced Persons.—*The Committee noted that this grant had been closing with the following percentage of savings :—

1962-63	97.55 %
1963-64	24.93 %
1964-65	22.87 %

The Division attributed this persistent saving to delay in the receipt of sanctions in respect of schemes submitted to the National Economic Council for approval. The Committee wanted the Division to report at the next session as to why budget provisions were made for schemes which were unapproved and if there was delay in approval why the money was not surrendered in time.

The Committee then proceeded to examine the Audit Reports of the Auditor-General on the accounts for the years 1963-64 and 1964-65 one after the other.

AUDIT REPORT FOR THE YEAR 1963-64

Para 9—Loss due to non-enforcement of terms of agreement (on page 21 of the Audit Report).—This para points out loss sustained by Government as a result of non-enforcement of the agreement entered into with certain contractors for manufacture and supply of bricks. A penalty of Rs. 2,822 was not imposed on contractors for short supply of bricks and a payment of Rs. 8,512 was made for the supply of second and third class bricks in excess of the agreed quantity which should have been treated as Government property. In the written reply the department had stated that more quantities of picked Jhama and less quantities of first class bricks were produced and accepted. The Committee wanted to know details about the 'Jhama' and first class bricks and why Jhama was accepted in lieu of first class bricks. It was explained by the departmental representative that in East Pakistan Jhama was treated at par with first class bricks and that the excess of second class bricks supplied by the Contractor was not paid for. The Committee observed that if this was the position the agreement with the suppliers should have contained a provision to that effect. The departmental representative promised to look into the matter and report to the Committee in the next session.

Para 10—Execution of works in the absence of technical sanction (on page 21 of the Audit Report).—This para points out that very large number of public works started without technical sanction up to the year 1963-64, the number of such works remaining unsanctioned was 1,227 costing Rs. 5,18,21,534. The Committee discussed this point at length and felt unhappy about it and directed that the process of according sanctions should be expedited and a compliance report submitted in the next session.

Para 11—Non-preparation of Capital and Revenue Accounts of residential buildings (on page 22 of the Audit Report).—It was pointed that these accounts have not been prepared by the P.W.D. for a single triennium ever since Independence. The departmental representative explained that rent was recovered from Government servants at 10 per cent of their pay or the standard rent worked out with reference to the cost of the buildings occupied by them, whichever was less, but that now Government have decided to charge rent at a uniform rate of 7-1/2 % of pay of the Government servants. In the circumstances the necessity of maintaining capital and revenue accounts of residential buildings had ceased to exist. The Committee observed that the question of maintaining these accounts should be examined in consultation with the Audit Department and the Ministry of Finance and the decision taken in the matter reported to the Committee at the next session.

Para 12—Loss of rent due to non-observance of allocation rules (on page 22 of the Audit Report).—It was pointed out in this para that a loss of Rs. 9,632 had been sustained by Government due to non-observance of rates. The departmental representative stated that in some cases the loss has been regularised while in the remaining cases the allocation had been made according to entitlement. The Committee directed that the facts stated by the department be verified by Audit and accepted if found correct.

Para 13—Loss of rent amounting to Rs. 5,543, due to buildings remaining vacant (on page 22 of the Audit Report).—This para points out that 30 buildings remained vacant from time to time. The departmental representative stated that 13 buildings were offered to Government servants who did not accept them while 16 were not fit for occupation during the period they remained vacant. One building was unauthorisedly occupied by a private person and had to be got vacated through Court proceedings. The Committee directed that the relevant records should be produced before Audit for verification and compliance reported in the next session.

Para 14—Non-recovery of the outstanding rent (on page 14 of the Audit Report).—It was reported to the Committee by the departmental representative that the amount of outstanding rent of Government buildings in Karachi was Rs. 88,10,588. The Committee desired to know the reasons for it and directed that special steps be taken to collect the arrears and the result reported in the next session.

The departmental representative stated that these dues had accrued from the date of Independence to 1965-66 and that the position was very unsatisfactory. This situation was due mainly to the fact that rents from the non-gazetted staff are deducted by the administrative ministries according to rent rolls furnished by the Estate Office. In many cases even though the rents are recovered from the monthly paybill but these rent statements are not returned by the administrative departments and as such even the rents collected remained unaccounted for in the registers of the Estate Office. Inspection teams have now been formed to visit the various departments to get back the statements and to check the cases where no deductions have been made.

The Committee directed that the Division should prepare department-wise list of defaulters and submit a detailed report in the next session regarding the recoveries effected, and the steps adopted to expedite recovery.

Para 15—Non-assessment of rent of shops in Government Colonies (on page 23 of the Audit Report).—The para points out that a number of shops were occupied by private individuals in various Government Colonies in Karachi, where no assessment of rent had been made. This resulted in a loss of Rs. 76,213 up to June, 1963. The Committee wanted to know the steps taken by the Department in this regard. The departmental representative explained that 99 shops were involved and that most of these had been occupied by refugees and squatterers who refused to pay any dues. The matter was brought to the notice of the Commissioner and the Deputy Commissioner. It was also taken up with the Provincial Government and it became a law and order problem. The Committee discussed the matter at length and felt that the non-payment was due to lack of proper allotment of these shops as nobody would pay unless allotment was made in his favour. The Committee was informed of a decision taken by the former Secretary, Works and Rehabilitation in this behalf. The departmental representative undertook to review the whole question, and to take action on the lines adopted by his predecessor and to furnish a complete report in the next session.

Para 16—Short assessment of rent against unauthorised occupants involving a loss of Rs. 13,810 (on page 23 of the Audit Report).—This para points out that concessional rent was allowed by the Estate Office, Karachi, to unauthorised occupants of 37 Government quarters. The departmental representative promised that the matter would be settled by 31st December, 1967 and that he would report compliance to the Committee at the next session.

Para 17—Non-recovery of difference of rent amounting to Rs. 96,937 on account of allotment of Government quarters to the officials of non-entitled departments.—This paragraph relates to houses allotted to the employees of Post

and Telegraph Department and the staff of the State Bank at usual rental recoverable from Government servants of non-commercial department though they had a separate accommodation pool of their own. It was explained that the Posts, Telephones and Telegraphs Department and the State Bank were given certain accommodation in 1947 just after Independence under orders of proper authority. The Committee wanted the departmental representative to look into the case and report in the next session why the State Bank and the P. T. & T. should not pay the difference in rent and why higher rent had not been recovered from the State Bank employees since 1952, when a decision had been taken to do so. The Committee also directed that the copies of orders extending the period of occupation should also be supplied to Audit.

Para 18—Failure to accept/reject debits amounting to Rs. 51,998.—It was explained by the departmental representative that a major portion of the debits amounting to Rs. 50,992 had been adjusted and the rest would also be adjusted shortly. The Committee suggested that the department should have the position verified by Audit.

Para 21—Non-submission of stock accounts (on pages 24 and 25 of the Audit Report).—This para points out that as many as 45 stock registers relating to the year 1947-48 to 1962-63 had not been submitted by the Divisional Officers to Audit, while audit observations in respect of 74 registers had not been met. The Committee directed that the audit requirements should be met and compliance reported in the next session.

AUDIT REPORT FOR THE YEAR 1964-65

Para 35—Loss of Rs. 22,452 as a result of re-auction of certain Evacuee Properties (on page 67 of the Audit Report).—The Committee noted that some cases were pending before the High Court and in other cases the amounts were being recovered and directed that a further report should be submitted to the Committee in its next session.

Para 36 Misappropriation of Government money (on page 67 of the Audit Report).—This relates to an embezzlement of Rs. 1,45,032 by a Cashier. The paragraph also brought out other cases of misappropriation of Rs. 7,900, Rs. 1,093 and Rs. 860. The departmental representative informed the Committee that the Cashier was convicted in a Court of Law and five Class I Officers were charge-sheeted, but were found not guilty. The Committee wished to be informed in the next session whether all these losses have been recovered or written off under proper orders.

Para 37—Improper accounting of expenditure for want of accounting procedure (on page 68 of the Audit Report).—This paragraph pointed out that accounts were not properly maintained by the Capital Development Authority for want of accounting procedure. The departmental representative informed that the accounting procedure had been drawn up and a copy of it was given to Audit on the 11th March, 1967, and for the future the accounts would be kept accordingly.

Para 38—Loss of Rs. 30,802 arising from the theft of electrical and sanitary fittings (on page 68 of the Audit Report).—This paragraph points out that electrical and sanitary fittings were stolen from completed residential buildings which were replaced at a cost of Rs. 30,802. A number of irregularities were committed as neither the loss was reported to Audit nor sanction to write off the loss was accorded and the replacements were split up to avoid open tenders. The Committee did not consider the written reply as satisfactory. The departmental representative explained that a departmental enquiry was in progress. The Committee desired that the results of the enquiry be placed before it in the next session.

Para 40—Non-receipt of returns from Public Works Division in West Pakistan (on page 69 of the Audit Report).—This para points out that large number of returns due from the Divisional Offices by June, 1965, were still awaited. The Committee directed that all the returns be made available to Audit and compliance reported in the next session.

Para 41—Undue favour to a purchaser by selling a press below reserved price (on pages 69 and 70 of the Audit Report).—This related to the auction of a press which was given to a clerk at a reduced price. A sum of Rs. 8,750 and a further sum of Rs. 5,440 on account of penalty equal to 1/4 of the auction price, are recoverable from the auction purchaser. The matter was referred to the Collector for collection as arrear of land revenue. It was explained by the departmental representative that the Officer concerned was competent to reduce the auction price. The Committee observed that it was hardly any good pressing a petty clerk, and that it might be an instance of favouritism and that explanation should be called for from the officer concerned and the progress reported in the next session.

Para 42—(a) Arrears of transfer price and rent (on page 70 of the Audit Report).—This para points out that large arrears of transfer price of evacuee property amounting to Rs. 9,87,434 were outstanding in a district up to August, 1965. It was explained to the Committee that recoveries were being made though slowly, and that out of about Rs. 10 lakhs the arrears had been reduced to Rs. 3 lakhs. The Committee felt that if they were found to be irrecoverable the Division might consider writing off the arrears. The departmental representative informed that a proposal for write off was under consideration and the Committee would be apprised at the next session about the action taken in this connection.

Paras 43 & 44—Outstanding rent of evacuee property amounting to Rs. 4,20,885/3,36,998 (on page 70 of the Audit Report).—In their written reply the department had stated that a sum of Rs. 1,80,974 pertained to the property declared as rural and the balance amount was no longer recoverable. It was stated that the defaulters were not in occupation of the properties and their whereabouts were not known. The Public Accounts Committee wished to know if the Government of West Pakistan Notification dated 16th April, 1966, declaring the properties as rural has retrospective effect. If so, this was tantamount to remission of rental and requires the sanction of the Ministry of Finance. The Division should submit a report at the next session.

Para 45—Undue loss of Rs. 2,71,050 as a result of re-auction (on pages 70 and 71 of the Audit Report).—The Committee wanted to know the reasons for decrease in the price of the properties concerned to the extent of Rs. 2,71,000. It was explained that it was so because the bidders backed out and they forfeited Rs. 500 each which was all they were required to deposit as earnest money. The Committee was informed that the rules have been revised so as to eliminate recurrence of such losses to the Government.

Para 46—Uneconomical auction of shops resulting in loss of Rs. 6,055 (on page 46 of the Audit Report).—This paragraph pointed out that an amount of Rs. 8,000 was offered for a number of shops in November, 1964, which was rejected being too low. In June, 1965, these shops were re-auctioned and the offer of 1965, was accepted as reasonable. The Committee was not satisfied with the explanation as to why the amount came down to Rs. 1,945 and felt that as it might be a case of favouritism the responsibility should be fixed and the position explained at the next session.

Para 48—Arrears of rent of evacuee property amounting to Rs. 3,00,005 in a district (on page 71 of the Audit Report).—This para points out the outstanding rents as on 30th June, 1965. The Committee directed that the department should report progress of recoveries/write off at the next session.

*Para 54—Excess payments to Contractors (on page 73 of the Audit Report).—*This paragraph pointed out that a sum of Rs. 99,644 was paid in excess to a contractor for a substituted item viz. (P/L 1 : 2 : 4 Reinforced Cement concrete using 50% crushed graded boulders and 50% grinded screened *bajri* in slab 4" thick up to a height of 25' from the plinth level 1/c framework, rodding curving etc., but excluding cost of reinforcement) by allowing the rate of Rs. 383.50 instead of Rs. 316.87 admissible under clause 12 of the agreement. The department stated that the height of the original item was 14 ft. while that of the substituted item was 25 ft. This was not correct. Actually, the height as given in the agreement was also 25 ft. The department had been asked to supply the analysis of rate on which the enhanced cost of Rs. 383.50 was based but it did not agree to do so on the plea that it was not the concern of Audit to call for analysis of rates. The Auditor-General undertook to discuss the matter with the Secretary (Finance) and then come up with their views in the next meeting.

The Committee considered that if after verification Audit were satisfied the matter need not be pursued.

Para 58 (i) & (ii)—Non-imposition of Penalty for delayed work (on page 74 of the Audit Report). The departmental representative informed the Committee that the extension in time was allowed by the competent authorities in time and that the Chief Engineer and the Executive Engineers have been directed to produce necessary records for verification by the Audit.

Para 65 (i) —Loss of Material in transit (on page 76 of Audit Report).—This paragraph points out that loss of Rs. 1,22,222 was incurred during transit of glass panes and A. C. C. sheets. The material was insured but no recovery was effected from the Insurance Company. The departmental representative stated that the loss was only Rs. 22,449 to recover which action was being taken. The Committee desired that the position be reported at the next session.

Para 66—Loss of Rs. 9,344 due to theft of material (on page 77 of the Audit Report).—The Committee wanted to know why the value of the material was not recovered and why no enquiry was held against the two overseers concerned. The departmental representative promised to give the information at the next session.

Para 67—Irregular payment of Rs. 7,13,940 (on pages 77 and 78 of the Audit Report).—This para points out that an irregular payment of Rs. 7,13,940 was made to a contractor for extra and substituted items without the sanction of the competent authority by changing specification of 80 per cent of items provided in the agreement. The Committee wanted to know why formal tenders had not been invited when 80% of items provided in the agreement were substituted. It was explained that as the time for execution of work was short, the tender was amended by accepting the rates offered by the contractor. The Committee felt unhappy about this and observed that this should not be a general practice and that the Ministry should issue directions that whenever such major changes are involved, first tenders should be invited.

Para 68—Irregular issue of $\frac{1}{2}$ Steel (on page 78 of the Audit Report).—The Committee was informed that both the items had been regularised.

Para 69—Irregular purchases (on page 78 of the Audit Report).—This paragraph pointed out two cases of irregular purchases of G. I. pipes direct from a contractor without the agency of the department of Investment Promotion and Supplies. The departmental representative stated that it is taking action to regularise the matter and would submit a report about it in the next session.

Para 69 (vii)—(on page 80 of the Audit Report).—This paragraph pointed out that 500 tons of cement was purchased at Rs. 150 per ton instead of the authorised rate of Rs. 120 per ton. The Committee was informed that recovery of overpayment has since been effected.

Para 70—Undue Financial Aid to contractors to the extent of Rs. 91,600 and loss of Rs. 90,869 in the procurement of bricks (on page 80 of the Audit Report).—This paragraph pointed out excessive issue of coal to contractors who were to supply bricks. The Committee wanted to know the reasons why the recoveries were not made from the contractors against the excess coal supplied to them. The Committee directed that information should be supplied at its next session about ;

- (i) the issue of coal,
- (ii) excess issue of coal,
- (iii) whether it was issued in lump or in instalments ,
- (iv) the quality and place of origin of the coal, and
- (v) other relevant factors.

Para 73 (ii)—Loss due to shortage of stores (on page 82 of the Audit Report).—This paragraph pointed out that material worth Rs. 13,908 was found short in June, 1963, when an overseer of a Division was making over his charge. The Committee was informed that the parties had agreed to pay 75% and the department undertook to report about the recovery in the next session and report action taken about the balance of 25% of the loss.

The Committee thanked the Secretary, Ministry of Agriculture and Works and then adjourned to meet again on 11th April, 1967 at 9 a.m.

Proceedings of the Tenth Meeting of the Public Accounts Committee held on Tuesday, the 11th April, 1967

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9-00 a.m. on Tuesday, the 11th April, 1967.

Members present

1. Mr. Nurul Amin, M. N. A., Chairman.
2. Mr. Abdullah-al-Mahmood, M. N. A.
3. Mr. Mobarak Ali, M. N. A.
4. Mr. Nural Hoda Choudhury, M. N. A.
5. Major Zulfiqar Ali Khan Qizilbash, M. N. A.
6. Mr. Mohammad Ashraf Raja, M. N. A.
7. Mr. Mashiur Rahman, M. N. A.
8. Mr. Mohammad Haneef Khan, M. N. A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S. Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General.

Departmental Representatives

1. Mr. M. H. Sufi, C.S.P., Secretary, Ministry of Agriculture and Works.
2. Mr. A. T. Khan, Director of Food Accounts.
3. Mr. N. M. Qureshi, F.A., Ministry of Food and Agriculture.
4. Mr. S. M. Yusuf, S. Pk., C.S.P., Secretary, Foreign Affairs.

Mr. A. K. M. Faiz, T.Q.A., Deputy Secretary, National Assembly of Pakistan, attended.

The meeting started with a recitation from the Holy Quran.

The Committee first took up the examination of the Accounts relating to the Agriculture Wing of the Ministry of Agriculture and Works, for the years 1962-63 to 1964-65, one by one.

*Grant No. 1—Appropriation Accounts for 1963-64—Food and Agriculture Division—Group head 'A-1 Agriculture Wing' (on page 14 of the Appropriation Accounts).—*The modified grant was Rs. 24,97,088 and the actual expenditure was Rs. 22,10,884 resulting in a saving of Rs. 2,86,204. The saving was attributed mainly to non-adjustment of expenditure of Rs. 3,38,706 on account of contribution to the F.A.O. by A.G.P.R. The A.G.P.R. explained that he had issued the authority for payment to our Embassy, Rome, in time, but the debits were not received during the year most probably as funds were not available with the Embassy to make the payment. The debit was received subsequently and adjusted. The Chairman remarked that the Foreign Ministry should be

asked regarding the delay in payment. The Committee again stressed the necessity of all the administrative Ministries regularly reconciling their expenditure figures with the Audit in time so that the discrepancies of this nature do not occur and are settled before the close of the financial year.

*Grant No. 2—Forest (on page 17 of the Appropriation Accounts).—*Against the original grant of Rs. 6,95,000 the actual expenditure amounted to Rs. 8,84,099 indicating an excess of Rs. 1,89,099. This excess was mainly attributed to adjustment of debits for stores received from abroad in previous years. The excess could not be regularised as it came to notice too late for arranging funds to cover the expenditure. The Committee directed that the department should keep a watch over their outstanding liabilities and should regulate funds accordingly.

*Grant No. 3—Survey of Pakistan—Recoveries from other Government Departments etc., (on page 21 of the Appropriation Accounts).—*The Committee observed that the estimated recovery was Rs. 44,15,000, the actual recovery was Rs. 16,71,798 and so less recovery was to the extent of Rs. 27,43,202. The departmental representative explained that the major part of the un-realised recoveries i.e., Rs. 17,53,292 were due from the East Pakistan WAPDA on account of survey operations carried out on behalf of that Authority and that the amount due had been recovered in subsequent years.

It was pointed out by the Auditor-General that the outstanding accounts of Map Stores and Consolidated Stores Accounts of Litho printing for the year 1959-60 onward were in arrears. Also the stores accounts of Central Stores for 1961-62 and 1962-63 prepared by the department were found deficient by Audit. The departmental representative stated that the difficulty was that Audit party was pressing that the accounts should be prepared on commercial basis which it was not possible for the department to do for various reasons.

The Auditor-General accepting the explanation asked the departmental representative to write to him and he would look into the matter.

*Grant No. 4—Botanical and Zoological Survey Departments (on page 31 of the Appropriation Accounts).—*Under this grant as there was small saving of Rs. 38,662 the item was left over.

*Grant No. 5—Agriculture (Other than Charged) (on pages 32 to 35 of the Appropriation Accounts).—*The Committee noted that the original grant was Rs. 74,20,000; amount surrendered was Rs. 4,62,072. Against the modified grant of Rs. 69,57,928, the actual expenditure was Rs. 56,33,289 resulting in an overall saving of Rs. 17,66,711 as compared with the original grant.

The Committee observed that under sub-head 'A. 2 (5)—Additional provision for Emergency Locust Control' a large portion of the provision remained unutilised as the sanction was issued only on the 28th June, 1963. The departmental representative explained that there was a severe damage from locust and the help of the Army had to be sought. The money was not only intended for the hire of aircraft but for purchase of insecticides and other material. A large portion of the provision was reserved to admit claims of military personnel for services rendered within the financial year, but the amount could not be adjusted owing to non-submission of claims by the Ministry of Defence in time.

*Grant No. 8—Development Expenditure of Food and Agriculture Division (on pages 39 to 63 of the Appropriation Accounts).—*The original grant was Rs. 5,51,55,000 and the surrender amounted to Rs. 59,28,494. The actual expenditure was Rs. 3,46,20,778, so there was a saving of Rs. 1,46,05,728. The

saving and surrender of Rs. 2,05,34,222 were stated to be due to non-booking of expenditure by the Audit Office and because of the non-implementation of some schemes. The A.G.P.R. explained that it was due to the non-booking of expenditure by the Comptroller, Northern Area and had departmental figures been reconciled before the close of 1962-63, the difference would have come to light and been corrected. Secretary, Ministry of Agriculture and Works stated that the grant related to several departments like Forest, Survey of Pakistan, Agriculture, Zoological Survey and Fisheries. If the figures are taken separately, the differences in respect of each department were small except in respect of Fisheries.

The Committee reiterated its general directions that the departments should take timely action to reconcile the expenditure with Audit so that the errors and omission are rectified before the accounts of a year are closed.

*Sub-head B-2(4) (on page 39 of the Appropriation Accounts).—*The Committee noted that under this sub-head the original demand was Rs. 5,63,400, the surrender was Rs. 3,71,000 and the actual expenditure was only Rs. 2,752 resulting in a saving of Rs. 1,89,648, as compared to the modified grant. Almost the entire grant of Rs. 5,63,400 remained unutilised. The Committee considered that the matter was serious as saving in development expenditure retarded development to a certain extent and required looking into. The saving was stated to be due to non-purchase of stores within the financial year. The departmental representative explained that it related to a laboratory for various types of research in Forestry and the Forest Research Institute, Peshawar was controlling the Budget. Besides the saving could not be surrendered due to late receipt of information from the Institute. Another fact probably was that the Institute was shifted from Abbottabad to the Peshawar University Campus and it is now under the audit control of the Comptroller, Northern Area. The departmental representative promised to look into the record, for a fuller report to the Committee at its next session. However, the stores were received in the next year and the expenditure was booked.

*Sub-head K. 1(1)—Directorate General (on page 42 of the Appropriation Accounts).—*The Committee noted that the original grant under this sub-head was Rs. 2,52,000 out of which Rs. 1,10,100 were surrendered and the rest of the provision of Rs. 1,42,800 lapsed as it remained unutilised. The departmental representative explained that this was due to non-receipt of stores through the D. G. I. P. & S. He also stated that the indent for the import of stores from abroad was placed on the D.G.I.P.&S. but the stores were not received and so the amount remained unspent. The Committee observed that the procedure for the procurement of stores required to be streamlined. Generally speaking that Organisation took a lot of time and that is the reason why the Provincial Governments had set up their own organisation for the purpose.

*Sub-head K. 1(3) (4)—Other charges (on page 43 of the Appropriation Accounts).—*The Committee observed that out of the original grant of Rs. 17,45,400 under this sub-head, a provision of Rs. 16,09,900 was surrendered and there was no expenditure at all against the modified grant of Rs. 1,35,500 which also lapsed. The departmental representative explained that the Scheme 'K-1(3) Air Survey Organisation' was sanctioned very late in the year and so no time was left to implement it. The Committee decided to make it a test case to find out when the scheme was prepared, after or before the budget provision had been made, how much time it took to pass through all stages so that the Committee may be able to make useful suggestions. The Ministry was directed to collect all the information and place it before the Committee at the next session.

*Reconnaissance Soil Survey—Sub-head 0.2 (4) (1)—Pay of Officers (on page 50 of the Appropriation Accounts).—*The Committee noted that the original provision under this sub-head was Rs. 5,48,200, amount surrendered was Rs. 4,05,833,

the actual expenditure was Rs. 98,792 and there was a saving of Rs. 43,575. The Committee desired to know why most of the provision made for the purpose could not be utilised. The departmental representative explained that all recruitment to the Soil Survey are made through a Committee with the Minister as Chairman set up for the purpose. As the United Nations Special Fund and F.A.O. spend money for the organisation they have a say in matters of qualifications, scale of pay and status of the officers. The dispute over the scale of pay of the posts could not be resolved for several months. The Committee enquired as to whether the delay was on the part of the Foreign Agencies or there was a slackness on the part of the Department and whether the saving was in respect of the Central Office at Dacca or at Lahore. The departmental representative stated that although the Scheme was sanctioned and the money was available the staff could not be recruited even with the help of the C. P. S. C. and promised to look into the details and submit a report to the Committee at its next meeting.

The Auditor-General remarked that the entire provision of Rs. 2,85,000 made for Rice Grading Scheme (Sub-head 0.4 (5) on page 54 of the book) has been surrendered. The Committee also observed that money was provided for a number of schemes for development of Agriculture but these were not ultimately implemented due to one reason or the other which does not seem to be a happy state of affairs. The Committee expects that Ministry should devote its attention to the implementation of the Schemes for which money was provided in the Budget as quickly as possible especially in view of the food shortage in the country and greater emphasis on Agriculture.

Grant No. 17—Grants to Provincial Governments for Agriculture Development (on page 107 of the Appropriation Accounts).—A provision of Rs. 4,88,43,000 was made for payment to the Governments of East and West Pakistan of the Centre's share of 50 per cent subsidy on fertilizers. In both the Wings there was lesser off-take of fertilizers. For East Pakistan a provision was made of Rs. 1,77,50,000 but the actual expenditure was only Rs. 94,81,350 giving a saving of Rs. 82,68,650. For West Pakistan the provision was Rs. 3,10,00,000 and the shortfall was Rs. 1,55,46,500. Lesser schemes were received from the Provincial Governments than anticipated and there was on the whole a saving of Rs. 2,38,15,150. The distribution of fertilizer was with the A.D.Cs. who have set up an agency which takes care of all the farmers. The Committee observed that there was a huge demand of fertilizers in 1962-63 and due to non-implementation of the scheme a huge amount remained unutilised. The departmental representative explained that at that time the question of distribution between the Provinces and the Centre was under consideration and now the scheme has gone to the Provincial Governments and it was no longer with the Central Government.

APPROPRIATION ACCOUNTS 1963-64

The Committee then took up the examination of the Appropriation Accounts for the year 1963-64.

Grant No. 61—Development Expenditure of Ministry of Food and Agriculture Division (on pages 203 to 215 of the Appropriation Accounts).—The summarised position in respect of this account was that the original grant was Rs. 1,95,02,000. A sum of Rs. 6,35,00,000 was transferred from the contingency grant and supplementary grant of Rs. 24,000 was obtained in June, 1964. A provision of Rs. 11,70,000 was surrendered leaving a modified grant of Rs. 8,18,55,994. Actual expenditure was Rs. 6,95,48,357 resulting in a saving of Rs. 1,23,07,637. The departmental representative explained that the saving could not be visualised up to the close of the year in view of the fact that there was lesser payment of subsidy owing to lesser consumption of fertilizer in East Pakistan (Rs. 64,13,800) and non-payment of subsidy to the Government of West Pakistan owing to non-receipt of statement of accounts (Rs. 1,19,20,788).

The Committee felt that the Provincial Governments had huge amounts of fertilizers at their disposal but still the consumption was unsatisfactory. The Committee desired that its views in this respect be sent to the Provincial Governments to look into the matter as the country was facing a serious food situation and the Provincial Governments be asked to see that the fertilizers are made more popular by means of advertisement, etc. The departmental representative also explained that the main bottleneck in the consumption of fertilizers by the farmers was the credit facilities which are not forthcoming. Formerly the Provincial Governments gave Taccavi loans but as their recovery was not satisfactory, the scheme of affording more credits in this behalf was given up.

Recoveries in respect of Plant Protection Schemes (page 214 of the Appropriation Accounts).—The Committee noted that against the estimated recovery of Rs. 8,60,000, no recovery had been effected due to non-receipt of details from the F.A.O., Rome.

The Committee observed that in a number of cases, the budget provision could not be utilised for non-receipt of statements of disbursements from foreign agencies and desired that the Ministry of Finance, Economic Affairs and Foreign Affairs should take steps to ensure that the statements of disbursements were received in time so that there should be no lapse of budget provision.

Grant No. 65—Grants to the Provincial Governments for Development (on page 240 of the Appropriation Accounts).—The Committee noted that the entire grant of Rs. 9,95,00,000 was surrendered due to a decision to meet the expenditure from the Revenue Section instead of the Capital Section. It was provided under a new demand and paid in the same year. The money was utilized.

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Para 31—Withdrawal of money to avoid lapse of budget grant (on page 66 of the Audit Report 1964-65).—It was pointed out in this paragraph that the department had drawn a sum of Rs. 8,492 in June, 1963, for making payment to a firm on account of supply of certain articles of furniture. Actually, however, the payment was made in September, 1963, i.e. in the next financial year. This obviously meant that the amount was not actually required for disbursement in June, 1963, and that it had been drawn to avoid lapse of budget grant. The Committee observed that when payment was not to be actually made in a particular year, money should not be drawn against the budget provision for that year for payment in the next year.

The Committee now started the examination of the Appropriation Accounts for the year 1964-65.

Grant No. 3—Survey of Pakistan (on pages 16 to 19 of the Appropriation Accounts).—The Committee noted that the recoveries were estimated at Rs. 50,26,000, actual recoveries were Rs. 23,60,084 indicating less recovery to the extent of Rs. 26,65,916. The major portion of the unrecovered amount i.e. Rs. 23,60,084 was attributed to non-receipt of recoveries due from WAPDA on account of survey operation carried out on behalf of East Pakistan WAPDA. The Committee desired that their comments in similar cases should apply here also.

Grant No. 7—Development expenditure of Food and Agriculture Division (on pages 27 to 35 of the Appropriation Accounts 1964-65).—The Committee noted that the original grant was Rs. 16,03,97,000 out of which Rs. 5,65,31,020 was surrendered. The actual expenditure was Rs. 8,38,84,913 resulting in a saving of Rs. 7,65,12,087 being 47.7 per cent of the original grant. There had been persistent savings in this grant in the past year which was an indication of unrealistic budgeting. The Committee observed that there were huge savings in

the grant relating to the Pakistan Forest College and the country was short of forest resources. The money should have been transferred to the Provinces or that Agriculture Division should be able to spend it fully in future. The Provincial Governments lacked money and the Ministry must ensure that they would be able to utilise those allotments through their Forest Department. The Committee also observed that the major part of the saving had occurred under sub-heads Z-1 Grants for Subsidy on Fertilizers (Rs. 3,18,00,506) and Z-2 Grants for Plant Protection Material (Rs. 3,47,05,838) and that the earlier remarks of the Committee about the use of fertilizers should equally apply in these cases.

*Grant No. 14—Capital Outlay on Forests and Agriculture and Fisheries (on page 50 of the Appropriation Accounts).—*The original provision was Rs. 41,76,000 but they surrendered Rs. 19,03,100. The modified grant became Rs. 22,72,900. The actual expenditure was Rs. 21,76,088 and there was a saving of Rs. 96,812. The departmental representative stated that the scheme for the construction of Fish Harbours at Karachi and Chittagong was not sanctioned in time. The scheme for the construction of the Fish Harbour at Chittagong was transferred to the Provincial Government. The question of transfer arose out of the reallocation of subjects between the Provinces and the Centre and the Provincial Governments insisted on their transfer. The departmental representative further stated that the Karachi Fish Harbour was being maintained by the Centre and it would also go to the Provincial Government. The Committee referred to the decision of the N.E.C. and stated that in certain cases the schemes had been transferred to the Provincial Government but the funds could not be transferred. The departmental representative promised to submit a detailed report at the next meeting of the Committee.

*Grant No. 15-A—Capital Outlay on purchase of Fertilizers (on page 52 of the Appropriation Accounts).—*There was no provision. Actual expenditure was Rs. 39,31,206. Actual recovery under sale proceeds of fertilizers was Rs. 72,64,411. It was stated that the scheme of fertilizers was transferred to the Provincial Government from 1st July, 1962, and, therefore, no budget provision was made. The excess represents adjustment of debits of previous years.

The Committee concluded consideration of the accounts of the Agriculture Division and then thanked the Secretary, Agriculture Division, for assisting them in examining the grants of the Division of which he was incharge.

The Committee then proceeded to examine the Appropriation Accounts of the Grants controlled by the Ministry of Foreign Affairs.

APPROPRIATION ACCOUNTS 1962-63

*Grant No. 53—External Affairs (on pages 204 to 208 of the Appropriation Accounts).—*The original grant was Rs. 2,84,68,000 and a supplementary grant for Rs. 2,76,000 was obtained. After a surrender of Rs. 6,55,200 the final modified grant was Rs. 2,80,88,800. The actual expenditure was Rs. 2,75,25,421 resulting in a saving of Rs. 5,63,379. The Committee observed that in view of the heavy saving, besides the surrender of Rs. 6,55,200, there was no necessity of obtaining the supplementary grant of Rs. 2,76,000. The departmental representative explained that the saving was due to the fact that what was anticipated did not actually materialise.

The departmental representative also pointed out that the Audit Office actuals under sub-heads A-1, A-2 and A-3 did not agree with the Mission's figures. The Missions carry out reconciliation with the Audit Office direct. It was explained by the Deputy Auditor-General that although the reconciliation was carried out by the Audit Office direct with the Missions, yet the Ministry being the controlling authority of the expenditure was responsible for the entire grant and for this purpose the Ministry should obtain figures from the Missions and give acceptance

to the Audit Office. The procedure for reconciliation between the Audit and the Missions abroad was elaborated by the departmental representative. The Committee decided that the procedure should be settled between the Ministry and the Audit Office and a solution to the difficulty found out.

Sub-head B—Entertainment charges (on page 206 of the Appropriation Accounts).—The Committee observed that the original grant was Rs. 15,00,000 out of which surrender of Rs. 1,36,000 was made bringing down the modified grant to Rs. 13,63,500. The actual expenditure was Rs. 7,74,089 giving a saving of Rs. 5,89,411. It was explained by the departmental representative that the saving was due to the expenditure incurred by Provincial Governments and other local authorities not having been booked by the Audit Office for want of debits and non-presentation of bills in time. The Committee desired that the claims should be settled in time so that the provisions made for the purpose should be utilised. The departmental representative further informed the Committee that under the President's directive, they were reducing the expenditure on decorations to the minimum possible on the arrival of foreign dignitaries.

Recoveries—(on page 208 of the Appropriation Accounts).—The Committee noted that the estimated recovery was Rs. 4,48,000 but it was not recovered at all. In their written reply the Ministry have expressed their inability to explain the reasons for non-recovery. The departmental representative stated that they had to incur expenditure on behalf of other Ministries and Departments and the responsibility for reconciliation in that connection and explaining the reasons of non-recovery were that of the Audit. The Deputy Auditor-General stated that as they would be going into the question of reconciliation they would also discuss this question and evolve a satisfactory procedure. It was decided that the compliance be reported at the next session.

Grant No. 54—Other expenditure of the Ministry of External Affairs (on page 209 of the Appropriation Accounts).—The Committee noted that there was a saving of Rs. 13,404 under Sub-head A—Contribution owing to non-transportation of Pakistani animals to Turkey. The Committee enquired about the presentation of Pakistani animals to Turkey. The departmental representative explained that some animals were sent for a fair in Turkey and they were to be presented to the Istanbul Zoo. The animals could not be transported in time as there was no direct shipping service between Karachi and Turkey. So there was a saving. The animals were, however, sent subsequently.

Grant No. 55—Capital Outlay on works of Ministry of External Affairs (on page 210 of the Appropriation Accounts).—The original grant was Rs. 24,48,000, surrender was Rs. 7,40,000 and the modified grant was Rs. 17,07,400. The actual expenditure being Rs. 19,80,752 there was an excess of Rs. 2,73,352. The Committee observed that the funds should not have been surrendered to that extent. The saving amounted to 19.09 per cent of the original grant. The departmental representative explained that there were some discrepancies between the departmental and the Audit Office figures and the saving was only Rs. 13,256. The Committee further observed that on streamlining the procedure for reconciliation that should not happen.

APPROPRIATION ACCOUNTS 1963-64

Grant No. 36—Capital Outlay on works of the Ministry of Foreign Affairs (on page 111 of the Appropriation Accounts).—The original grant was Rs. 26,73,000 out of which Rs. 10,20,800 were surrendered owing to non-materialisation of plans and schemes within the currency of the financial year. Actual expenditure was Rs. 15,62,114 and the saving in the modified grant amounted to Rs. 90,886. Taking the surrender into account the saving would have been Rs. 11,10,886 as a

result of non-utilization of funds in respect of the Missions in Khartoum, Ankara, Tehran, Canberra and Bangkok. The Committee wanted to know the reasons for the non-utilisation of the funds in detail. The departmental representative explained some of the difficulties relating to buildings in the Missions abroad and promised to look into the whole position and submit a fuller report about the non-utilisation of funds at the next session.

Grant No. 94—Rehabilitation and Works Division (on page 341 of the Appropriation Accounts).

Group Head B—State Guest Houses—Note 3 below the Grant.—It was pointed out that the proforma account of the State Guest House had not been prepared and submitted to audit. The departmental representative informed that with the assistance of the Financial Adviser, they hoped to be able to do it. The Committee desired that the compliance be reported at the next session.

APPROPRIATION ACCOUNTS 1964-65

The Committee observed that the question of recovery and the reconciliation be dealt with in accordance with the earlier decisions given while discussing the accounts for the years 1962-63 and 1963-64.

The Committee then proceeded to discuss the Audit Reports for the years 1963-64 and 1964-65. There was no point pertaining to the Ministry in the Audit Report for the year 1962-63.

AUDIT REPORT 1963-64

Para 83—Residential accommodation (on page 48 of the Audit Report).—This paragraph pointed out that three Pakistan Missions abroad provided residential accommodation to their employees in excess of the entitlement prescribed by Government and that rent ceilings had not been fixed in most cases. The departmental representative explained that there were some genuine practical difficulty in hiring suitable accommodation for the staff at some places and the Heads of Missions were taking due care to see that accommodation was provided according to entitlement, but sometimes this could not be strictly adhered to. He also explained that rent ceilings too could not be fixed for all places and where it has been possible to do this has been done. The Committee observed that the matter should be re-examined in detail at the level of the Ministry of Finance in consultation with Foreign Ministry and if there were any points, they may be brought to their attention at the next session.

Para 87—Losses and irregularities connected with furniture, fixtures, furnishings, etc. of a Mission (on page 50 of the Audit Report).—The question related to outstanding recoveries due from certain employees and non-maintenance of proper accounts of furniture and inventories of stock. The departmental representative stated that they have written to the Mission to recover the amount and draw up proper accounts and the Committee would be informed of the results at the next session.

Para 88—Leave Rules (on page 50 of the Audit Report).—This paragraph indicated that a Pakistan Mission introduced its own leave rules for the locally recruited staff without the concurrence of the Ministry of Finance who alone were competent to frame these rules. The departmental representative explained that the leave rules had been approved by the Financial Adviser and the Ministry was further looking into it. He promised to inform the Committee at the next session.

*Para 91—Irregular Grant of Increment (on page 51 of the Audit Report).—*This paragraph pointed out that an overpayment of Rs. 26,468 had been made to a local recruit by irregular grant of increment. The departmental representative explained that the locally recruited lady is still employed at Washington and the recovery was being effected from her. He promised to furnish further details at the next session.

*Para 92—Irregular payment of Medical Charges (on page 51 of the Audit Report).—*It was pointed out that re-imbusement of \$ 257-20 made to three Officers of a Mission on account of special messing, telephone and diet charges was not permissible under the rules. The departmental representative stated that the D.G., Health has also recommended that special nursing charges should be paid to Government servants and the case had been referred to Government for final decision. The departmental representative promised to have the matter expedited and to report back the progress at the next session.

*Para 93—Revision of pay scales of locally recruited staff (on page 51 of the Audit Report).—*It was pointed out in this paragraph that the pay scales of locally recruited staff employed in the Pakistan Missions in New York were revised provisionally by the Ministry of Foreign Affairs with effect from 1st December, 1959. The provisional sanction had not yet been finalised even after a lapse of about six years. The departmental representative explained that the question was being handled by the Establishment Division and they have been chasing that Division. He promised to look into it to finalise it and to report compliance at the next session.

*Para 94—Special contingent fund (on page 51 of the Audit Report).—*This paragraph pointed out that the Pakistan Mission in Washington created a special fund out of the interest earned on the deposits of the grants, sanctioned by a foreign foundation and among other irregularities a T.V. set and other furniture and fittings were purchased at a cost of Rs. 4,317.50 for the residence of the Ambassador although they were not covered by the list of furniture and fittings approved by the Ministry. The departmental representative explained that in the list of items which were to be provided for the Ambassador's residence, there was a provision for the supply of a Radiogram which has now been replaced by a T.V. set. The Committee observed that if the rules permit, this should be regularised.

*Para 102—Overpayment of Rs. 10,322 to the members of staff (on page 55 of the Audit Report).—*This paragraph pointed out overpayment of Foreign Allowance to the staff of a Pakistan Mission. The departmental representative stated that recoveries of the overpayments are being effected. The Committee directed the departmental representative to look into the matter and to report the findings to the Committee during the next session.

*Para 103—Non-Recovery of Income-Tax (on page 55 of the Audit Report).—*This paragraph pointed out that Income tax and Additional tax amounting to Rs. 4,425.05 and Rs. 24 respectively had not been recovered from a locally recruited Pakistan National by a Pakistan Mission the same official had also been overpaid \$ 408.60 (Rs. 1,944-94) on account of pay and increments. The departmental representative stated that the Missions have started the deductions of income tax and additional tax. The Mission has been asked to make the recovery of the amount overpaid and the confirmation is awaited. The compliance would be reported at the next session.

*Para 104—Additional expenditure due to delay in utilising Government property (on page 56 of the Audit Report).—*This paragraph pointed out that a heavy loss has been incurred on account of a Government owned building in a foreign country remaining vacant from 1-7-1960 to 7-6-1963. Besides this an

expenditure of \$ 2,486 was incurred on heating, electricity and water charges. The departmental representative stated that nothing could be done in this respect with retrospective effect. It shall have to be written off. It was a lapse on the part of the Ministry.

The Committee decided that the loss should be written off if nothing could be done and the matter be reported at the next session.

*Para 105—Non-Recovery of charges on account of water heating and other services and utilities in respect of accommodation supplied to Officers and Staff (on page 56 of the Audit Report).—*The Government of Pakistan had decided in 1956 that in cases where charges on account of heating, water and other services and utilities formed part of rent collectively and severally in respect of residential and hotel accommodation supplied to officers and staff serving in Pakistan Missions abroad, a certain percentage of rent should be recovered from Government servants concerned. In two Missions it was observed that such percentage had been fixed with the result that no recovery on account of such services had been made during the last nine or ten years.

*Para 106—Irregular drawing of outfit allowance by head of Mission (on page 56 of the Audit Report).—*The Government of Pakistan sanctioned in 1961 the payment of an additional outfit allowance of Rs. 2,000 to P.F.S. Officers on their first appointment as Heads of Missions on pay not lower than that of a Minister. A P.F.S. Officer, who was promoted as Head of a Mission in 1959 drew the additional outfit allowance of Rs. 2,000 notwithstanding that the sanction of 1961 did not cover the cases of those Heads of Missions who were working as such before the issue of the said orders.

The departmental representative stated that the matter is under consideration with the Ministry of Finance and he will inform the Committee of the decision at the next session.

*Para 107—Avoidable expenditure of Rs. 2,181.89 due to non-adoption of standard route for travel (on page 57 of the Audit Report).—*It was pointed out that an overpayment of Rs. 2,181.89 had been made on account of the T.A. of the family of an officer who did not travel by the cheapest route. The departmental representative informed the Committee that after going into the whole issue, the extra expenditure involved will be recovered from the individual concerned. The Committee directed that there should be no write off in this matter and the amount should be recovered and the compliance reported at the next session.

*Para 109—Payment of Pay and Allowances in Malayan Dollars and Recoveries effected in Rupia at official rate of exchange (on page 57 of the Audit Report).—*It was pointed out in this para that due to a very low purchasing power of the local currency of a country the Government had as a special case allowed the Pak. based staff of its Mission in that country to draw their pay and allowances in a foreign currency which fetched 20 times of the local currency in the open market. This implied that the recoveries of an account of pay, allowances, motor car advances etc., should also be made in the currency in which payment was made. This was not done and recoveries were accepted in Cash in the local currency. This resulted in undue benefit to Pak. based staff. No action had been taken to remedy the situation. The departmental representative admitted that this was irregular and promised that the Ministry will take necessary steps to remedy the situation and report compliance at the next session.

*Para 110—Expenditure incurred without sanction of the Government (on pages 57 and 58 of the Audit Report).—*The departmental representative stated that the case has been regularised with the approval of the Ministry of Finance.

Para 111—Irregular payment of rental for residential telephone (on page 58 of the Audit Report).—It has been pointed out in this paragraph that in the case of seven employees of a Mission who were not entitled to residential telephones the rent of the residential accommodation plus that of the telephone paid by Government exceeded the ceiling prescribed by Government and the excess amount then paid was not worked out and recovered from the official. The departmental representative explained that certain categories of officials were not entitled to telephones at their residences. In foreign countries we get houses where telephones were installed and there was no separate rent for telephones. The Committee desired that such cases should be regularised. No general policy could be suggested. As these cases will form precedents for others orders of the competent authority be obtained for the purpose. The departmental representative promised to examine it and report at the next session.

AUDIT REPORT 1964-65

Para 18—Loss due to failure to obtain exemption (on page 59 of the Audit Report).—In accordance with the diplomatic privileges available in a foreign country, the Pakistan Mission there, was entitled to recover the local Government elements of non-beneficial rates and stamp duty included in the rents paid for residential purposes occupied by Pakistan based staff of the Mission. It was noticed that for want of timely action to claim exemption the local Government have expressed their unwillingness to entertain any claim for refund in respect of the period from 1st April, 1956 to 30th September, 1961.

A new procedure was introduced in that country with effect from 1st October, 1964, according to which, instead of claiming refunds subsequently the Mission was authorised to secure exemption from payment of non-beneficial rates in respect of the residential accommodation of the Pakistan based employees. Despite that the Mission did not take action to secure exemption and continued to pay to the landlords rent inclusive of non-beneficial rates. In this way excess expenditure to the extent of £ 25,663 (Rs. 3,42,174) had been incurred during the period from 1st April, 1956 to 30th September, 1965. A loss of approximately £ 4,455 per annum would also continue to occur until such time the necessary action is taken.

The Committee felt unhappy about it and directed the departmental representative to look into the question with a view to fixing responsibility and report the matter in greater detail at the next session.

The Committee thanked the Secretary, Ministry of Foreign Affairs and adjourned to re-assemble at 5 p.m.



**Proceedings of the Eleventh meeting of the Committee on Public Accounts
held on Tuesday, the 11th April, 1967**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 5.00 p.m. on Tuesday, the 11th April, 1967.

Members Present

1. Mr. Nurul Amin, M.N.A., Chairman.
2. Major Zulfiqar Ali Khan Qisilbash, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Mr. Nural Hoda Choudhury, M.N.A.
5. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, (*ex-officio*).

Audit Representatives

1. Mr. S. M. Raza, S. Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General.

Departmental Representatives

1. Mr. Qamarul Islam, S. Pk., S.Q.A., C.S.P., Secretary, Planning Division.
 2. Mr. M. Ismail, S.Q.A., Joint Secretary, Economic Affairs Division.
- Mr. Muzafar Husain, S.Q.A., C.S.P., Secretary, National Assembly of Pakistan, attended.

The meeting started with a recitation from the Holy Quran. The Committee took up the examination of the Accounts of the Planning Division for the years 1962-63 to 1964-65.

Grant No. 112—Planning Division (on pages 444 and 445 of the Appropriation Accounts).

The grant position was as under :—

Original Grant	Rs.	30,06,000
Supplementary	Rs.	20,66,000
Surrender	Rs.	1,24,400
Modified Grant	Rs.	49,47,600
Actual Expenditure	Rs.	41,08,591
Saving	Rs.	8,39,009

The Committee observed (i) that the supplementary grant of Rs. 20,66,000 was partially unnecessary and only about Rs. 11,00,000 would have been sufficient and (ii) why this saving at all ?

The departmental representative stated that a contract with M/s. Imhansen International Company, Zurich was made for a comprehensive survey of the petrochemicals required in Pakistan for the next 20 years. As part of the agreement Planning Division was to pay them Rs. 8,57,044 to the firm and the A.G.P.R. was duly asked to arrange remittance to Switzerland. This has been admitted by the A.G.P.R. in a letter dated 7th April, 1963. But the amount was not paid by them owing to non-availability of funds at the disposal of the Embassy. There was no lapse on the part of the Planning Division. If the money had been duly paid, there would have been no saving. The Planning Division could give copies of the correspondence to the Auditor-General to write to the Embassy to ascertain the facts.

The Committee observed that there may be some procedural irregularity or flaw which we shall recommend to be remedied. The Auditor-General remarked that it was only a technical thing and nothing could be done at this stage.

Grant No. 112—Planning Division (on pages 421 and 422 of the Appropriation Accounts 1963-64).—The Committee noted that the original grant was Rs. 45,45,000, supplementary grant was of Rs. 7,16,000 and transfer from the contingency item was Rs. 9,52,000. The Division surrendered Rs. 4,91,000. The modified grant thus amounted to Rs. 57,21,100 and the actual expenditure was Rs. 52,91,217 resulting in a saving of Rs. 4,29,883. The Committee desired to know the reasons for obtaining additional funds, in the form of supplementary grant and contingency item and then not utilising most of the amount. The departmental representative stated that the provision of supplementary grant was made for payment to the foreign firm mentioned in the last years' account but owing to their inability to carry out certain modifications within the financial year 50% of the grant was surrendered and the remaining 50% retained, the non-surrender of which was regretted:—

Grant No. 110—Planning Division (on pages 318 and 319 of the Appropriation Accounts 1964-65).—The grant position was as under:—

Original grant	Rs.	39,81,000
Supplementary grant	Rs.	10,35,000
Surrendered	Rs.	1,45,066
Modified grant	Rs.	48,70,934
Actual Expenditure	Rs.	38,27,362
Savings	Rs.	10,43,574

The supplementary grant had been attributed by the Division to the fact that expenditure under A.---5 was made from deposits directly made to the National Bank of Pakistan to the account of the Institute of International Education by the U. S. AID. Thus the amount did not pass through the Government account and as such the saving. As the Division had obtained a supplementary grant for it, it was obvious that there must be expenditure on that account. This also explains the non-exhaustion of recovery of Rs. 9,51,000 provided under U.S. AID Local Currency Releases—Assistance to Planning Institutions.

The departmental representative explained that the Planning Division did not know about it and hence the omission.

The Committee then thanked the Secretary, Planning Division, and proceeded to examine the Accounts of the Economic Affairs Division.

APPROPRIATION ACCOUNTS 1962-63

*Grant No. 115.—Economic Affairs Division (on pages 456 to 458).—*The Committee observed that the original grant was Rs. 37,05,000, the supplementary grant was Rs. 86,000 and the surrender was Rs. 51,000. The modified grant thus worked out to Rs. 37,39,170 against which the actual expenditure was Rs. 34,52,465 resulting in a saving of Rs. 2,86,705.

The departmental representative stated that according to their figures the saving was only Rs. 43,417 but reconciliation could not be carried out mainly because the Economic Affairs Division was at that time bifurcated from Finance and the time given to the Division to send its representative for reconciliation was only one day. The Division had asked for more time but by then the accounts had been closed. This explanation was accepted but the Committee reiterated the general instruction which it has been issuing to all Ministries and Division that in future they must carry out the reconciliation in time for settlement of the discrepancies before the accounts of the year were closed. The attention of the departmental representative was drawn to another irregularity *i.e.* of issuing a re-appropriation order on 29-6-1963 relating to transfer to and from the 'Pay of Officers' and 'Pay of Establishment' without the concurrence of the Ministry of Finance, before the close of the financial year.

The departmental representative accepted the irregularity and stated that it would not be repeated.

*Grant No. 116.—Technical Assistance Schemes (on pages 459 to 461).—*The original grant was Rs. 5,30,60,000, they surrendered Rs. 8,98,590 giving a modified grant of Rs. 5,12,61,410. The actual expenditure was only Rs. 40,05,918, resulting in a huge saving of Rs. 4,81,55,492 which inclusive of the surrender worked out to Rs. 4,90,54,082 *i.e.* 92.45 per cent of the grant. The Committee desired to know the reasons for the huge saving. The departmental representative explained that in the case of Technical Assistance, the goods were received direct by the Agencies concerned. The Division could intimate the debits only on receipt of acknowledgement to that effect from the recipients or on receipt of advice relating to disbursements from the Agency concerned. Most of the saving had occurred under group head—G.—Expenditure against Foreign Aid (Rs. 4,83,32,837) which was not due to the fact that aid had not been received but due to the fact that amounts could not be adjusted for want of necessary acknowledgements. The Division had nevertheless been making efforts to rectify the position as was evident from the percentage of saving which had come down to 45 in the year 1963-64. He also stated the Division was in constant touch with the Aid-giving Agencies as also the receiving agencies to solve the problem. The Committee observed that the Division was taking all possible steps that timely adjustments were made by the aid-giving agencies. There has been some improvement and efforts are being made to improve the position still further.

The Committee drew the attention of the departmental representative to the receipt of lump sum figures from F.A.O. supplied by the Agriculture Division. The departmental representative confirmed the position and stated that they were doing their best in the matter and hoped that figures would be communicated in future more promptly.

DEBT SERVICES (CHARGED)

*Group Head-B, Foreign Debt—(on page 215 of the Appropriation Accounts).—*The original appropriation was Rs. 7,68,65,500, a supplementary appropriation of Rs. 83,82,000 was obtained while a sum of Rs. 24,34,800 was surrendered giving a net modified provision of Rs. 8,28,00,700. Against that there has been

an expenditure of Rs. 8,38,58,553, giving an excess of Rs. 10,45,853. The expenditure being of uncertain nature, could not be estimated correctly.

The departmental representative explained to the Committee that the Division did try to estimate as closely as possible the total of the loans which would be disbursed, and the interest due for payment. But deliveries were delayed, sometime contracts were delayed, so with the best of efforts the total of the disbursement and the interest due could not be estimated correctly.

The Chairman enquired about the amount of the principal. The departmental representative stated that since the beginning of the loans, there were some repayments also and so he could not readily state as to what was the original amount. As the expenditure under this head was of uncertain nature and difficult to control, the Committee accepted the explanation.

APPROPRIATION ACCOUNTS 1963-64

Grant No. 116.—Technical Assistance Schemes (on page 436 of the Appropriation Accounts).—The original grant was Rs. 8,87,34,000, they surrendered Rs. 91,17,121. The modified grant was thus Rs. 7,96,16,879 against which the actual expenditure was Rs. 4,81,33,721 resulting in a saving of Rs. 3,14,83,158. The Committee noted that in 1961-62, the saving was 96.29 per cent, in 1962-63 it was 92.45 and in 1963-64 it was 45.76 per cent. This was a marked improvement on the previous figures. The departmental representative stated for the information of the Committee that their accounting procedure in respect of Ford Foundation had been modified and they were trying to obtain the figures as quickly as possible.

Grant No. 117.—Development Expenditure of Economic Affairs Division (on page 438 of the Appropriation Accounts).—The original grant was Rs. 5,00,000 and the surrender was Rs. 1,13,000 giving a modified grant of Rs. 3,87,000. The actual expenditure was Rs. 1,58,411 resulting in a saving of Rs. 2,28,589. Taking into account the surrender, the total saving has been Rs. 3,41,589. The departmental representative explained that the saving was due to indents placed on the Department of Investment Promotion and Supplies not having been processed as anticipated. The Committee remarked that in connection with the savings other Divisions too had stated that the savings were due to the fact that the indent for machinery and equipment placed on the D.G.I.P. & S. were not supplied till the close of the financial year and desired that the Ministries/Divisions who throw responsibility on other Divisions/Departments for savings or excesses in respect of grants controlled by them must give documentary evidence before the Committee in support of their allegations.

APPROPRIATION ACCOUNTS 1964-65

Grant No. 114.—Technical Assistance Schemes (on page 330 of the Appropriation Accounts).—The original grant was Rs. 7,27,81,000, the surrender was of Rs. 2,02,39,070 giving a modified grant of Rs. 5,25,41,930. The actual expenditure was Rs. 3,18,47,338. Taking the surrender into consideration, there was a saving of Rs. 4,09,33,662, which was 56.24 per cent of the grant. The Committee observed that there has been a set back during this year in that the percentage of saving had risen from 45% in 1963-64 to 56% in 1964-65. The Auditor-General also pointed out the shortfall in recovery of Rs. 3,00,40,195. The departmental representative stated that they had taken a note and expected to show improvement next year.

Grant No. 115.—Development Expenditure of Economic Affairs Division (on page 331 of the Appropriation Accounts).—The Committee observed that the original grant was Rs. 15,00,000. The Division surrendered Rs. 8,68,800, thus the modified grant amounted to Rs. 6,31,200. The actual expenditure was

Rs. 15,30,900 resulting in an excess of Rs. 8,99,700 over the modified grant. But for the surrender, the grant would have closed with an excess of only Rs. 30,900. The departmental representative explained that the excess was partly due to adjustment of debit of Rs. 3,78,879 relating to the year 1963-64 and partly due to wrong adjustment of an expenditure of Rs. 5,20,821 under sub-head Y-3. The wrong adjustment could not be set right because the decision of the Government to effect the necessary transfer was not received by the A.G.P.R., before the close of the financial year.

The Auditor-General remarked that there was no item in the Audit Report.

The Committee thanked the Joint Secretary, Economic Affairs Division and then adjourned to meet at 9 a.m. on Wednesday, the 12th April, 1967.

**Proceedings of the Twelfth meeting of the Public Accounts Committee held on
Wednesday, the 12th April, 1967**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9.00 a.m. on Wednesday, the 12th April, 1967

Members present

1. Mr. Nurul Amin, M.N.A., Chairman.
2. Mr. Mobarak Ali, M.N.A.
3. Mr. Nural Hoda Choudhury, M.N.A.
4. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
5. Mr. Mohammad Ashraf Raja, M.N.A.
6. Mr. Mashiur Rahman, M.N.A.
7. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General.

Departmental representatives

1. Mr. Qudratullah Shahab, S.Q.A., C.S.P. Secretary, Ministry of Education.
2. Mr. Abdul Majid Mufti, T.Pk., C.S.P., Jt. Secy., Ministry of Information and Broadcasting.
3. Mr. Abdur Rashid, T.Pk., C.S.S., Dy. Secy., Ministry of Information and Broadcasting.
4. Mr. S. A. Aziz, Chief Engineer, Radio Pakistan.
5. Mr. Hamid Jalal, General Manager, A.P.P.

Mr. A. K. M. Faiz, T.Q.A., Deputy Secretary, National Assembly of Pakistan, attended.

The meeting started with a recitation from the Holy Quran. The Committee took up the examination of the accounts of grants controlled by the Ministry of Information and Broadcasting.

APPROPRIATION ACCOUNTS FOR 1962-63

The Committee noted that in the case of this Ministry as in the case of others there were discrepancies between the audit figures and departmental figures. It was pointed out that it happened because reconciliations had not been carried out before the close of accounts by the Audit. The departmental representative promised that this will be done in future in time.

Grant No. 47.—Information and Broadcasting Division (on pages 189 to 193 of the Appropriation Accounts).—The original grant was Rs. 1,06,76,000, the supplementary grant obtained was Rs. 28,000 but an amount of Rs. 2,17,200 was surrendered. Thus the modified grant worked out to Rs. 1,04,58,800 against which the actual expenditure was Rs. 1,00,02,434 resulting in a saving of Rs. 4,56,366. The Committee observed that the supplementary grant was absolutely unnecessary. The departmental representative explained that the supplementary grant was required for the Press Information Department, and was not only fully utilised, but also the department incurred an excess expenditure of Rs. 23,000. The Committee observed that the savings under other sub-heads should have been utilized instead of seeking a supplementary grant and that a better control on the budget would have eliminated the need for this supplementary grant. The Committee also directed that the correct picture regarding the reconciliation between the audit and departmental figures should be given at the next session.

Note 3.—(on page 193 of the Appropriation Accounts) Secret Service Expenditure.—It was pointed out that the certificate in respect of the secret service expenditure recorded under sub-head B.4 has not been furnished to Audit. The departmental representative promised to submit the certificate and report compliance at the next session.

Grant No. 48.—Pakistan Broadcasting Service (on pages 194 to 198 of the Appropriation Accounts).—The Committee noticed that the original grant was Rs. 1,52,21,000, the amount surrendered was Rs. 10,41,200. The modified grant thus came to Rs. 1,41,79,800 against which the actual expenditure was Rs. 1,23,72,801 giving a saving of Rs. 18,06,999. It was also pointed out that the department had not accepted a number of expenditure figures as they stated that these figures were changed after the reconciliation. The reason for this was that the reconciliation of A.G.P.R.'s figures had been done and the figures indicated in the Appropriation Accounts also included the expenditure recorded in the books of the other area Audit and Accounts Officers with whom complete reconciliation had not been done by the Department. The Committee reiterated its earlier remarks that reconciliation should be done in time and that up-to-date figures should be furnished to the P.A.C. so that it may see the correct position about the saving.

Recoveries—(on page 198 of the Appropriation Accounts).—The Committee noted that the estimates for a recovery of Rs. 2,000 made from the Government of West Pakistan for rural programmes had not been prepared. The Committee directed that the Department should prepare the necessary estimate or consider whether it would at all be necessary to recover this small amount from any Provincial Government.

Grant No. 49.—Development Expenditure of Information and Broadcasting Division (on page 199 of the Appropriation Accounts).—The grant position was as under :—

	Rs.
Original Grant	78,00,000
Actual Expenditure	53,02,300
Savings	24,97,700

The Committee wanted to know the reasons for the saving as none had been furnished by the department. The departmental representative explained that the expenditure of the grant for Basic Democracies was contingent on matching

expenditure by the Provinces to the extent of 40% and they based their estimates on the figures of the Provinces for the previous year, but when the Provincial Finance Departments effect a cut on their contribution saving results in the Central expenditure also.

The Committee noted this reply and observed that nevertheless the reasons should be furnished in time to the A. G. P. R. to incorporate them in the Appropriation Accounts before the book is printed.

*Grant No. 50.—Other Expenditure of Ministry of Information and Broadcasting (on page 200 of the Appropriation Accounts).—*The grant position was as under :—

	Rs.
Original Grant	1,41,38,000
Surrender	5,55,800
Actual Expenditure	5,21,096
Saving	1,30,61,104

The department explained that the actual expenditure was Rs. 1,35,64,446 and not Rs. 5,21,096. Here too the Committee noted that reconciliation had not been done in time and stressed the need for timely reconciliation in future.

APPROPRIATION ACCOUNTS 1963-64

The Committee now took up the examination of the Accounts for 1963-64.

*Grant No. 28.—Ministry of Information and Broadcasting (on pages 881 to 892 of the Appropriation Accounts).—*The grant position as shown by accounts was as under :—

	Rs.
Original grant	1,18,45,000
Supplementary	37,74,000
Modified grant	1,56,19,000
Actual Expenditure	1,54,62,423
Saving	1,56,577

The department explained that as far departmental figures were concerned there was actually an excess of Rs. 4,38,000. The Committee then desired to know how this excess took place. The departmental representative said that the supplementary grant was justified as will be seen from the excess which was the total of small excesses spread over various formations of the Ministry. The Committee observed that fuller information should be obtained before a supplementary grant is sought so that such excesses should be avoided.

*Grant No. 29.—Pakistan Broadcasting Service (on pages 93 to 100 of the Appropriation Accounts).—*The Committee observed that there were a number of discrepancies between the departmental and Audit Office figures and reiterated its earlier direction that reconciliation of differences between audit and departmental figures should be carried out by the departments before the accounts of the year are closed by the Audit.

*Grant No. 30.—Development Expenditure of Information and Broadcasting Division (on page 101 of the Appropriation Accounts).—*The expenditure recorded against the grant amounting to Rs. 1,14,00,000 is in respect of grants-in-aid to Basic Democracies. The Committee desired to know if the grants given by the Central Government to the Basic Democracies are checked and audited by the Pakistan Audit Department. The Committee was informed that there was arrangement for internal audit and that the examination of Examiner Local Fund Accounts was auditing the accounts of the local bodies in West Pakistan while in East Pakistan, the Pakistan Audit Department conducted the audit. Due to paucity of funds it had to be a percentage audit carried out periodically.

*Grant No. 32.—Capital Outlay on Broadcasting Services (on page 103 of the Appropriation Accounts).—*The Committee observed that under sub-head A—Works, the original provision was Rs. 16,40,000 out of which Rs. 3,27,575 had been surrendered giving a modified grant of Rs. 13,12,425. The actual expenditure was Rs. 11,25,566 resulting in a saving of Rs. 1,85,859. The Committee wanted to know the reason for this saving. It was explained by the departmental representative that the amount was placed at the disposal of the Pak. P.W.D., who could not execute the works at Lahore and Islamabad according to schedule.

The Committee observed that there was a tendency to shift the responsibility for savings etc., to Pak. P.W.D. or the Supply Department or the Economic Affairs Division, and that it was a sorry state of affairs as the P.A.C. was not in possession of full facts as to when the administrative sanction was issued, when the Pak. P.W.D. was asked to proceed with the work and when the equipments etc., were received. The Committee directed that the Rangpur 10 K. W. Transmitting Station, which was scheduled to go into operation in 1964 while it started in 1967, should be taken as a test case and all details about it should be furnished to the Committee. The departmental representative stated that as Rangpur was rather a backward area and lacked many facilities, the department should be allowed to choose another case along with Rangpur for the purpose of supplying all details. The Committee allowed the addition of another case at the option of the Ministry and directed that facts about both should be submitted at the next session. After this the Committee passed on to the examination of the Accounts for 1964-65.

APPROPRIATION ACCOUNTS 1964-65

*Grant No. 102.—Ministry of Information and Broadcasting (on pages 284 to 287 of the Appropriation Accounts).—*Here also the Committee noticed the problem of reconciliation and repeated its earlier directions. The Committee particularly noted the following two cases of defective control.

(i) *A-3.—Allowances and Honoraria.*—The original grant was Rs. 3,05,200 out of which Rs. 49,709 were surrendered but there was ultimately an excess of Rs. 23,907 over the modified provision. This was stated to be due to more tours.

(ii) *A-4.—Other Charges.*—The original provision was Rs. 9,21,600, a supplementary grant of Rs. 1,36,000 was obtained and a surrender of Rs. 35,355 was made. Ultimately there was an excess of Rs. 1,33,320. The departmental representative explained that the expenditure had been incurred but was not noticed till after the close of the year. Since, the reconciliation was done later, the Committee was not convinced with the explanation that a Branch of the Ministry incurred an expenditure without the knowledge of the Administration Branch controlling the budget operations. The Committee desired that steps should be taken to eliminate lack of coordination between various Branches of the same Ministry.

*Grant No. 104.—Other Expenditure of Ministry of Information and Broadcasting (on pages 298 and 299 of the Appropriation Accounts).—*The grant position was as under :—

	Rs.
Original	1,67,31,000
Actual Expenditure ..	1,46,96,512
Saving	20,34,488 (i.e., 12.16% of the grant).

The Committee wanted to know the reasons for this excessive provision and why this could not be foreseen. The departmental representative explained that the saving resulted from the delay in the opening of some National Reconstruction Centres. On a further enquiry by the Committee he promised to furnish a list of the Centres at the next session for which this provision was made but could not be utilised.

Under Secret Service Expenditure.—A sum of Rs. 5 lakhs had been provided but the entire amount was surrendered. The departmental representative explained that it was an emergent provision and could be used only if necessary.

Grant No. 105—Capital outlay on Broadcasting Service (on page 300 of the Appropriation Accounts).—The grant had been showing savings consecutively for the three years under discussion as follows :—

1962-63	47.88%
1963-64	61.58%
1964-65	9.57%

The department attributed the savings of 1962-63 and 1964-65 to the delay in supply of equipment by the D.G.I.P. & S.

AUDIT REPORT 1964-65

The Committee now took up the examination of the Audit Report of the Auditor-General.

The financial irregularities mentioned in para 110 on pages 57-58 in the Audit Report, for the year 1963-64 had been settled on receipt of the *ex post facto* sanction of Government.

Para 1 on page 53 of the Audit Report for the year 1964-65 then came up for discussion.

This relates to the non-recovery of Rs. 1,50,000 advanced in 1961 to a firm for the production of a film "Charagh Jalta Raha". The Committee desired to know the reasons for the delay in recovery and also the terms of the agreement and the position about the bank guarantee. It was explained that the terms of agreement were prepared in consultation with the Ministries of Law and Finance. The Committee directed that a copy of the agreement and that of the guarantee given by the National Bank should be furnished to the Committee. The Committee also directed that now the case was in the Court, all facts should be placed before it in the next meeting.

PARA 17 (b) (iii) OF THE COMMERCIAL ACCOUNTS 1962-63

After this the Committee took up the examination of the Commercial Accounts. The Committee noted that the accounts of the Commercial Services of Radio Pakistan for 1962-63 and 1963-64 had been finalised and those for the year 1964-65 remained to be completed. The Committee directed that these too should be finalised without delay.

COMMERCIAL ACCOUNTS OF A.P.P.

The Committee noted that the losses suffered by the Organisation were on the increase as shown below and desired to know the reasons therefor :—

Year					Amount of loss Rs.
1961-62	..	..	..	..	1,20,232
1962-63	..	..	..	..	1,96,507
1963-64	..	..	..	..	2,09,325
1964-65	..	..	..	..	2,38,462
1965-66	..	..	..	..	2,91,000 (approximately).

It was explained by the departmental representative that news agencies all over the world ran at a loss (e.g., Reuter received 42% subsidy through B.B.C. and in France the subsidy was 82%). The A.P.P. had to spend about Rs. 85,000 extra to keep the stand by links between East and West Pakistan. The arrears due from the newspapers, which were Rs. 11,63,336 on 30th June, 1964 and Rs. 13,86,431 on 30th June, 1965 were about Rs. 15 lakhs and were mounting further. Out of Rs. 13,86,431, a sum of Rs. 7,57,342 was considered as doubtful of recovery as the defaulting parties were contesting the rates as well as the amounts of the bills. The Committee felt that no Organisation could go on running like this and suggested that Government might give thought to the suggestion that Government advertisements should go only to such papers as regularly pay the dues of the A.P.P. The departmental representative said that it was under consideration but that there were very few papers in the country which were running at profit. The Committee also noted that the Government gave the Organisation an interest free loan of Rs. 26,05,531. It felt that as the Government had control on the A.P.P. they could consider giving it telephone and telegraphic facilities at cheaper and special rates, which will be a sort of a disguised grant; and that similar facilities should be extended to U.P.P. and P.P.A. too. The Committee viewed with anxiety that the A.P.P. was running at a loss and recommended that Government should devise ways and means to improve the financial conditions of the A.P.P.

The Committee also noted the losses of Rs. 10,245 and Rs. 22,515 on Feature Service and Photo Service respectively in the year 1963-64. The Committee was informed that the Feature Service has since been discontinued, and that the Photo Service, as an essential of modern journalism, is still there and running at a loss.

With this the examination of the accounts of the Ministry of Information and Broadcasting was closed. The Committee thanked the representatives of the Ministry and next took up the examination of the accounts of grants controlled by the Ministry of Education.

MINISTRY OF EDUCATION

APPROPRIATION ACCOUNTS 1962-63

Grant No. 42.—Education Division.—The grant position is :—

	Rs.
Original Grant	34,97,000
Surrender	9,62,007
Modified Grant	25,34,993
Actual Expenditure	25,45,017
Excess	10,024

The Committee noted as compared to the original grant the saving was Rs. 9,51,983 which was 27.22% of it and yet the surrender was so large that there was a small excess of Rs. 10,024 after the surrender and it wanted to know why the budgeting and estimating could not be made more realistic and why the Central Bureau of Curriculum and Text Books could not be established. The departmental representative explained that the sum of Rs. 5 lakhs provided for publicity etc., for the Educational Reforms Commission could not be utilised as there was agitation against the Education Reforms. The Committee was satisfied with the explanation.

*Grant No. 44.—Assistance to Educational Institutions (on pages 179 to 182 of the Appropriation Accounts).—*As compared to the modified grant of Rs. 1,29,75,288 there was an excess of Rs. 16,17,134. It was explained by the departmental representative that the excess of Rs. 18,60,919 under sub-head A.-1 Grants to Universities was a case of wrong booking which had been rectified. The Committee then wanted to know why the sum of Rs. 5,92,270 was surrendered from this sub-head. It was stated by the departmental representative that it was surrendered due to non-introduction of the tutorial system in the Universities.

*Grant No. 45.—Government Colleges and Schools (on page 183 of the Appropriation Accounts).—*The Committee noted that the entire grant of Rs. 4,71,000 was surrendered. It was explained to the Committee to be due to the transfer of schools to Provinces in pursuance of the constitutional provisions.

*Grant No. 46.—Development Expenditure of Education Division (on pages 184 to 188 of the Appropriation Accounts).—*The grant position was as under :—

	Rs.
Original Grant	69,98,000
Surrender	18,58,192
Actual Expenditure	44,54,221

Inclusive of surrender the saving amounted to Rs. 25,43,979, i.e., 36.25% of the grant.

It was explained that the surrenders were mainly due to the following :—

- (1) Less expenditure on improvement of schools Rs. 7,02,000 under process of transfer to the provinces ;

- (2) Less payment of grants Rs. 7,85,000 for development of languages and culture ; and
- (3) Non-finalisation of the Scheme for the establishment of Central Institute of Testing and Guidance—Rs. 1,55,000.

It was also explained by the departmental representative that the partial utilisation of scholarships by foreign students was due to the fact that the anticipated number of foreign students did not turn up.

The position about the transfer of scholarships for the minorities to the provinces was also placed before the Committee as desired by it. The following is the break up for the year 1962-63 :—

	Rs.
Scholarship for Scheduled castes	1,50,000
Scholarship for Buddhists	50,000
Scholarship for Christians	50,000
Total ..	2,50,000

The amount was provided as grants-in-aid to :—

	Rs.
West Pakistan	56,000
East Pakistan	1,94,000

The surrender was due also because the Urdu and Bengali Development Boards could not utilise their allotments for producing two dictionaries on the pattern of the Oxford Dictionary. Surrender under the head Scholarships for studies abroad was explained by saying that it was provided to assist students with passage money in case they needed it.

The Committee was satisfied with the explanation.

APPROPRIATION ACCOUNTS FOR 1963-64

Grant No. 26.—Assistance to Educational Institutions (on pages 81 to 83 of the Appropriation Accounts).—The grant position as noted by the Committee was :—

	Rs.
Original Grant	1,35,17,000
Supplementary Grant	13,35,000
Total Grant	1,48,52,000
Actual Expenditure	1,37,72,261
Saving	10,79,739

Out of the saving a sum of Rs. 9,07,084 was surrendered before the close of the year. The Committee noted that the supplementary grant was mostly unnecessary in view of the large saving which was 7.27% of the grant and that if proper control had been exercised the Ministry would have required a supple-

mentary grant of about 2.50 lakhs instead of 13.35 lakhs. The Committee was informed that the schemes abandoned were (1) Tutorial Grants and (2) Council of Technical Education. The Committee observed that there should be better control over expenditure so that funds are not obtained unnecessarily and if they are obtained for development purpose they should be utilised to the best purpose.

Recoveries.—The estimated recoveries amounted to Rs. 53,74,000 while the actual recovery was only Rs. 4,49,642 and so the recovery was less by Rs. 49,24,358. It was explained by the departmental representative that it was due to non-receipt of U. S. AID under PL-480 and Aid from the Ford Foundation.

Grant No. 27.—Development Expenditure of Education Division (on page 87 of the Appropriation Accounts).—The Grant position was as under :—

	Rs.
Original Grant	61,83,000
Expenditure	48,33,227
Saving	13,49,773 (i.e., 21.83% of the grant against 36.35% of the previous year).

Before the close of the year an amount of Rs. 15,36,250 was surrendered which converted the saving of Rs. 13,49,773 into an excess of Rs. 1,86,477. The departmental representative explained that the saving was due to non-materialisation of some development projects and the excess over the modified grant was due to more expenditure incurred by Pak. P.W.D. on the construction of a museum, the debit for which was not communicated to the Ministry despite reminders by them. The Committee desired that this explanation should be backed by the correspondence on the subject and produced at the next session.

APPROPRIATION ACCOUNTS FOR 1964-65

The Committee now passed on to the examination of accounts for the year 1964-65.

Grant No. 43.—Ministry of Education (on pages 105 to 107 of the Appropriation Accounts).—The grant position as seen by the Committee was as under :—

	Rs.
Original Grant	33,05,000
Actual Expenditure	33,25,436
Excess	20,436

During the course of the year a provision of Rs. 37,400 was surrendered which increased the excess of Rs. 20,436 to an excess of Rs. 57,836 over the modified grant. The excess was explained by the departmental representative to be mainly due to telephone bills incorrectly debited against the Ministry. The Committee desired to know whether the Ministry of Education has obtained the necessary credit (refund) from the Telephone Department and directed that this information should be furnished in the next session and stressed the need for carrying out the reconciliation of accounts before the close of the year.

*Grant No. 46.—Development Expenditure of the Education Division (on pages 113 and 114 of the Appropriation Accounts).—*The Committee noted the heavy saving under this grant as worked out below :—

	Rs.
Original grant ...	1,18,76,000
Actual Expenditure ...	94,61,479
Saving ...	24,14,521 (20.34% of the grant).

It was also noticed that heavy savings had occurred continuously in the grant as below :—

1962-63	36.35%
1963-64	21.83%
1964-65	20.84%

The Committee made the general observation that steps should be taken to utilise the grant and to obtain money only to the extent the Department could utilise. With reference to the non-utilisation of funds obtained for the Institute of Foreign Languages the Committee desired that no funds should be asked for unless the schemes were approved finally and ready for implementation in the year during which money is sought.

AUDIT REPORT 1963-64

*Para 110 (a) (V)—Expenditure incurred without sanction (on page 57 of the Audit Report).—*This para pointed out that a Pakistan Mission abroad had incurred some expenditure without the sanction of the competent authority. The Committee was informed that *post facto* sanction had been issued in respect of Rs. 952.38 being the cost of exhibition of painting.

-With this the examination of the accounts of the Ministry was concluded. The Committee thanked the Secretary, Ministry of Education and adjourned to re-assemble at 5 p.m.

**Proceedings of the Thirteenth Meeting of the Public Accounts Committee held on
12th April, 1967**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 5 p.m. on 12th April, 1967.

Members present

1. Mr. Nurul Amin, M.N.A., Chairman.
2. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Mr. Nural Hoda Choudhury, M.N.A.
5. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General.

Departmental Representatives

1. Mr. T. G. Nasir Khan, P.M.A.S., Additional Finance Secretary.
2. Mr. Nasim Ahmed Khan, Joint Secretary, Finance.
3. Mr. Abid Hussain, T. Pk., C.S.P., Joint Secretary, Finance.
4. Mr. K. A. Islam, C.S.P., Chairman, A.D.B.
5. Mr. Abdul Hamid, P.A. & A.S., Member, C.B.R.
6. Mr. Abdul Rauf, T. Pk., P.A. & A.S., Member, C.B.R.
7. Mr. N. H. Jafarey, P.M.A.S., Member, C.B.R.
8. Mr. Azam Ali, C.S.P., Member, C.B.R.
9. Mr. A. R. Bashir, C.S.P., Joint Secretary (Development), Ministry of Finance.
10. Mr. Abdul Jamil Mian, P.A. & A.S., Deputy Comptroller and Auditor-General (II).
11. Mr. S. M. Hoda, Chief Accounts Officer, P.R.F.C.

Mr. A. K. M. Faiz, T.Q.A., Deputy Secretary, National Assembly of Pakistan, attended.

The Committee first took up the accounts of the grants/appropriations controlled by the Ministry of Finance.

APPROPRIATION ACCOUNTS FOR THE YEAR 1962-63

*Grant No. 56.—Ministry of Finance (on pages 211 to 214 of the Appropriation Accounts).—*The grant position is :—

	Rs.
Original Grant ..	37,62,000
Supplementary ..	1,50,000
Total grant ..	39,12,000
Actual expenditure ..	43,38,945
Excess ..	4,26,945

During the course of the year a provision of Rs. 2,41,000 was surrendered which increased the excess of Rs. 4,26,945 to an excess of Rs. 6,67,945 over the modified grant. The Committee desired to have the reasons for this excess after the surrender of a big amount. The departmental representative explained that a review of the budgetary position was carried out in June and it was found that the aforesaid surrender could be made. But after the surrender a debit for Rs. 6,04,000 was received from the Accountant-General in respect of expenditure incurred during the previous year. Asked about the supplementary grant of Rs. 1,50,000 *vis-a-vis* the amount surrendered the departmental representative stated that surrenders could be effected even on the last day of the year. Although it might not be of any use, the rules required this. The Committee observed that it asked all the Ministries to be more realistic while seeking supplementary grants and making surrenders, and that the Finance Division too should do the same.

*Grant No. 11.—Rehabilitation of Displaced Persons (on pages 74 and 75 of the Appropriation Accounts).—*This was taken up here with the Ministry of Finance as a reference was made to it, when grants under the Works and Rehabilitation Division were considered.

The entire amount of Rs. 2,20,53,000 provided under sub-head H was surrendered. The Committee wanted to know the reasons for it. The Committee further wanted to know how the arrears of refugee tax collected after the date of discontinuation were accounted for and whether the same were used for the refugees. The departmental representative explained this was done because the refugee tax had been discontinued in the year 1962-63. This fact was brought to the notice of the Assembly as thence-forward the refugee expenditure was being borne out of the general revenues. He also pointed out that the crediting of Rs. 75,08,770 to the fund for the Rehabilitation of Displaced Persons after the discontinuance of the tax was unauthorised and that the Ministry wrote to the A. G. P. R. to this effect. The Auditor-General promised to look into the matter and to report to the Committee.

*Charged Appropriation Debt Services (on pages 215 to 220 of the Appropriation Accounts).—*The position of the charged appropriation was as under :—

	Rs.
Original Appropriation	25,16,38,000
Supplementary Appropriation	83,82,000
Total Appropriation	26,00,20,000
Actual Expenditure	24,62,69,459
Saving	1,37,50,541

Out of the saving of Rs. 1,37,50,541 a saving of Rs. 47,06,000 was surrendered before the close of the year. Asked by the Committee the departmental representative explained that the saving was due mainly to non-adjustment of interest because of the failure on the part of Railways and the Postal Department to get them adjusted in time. It was also stated that the expenditure under this head was not within the power of the Government to regulate because the interest is never drawn by various script holders of securities regularly. While appreciating the difficulties pointed out by the departmental representative the Committee felt that better coordination between the departments would accelerate the pace of adjustment and minimise the amounts of surrender and saving.

Charged Appropriation—Audit (on pages 221 to 224 of the Appropriation Accounts).—The position of the budget provision was as under :—

			Rs.
Original Appropriation	..	..	2,90,94,000
Supplementary Appropriation	..	..	3,08,000
Total Appropriation	..	..	2,94,02,000
Expenditure	..	..	2,81,50,123
Saving	..	..	6,51,877

The Committee observed that an amount of Rs. 7,19,022 was surrendered before the close of the year and said that it had the same comment on this as on other Ministries in so far as the obtaining of supplementary provision *vis-a-vis* the saving is concerned. The Auditor-General who is the controlling officer of this grant accepted that there should be a better control over progress of expenditure and his department had noted that in March or April, when there was need for surrender, they should not request for supplementary grants.

Grant No. 57—Currency (on page 225 of the Appropriation Accounts).—Here the position of the grant was as follows:—

				Rs.
Original Grant	..	..	..	57,75,000
Actual Expenditure	..	..	..	57,94,855
Excess	..	..	..	19,855

The Committee observed that a surrender of Rs. 1,37,390 was made before the close of the year which increased the excess to Rs. 1,57,245 over the modified grant and felt that in this case too the surrender was not necessary.

Grant No. 60.—Grant-in-Aid and Miscellaneous Adjustments between the Central and the Provincial Governments (on pages 237 to 239 of the Appropriation Accounts).—The grant position as presented to the Committee was :—

				Rs.
Original Grant	..	..	..	2,27,37,000
Supplementary Grant	..	..	..	12,29,58,000
Total Grant	..	..	..	14,56,95,000
Actual Expenditure	..	..	..	14,86,68,262
Excess	..	..	..	29,73,262

The explanation given by the department was that the supplementary grant was asked for food subsidy, flood relief and flood control measures in the cyclone affected areas. The excess was also due to the same reasons.

Grant No. 60A—Development Expenditure of the Ministry of Finance (on page 239 of the Appropriation Accounts).—Against the nil grant an expenditure of Rs. 6,156 had been recorded. It was explained by the departmental representative that the classification of expenditure was wrong and the provision had inadvertently been made in grant No. 58—Mint., under sub-head W-1 Works.

Grant No. 67.—National Savings (on page 261 of the Appropriation Accounts).—The Committee noticed that here there was a saving of Rs. 71,845 including the surrendered amount of Rs. 33,900 against the original provision of Rs. 6,33,000 and pointed to the need for a realistic budgeting and effective expenditure control.

Grant No. 68.—Capital Outlay on Pensions (on pages 263 and 264 of the Appropriation Accounts).—The position of the grant and the expenditure there against was as follows :—

				Rs.
Original Grant	..	..	..	52,85,000
Supplementary Grant	..	..	..	23,84,000
Total Grant	..	..	..	76,69,000
Actual Expenditure	..	..	..	65,83,136
Saving .. .. .	..	..	..	10,85,864

The departmental representative attributed the savings mainly to lesser commutation of pensions at the close of the year which was difficult to forecast.

Grant No. 70.—Development Loans and Advances by the Central Government (on pages 268 and 269 of the Appropriation Accounts).—The Grant position under this head (charged section) was as under :—

				Rs.
Original Appropriation	..	..	..	1,88,72,60,000
Actual Expenditure	..	..	..	1,24,32,25,217
Saving .. .. .	..	..	..	64,40,34,783

Out of the saving a provision of Rs. 29,46,29,000 was surrendered before the close of the year. The departmental representative explained that actually the saving could be about 10 crores, due mainly to the fact that the provinces drew less loans. The procedure being that the advances are given on an imprest basis and that from the third quarter they had to submit accounts for the preceding six months. The Committee noted that this might explain the position regarding the amount surrendered, but it wanted to know the reasons about the remaining saving of about 35 crores. The departmental representative stated that these accounts involved the foreign loans also, of which the accounts were kept by the Economic Affairs Division which could not be adjusted for want of the procedure for accounting foreign loans which has been finalised recently. Further the entire amount was not cash expenditure and also represented project assistance adjustments of which were made on the basis of information received from the Economic Affairs Division.

The departmental representative promised to look into this problem of the adjustment of foreign loans as it was necessary to have the audit and departmental figures reconciled for these years and report progress at the next session.

Grant No. 73.—Contingency Item (on page 275 of the Appropriation Accounts).—The Committee noted that out of an original provision of Rs. 15 crores a sum of Rs. 59,76,000 was surrendered. It wanted to know the reasons why such a huge amount which was not voted by the House, was provided and why the balance of Rs. 14,40,24,000 was not surrendered in time. The departmental representative explained that it happened as the communication relating to the surrender could not be sent to the A.G.P.R. in time, and that all expenditure out of Contingency Item is reported to the House during the Budget Session.

APPROPRIATION ACCOUNTS 1963-64

Grant No. 37.—Ministry of Finance (on pages 113 to 116 of the Appropriation Accounts).—The grant position was as under :—

	Rs.
Original Grant	42,65,000
Supplementary Grant	9,47,000
Total Grant	52,12,000
Actual Expenditure	50,00,740
Saving	2,11,260

During the course of the year a provision of Rs. 2,88,040 was surrendered which converted the saving into an excess of Rs. 76,780 over the modified grant. The Committee, however, noted the improvement in the control over expenditure. In 1962-63 the saving was 10.91% and in 1963-64 it was 4.05% (1963-64) of the grant.

Grant No. 39.—Pakistan Mint (on page 128 of the Appropriation Accounts).—In note 4 below the Appropriation Accounts of the grant it was stated that the excesses and savings could not be regularised before the close of the year. The departmental representative explained that the non-surrender of the savings (Rs. 3,47,437) was due to postal delay which was under investigation.

Grant No. 51.—Miscellaneous Capital Investment (on pages 170 and 171 of the Appropriation Accounts).—The grant position was as under :—

	Rs.
Original Grant	1,96,74,000
Actual Expenditure	2,23,58,810
Excess	26,84,810
Surrender	1,00,00,000 (i.e. about 50% of the grant).

During the course of the year a provision of Rs. one crore was surrendered which increased the excess to Rs. 1,26,84,810 over the modified grant. The surrender was thus injudicious. The Committee observed that the excess should be regularised and that surrender should have been more realistic.

The Committee observed that their comments on grants No. 54 'Contingency Items' and 96 'Rehabilitation of Displaced Persons and Protection of Evacuee Property' were the same as those on similar items in the accounts for the year 1962-63.

APPROPRIATION ACCOUNTS 1964-65

Grant No. 11.—Rehabilitation of Displaced Persons, etc., (on page 46 of the Appropriation Accounts).—The Grant position being as follows :—

		Rs.
Original Grant	..	44,85,00,000
Supplementary Grant	..	4,00,00,000
Excess Expenditure	..	1,15,94,644

The Committee noted that the position was the same as in the two previous years.

Grant No. 51.—Grants-in-Aid and Miscellaneous Adjustments between the Central and Provincial Governments (on pages 138 and 139 of the Appropriation Accounts).—The grant position was :—

		Rs.
Original Grant	..	44,76,63,000
Supplementary	..	1,000
Expenditure	..	37,09,85,405
Saving	..	7,66,78,595

The Committee noted that during the course of the year an amount of Rs. 10,66,03,000 was surrendered, which was very much in excess of the available saving and it converted the saving into an excess of Rs. 2,99,24,405 over the modified grant. The departmental representative explained that the surrender was made in anticipation of the short release under PL-480. A sum of Rs. 40 crores was provided in the original budget for the works programme in the provinces. But later on, considered in the light of actual expenditure reported by the provinces, it was felt that the amount would not exceed Rs. 29 crores but actually, however, the expenditure turned out to be Rs. 32.80 crores.

Grant No. 52.—Other expenditure of the Ministry of Finance (on page 141 of the Appropriation Accounts).—The Committee wanted to know why there was a surrender of Rs. 1,00,000 against a provision of Rs. 2,00,000 under sub-head 'A-1 Lump Sum Provision for National Finance Commission'.

It was explained that the Commission consisted of 3 representatives each from the Centre and the Provinces and that the non-official members were paid a daily allowance of Rs. 50 only but no pay. Hence the saving.

Grant No. 58-A.—Capital Outlay on Currency (on page 163 of the Appropriation Accounts).—In this grant has been recorded the expenditure in connection with the return of Lease/Lend Silver to U.S.A. The Committee desired to know what the provision under Lease/Lend Silver meant. It was explained that it related to the silver given to the then Government of India during the last World War. This amount was accepted as Pakistan's liability in this regard.

Grant No. 59.—Miscellaneous Capital Investment (on page 155 of the Appropriation Accounts).—The original provision was Rs. 1,17,49,000 and the actual expenditure was Rs. 2,29,43,200, resulting in an excess of Rs. 1,11,94,200. The

Committee desired to know the reasons for this huge excess most of which was recorded under sub-head A-3—Investments in the Share Capital of Pakistan Railways (Rs. 1,36,94,251). The departmental representative stated that this was an omission and he undertook to look into it and submit a report to the Committee in its next meeting. The Committee took note of this and directed that the Committee also wanted to know the details about the sum of Rs. 48,72,700 shown under Recovery against the item Karachi Road Transport Corporation—refund of capital.

The Auditor-General informed the Committee that this matter had been discussed with the Ministry of Communications. Government sold the concern to a party for over a crore of rupees, which was guaranteed by the Commerce Bank. The Bank guarantee was due to expire on 30th June, 1967. The concern has now been sold to the Fency Group and the Ministry of Communications has undertaken to submit a detailed report. The Committee observed that when recovery was anticipated the provision should have been made. The departmental representative stated that they were pressing the Ministry of Communications and that they were looking into it. The Committee suggested that this time an unconditional guarantee should be taken from a different Bank. The departmental representative promised to look into the matter and place the facts before the Committee at the next session.

Grant No. 61.—Other Loans and Advances by the Central Government (on page 170 of the Appropriation Accounts).—The grant (other than charged) position was as under :—

		Rs.
Original	..	1,93,75,000
Allocation from Contingency Items	..	25,00,000
Local Grant	..	2,18,75,000
Actual Expenditure	..	2,05,39,894
Saving	..	13,35,106

During the course of the year a surrender of Rs. 10,04,000 was made which reduced the saving to Rs. 3,31,106. The departmental representative explained that the allocation from Contingency Item was partially unnecessary and that it was so because the saving came to notice towards the end of the year. The Committee now proceeded to examine the Commercial Accounts of the Organisation under the Control of the Ministry of Finance and took up first of all the Agricultural Development Bank.

Para 108 (on page 70 of the Commercial Accounts).—The Auditor-General opened the discussion as he happened to be the Chairman of the A.D.B.P. during the year under review and stated that the accumulated losses of the A.D.F.C. and the Bank which had been inherited on the merger of these two institutions had been wiped out and it had earned a profit of Rs. 99,00,000 in the course of five years. The Government had an interest-free share capital of Rs. 10 crores in the Bank and perhaps they would expect some dividend.

The Committee recorded its appropriation of the services of its ex-Chairman, Mr. S. M. Raza, for wiping out the liabilities (losses) of the Bank and recommended that Government should not accept any dividend on its share capital of Rs. 10 crores and that the working capital of the Bank should be increased out of the profits earned by creating a special reserve fund.

Para 115.—(on page 75 of the *Commercial Accounts*).—The Committee noted that the cost ratio of the loans of the Bank has been 4.58% in 1961-62, 4.54% in 1962-63 and 4.70% in 1963-64. The Committee considered the cost ratio to be high but felt that the position should be watched further for a year before any concrete cut or increase could be suggested. The Committee was informed that a reserve was being built to provide against bad debts. The Committee observed that efforts should be made to collect bad debts. The Committee also noted that income tax accounts of the Bank (amounting to Rs. 30.49 lakhs) had been finalised up to 1962-63. The departmental representative said that finalization of the accounts of the remaining years lay with the C.B.R. who promised to look into the matter.

House Building Finance Corporation.—The consideration of this item was deferred pending presence of the Managing Director of the Corporation.

Pakistan Refugee Rehabilitation Finance Corporation. Outstanding Loans and Losses for 1963-64.—The Committee noted that there were a large number of cases of failure of the Corporation to recover the advances given to refugees which are mentioned in paras 107 to 120 at pages 62 to 66 of the *Commercial Accounts* for the year 1962-63.

Some more cases of the type are also mentioned at serial Nos. 29, 31, 35, 42, 43 and 45 on pages 81 to 89 in the Annexure to the Audit Report, 1962-63. The Committee noted that in most cases the loss had been sustained on account of negligence on the part of officials concerned in not properly enforcing the recoveries due from the beneficiaries and that the aggregate of loss was about Rs. 48 lakhs. The Committee desired that immediate steps should be taken for realisation of these losses and action should be taken against the persons responsible for the same. The steps taken in the matter should be reported to the Committee in its next session. The Committee also noted that the loans outstanding on 30th June were Rs. 80,27,709, and directed that the progress of its recovery also should be reported in the next session.

The Committee now took up the examination of the grants controlled by the Central Board of Revenue.

APPROPRIATION ACCOUNTS 1962-63

Grant No. 63.—*Sea Customs* (on pages 245 to 248 of the *Appropriation Accounts*).—The grant position was as under :—

	Rs.
Original Grant	93,18,000
Surrender	12,43,000
Modified Grant	80,75,000
Actual Expenditure	80,46,197
Saving	28,803

Inclusive of the surrender the saving amounted to Rs. 12,71,803 which was 13.66% of the grant. The departmental representative explained that this saving was due to the fact that the proposals for reorganising the Custom Houses took a long time as data had to be collected from the Collectors of Customs all over the country and then to be processed through the Ministry of Finance.

The Committee observed that if the data was not expected to be collected within the year so as to utilise the grant, the provision for the expenditure should not have been made and reiterated the general observation that efforts should be made to make the budget on more realistic basis.

*Grant No. 66.—Estate Duty (on page 60 of the Appropriation Accounts).—*The Committee noticed that as compared to the receipts of the department the expenditure had gradually gone up from 2.14% in 1958-59 to 4.49% in the year 1964-65. It was explained that originally there was only one Controller of Estate Duty, and that they had now a Deputy Controller each at Dacca and Lahore.

*Grant No. 72.—Capital Outlay on Purchase of Salt (on pages 272 to 275 of the Appropriation Accounts).—*In this grant is recorded the expenditure in connection with the purchase of salt. The original provision was Rs. 77,000 the entire amount was surrendered and there was no expenditure during the year. The Committee desired to know the details of the accounts under this head. The departmental representative said that they had not been able to get all the figures and that they were trying to reconcile them with the Accountants General before squaring up the accounts. The Committee directed that this should be done very quickly and compliance reported during the next session.

There was no point worth recording relating to the Appropriation Accounts for the year 1963-64.

APPROPRIATION ACCOUNTS 1964-65

*Grant No. 54.—Sea Customs (on pages 145 to 147 of the Appropriation Accounts).—*The Committee noted that the information regarding the receipt of annual certificate of check in respect of secret service expenditure was not made available to Audit and directed that it should be done now and regularly in future.

*Grant No. 62.—Capital Outlay on Purchase of Salt (on pages 171 to 173 of the Appropriation Accounts).—*The Committee repeated the same remarks as made in respect of the accounts for the year 1962-63 and directed that the accounts should be finalised expeditiously.

The Committee thanked all the representatives of the Ministry of Finance and the Central Board of Revenue and adjourned to meet at 9.00 a.m. on the 13th April, 1967.

Proceedings of the Fourteenth meeting of the Public Accounts Committee held on Thursday, the 13th April, 1967.

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9-00 a.m. on Thursday, the 13th April, 1967.

Members present

1. Mr. Nurul Amin, M.N.A., Chairman.
2. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
3. Mr. Mobarik Ali, M.N.A.
4. Mr. Mashit r Rahman, M.N.A.
5. Mr. Muhammad Ashraf Raja, M.N.A.
6. Mr. Nural Hoda Choudhury, M.N.A.
7. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General.

Departmental Representatives

1. Mr. D. K. Power, C.S.P., Secretary, Ministry of Health, Labour and Social Welfare.
2. Mr. Alaud-din, C.S.P., Joint Secretary, Industries Division.
3. Mr. S. N. Haq, Deputy Director-General, Department of Investment Promotion and Supplies.

Mr. A. K. M. Faiz, T.Q.A., Deputy Secretary, National Assembly of Pakistan, attended.

The proceedings started with a recitation from the Holy Quran.

The Auditor-General remarked that on the 10th of April, 1967 we paid tributes to the late Mr. Abd-Allah Zaheeruddin (Lal Mia). Today they were going to consider the accounts of the Ministry of which he was a Minister. He requested the Committee to offer *fateha* again. Then *fateha* was offered. Last time they dealt with the Health Division of the Ministry and they were now going to examine the accounts of the Labour and Social Welfare Division.

APPROPRIATION ACCOUNTS 1962-63

Grant No. 78—Labour and Social Welfare Division.—The Committee noted that the original grant was Rs. 24,71,000. They obtained a supplementary grant of Rs. 28,000 but surrendered Rs. 3,37,426 giving a modified grant of Rs. 21,61,574. The actual expenditure was Rs. 28,61,296, giving an excess of Rs. 6,99,722 over the modified grant. But for the surrender the excess would have been Rs. 3,62,296 which expenditure was required to be regularized. The departmental representative stated that the excess was mainly due to adjustment of Rs. 8,40,889 under sub-head B-4. Other Charges which did not relate to that Division ; otherwise the grant would have closed with only a saving of Rs. 1,41,167. The Committee remarked that even if this expenditure was accepted as correct the obtaining of a supplementary grant of Rs. 28,000 was unnecessary. The departmental representative explained that the purpose for obtaining the supplementary grant was to make part-payment to the ILO and at the time of preparing the supplementary estimates they did not anticipate any saving because their Labour Offices did not inform the Ministry of any savings in time. On an enquiry, the departmental representative informed the Committee that their contribution to the ILO was about Rs. 3,35,000. The Committee observed that there was need for better control over the progress of expenditure so as to avoid obtaining of supplementary grants or surrendering large amounts at the fag end of the year. As regards the wrong adjustment of Rs. 8,40,889, the A.G.P.R. confirmed that the amount did relate to the Labour and Social Welfare Division but the adjustment had been made on the advice of the Economic Affairs Division, a copy of which was also sent to the Ministry at Karachi and Rawalpindi in which the head of the account was given. The Committee directed that if the Ministry of Economic Affairs had made a mistake it should be rectified and a further report submitted to it at the next session.

The position of recovery of an equal amount *i.e.* Rs. 40,889 under this grant was the same. There was no estimated recovery, but the actual recovery was shown as Rs. 8,40,899 so the report asked for in respect of the expenditure should cover the position relating to recovery.

Grant No. 79—Manpower and Employment Organisation on pages 310 to 314 of the Appropriation Accounts.—The original grant was Rs. 45,60,000, the surrendered amount was of Rs. 36,02,314, the modified grant was Rs. 9,57,686 and the actual expenditure was Rs. 11,07,127 resulting in an excess of Rs. 1,49,437. As compared to the original grant the saving of Rs. 34,52,877 worked out to 75.72 per cent of the grant compared to 24.95 per cent in the previous year.

The departmental representative explained that the saving was due to the provincialization of the organization and the ultimate excess was due to the fact that expenditure was continued to be incurred under sub-head 'A—Headquarters Establishment expenditure' although the Organization had been provincialized with effect from the 21st of May, 1962. As the Provinces did not have any budget of their own at that time, officers were to be paid from the Centre, and the expenditure was to be adjusted from the grants-in-aid to be paid to the Provinces, but that had not been done so far. The Committee was informed that the Ministry had taken up the matter with the Ministry of Finance to recover these amounts from the grants-in-aid to the Provincial Government. The Committee directed that the Ministry should pursue the matter with the Ministry of Finance in order to finalise the issue and report compliance at the next session.

As regards note 3 below the Appropriation Accounts of the grant at page 314 of the book it was stated that the issue of an irregular reappropriation order was a lapse on the part of the controlling officer. The departmental representative explained that the difficulty was that the Ministries were required to close their

accounts on the 30th June each year while the information from attached departments and subordinate offices was not received in time. The Committee remarked that the attached and subordinate offices should be made to furnish the information sufficiently in advance say by the 15th of June at the latest so that the Ministry should be able to square up their recoveries by the target date.

In the particular case mentioned in the Note the departmental representative pointed out that out of a saving of Rs. 2,98,295, the surrender was of Rs. 2,97,629 so the only amount left out was Rs. 666 which pertained to a sub-head which was not known to the Ministry. Hence discrepancy of Rs. 666 occurred and the amount is rather small. The Committee accepted the explanation.

Grant No. 80—Development Expenditure on Labour and Social Welfare Division (on pages 315 to 319 of the Appropriation Accounts).—Under this grant there was a heavy shortfall on development expenditure. The original grant was Rs. 7,411,000 of which they surrendered Rs. 21,100 and the modified grant was thus Rs. 59,89,900. The actual expenditure was Rs. 7,80,716 only and as compared to the modified grant there was a saving of Rs. 52,09,184. Including the surrender the shortfall was Rs. 66,30,284 which was 89.47% of the original grant of Rs. 74,11,000 as compared to 74.03% in the previous year. The departmental representative explained that the large saving was due to the fact that the schemes were transferred to the Provincial Governments and it was through an oversight that the sum of Rs. 51,26,000 had not been surrendered. The Committee felt unhappy about the omission.

The attention of the departmental representative was drawn to the expenditure recorded under sub-heads Other Charges where the entire provision had been surrendered. The departmental representative stated that the entire provision was surrendered as at the time the statement of excess and surrenders was prepared no expenditure was reported to have been incurred.

Grant No. 81—Other Expenditure on Labour and Social Welfare Division (on pages 321 to 326 of the Appropriation Accounts).—The Committee noted that the original grant was Rs. 28,54,000. They surrendered Rs. 6,87,664, allowing a modified grant of Rs. 21,66,336. The actual expenditure was only Rs. 8,20,866 resulting in a further saving of Rs. 13,45,470. Taking into account the surrendered amount, there was a saving of Rs. 20,33,134 which worked out to 71.24 per cent of the grant compared to 18.11% in the previous year. The saving was mostly attributed to transfer of some organisations to the control of the Provincial Governments.

The Chairman enquired about the Seamens Welfare Office, Karachi. The departmental representative stated that it was controlled by the Centre and was a part of the port.

The Committee took up the examination of the accounts for the year 1963-64.

APPROPRIATION ACCOUNTS 1963-64

Grant No. 70—Labour and Social Welfare Division on Page 272 of the Appropriation Accounts.—The grant position was as under :

				Rs.
Original Grant	..	..	..	20,95,000
Transferred from the Contingency Item	..	..	..	4,76,000
Surrendered	..	..	..	4,00,645
Modified grant	..	..	..	21,70,355
Actual Expenditure	..	..	..	23,82,942
Excess	..	..	..	2,12,587

As compared to the sum total of the original grant and the transfer from the Contingency Item there was a saving of Rs. 1,88,058 which meant that the transfer from the Contingency Item was unnecessary to that extent. Another point was that the surrender was made in excess of the available savings which led to the excess of Rs. 2,12,587 over the modified grant.

The departmental representative explained that originally no provision was made in the budget for payment of the contribution of the ILO, but due to an urgent request for payment funds were obtained from the Contingency Item and the amount was paid in 1963-64.

The departmental representative further stated that they always made budget provision every year for payment to ILO, and every year they were required to ask for a supplementary grant to meet their entire requirement because budget estimates were prepared on the basis of the previous year's budget allotment. With that end in view and to avoid obtaining of a supplementary grant every year it was considered necessary to make payment to the ILO in July of the next financial year. On an enquiry from the Committee the departmental representative stated that in the year 1963 the contribution to the ILO was about \$ 85,042, in 1964 it was \$ 98,332 and in 1965 it was \$ 1,10,000. The Auditor-General remarked that the contribution was increasing every year and that some provisions allowing for the increase should have been made in the Budget. This is an international obligation and he could not imagine that the Ministry of Finance would cut it down.

The Committee observed that there was no justification whatsoever for not making provision for this contribution in the budget for 1963-64. The Ministry were requested to look into the matter and report in the next session in consultation with the Ministry of Finance as to how this omission occurred during that year.

Grant No. 71 : Manpower and Employment Organisation (on pages 273 and 274 of the Appropriation Accounts).—The original grant was Rs. 5,03,000, the surrender was Rs. 2,03,017, the modified grant was Rs. 2,99,983, the actual expenditure was Rs. 2,95,108 and saving was Rs. 2,07,892 including the surrendered amount.

The saving of Rs. 2,07,892 works out to Rs. 41.33 per cent of grant compared to 75.72% in the previous year. The Committee observed that the expenditure should have been estimated on a realistic basis and unnecessary provision avoided.

The departmental representative explained that this saving was due to the provincialisation of some organisations in terms of the Constitution some of which had already been transferred to the Provinces in the preceding year. The Department was not aware when the remaining organisations would be transferred and hence the provision in the original and the consequent surrender.

Grant No. 72 : Development Expenditure of Labour and Social Welfare Division (on pages 275 and 276 of the Appropriation Accounts).—The original grant was Rs. 37,71,000. There was a surrender of Rs. 3,76,225 giving a modified grant of Rs. 33,94,775. The actual expenditure was Rs. 28,31,636 giving a saving of Rs. 9,39,364 inclusive of the surrender which worked out to 24.91% of the grant as compared to 89.47% in the preceding year. The departmental representative stated that the amount surrendered was in respect of the scheme of National Apprentice Training Unit which had not come into operation and so the entire amount was surrendered. The saving of Rs. 5,63,139 after the surrender was due to transfer of schemes to Provincial Governments which were not taken into account. The Committee observed there was an improvement in the control of grant as compared to the year 1962-63.

Grant No. 73—Other Charges of Labour and Social Welfare Division (on pages 277 to 281 of the Appropriation Accounts).—The original grant was Rs. 9,75,000. The Ministry surrendered Rs. 2,34,101 giving a modified grant of Rs. 7,40,899. The actual expenditure was Rs. 6,43,809 resulting in a saving of Rs. 3,31,691 inclusive of the surrendered amount works out to 34.02 per cent of the grant. There have been the persistent savings in this grant during the last three years. The departmental representative explained that provision was made for the Inspectorate of Mines which was transferred to the Provincial Government. With this the Committee concluded the examination of accounts for 1963-64 and took up the accounts for 1964-65.

APPROPRIATION ACCOUNTS 1964-65

Grant No. 72—Labour and Social Welfare Division.—The original grant was Rs. 23,17,000, the surrender was Rs. 57,154 and the modified grant Rs. 22,59,846. The actual expenditure was Rs. 24,04,021 which resulted in an excess of Rs. 87,021 which works out to 3.76% as against 7.31 per cent in the previous year. The excess is required to be regularised. The surrender of Rs. 57,154 increased the excess to 1,44,175. The departmental representative stated that it was due to an erroneous surrender of Rs. 58,942 under sub-head A-4 due to a calculation mistake. The Committee accepted the explanation.

Grant No. 73—Empower and Employment Organization (on page 730 of the Appropriation Accounts).—The original grant was Rs. 4,11,000. The amount surrendered was Rs. 3,49,912. The modified grant was only Rs. 61,088, but the actual expenditure amounted to Rs. 2,28,700 giving an excess of Rs. 1,67,612 over the modified grant. The Division was asked to indicate reason for the excessive surrender. The departmental representative explained that the excess resulted from the belated adjustments of debits relating to the year 1963-64 and more expenditure on the purchase of furniture for the Experts of the I.L.O. The Committee observed that the expenditure on furniture was excessive and that it should have been purchased after the arrival of I.L.O. experts, as it might not have been according to their requirements and taste. The Committee directed the Division to supply details with regards to the date when this furniture was ordered and what was the stage of the scheme when the furniture was purchased and whether that was the right time for ordering and obtaining the furniture. The price of the furniture and the procedure adopted for its purchase should also be reported at the next session of the Committee. The furniture which had remained unused so far and was in the custody of the P.I.A.C. should also be disposed of quickly at the best price.

Grant No. 74—Development Expenditure of Labour and Social Welfare (on page 209 of the Appropriation Accounts).—The Committee observed that in 1962-63, the saving was 89.47 per cent, in 1963-64 there was an improvement and the saving was 24.91 per cent and during the year 1964-65, the saving was only 2.24 per cent. The Committee noted with satisfaction that now greater part of the budgeted development expenditure is being incurred.

Grant No. 75—Other Expenditure of Labour and Social Welfare Division (on pages 210 to 212 of the Appropriation Accounts).—The Committee observed that the original grant was Rs. 7,21,000 of which Rs. 24,081 were surrendered giving a modified grant of Rs. 6,96,919. The actual expenditure was Rs. 6,78,388 resulting in a saving of Rs. 18,531.

On a motion by Mr. Mohammad Haneef Khan, M.N.A., and Parliamentary Secretary for Finance, the Committee placed on record the appreciation of the services rendered by Mr. Hashim Raza, former Secretary of that Division. It was said to be the result of his vigilance and devoted attention that so much improvement was noticed in the budget.

With this the examination of the grants controlled by the Labour and Social Welfare Division was concluded. The Committee thanked the Secretary of the Ministry and proceeded to examine the Commercial Accounts of the Ministry of Industries and Natural Resources (Natural Resources Division).

COMMERCIAL ACCOUNTS FOR 1964-65 AND THE AUDIT REPORT THEREON

Para 241—Indus Gas Company—(on page 165 of the Compilation).—There was no point for consideration in the books 'Commercial Accounts for 1962-63 and 1963-64' so far as Indus Gas Company was concerned. It was observed from the accounts of the company for the year 1962-63 (printed in the Compilation for 1964-65) that the sundry debtors rose from Rs. 35,85,875 at the end of the year 1961-62 to Rs. 47,47,635 at the close of the year 1962-63. The outstanding amount which also included doubtful debts to the tune of Rs. 2,58,336 was considered heavy. The departmental representative stated that a sum of Rs. 51,581 only had been recovered. The rest of the dues are the subject-matter of suits pending in courts of law. While in some cases court decrees are in the course of execution. The Committee stressed the necessity of early recovery and wanted to know the amount realised in the execution of decrees as also the results of the civil suits. The Committee also directed that efforts be made to fully recover the amount and to inform the Committee at its next meeting.

The Committee noted that the balance sheet of the Company shows that on 30th September, 1963, the amount outstanding was Rs. 47,47,635 but instead of decreasing at the end of September, 1964, the outstanding amount increased to about Rs. 70,52,000. The departmental representative informed the Committee that monthly bills are sent out for collection and in case of delay in payment reminders are issued but the supply of Gas is not disconnected in case of defaults as it affects the growth of industries.

The Committee was not satisfied with the explanation and after considering the matter at length it resolved that :—

- (i) whatever industries have gone in arrears, their gas supply be discontinued after a certain specified date ; and
- (ii) a list of bad debts showing the period of arrears and the steps taken for their realisation be supplied to the Committee at the next session so as to fix responsibility for not realising the dues in time.

The departmental representative promised to submit a report and to supply full particulars.

Para 252 of the Audit Comments (on page 171 of the Commercial Accounts) was read over.—It pointed out the accounts show widely fluctuating rates of expansion of gas in the pipeline and that this suggested the need for determining a standard rate of expansion of gas. The Committee desired to know the specific reasons for the decline in the pressure of gas and the remedial measures as the gas expansion directly affects the revenues.

The departmental representative explained the technical importance of temperature and pressure of gas and stated that the expansion or contraction of gas has no effect on the final realisation of revenue and that there was no possibility of a leakage of revenue. The departmental representative was asked to go into the matter carefully in greater detail and place the facts before the Committee at its next session.

The Committee next took up the accounts of the Multan-Lahore Gas Pipeline.

COMMERCIAL ACCOUNTS 1962-63 AND THE AUDIT REPORT

Audit Comments—(on page 575 of the Compilation).—It was pointed out that after the completion of the survey work, the project was handed over to the Sui Northern Gas Company with effect from 1st July, 1963. The final implications of the transfer were not intimated to Audit. The Corporation had stated that the transfer was approved by Government and its financial implications would be brought out in the realisation accounts when prepared.

Asked to elucidate the departmental representative informed the Committee that the realisation accounts had been finalised and that the entire investments made by Government have been recovered from the Sui Northern Gas Company with some benefit on the basis of evaluation and that all the expenditure incurred directly or indirectly by the P.I.D.C. had been recovered from the Company. He undertook to send the accounts within a week to the Audit Department for scrutiny.

SUI MULTAN GAS DISTRIBUTION

Para 713—Audit Comments (on page 605 of the Book).—The Committee observed that the accumulated profits at the end of the year 1961-62 had turned into a loss of Rs. 44,77,875 due to adjustment of previous years expenses of Rs. 2,20,483 not accounted for in the relevant accounts and the making of a provision of Rs. 66,15,570 to meet proposed reduction in gas selling rates from Rs. 2.59 per m.c.f. to Rs. 2 per m.c.f. on rates made since inception of Natural Gas Power Station, Multan and Natural Gas Fertilizer Factory, Multan. The Committee also noticed that the debtors had risen to Rs. 1,67,42,058 at the end of the year under review. After a recovery of Rs. 16,70,180 in 1962-63, the net amount outstanding remained at Rs. 84,56,308 which was still considered heavy.

The departmental representative explained that it was a P.I.D.C. project and the Central Government has interest in it. There are shareholders and they have appointed P.I.D.C. to manage it on behalf of the Central Government. No written agreement was signed. The rates for supply of gas were fixed by Government taking everything into account. Actually the Gas was supplied to that Company for onward supply to consumers. The rate was on a sliding scale. There was rate discrimination according to the amount of consumption and according to the nature of consumption. It was a decision that the rate for the supply of gas should not go up as it will affect the rate of electricity also. Earlier the supply rate to the Company was Rs. 1.99 per m.c.f. During this period the Company suffered a loss. The departmental representative was directed to supply further information at the next session of the Committee.

COMMERCIAL ACCOUNTS 1963-64

Para 91, Item 5 Page 57—Shortage of Store valuing Rs. 25,475.—It was pointed out that this shortage detected at the time of handing over charge by a store-keeper needed investigation. The Corporation did not institute any proceeding against the store-keeper (who was discharged), as it would be expensive and time consuming. The departmental representative stated that the loss has been regularised. The Committee observed that writing off on this basis that the proceedings would be time consuming and expensive was not a sufficient justification as it would encourage other people to pilfer Government money/stores and enquired about the action taken as to the forfeiture of the store-keeper's security. The departmental representative explained that the accounting of stores had not been properly carried out as a result of which the matter could not be taken to a court of law and that the matter related to a period when the project was being

managed by a foreign Italian Firm and the P.I.D.C. had no control over those matters. The irregularities occurred because of foreign control over the accounts. The Committee felt that there was a lack of proper supervision which resulted in the shortage and directed that :—

- (i) A copy of the agreement between the consultants and the Government should be furnished ;
- (ii) The circumstances under which the store-keeper was discharged and not dismissed and whether it was with or without the concurrence of the P.I.D.C. should be reported to the Committee ;
- (iii) The precautionary measures taken to safeguard the interest of ex-chequer in future should be stated ;
- (iv) Why no security was obtained from the store-keeper and why criminal proceedings were not started against him should be explained ; and
- (v) Why it was not possible to fix responsibility and take adequate stringent action against the responsible persons.

The Committee then took up the Commercial Accounts of the Industries Division.

COMMERCIAL ACCOUNTS AND THE AUDIT REPORT FOR 1962-63

*Government of Pakistan Presses—General Review (on page 7 of the Book).—*The Committee referred to paragraph 17(b)(1) of the Audit Report and wanted to know why the accounts for 1962-63 had not been prepared so far. The departmental representative explained that they have since prepared the accounts for 1962-63 but have not prepared the accounts for the subsequent years. He further explained that the difficulty was that the accounts were to be received from many presses and that they were now under preparation and would be submitted to Audit soon. The Committee desired that the compliance be reported at the next session.

There was no point in the Commercial Accounts for 1963-64.

COMMERCIAL ACCOUNTS AND THE AUDIT REPORT FOR 1964-65

*Para 108 (on page 83 of the Compilation).—*It was pointed out that the figures relating to the Pakistan Press, Rawalpindi, for the year 1961-62 had not been reconciled with the A.G.P.R. The Committee directed that the reconciliation of the figures should be done quickly.

*Para 109 (on page 83 of the Commercial Accounts 1964-65).—*It was pointed out in this para that the purchases of miscellaneous stores and spare parts for the presses at Karachi and Dacca were excessive. The Chairman enquired the circumstances about the purchase of miscellaneous stores and spare parts in excess of ceiling limits. The departmental representative explained that according to the normal commercial practice, they should carry spare parts of 7-1/2 per cent of the value of machinery but more spares were kept in the interest of efficient running of the printing presses. Furthermore there was difficulty in getting spare parts locally and so the additional stores of spares. They were extra careful to save any breakdown. The Committee accepted the explanation.

After this the Committee passed on to the accounts of the Central Publication Branch.

COMMERCIAL ACCOUNTS AND THE AUDIT REPORT FOR 1962-63

*Para 27—About Physical Verification of Stores (on page 13 of the Book).—*With reference to the audit comments, the departmental representative stated that physical verification of closing stocks which had hitherto not been done will be completed by 30th June, 1967. At first they had no warehouses and the stores were kept in temporary buildings. Now they have proper warehouses and they will have the verification done. The obsolete publications were being segregated and weeded out. The Committee directed that it may be reported at the next session whether the work was completed by June, 1967.

*Para 28—Regarding Outstanding dues (on page 13 of the Book).—*There were some outstanding dues from the Provincial Government for the supply of forms and publications. These had accumulated over a number of years. He informed the Committee the amounts had to be adjusted by book debits. Some departments asked for the duplicate vouchers which were supplied but the dues still remained unpaid. The departmental representative stated that the matter was taken up at the level of the Chief Secretary but still the Provincial Departments have not responded fully. A sum of Rs. 30,000 had been recovered out of an outstanding amount of Rs. 64,718. He also told that it has now been decided to supply the publications on cash payment only. The Committee felt that there was no reason why the Government departments should not pay for the publications supplied to them and the Central Publications Branch may continue their efforts to recover the outstandings expeditiously.

COMMERCIAL ACCOUNTS AND THE AUDIT REPORT FOR 1963-64

*Para 24—Regarding Surplus Saleable forms (on page 11 of the Book).—*This para points out that the Rehabilitation Department had indented for 3,19,000 saleable forms against which the sale price of 2,40,424 forms was realised, 4,853 forms were either short received or not accounted for while the receiving form numbering 73,723 valuing Rs. 9,215 were still the subject matter of correspondence between the indenting department and the Central Publication Branch. The departmental representative informed that they have not received any reply from the Rehabilitation Department regarding the defunct forms. The Committee directed the department to keep on pursuing the matter and effect recoveries quickly to the possible extent.

CENTRAL STATIONERY OFFICES, KARACHI AND DACCA

*Para 37—Relating to Damage Stocks in the Stationery Office—(on page 8 of the Commercial Accounts for the year 1962-63).—*This para points out that the value of damaged stocks in the Stationery offices up to the year 1962-63 worked out to Rs. 2,85,671 (recalculated at Rs. 2,65,903) due to dampness, rats and whiteants. The Committee observed that there was no justification for some of the losses of stocks and desired to know about the loss of the remaining damaged stocks and the regularisation of such losses.

The departmental representative informed that considering the volume of stock handled the losses were negligible but they would be reduced further after the new building has been constructed. He also told the Committee that a proposal for the fixing of percentage of damage was taken up with the Ministry of Finance but they did not consider it necessary to lay down any normal percentage for damages and desired that each case be examined on merit. In view of the special reasons, losses of Rs. 22,764 had to be written off. The Committee remarked that the losses in the disposal of the remaining damaged stock of Rs. 11,658 should also be written off.

DISPLAY CENTRES, ETC.

Para 17 (b) (v) (on page 8 of the Commercial Accounts for 1962-63).— Extracts from the general review regarding non-completion of accounts were read out.

The departmental representative submitted that they were experiencing great difficulties in compiling this account as the staff of the Depot and Display Centres had gone away. The centres were transferred to the Small Industries Corporation which is now under the West Pakistan Government. The Committee observed whether any useful purpose will be served by having the accounts after this long lapse of time, and directed that this aspect of the matter be examined and the result reported at the next meeting.

COAL BRIQUETTING PLANT, QUETTA, COAL MINES, SHARIGH AND MAKERWAL COLLIERIES LTD.

The Auditor-General pointed out that the Coal Briquetting Plant, Quetta, Government Mines, Sharigh and the Makerwal Collieries were transferred to the P.I.D.C. over ten years ago. Since then a cell has been working under the Ministry of Industries in order to realise the amount due. The Committee desired to know whether it was worthwhile to continue the cell of the Coal Organisation when the plant and the mines were transferred to the P.I.D.C. 10 years ago and who should be responsible for the assets and liabilities on the date of transfer. The departmental representative stated that the cell is working for the entire coal organisation and not for these three Collieries and the Plant alone. After the transfer to P.I.D.C. the value of the assets was to be recovered and the previous liabilities which had not been transferred continued to be the Central responsibility.

The Committee directed that the position about the three plants and the mines and the adjustments in respect of the assets and liabilities of the entire coal organisation should be reported at the next session.

GOVERNMENT MINES, SHARIGH

Para 52 About outstanding dues—(on page 29 of the Commercial Accounts).—This para was read out. It was pointed out that there was no appreciable progress towards the adjustment of outstanding liabilities amounting to Rs. 14,37,000 as on the 30th June, 1963. The departmental representative explained that the matter was taken up with the Deputy Commissioner concerned as some of the parties were not traceable. Dues to the extent of about Rs. 55,000 were recovered from the various parties leaving a balance of Rs. 2,79,293. Efforts were being continued to locate the parties and recover the rest of the amount. The Committee directed that strenuous efforts be made to trace those persons and to recover the outstanding amount.

The attention of the departmental representative was drawn to the outstanding advance of Rs. 10,336 from Government officials. The departmental representative stated that no progress could be made for the recovery of this amount in view of the fact that the entire staff was transferred to W.P.I.D.C. The Committee directed that efforts be made to recover the money and the Committee should be informed of the result of such efforts at its next session.

The Committee thanked the departmental representative and then adjourned to meet again at 9 a.m. on 14th April, 1967.

**Proceedings of the Fifteenth meeting of the Public Accounts Committee held on
Friday, the 14th April, 1967**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9-00 a.m. on Friday, the 14th April, 1967.

Members present

1. Mr. Nurul Amin, M.N.A., Chairman.
2. Major Zulfikar Ali Khan Qizilbash, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Mr. Muhammad Ashraf Raja, M.N.A.
5. Mr. Nural Hoda Choudhury, M.N.A.
6. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General.

Departmental Representatives

1. Mr. Rashid Ibrahim, S.Q.A., Additional Secretary, Finance Division (Military).
 2. Mr. Zahur Azar, S.Q.A. C.S.P., Joint Secretary, Defence.
- Mr. A. K. M. Faiz, T.Q.A., Deputy Secretary, National Assembly of Pakistan, attended.

MINISTRY OF DEFENCE

APPROPRIATION ACCOUNTS 1962-63

The Comptroller and Auditor-General of Pakistan initiated the proceedings by paying a tribute to the Armed Forces. Distinction was not being made in the grants controlled by the Ministry of Defence between "New" and "Other than New" Expenditure which was a constitutional requirement. It was explained by the departmental representative that there were difficulties in doing this, and that these difficulties had arisen in the case of Defence Services because in the interest of security the Defence budget could not be prepared in full details. The Committee felt that since the maintenance of expenditure separately as "New" and "Other than New" was a constitutional requirement, any departure would require approval of the Assembly. The departmental representative stated that the matter would be considered in consultation with the Ministries of Law and Finance and, if necessary, placed before the Assembly.

Grant Nos. 38 and 41.—Defence Services.—The Committee noted that in the case of both Grant No. 38 and Grant No. 41, the supplementary grants were unnecessary. The departmental representative referred to the explanations given in the appropriation accounts and admitted that there were large savings; but he explained that the real problem in case of defence was with regard to purchases, and right till the end of the financial year it is hoped that the stores would become available. He also referred to the new system of budget control evolved by which the budget had been decentralised among the three Services and added that individually they would be in a better position to watch the progress of expenditure *vis-a-vis* the allocations made to them. The departmental representative also informed the Committee that they were stream-lining the procurement procedure and a Fund had been set up in which the savings which accrued would go for use after the financial year had closed. The Committee wished to be informed of the results achieved as a result of these measures adopted. They also wanted that the validity of the creation of the Fund should be examined and reported at the next session.

In reply to the query by the Committee as to why there were huge savings under Grant No. 38—sub-head A. 3(1), Pay and Allowances of Navy (Rs. 25,68,032 and B. 1—Army (Rs. 4,57,482), the departmental representative explained that it was due to the fact that sometimes the recruitment drives did not bring in the requisite number of people. The Committee observed that there was need for better control over the progress of expenditure. Secondly, unnecessary supplementary grants should not be obtained and a realistic view should be taken of the probable savings and excesses at the time of obtaining the supplementary grants.

The Committee also drew attention of the Ministry to the saving under Grant No. 41—sub-head A. 3—Air Force (Rs. 48,94,061) and P. 1—Factory (Rs. 86,71,217). The departmental representative stated that in case of the Factory the savings related mostly to Works-Capital, Plants and Machinery. He assured the Committee that under the system of decentralisation there would be far less savings. The Committee noted the gradual fall in the amounts of saving.

The Committee then considered the items included in the Military Accountant General's certificate included in the Appropriation Accounts of the Defence Services. In particular they were informed as regards item 4 on page 6 that the officer of the Air Force who had drawn his pay from both the West Pakistan Government and the Air Force had retired and the amount overpaid, Rs. 6,365, could not be recovered. The Committee desired that the officers and staff involved should be taken to task.

The Committee also noted about the loss of Rs. 10,87,750 (Irregular conclusion of contracts—Air Force) on the same page. It was explained that this related to the Ratings Colony at Chittagong where the contractor absconded and his name had been struck off from the list of approved contractors.

*Appendix A. (page 17)—Item I (i) (11)—Overpayment of special pay in addition to Commission pay to an officer (Rs. 2,345).—*The Committee wanted to know what action had been taken against the persons concerned in this case. The departmental representative stated that the amount had been written off, but the case had been re-opened for taking necessary disciplinary action. The Committee desired to know the results in the next session.

*Item I (i) (2). (page 17)—Amount of loss irrecoverable from an officer (Rs. 16,713/-).—*The Committee desired to know the action taken against those involved in this matter. The departmental representative stated that the responsibility of the persons involved has been fixed and no further action was necessary.

Item II (i) (6) (page 17)—Overpayment of local compensatory allowances (Rs. 23,162).—The departmental representative explained that the fault lay with the Accounts Directorate. The Military Accountant General was requested to furnish the details and after the case had been considered by the Ministry of Defence, the result would be reported in the next session.

Item II (i) (8) (page 17) (Rs. 30,380).—The Committee desired the same action as for item II(i)(6).

Appendix B (page 20)—Item I(10)—Loss in respect of a Crank-shaft in a Power House (Rs. 16,503).—The Committee noted that recovery was not possible for lack of security and insisted that securities must be taken in all such cases in future.

Item II (5) (page 17)—Deficiency in certain stores—(Rs. 1,99,836).—The Committee noted this big loss and directed that steps should be taken to guard against such losses in future.

Item II (8) (page 17)—Loss due to corrosion of cartridges (Rs. 12,84,470).—The Public Accounts Committee was informed of disciplinary action taken against the person who was responsible. The Committee reiterated its direction about a court of enquiry being convened quickly and the proceedings finalised expeditiously. They observed that such contracts should only be entered into with reputable firms.

COMMERCIAL APPENDIX—1963-64

Military Farms (page 3).—The Committee noted that as many as 13 farms were running at a loss (the losses being heaviest in the case of the Rawalpindi and Malir Farms) and felt that the Ministry of Defence should review the position in this regard in order to reduce the losses as much as possible. The departmental representative explained that the Military Farms Department had to maintain farms to cater to the needs of the Services in the various stations where the troops were located. The Committee desired that the reviews should be put up at the next session.

Ordnance Factories (page 3).—The Committee noted that delay in execution of the order resulted in a loss of Rs. 1,57,347. The departmental representative explained that at the time of indenting the Army wanted to have a special type of knife and the time taken was necessary in order to develop the store, procure raw material and necessary machines for its manufacture. However, the Army had to keep pace with other countries who were developing new weapons of this category and since a new weapon had become available, the order was not processed with the POF. The Committee felt that with proper planning on the part of the Army Authorities it should have been possible to avoid this infructuous expenditure.

COMMERCIAL APPENDIX—1964-65

Para 4 (page 3).—*Ordnance Factories.*—The Committee noted the loss of Rs. 64,164 due to the acceptance of defective material. The departmental representative explained that this was due to mistake in inspection in the foreign country and that the defect was detected much later when the store was to be used for manufacture. The Committee observed that such essential material should be tested at the receiving end so that the POF is not unnecessarily put to a loss.

Para 5 (page 4)—Loss due to non-execution of agreement—Rs. 14,185.—The Committee wanted to know why the terms of supply had not been settled

earlier. The departmental representative informed the Committee that the matter was under enquiry and that the results would be reported to the P.A.C. in the next session.

Para 6 (page 19)—Amounts recoverable from the Wah Industries Ltd.—Rs. 73,97,496 (assets) and Rs.22,05,534 (liabilities)—dues not realised with interest.—The departmental representative informed the Committee that the matter was under review and would be reported to the Committee.

Para 1 (page 33)—Ordnance Factories.—The fixed and variable overheads were under-absorbed to the extent of Rs. 2,70,728 (the previous year's figure being Rs. 77,098). It was explained that this was due to under production. The Committee desired to have a more detailed report regarding the absorption of overheads and the huge preliminary expenses in respect of the POF in their next session.

Para 2—Closing balance of stocks on 30th June, 1965 worth Rs. 68,62,251—included stores worth Rs. 141.381—which were lying unused since the year 1960.—The departmental representative said the stock position was being reviewed and would be reported to the Committee. The Committee observed that the unusable stocks should be disposed of.

APPROPRIATION ACCOUNTS—DEFENCE SERVICES 1963-64

Page 6—Military Accountant General's report.—

Item (1) Double payment of Pay and Allowances	Rs. 8,444/-
Item (2) Payment of Pay and Allowances of casual personnel without allotment of funds	Rs. 38,031/-
Item (3) Local purchase of Cement without authority	Rs. 7,83,750/-

The departmental representative stated that these cases were under examination and would be reported to the Committee in the next session.

APPENDIX A—(Page 14)

Loss owing to failure of contracts :

Item II (1)	(a) Rs. 3,15,947
	(b) Rs. 2,04,712

The Committee expressed concern over the heavy losses and observed that these cases should have been considered by a Court of Enquiry.

Item II (i) (2)—Value of stores lost in transit. (Rs. 8,028)—The Committee was informed that the amount had been written off and no court of enquiry was held as the firm had gone into liquidation. The Comptroller and Auditor-General pointed out that the total loss was Rs. 20,510 out of which the firm has paid Rs. 8,000 and a sum of Rs. 8,028 was written off. The balance of Rs. 4,482 still remained outstanding. The Committee directed that action should be taken to regularise the balance and the result intimated in the next session.

Item II (i) (4)—Irrecoverable amount regarding sale of certain stores—Rs. 7,088.—The Committee desired to have the details in its next session.

Item II (i) (6)—Deficiencies in stores received from abroad—Rs. 3,53,284.— It was explained to the Committee that the supplying firms were found to be unreliable, and that it was recorded that the stores were short landed. It was added that steps had been taken to minimise such losses through stricter terms relating to registration. The Committee again observed that the credentials of all firms should be strictly checked before orders are placed.

Item II (i) (8)—Cost of Service flight provided to an athletic team—Rs. 2,08,610.— It was explained that this was done at the request of another Ministry and that the Air Force now insisted on advance payments in all such cases.

ANNEXURE TO APPENDIX B (Page 18)

Item II (3)—Value of items found deficient in an aircraft—Rs. 2,00,766.— It was explained by the departmental representative that a court of enquiry was held and no particular person was found responsible. It was also added that the parts had been actually used in other aircrafts.

*Review of M.F.S. Expenditure (pages 23—25).—*The Committee noted the excess of expenditure of Rs. 43,53,171 (Major Head 58) ; Rs. 19,88,506 (Major Head 86) and saving of Rs. 25,94,606. It was explained that these excesses/savings were due to non-clearance of accounts and that the system was being reviewed. The Committee directed that the position in this respect may be reported in the next session.

The Committee adjourned to meet at 9.00 a. m. on Saturday, the 15th April, 1967.

**Proceedings of the Sixteenth meeting of the Public Accounts Committee
held on Saturday, the 15th April, 1967**

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9.00 a. m. on Saturday, the 15th April, 1967.

Members present

1. Mr. Nurul Amin, M.N.A., Chairman.
2. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
3. Mr. Mobarak Ali, M.N.A.
4. Mr. Muhammad Ashraf Raja, M.N.A.
5. Mr. Nurul Hoda Choudhury, M.N.A.
6. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, Member, *ex-officio*

Audit Representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General.

Departmental Representatives

1. Mr. A. Rashid Ibrahim, S.Q.A., Additional Secretary, Finance Division (Military).
 2. Mr. Zahur Azar, S.Q.A., C.S.P., Joint Secretary, Ministry of Defence.
- Mr. A. K. M. Faiz, T.Q.A., Deputy Secretary, National Assembly of Pakistan, attended.

The Committee started the proceedings with a recitation from the Holy Quran. The accounts for the year 1964-65 of the Defence Services were taken up for consideration.

APPROPRIATION ACCOUNTS 1964-65

The Committee observed that the supplementary grant under Grant No. 39 was wholly unnecessary. It was explained by the departmental representative that this was due to the Emergency arising from the Rann of Kutch incident when emergency units were created and the normal expenditure went down. It was also added that in case of stores savings generally did accrue but that with the decentralisation of the budget and streamlining of the stores procurement procedure, such savings would be minimised. The Committee, however, observed that savings should be better assessed and surrenders made in time.

Military Accountant General's certificate at page 6.—The Committee noted that the performance was better, but it pointed out that the two irregularities in the provision of airlifts in service Aircrafts included in para 6 of page 6 should be regularised. The departmental representative while stating that the delay was normal, promised to report the regularisation to the Committee in their next session.

APPENDIX A—(Page 13)

*Item I(i) 2.—Loss on account of misuse of a water truck—Rs. 17,008.—*While conceding that the troops should be kept in the best condition, the Committee observed that the matter should be examined and objection raised by the M. A. G. should be met and result reported in the next session.

*Item I(i) 3.—Misappropriation of Government money—Rs. 50,634.—*The Committee desired to know the remedial measures taken and the disciplinary aspect of the case. The Committee was informed that the Garrison Engineer was imprisoned for six months and fined Rs. 14,000 and that the Assistant Garrison Engineer was fined Rs. 10,000 and compulsorily retired. The Committee considered the action as adequate.

*Page 14—Item II(i) 1(b).—Loss owing to failure of contracts.—Rs. 23,234.—*The departmental representative informed the Committee that according to the regulations recovery was to be effected from the firm either in respect of risk-purchase or liquidated damages whichever was higher. The Committee desired that the Director of Audit, Defence Services should re-examine the position and report the matter to the Committee at the next session.

*Page 14—Item II(i) 1(c).—Loss of Rs. 23,463.—*The Committee desired to know why it was not reported that the contractor had no assets. The departmental representative stated that he had given a bank guarantee of Rs. 18,000. The departmental representative stated that they would follow the direction of the Committee and take adequate securities in future.

*Page 14—Item II(i) 1(d).—Loss owing to failure of certain contracts.—Rs. 64,082.—*It was explained by the departmental representative that these losses arose through a London firm which had a contract for Rs. 50,000. The firm asked that this contract be transferred to another firm which was owned by them. This was not agreed to by the financial authorities. Subsequently, the stores were re-tendered and this very firm gave the lowest terms but later on the first firm went into liquidation. The Committee observed that an enquiry should have been made about the standing and reliability of the firm before the contract was given to them. The departmental representative said that when efforts were made to collect £ 4,000/, the contractor took the legal and technical plea that the first firm on whose behalf he was working, had gone into liquidation. The Comptroller and Auditor-General stated that he had asked the Director of Audit and Accounts, London, to examine the case and that if he was not satisfied the case would be brought again before the Committee.

*Page 14—Item II(i)(2)—Irrecoverable amount from certain contractors—Rs. 2,46,121.—*The Comptroller and Auditor-General pointed out that out of the outstanding of Rs. 6,18,280 up to 30-6-1959 against A.S.C. contractors brought out in para 26 of the Audit Report, Defence Services, 1960 a sum of Rs. 2,99,698 inclusive of the above amount has been recovered/regularised so far and the balance of Rs. 3,12,582 is still outstanding. The Committee wanted to know why the outstandings were still so heavy. The departmental representative stated that effort were being made to recover/regularise the outstandings. The Committee observed that these efforts should be speeded up and the results achieved reported in the next session.

*Page 14—Item II(i) 5.—Overpayment to officers due to wrong fixation of pay—Rs. 14,770.—*The Committee desired to know why orders issued in 1960 should have taken effect retrospectively from 1949. The departmental representative said that the matter was under investigation and would be reported upon in the next meeting of the Committee.

*Item II (i) 6.—Incorrect payment of house rent allowance to certain personnel provided with free accommodation—Rs. 16,514—*The Committee wanted to know why this irregularity was allowed to continue for over ten years. The Committee took note of the statement of the departmental representative that the irregularity had been condoned and that care was being taken to see that it did not recur.

*Item II(i) 8.—Overpayment resulting from incorrect fixation of pay—Rs. 36,809.—*The Committee wanted to know why disciplinary action was not taken against executive and accounts authorities for their carelessness in the matter. The Military Accountant General explained that there were 69 persons who had been overpaid. They had been down-graded but their pay had been fixed at the maximum of the scale. Subsequently, these orders were revised and the overpayment occurred as a result of these revised orders. The Comptroller and Auditor-General stated that this case was being examined and would be included in the next Audit Report, if necessary.

*Page 14—Item II (i) (9).—Deficiencies in imported stores Rs.—8,436.—*The Committee noted that this was due to delay in linking of vouchers. They again drew attention to their observation that linking should be expedited.

ANNEXURE TO APPENDIX B (Page 18)

*Item I(2)—Deficiencies in stores in an Engineering Department—Rs. 8,086.—*The Comptroller and Auditor-General pointed out that this case was being included in the next Audit Report and will be discussed in the next P.A.C. meeting.

*Item I(9).—Loss of stores in a Garrison Engineering office—Rs. 17,138.—*The Committee was informed that 3 persons were involved and the amount had been written off.

*Item II (7)—Loss caused due to fire—Rs. 3,04,337.—*The Committee was informed that the fire was accidental.

AUDIT REPORT 1962-63—No Comments

AUDIT REPORT 1963-64

*Para 43 (page 33).—Irregular payment of arrears of pay to an officer—Rs. 23,806.—*The departmental representative explained that the payment was made under orders of the Competent Authority (the Commander-in-Chief) who ordered the creation of an additional post of Lt. Col. for the period in question. The Committee accepted the explanation.

*Para 44 (page 33).—Misuse of Government Mechanical Transport—Rs. 39,268.—*This paragraph pointed out the unauthorised utilization of transport from 20th July, 1960 to 15th October, 1962 for the delivery of dairy products at an outstation of the P. A. F. (Warsak). This practice was objected to by the Audit and Financial Authorities in February, 1961 and December, 1961, but the irregularity was continued until October, 1962. The Committee desired to know the reasons why this continued when the instructions had been issued in December, 1961, to stop the irregularity.

The departmental representative explained that this happened because of the shifting of the Air Headquarter from Karachi to Peshawar and that the practice had since then been stopped. The Committee directed that necessary action should be initiated against the persons who were responsible for this substantial loss and the result reported in the next session.

Para 47 (page 34).—Failure to effect recoveries—Rs. 4,800.—This paragraph brings out the failure on the part of the executive authorities to effect recoveries @ Rs. 150 p.m. as quoted by the contractor in his tender for the work. The departmental representative explained that the matter is being investigated and the alleged recovery will be effected from the contractor after necessary investigation. The Committee directed that result of investigation may be reported in the next session.

Para 48 (page 34).—Non-recovery of the cost of deposit work from a private party—Rs. 25,000.—The amount was spent on a deposit work but not recovered from the party since 1953. The Committee wanted action to be reported in the next meeting.

Para 52 (pages 35—36).—Audit observations accepted by the Accounts and Executive authorities but recoveries of overpayments not yet effected—Rs. 87,224/.—In this paragraph seven Audit observations were reported where the recoveries of overpayments were accepted but had not been effected. The Committee wanted to know the action taken by the Department. The departmental representative explained that first two cases were under trial by a court, the third and fourth cases were under consideration, the fifth was being investigated by a Court of Inquiry, the sixth was being processed to finalise the disciplinary action and the seventh case had been taken up with the Audit to drop the objection. The Committee directed that the results should be reported in the next session.

Para 55 (page 37)—Irregular free of charge special flights provided to Diplomats of Foreign Missions—Rs. 17,656.—The departmental representative explained that these flights had been provided on the understanding that payment would be made. All such flights have since been commercialised and even the foreign diplomats are now required to pay. The Committee observed that no such flights should be carried out without special orders from the Government.

Para 56 (page 37).—Uneconomical hiring of land.—A sum of Rs. 3 lakhs was paid as rent for 750 acres of land requisitioned during World War II. The Committee noted the explanation of the departmental representative that Government had now decided to buy the land and money was being provided in the Budget Estimates for 1967-68. This could not be done earlier because it was not settled whether the land would be needed permanently or not.

Para 57 (pages 37-38).—Overpayment to a contractor—Rs. 18,731.—This paragraph brings out the overpayment of Rs. 18,731 to a contractor due to the use of lesser quantity of cement than that required in a work. The Committee desired to know the action taken by the Department. The departmental representative explained that a Court of Inquiry had been convened to fix responsibility. The Committee directed that the result should be reported in the next session.

Para 58 (page 33).—Overpayment to contractors due to incorrect applications of rates—Rs. 21,576.—This paragraph mentioned overpayments of Rs. 12,694 and Rs. 8,882 made to two contractors due to incorrect adoption of rates for P. C. pointing to Allahabad tiles. The departmental representative explained that the payment was made at legally valid rates. The Committee directed that the case should be re-examined and the correct position reported in its next meeting.

Para 59 (page 33).—Irregular supply of Electric Energy and overpayment to the suppliers.—In this paragraph it was pointed out that contrary to the rules, a sum of Rs. 13,29,673 had been paid during the years 1960-61 and 1962-63 without the execution of a formal agreement with the supplying agency. Further, as

a result of the adoption of distributed supply rates instead of bulk supply rates, an overpayment of Rs. 89,624 had occurred. The departmental representative explained that new agreement had been concluded and that action was in hand to recover the overpayments already made. The Committee directed that the result should be reported in the next session.

Para 60 (pages 38-39).—Overpayment due to improper maintenance of a contractor's account.—Rs. 3,819.—An overpayment of Rs. 3,819 was pointed out in this paragraph which occurred due to the non-adjustment of this amount in the contractor's account. The departmental representative stated that action was being taken in the matter. The Committee desired to have the report in the next meeting.

Para 61 (page 39).—Non-recovery of compensation from contractors for delay in the completion of works—Rs. 67,963.—In this paragraph four cases were pointed out where compensation for delay in the completion of works had not been recovered from the contractors, although notices to enforce the penalty clauses of the contracts had been issued to them. The departmental representative stated that the matter would be re-examined. The Committee directed that the result of re-examination should be reported in the next meeting.

Para 62 (page 39).—Overpayment of Rs. 56,493 to a contractor.—It was brought out in this paragraph that a contractor was required to use 4436 Cwts. of cement for making slabs to replace the rejected slabs in a construction work. This quantity of cement was not, however, drawn by the contractor from the M.E.S. stock but the work was certified to have been completed and the full payment made for the entire work. As the contract/agreement provided for cement to be issued to the contractor from Government stock, he was not at liberty to procure the cement from the open market. This would go to point out that the contractor did not actually replace the slabs but instead received payment for their replacement. The departmental representative stated that it was a matter of interpretation and they did not consider it as an overpayment and that the Military Accountant General had agreed with them. The Comptroller and Auditor-General pointed out that the matter was referred to the Financial Adviser (Military Finance) in February, 1967 for examination. The Committee directed that the result of examination should be reported in the next meeting.

Para 63 (page 40).—Overpayment due to exaggerated measurements entered in the periodical services measurement Book—Rs. 6,919.—It was pointed out in this paragraph that due to the exaggerated measurements of 2,18,044 Sft., against the actual measurements of 23,827 Sft., having been shown in the periodical services measurement book an overpayment was made to the contractor. The departmental representative informed the Committee that a Court of Inquiry had been instituted to fix the responsibility. The Committee directed that the result of the Court of Inquiry as well as the position about the recovery of the overpayment should be reported in the next meeting.

Para 64 (page 40).—Irregular and uneconomical purchase of stores.—A contractor's sample was declared below specification but supplies worth Rs. 22,730 made by him were accepted. The Committee observed that the money should have been realised from the accepting officer, but if there was no *mala fide*, the matter may be dropped.

Para 66 (page 41).—Unnecessary purchase.—Blocking of public funds—Rs. 24,56,338.—This paragraph related to the unnecessary purchase of 80,048 Cwts. of steel beams, which resulted in blocking of public funds. The beams in question were procured from abroad during 1951-52 but were not used up till 1957. The departmental representative explained that it was a very old case and the relevant records were not available. He added that the idea was to put those bars on

the roof of Wah Factory, and that there had been no wastage of foreign exchange as these have been used for other purposes. The Committee wanted that a detailed and fuller report should be put up to them at the next session.

Para 90 (page 50).—Overpayment of Rs. 9,606 on account of foreign allowance to a peon.—The departmental representative explained that according to the Government orders, rates had been fixed for Assistants and Clerks who were paid Rs. 500 per month and no rates had been fixed for Class IV employees. Since cost of living is so high in a foreign country, he had to be paid the foreign allowance, and it was paid at the lowest rate fixed by Government. The Committee wanted that the overpayment should be recovered/regularised and the disciplinary aspect of the case reported upon in the next session.

AUDIT REPORT 1964-65

Para 78 (page 84).—Overpayment to a contractor—Rs. 14,581.—In this paragraph it was brought out that a contractor was to have been paid for laying down pipes in 12 feet length with lead joint to each pipe. But the contractor actually laid the pipes of 19'-9" and 16'-5" length with a lesser number of lead joints but was paid for laying pipes of 12' length. The departmental representative stated that disciplinary action against the staff responsible was being taken. The Committee directed that the result of action as well as progress towards recovery/regularisation of the overpayment should be reported in the next meeting.

Para 80 (page 85).—Less accounting of bricks resulting in loss—Rs. 16,272.—This paragraph brought out the loss due to less accounting of burnt bricks obtained from demolition. The bricks were accounted for @ only 818 bricks per 100 Cft. instead of 1320 bricks per 100 Cft. The departmental representative explained that regularisation action as well as disciplinary action against the staff responsible was being taken. The Committee directed that the result should be reported in the next meeting.

Para 81 (pages 85-86).—Overpayment to a firm due to the faulty check of the final bill—Rs. 13,642/-.—This paragraph concerned an overpayment to a contractor due to incorrect application of rates and errors in calculations, duplication in the measurement of certain items of work and non-adjustment of the financial effect of a change in specification. The departmental representative stated that a Court of Inquiry was looking into the matter and that an arbitration case has been initiated against contractors. The Committee directed that the result should be reported in the next meeting.

Para 83 (b) (page 87).—Loss caused due to long storage of certain items of work.—Rs. 15,964/-.—It was brought out in this paragraph that imported A. C. sheets worth Rs. 45,611 lying unused from 1949 to 1958 were surveyed and found to be unfit for further use. They were auctioned for Rs. 29,647 and the resulting loss of Rs. 15,964 was written off. The loss in question required proper investigation as to why stores had been purchased in excess of demand and had to be stored for so long and also whether there was any neglect in handling and storage of the stores. The departmental representative explained that the loss was not due to long storage but due to the sheets being below specification. The Committee directed that a Court of Inquiry should be held to investigate the loss and the result reported in the next meeting.

Para 84(i) (pages 87-88).—Extra expenditure in the purchase of Stores—Rs. 61,535/-.—In this paragraph it has been pointed out that due to the acceptance of a tender other than the lowest additional expenditure had been caused to Government. The departmental representative stated that regularisation action had been taken and the Government sanction would be issued shortly. The Committee desired to know the progress in their next meeting.

Para 84 (ii) page 87.—Extra expenditure in the purchase of stores—Rs. 30,257/-.— This paragraph also brought out extra expenditure due to the acceptance of a tender other than the lowest. The departmental representative explained that the lowest tenderer had delayed delivery of stores under a previous contract and as such the tender of the second lowest tenderer had to be accepted. The Committee was not satisfied with the explanation and observed that negotiations could have been carried out in order to bring down the price of the second lowest tenderer to that of the lowest. The Committee took note of the statement of the departmental representative that they were doing so now.

Para 85 (page 89).—Loss due to waiving of recovery of hire charges of stores issued on loan.—Rs. 2,29,111/-.— In this paragraph non-recovery of hire charges for the stores issued on loan to various non-official organisation was pointed out. The Committee wanted to know why recovery could not be made from such organisation as The Horse and Cattle Show Committee. It was explained by the departmental representative that although they had put up stalls with entry fees, the income was not enough. The Committee was inclined to accept this explanation, but felt that the cases of cricket matches between the President's Eleven and M.C.C. and between the C.-in-C's Eleven and the West Indies, where a much higher income should have been forthcoming, were different. The Committee desired the Department to look into this matter further and to report the circumstances on the basis of which the amounts were taken as irrecoverable in the next meeting.

Para 87 (page 90).—Improper execution of work leading to an extra expenditure of Rs. 63,792 on repair of Aircrafts.— It was explained by the departmental representative that under U. S. Aid they received two types of Sabre aircrafts. The Committee noted the explanation of the departmental representative that the facility for repairs was available at 102 M.U., but they were busy. Hence the work was given to a private company (PIAC) and *ex post facto* sanction obtained.

Para 88 (page 91).—Rendition of incorrect certificate for claiming the Mess maintenance allowance.— This involved payment of Rs. 5,427 (maintenance allowance) and Rs. 11,932 (Pay and allowance of mess servants). It was explained by the departmental representative that a field mess was different from an ordinary mess and a Brigade Commander was competent to do this. But he promised to look into this and report in the next meeting.

Para 90 (page 92).—Wasteful expenditure on irregular employment of Drivers.—Rs. 6,748/-.— In this paragraph it was pointed out that three M. T. Drivers were employed against the sanctioned strength although no vehicle was held on the charge of the unit. Thus wasteful expenditure on the irregular employment of drivers was incurred. The departmental representative explained that they had a big problem about this as Army requirements were seldom met in time. The Committee observed that unless the unit get the actual supply of vehicles there should be no need for drivers and directed that the matter should be investigated and result reported in the next meeting.

SUPPLEMENTARY AUDIT REPORT 1964-65

*Page 5.—Outstanding against contractors.—*The service-wise break-up of the outstandings was as follows :—

	Outstanding	Recovered	Balance
Army	77,42,896	22,00,597	55,42,299
Airforce	8,05,201	4,18,060	3,87,141
Navy	10,674	10,674	Nil
POF	39,33,199	30,08,113	9,25,081

The Committee impressed the need for early recovery of these outstandings and the departmental representative promised that action would be taken to settle these outstandings, avoid accumulations in future and submit a report in the next session.

APPROPRIATION ACCOUNT (CIVIL)

The Committee then took up for consideration the Civil Grants which were controlled by the Ministry of Defence.

Grant No. 23.—Development Expenditure of Ministry of Commerce.—The Committee desired to know the reasons for an excess expenditure of Rs. 10,20,646/- under sub-head VI(i) (4)—Other charges stating that a sum of Rs. 11,900/- had been surrendered. The departmental representative explained that this was due to a wrong posting by A. G., East Pakistan and that the matter was under correspondence. He also informed the Committee regarding the details of the "Other Charges" which it was stated included maintenance and upkeep of installations, launches and rest houses.

Item VI (i) 5 —Publicity.—The departmental representative explained that the saving of Rs. 1,38,049/- was due to the fact that the quantum of publicity material had to be commensurate with the requirements of publicity abroad for which no funds had been provided.

Grant No. 3. —Development Expenditure, Ministry of Commerce, 1963-64.—The departmental representative explained that Rs. 6,49,700 had to be surrendered because of the non-availability of suitable staff which the Public Service Commission had been unable to recruit.

Grant No. 22.—Development Expenditure—Ministry of Commerce, 1964-65.—The Committee wanted to know why a sum of Rs. 15,46,274/- was surrendered which amounted to about 35% of the grant of Rs. 43,23,000/-. The departmental representative explained that as desired by the President, a Master Plan had to be prepared expeditiously. So, all the officials of the Department of Tourism were busy in preparing it. Due to this fact, apart from routine, no other work could be attended to. While appreciating the difficulties, the Committee felt that the Department should have either not sought the increased provision, or having received it, utilised it and if this could not be done they should have surrendered it in time.

MINISTRY OF DEFENCE 1962-63

Grant No. 35.—(Other than Charged).—The Committee wished to know why Rs. 2,85,000/- had been surrendered when there was an excess expenditure of Rs. 9,61,593/- ultimately under this grant.

Grant No. 36.—(Other than Charged)—1962-63.—The Committee wanted to know why only a sum of Rs. 13,90,300/- had been surrendered as the grant finally closed with a saving of Rs. 6,12,278/-. The departmental representative explained that according to their figures there was a short booking of Rs. 3,43,295/- by A. G. P. R. which would mean a saving of Rs. 2,49,000/- only. As for the remainder, although D. G., I.P. & S. had finalised the indents, debits were not received to the extent of Rs. 2,40,000/-. A. G. P. R. admitted that there was some wrong booking. The Committee observed that the Department should reconcile their figures and have corrections carried out before the close of the financial year. They should also follow up their indents with D. G., I. P. & S. to see whether payments would actually be arranged before the close of the financial year.

Grant No. 37.—Civil Aviation—1962-63.—The Committee wanted to know why despite a surrender of Rs. 2,38,200/- there was a saving of Rs. 16,24,736/-. The explanation given by the departmental representative was accepted.

Grant No. 39.—Development Expenditure of Ministry of Defence.—The Committee wanted to know the reason for the large saving of Rs. 24,30,937/- (which was 78.82% of the original grant). The departmental representative explained that the saving was due to the fact that customs duty could not be paid on imported stores for lack of information from the D. G., I. P. & S. and that the P. W. D. failed to carry out fully the work entrusted to them. The Committee observed that when the responsibility was shifted to other departments all facts should be supplied to it in chronological order so that the real responsibility might be fixed.

Grant No. 40.—Capital Outlay on Civil Aviation—1962-63.—The Committee drew attention to the large saving of Rs. 51,30,000 under this head, but noted from the comparative figures from 1960-61 to 1964-65 that the control had improved bringing the percentage of saving to 3.69% in 1964-65 as against 42.66% in 1962-63. However, the Committee observed that the amount was still large and either such a heavy provision should not be sought, or if this was done, all steps should be taken to utilise it or to surrender it well in time.

Grant No. 17.—Ministry of Defence—1963-64.—The Committee noted the saving of Rs. 2,55,840/ and the surrender of Rs. 4,73,147 and observed that better financial control should be observed.

Grant No. 18.—Meteorology.—The Committee made the same observation as in Grant No. 17.

Grant No. 19.—Civil Aviation—1963-64.—The Committee desired to know why sufficient funds had not been provided under sub-head D-2—Standing Charges resulting in an excess of Rs. 3,34,696/-. It was explained by the departmental representative that the excess had occurred because the Accounts Authorities had adjusted liabilities relating to past years after the close of the financial year without reference to the department. The Committee observed that timely reconciliation of departmental figures should be carried out with Audit and care should be taken to provide for outstanding liabilities which could be done in consultation with the Accounts Authorities.

Grant No. 21.—Development Expenditure—Ministry of Defence.—The Committee noted some improvement under this head.

Grant No. 21.—A 1—1963-64.—It was explained that the saving of Rs. 1,52,67,617 was due to non-utilisation of funds provided for land acquisition. The Comptroller and Auditor-General informed the Committee that he would take up the matter with the A. G., East Pakistan and report at the next session of the Committee.

Grant No. 36.—Ministry of Defence (Other than Charges) 1964-65.—The Committee questioned the fact why the Telegraphs and Telephones Department had raised a wrong debit of Rs. 1,38,900/- but had not withdrawn it despite protracted correspondence by the Department. The Committee wanted that the matter be looked into closely and a detailed report submitted at the next session in consultation with the Telegraphs and Telephones Department and Audit.

Grant No. 38.—Sub-head F. 1—Subsidy on cheap Air Fares between East and West Pakistan—Rs. 22,00,000.—The departmental representative explained that, in fact, this was a subsidy to passengers and was not a subsidy to P.I.A.C. at all.

Grant No. 42.—Capital Outlay on Civil Aviation.—The Committee wanted to know the reasons for the excess expenditure under sub-head A-1—Major. It was explained that P.W.D. spent more money than was allotted.

AUDIT REPORTS 1962-63 AND 1963-64—No Comments

AUDIT REPORT 1964-65

Para 77.—Non-recovery of landing charges amounting to Rs. 61,805 due from the PIAC.—The Committee wanted to know the latest position. The departmental representative informed the Committee that on March 18, 1967 the Government decided to realise the money and steps were being taken to implement the decision.

COMMERCIAL ACCOUNTS—1964-65

PAKISTAN INTERNATIONAL AIRLINES

Para 38.—Loss of interest and non-receipt of dividend on investments by Government amounting to Rs. 8.03 crores.—It was explained by the departmental representative that formerly the PIAC was running at a loss and Government was really making up for the initial losses, but later on the position had improved. The Committee wanted the Ministry to examine in detail and report at the next session as to why Government, like other shareholders should not be paid dividends by the PIAC. The Committee felt that these dividends may be paid to PIAC as a subsidy.

Para 213.—This paragraph related to the declaration of spares as unserviceable long before the expiry of their normal life. The departmental representative stated that in the matter of their planes they took no risks and that unless the parts were considered as 100% fit, they were replaced.

Para 214—Amount of Subsidy not shown distinctly in the Accounts.—It was explained by the departmental representative that it was rather a technical point and that the subsidy was really given to the passengers. To show the amount separately might raise complications with the I.A.T.A. The Comptroller and Auditor-General suggested that the PIAC should consider this point in consultation with the Ministry of Defence and report the same to the Committee.

Para 215—Writing back of unclaimed liabilities to Revenue.—The Committee was informed that the matter was under correspondence. But it felt that physical verification should be done once in a year or at least once in two years. The Comptroller and Auditor-General informed the Committee that in reply to his letter the Chairman of the P.I.A.C. informed him that the total outstanding amounted to Rs. 3,93,00,000 out of which Rs. 2,07,00,000 was outstanding against Government, Rs. 15,00,000 against IATA Airlines and Rs. 22,00,000 against non-IATA Airlines and other sundry debtors totalled Rs. 1,55,00,000. The departmental representative stated that of the sums owed by Government, they had questioned the correctness of the total of Rs. 2 crores; that the matter had been studied by the Cost Accounts Organisation, and that finally the matter had been placed before the Finance and Defence Ministers and Air Marshal Asghar Khan and it would be resolved shortly. The Committee observed that care be taken to see that these amounts under Sundry Debtors should be kept low and to ensure that they do not become irrecoverable.

The Committee thanked the departmental representative and then adjourned to meet at 9-00 a.m. on 17th April, 1967.

Proceedings of the Seventeenth Meeting of the Public Accounts Committee held on Monday, the 17th April 1967

The Public Accounts Committee met in Ayub Hall, Rawalpindi, at 9-00 a.m. on Monday, the 17th April, 1967.

Members present

1. Mr. Nurul Amin, M.N.A., Chairman.
2. Mr. Muhammad Ashraf Raja, M.N.A.
3. Mr. Nural Hoda Choudhury, M.N.A.
4. Major Zulfiqar Ali Khan Qizilbash, M.N.A.
5. Mr. Mobarak Ali, M.N.A.
6. Mr. Mohammad Haneef Khan, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.

Audit representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. Habibur Rahman, Deputy Comptroller and Auditor-General.

Departmental representatives

1. Mr. Justice Aminul Islam, S.Q.A., Secretary, Ministry of Law and Parliamentary Affairs.
 2. Mr. Muzafar Husain, S.Q.A., C. S. P., Secretary National Assembly of Pakistan.
 3. Mr. A. Rashid, C.S.P., Secretary, Election Commission.
 4. Mr. A. Waheed, T.Pk., Deputy Secretary to the President Secretariat (Public).
 5. Mr. A. R. Bashir, C.S.P., Joint Secretary (Development), Ministry of Finance.
 6. *M.S. Muhammad Hussain T.Pk., C.S.P. Jt. Secretary, Kesh*
Affairs Division
- Mr. A. K. M. Faiz, T.Q.A., Deputy Secretary, National Assembly of Pakistan, attended.

The meeting started with a recitation from the Holy Quran.

The Committee first of all took up the examination of accounts controlled by the Ministry of Law and Parliamentary Affairs.

APPROPRIATION ACCOUNTS 1962-63

Appropriation Elections (Charged)—(on page 451 of the *Appropriation Accounts*).—The Committee observed that under sub-head A.4—Other Charges of Election Commission, the original grant was Rs. 97,700. Supplementary grant

was Rs. 49,400, bringing the total appropriation to Rs. 1,47,100 against the actual expenditure of Rs. 1,83,821, resulting in an excess of Rs. 36,721, the overall excess as compared to the original provision being of the order of Rs. 86,121.

The departmental representative explained that had the adjustment of Rs. 19,086 relating to debits pertaining to previous years been made in the year's account to which they related there would have been an excess of Rs. 16,635.

The Committee observed that if reconciliation had been done earlier this situation would not have occurred, and directed the Commission to ensure that in future its representative is sent to A.G.P.R. for reconciliation in time.

Paragraph 112 (on pages 58 to 59 of the Audit Report, 1963-64)—Infructuous Expenditure of Rs. 4,939.—This paragraph pointed out that a building was hired at Lahore for the office of the Election Tribunal. The Tribunal was, however, accommodated in the premises of the High Court and the hired building was used as Chambers (office) of two members who also used them as their residence. This was stated to be in the interest of public service but this plea was neither accepted by Audit nor the Ministry of Finance. The Committee observed that, though the premises of the High Court of West Pakistan were used as office of the Election Tribunal, yet the building acquired for that purpose was not surrendered, but used by two of its members as residence which resulted in an infructuous expenditure of Rs. 4,939 on account of hire and telephone bills and asked the departmental representative to explain the latest position of the case and also the reason why it took the Commission such a long time to finalise it.

The departmental representative explained that the delay occurred because the case was referred to the Ministry of Finance for regularisation; but the latter did not agree to the write-off of the amount in question. Steps were, therefore, being taken to recover the amount from the members concerned who were still in service.

The Committee directed that the recoveries should be made and the progress reported at the next session.

APPROPRIATION ACCOUNTS 1964-65

Appropriation Elections (Charged)—(on pages 304 and 305 of the Book).—The Committee observed that under the sub-head B, the original appropriation was Rs. 1,76,90,000, and a supplementary appropriation of Rs. 64,97,000 was obtained but later a surrender of Rs. 89,60,957 was made, bringing the modified grant to Rs. 1,52,26,043. The actual expenditure, however, was Rs. 1,25,39,424.

The Committee felt that the supplementary grant of Rs. 64,97,000 was entirely unnecessary because, in spite of the heavy surrender of Rs. 89,60,957, the grant closed with a saving of Rs. 26,86,619, the total saving including the surrender being Rs. 1,16,46,575.

The departmental representative explained that the main reason for the supplementary grant was the electoral college elections about which they had no clear idea of expenditure, because the figures of the last elections were still awaited from the district authorities.

The Committee felt that, unless the actual figures of expenditure were available province-wise, it could not make its observations, and therefore directed that the actual figures and their break-up be obtained and placed before it at the next session.

The Committee thanked the Secretary, Election Commission and then started examination of the Appropriation Accounts of the Parliamentary Affairs Division.

APPROPRIATION ACCOUNTS 1962-63

*Grant No. 108—Ministry of Law and Parliamentary Affairs (on pages 428 to 430 of the Appropriation Accounts).—*The Committee observed that in the charged section a supplementary appropriation of Rs. 3,69,000 was obtained and then a surrender of Rs. 24,028 was made, but still the grant closed with a saving of Rs. 2,11,225 and it desired to know the reason why, in the first instance, an inflated provision of Rs. 3,69,000 was obtained, and what was the reason for such a large saving.

The departmental representative explained that the Parliamentary Secretaries for whom this provision was made did not always draw their retainerships regularly, but the Ministry could not surrender the amount because they might draw it any time they liked before the close of the year.

The Committee then enquired about the steps that were being taken by the Parliamentary Affairs Division to ensure that there was no saving on account of the salaries of Parliamentary Secretaries. The departmental representative explained that they were now getting monthly statements from the various Treasuries; that a circular was issued to all the Parliamentary Secretaries asking them whether they would like to receive payments through cheques. He assured the Committee that, if the proposal of receiving salaries through cheques is accepted, then the problem would be satisfactorily resolved.

The Committee directed that the progress in the matter should be reported at the next meeting.

The Committee also noticed that out of the supplementary appropriation of Rs. 1,32,000 obtained under sub-head B. 2 (1) a small sum of Rs. 6,328 was spent resulting in a lapse of Rs. 1,25,672 and wished to know the reasons why most of the amount could not be spent.

The departmental representative explained that the Parliamentary Affairs Division came into being as a result of a post-budget decision, and, therefore, the exact requirements could not be contemplated.

The explanation was accepted.

*Grant No. 109—Other Expenditure of the Ministry of Law and Parliamentary Affairs (on pages 435 to 437 of the Book).—*The Committee observed that the original grant of Rs. 8 lakhs was increased to Rs. 9,28,000, through a supplementary grant of Rs. 1,28,000; that though a surrender of Rs. 1,29,712 was subsequently made, yet the grant closed with a saving of Rs. 46,500. The supplementary grant as such was absolutely unnecessary.

The departmental representative explained that a supplementary grant of Rs. 1,28,000 was obtained to meet expenditure in respect of the Franchise Commission, which was set up as a result of a post-Budget decision. He also explained that the reason for the high figures of Rs. 79,000 provided as allowances (in the face of Rs. 12,000 on account of pay of officers) was due to the fact that the Members of the Franchise Commission were High Court Judges, who were not paid anything by way of salary, but they had to undertake extensive tours in the country. About the saving of Rs. 38,990 he informed the Committee that the actual figure of saving was Rs. 4,400, and not Rs. 38,980. Both the figures have since been reconciled.

The Committee, while stressing the need for timely reconciliation, accepted the explanation.

APPROPRIATION ACCOUNTS 1963-64

Grant No. 108—Ministry of Law and Parliamentary Affairs (on pages 404 to 407 of the Book).—The Committee observed that in the charged section the original appropriation of Rs. 2,08,000 was raised to Rs. 4,19,000 through a supplementary grant of Rs. 2,11,000. But for the surrender of Rs. 86,264 there would have been a saving of Rs. 87,090. The Committee desired to know the reasons for an excessive supplementary provision as well as for the saving itself.

The departmental representative explained that the original grant was shown wrongly under the 'Other than Charged' section. The statement was confirmed by the representative of the Ministry of Finance, who said that the amount was surrendered in the 'Other than Charged' section and a fresh provision made in the 'Charged' section through a supplementary demand.

The Committee accepted the explanation.

The Committee also noticed that there was a saving of Rs. 2,75,934 in the 'Other than Charged' section out of a grant of Rs. 15,58,000. Before the close of the year a surrender of Rs. 3,69,100 was, however, made which converted the saving into an excess of Rs. 93,166 which was attributed to adjustment of debits on account of telephone bills and trunk-call charges relating to previous years. The Committee observed that such cases have occurred in the case of other Ministries/Divisions also, and its general observation on those cases, *i.e.*, that the Ministries/Divisions should keep track of their liabilities and regulate budget provision accordingly, should apply to this case also.

The Committee also noted that some discrepancies between the audit office figures and the departmental figures had remained unreconciled in the case of the grants controlled by this Ministry as well. The departmental representative explained that in the first year of its existence the Parliamentary Affairs Division was not asked by the A.G.P.R. to send a representative to his office for reconciliation, but in subsequent years there was no difference. The A.G.P.R. accepted the position that there was some confusion in 1962-63. The Committee, however, repeated its general directions that the reconciliation should be done regularly and in time.

APPROPRIATION ACCOUNTS 1964-65.

Grant No. 106.—Ministry of Law and Parliamentary Affairs (on page 302 and 303 of the Book).—The Committee noted that the original grant of Rs. 11,87,000 in the 'Other than Charged' section was increased to Rs. 13,77,000 through a supplementary grant of Rs. 1,90,000. The surrender of Rs. 92,565 reduced the modified grant to Rs. 12,84,435 against which the actual expenditure was Rs. 14,04,584 resulting in an excess of Rs. 1,20,149. The Committee observed that the surrender was unnecessary because it had the effect of increasing the excess of Rs. 27,584 to Rs. 1,20,149.

The departmental representative explained that they had originally made a provision of Rs. 21,000 (included in sub head A-4—Other Charges) for telephone and trunk-call bills, but the expenditure went up to Rs. 1,03,000 mainly due to the introduction of the direct-dialling system. The other reason for the excess was extensive tours undertaken by the personal staff of the Minister and the re-imbusement of medical charges (Rs. 74,000).

The Committee observed that better control should be exercised in future.

Grant No. 107.—Other expenditure of the Ministry of Law and Parliamentary Affairs (on pages 307 and 309 of the Book).—The Committee also observed that a grant-in-aid of Rs. 8,00,000 had been provided for payment to the Central

Institute of Islamic Research, but only Rs. 6 lakhs were released, and wished to know the reason for the saving of Rs. 2 lakhs. The departmental representative explained that the provision of Rs. 2 lakhs was made for the proposed building of the Institute, but as the latter had since shifted to Rawalpindi, the project could not be taken in hand. The saving could not, perhaps, be visualised on account of the failure on the part of the Institute to report the expected saving. The Committee directed that the reasons for the omission to surrender the amount of Rs. 2,00,000 be explained further at its next session.

The Committee noted with satisfaction that there was no irregularity in this financial year, and appreciated that better control had been exercised by the present Secretary of the Division.

As regards the accounts of the Supreme Court, the Committee was informed that, though the explanations had been furnished by the Supreme Court, yet their representative had not come to explain any questions that might be put. The Committee accepted the explanations but directed the representative of the Ministry to ensure that in future at least the Registrar of Hon'ble Court attended the meetings of the Committee to answer any questions that the Members might like to put.

The Committee thanked the Secretary, Law and Parliamentary Affairs and proceeded to examine the accounts of the President's Secretariat.

APPROPRIATION ACCOUNTS 1962-63

Staff, Household and Allowances of the President (on pages 446 to 449 of the Book)—Group Head—H-Secretariat Staff of the President.—The Committee observed that the original appropriation of Rs. 3,14,500 was augmented by a supplementary grant of Rs. 1,26,000 bringing the total to Rs. 4,40,500. The actual expenditure was Rs. 4,43,926 resulting in excess of Rs. 3,426. While the excess was small, it wanted to know the reason for asking the supplementary grant. The departmental representative explained that the supplementary grant of Rs. 1,26,000 was asked for the two posts of Special Assistants to the President, one of which was not filled.

The Committee accepted the explanation.

APPROPRIATION ACCOUNTS 1963-64

(14) *Staff, Household and Allowances of the President (Charged) (on pages 423 to 425 of the Book)—Group Heads 'A to G'.*—The Committee observed that the original appropriation of Rs. 12,74,000 was increased to Rs. 13,78,000 through a supplementary grant of Rs. 1,04,000; that a surrender of Rs. 41,800 was made bringing down the modified grant to Rs. 13,36,400. The actual expenditure was Rs. 13,83,394 resulting in an excess of Rs. 46,994. The Committee desired the departmental representative to explain why the surrender was made in the face of an excess.

The departmental representative explained that, amongst other reasons for the saving the main one was the non-receipt of telephone bills which necessitated the surrender. The excess has been attributed to adjustment and more expenditure on telephone due to heavy engagement of the President. The Committee observed that, but for the surrender of Rs. 41,800, the excess over the grant would have been only Rs. 5,114.

APPROPRIATION ACCOUNTS 1964-65

Staff Household and Allowances of the President (Charged) (on pages 320 and 321 of the Book).—Group Heads 'A' to 'G'.—The Committee noticed that, though the original appropriation of Rs. 12,96,000 was raised to Rs. 15,05,000 by a supplementary appropriation of Rs. 1,79,000, and a transfer from the Contingency Item of Rs. 30,000, yet there was an excess of Rs. 10,000, because it finally closed with an actual expenditure of Rs. 15,15,060.

The departmental representative explained that, under the President's Allowances and Privileges Order, the car imported for the President's House was exempted from Customs Duty, but the Customs authorities wrongly raised the debit.

The Committee wanted to know why delay had taken place in obtaining a refund of the duty and in withdrawal of the debit by the C.M.A. and directed that fuller details may be supplied at the next session.

The Committee hauled the departmental representative and then proceeded to examine the accounts of the National Assembly.

APPROPRIATION ACCOUNTS 1962-63

National Assembly (Charged)—(on pages 432 and 433 of the Book).—The Committee observed that, though the original appropriation of Rs. 33,47,000 was increased to Rs. 45,82,000 through a supplementary appropriation of Rs. 12,35,000, the actual expenditure was only Rs. 38,42,277 resulting in a saving of Rs. 7,39,723. The Committee asked the departmental representative to explain why a supplementary grant in excess, to the extent of about Rs. 5 lakhs, was obtained.

The departmental representative explained that the various factors which contributed towards the saving were, firstly, that all the M.N.As. did not draw their salaries regularly; (in fact, some of them had not drawn till the last day) but the amount could not be surrendered in view of the fact that they might draw their salaries any time before the year ran out. Secondly, the M.N.As. drew their salaries from the various Treasuries spread throughout the length and breadth of the country, accounts of which were not readily available with the A.G's to raise the necessary debits. Thirdly, the M.N.As. used to travel formerly on vouchers issued to P.I.A.C. The collection of these vouchers, and the bills in respect of railway journeys and telephone charges which needed protracted correspondence, were still pending. The bulk of the saving was, however, due to the non-drawal of salaries by Members amounting to Rs. 1,94,728 and outstanding bills of P.I.A.C., Railways, Telephones, etc., accounted for Rs. 1,26,259. The departmental representative informed the Committee that the Members had now been given an option of either having their former privileges, or of having a consolidated pay of Rs. 1,500 p.m. While some Members had opted for consolidated salaries, others have not yet done so.

The departmental representative further explained that the system of issuing salary cheques was under consideration; and they would consult the office of the Comptroller and Auditor-General in the matter; and that if the proposal was accepted, the problem would become much simpler.

The Committee directed that the progress of the case may be reported at the next session.

APPROPRIATION ACCOUNTS 1963-64

(17) *National Assembly (Charged) (on pages 412 to 414 of the Book).*— The Committee observed that though the original appropriation of Rs. 44,85,000 was raised to Rs. 51,45,000 by obtaining a supplementary grant of Rs. 1,42,000, and a transfer from the Contingency Item of Rs. 5,18,000, yet it closed with an excess of Rs. 15,575, and asked the departmental representative to explain why the budget was not more realistically drawn in the first instance.

The departmental representative explained that, though they took into account the figures of the last year while preparing the estimates, yet it was not possible for them to correctly visualise the actual number of days for which the Assembly would meet in a particular year. Similar was the position with regard to the meetings of the various Committees of the House. About the shortfall with regard to the Members' salaries, the departmental representative explained that they expected the Assembly to be prorogued in July, *i.e.*, in the next financial year, but it was actually adjourned on the 29th June, due to which the return fare, etc., had to be paid to the Members within the year under review.

The Committee accepted the explanation.

APPROPRIATION ACCOUNTS 1964-65

(18) *National Assembly (Charged) (on pages 310 to 311 of the Book).*— The Committee observed that the original grant of Rs. 48,67,000 was reduced to Rs. 45,95,700 by surrendering Rs. 2,71,300. Inclusive of the surrender the grant closed with a saving of Rs. 5,36,534 which works out to 11.02 per cent and invited the departmental representative to explain the reason for the saving.

The departmental representative explained that the main reason for the saving was the non-drawal of salaries by M.N.As., who were very busy with elections and on account of the Assembly Session being shortest, this being an election year. The provision could not, however, be surrendered because of the fact that they might draw their salaries up to the last day of the financial year.

The explanation was accepted, and the Committee expressed its satisfaction at the manner in which the budget control was exercised.

The Committee thanked the Secretary of the National Assembly and proceeded to examine the accounts of the Kashmir Affairs Division.

APPROPRIATION ACCOUNTS 1962-63

Grant No. 88.—Kashmir Affairs Division (on pages 338 and 339 of the Book).— The Committee observed that, though the original grant of Rs. 6,92,000 was augmented by a supplementary grant of Rs. 20,000, bringing the total to Rs. 7,12,000. The actual expenditure was Rs. 7,65,944 resulting in an excess of Rs. 53,944.

The departmental representative explained that the excess was partly due to the non-transfer of the amount of Ways and Means Advance during the year 1962-63, and partly due to the adjustment of the old debit in respect of the cost of an engine of a Land-Rover and conveyance charges. He also informed the Committee that the matter of procedure regarding adjustment against Ways and Means Advance was under reference to the Ministry of Finance.

The Committee directed that the progress of the case may be reported at the next session.

Grant No. 89.—Development Expenditure of Kashmir Affairs Division (on pages 340 and 341 of the Book).—The Committee observed that, by obtaining a supplementary grant of Rs. 1,000, the original grant was raised to Rs. 87,71,000 and that by surrendering a sum of Rs. 4,14,500, it was reduced to Rs. 83,56,500; but as the actual expenditure was Rs. 83,84,415, it closed with an excess of Rs. 27,915.

The departmental representative explained that the saving was due to non-completion of certain projects in Azad Kashmir, because materials etc. could not be transported in time due to the difficult terrain. Since the Gilgit and Baltistan Agencies could not be crossed due to the area being rugged and snowbound for the major part of the year, all the supplies had to be airlifted. Even in the case of airlifting, the vagaries of the weather did not always permit timely and regular flights. He further informed the Committee that though with the opening of the Indus Valley Road supplies would be transported more expeditiously to Gilgit, the position with regard to Skardu would not materially change.

Asked to elucidate the position about the surrender of Rs. 1,70,000 under sub-head 'Y. 1(2)'—Grants for Village Aid Programme in Azad Kashmir, the departmental representative explained that the amount could not be utilised to the fullest extent because in the initial stages the pace was rather slow, but of late it had gained momentum, and it was hoped that in future no savings would accrue on Village Aid Programme or other development work.

The Committee accepted the explanation.

Grant No. 90.—Other Expenditure of Kashmir Affairs Division (on pages 344 to 346 of the Book).—The Committee observed that the Ministry had estimated a recovery of Rs. 5,53,000 from the Directorate of Health Services, but no recovery was made.

The departmental representative explained that the recovery could not be effected for want of Government decision, as the case was under consideration of the Ministry of Finance. Since then, however, other recoveries had been made, but a sum of Rs. 3,15,000 was still outstanding.

The Committee directed that the necessary action in the matter be speeded up, and the results reported at the next session.

(23) *Grant No. 91.—Capital Outlay on purchases by Kashmir Affairs Division (on page 347 of the Book).*—The Committee observed that the original grant was Rs. 1,88,09,000 and in spite of a heavy surrender of Rs. 87,58,000 it closed with a saving of Rs. 16,32,838. Inclusive of the surrender the saving was 55.24% of the grant.

The departmental representative explained that a large share, Rs. 10,12,642, represented the saving due to non-adjustment of debits under B-Purchases by the Gilgit Agency, while a sum of Rs. 6,20,196 was saved due to lesser demand of wheat in Azad Kashmir.

About the heavy surrender of Rs. 87,58,000, the departmental representative explained that it was a case of incorrect estimates of purchases due to inexperience of the staff.

The Committee noted the deficiency on the part of the staff and stressed the need for making more realistic estimates.

Para 4 on Schemes of State Trading for Azad Kashmir and Northern Areas (on page 28 of the Audit Report for the year 1962-63).—It had been brought out in this paragraph that the Directorate of Civil Supplies and Transport was respon-

sible for the supply of essential commodities e.g. wheat, salt, sugar, kerosene oil etc. for the inhabitants of Azad Kashmir, Gilgit and Baltistan Agencies. The stocks were received in the Agencies by the Political Agents and sold to the population under their own arrangement at uniform subsidised rates. It had been pointed out in this paragraph that the running account of state trading for the year 1962-63 showed a loss of Rs. 31,16,564.

The Committee asked the departmental representative to explain the reason therefor.

The departmental representative explained that there was actually no loss, but it was due to the non-adjustment of credits for the years 1959-60, 1960-61, and 1961-62. The Committee asked that a complete picture may be placed before them in the next session.

APPROPRIATION ACCOUNTS 1963-64

(24) *Grant No. 80.—Kashmir Affairs Division (on pages 294 to 296 of the Book).*—The Committee observed that the original grant of Rs. 7,54,000 was increased to Rs. 8,54,000 by a supplementary grant of Rs. 54,000 and an allocation of Rs. 46,000 from the Contingency Item. A sum of Rs. 13,211 was surrendered, which brought the modified grant to Rs. 8,40,789 but the actual expenditure was Rs. 13,31,360 which meant that there was an excess of Rs. 4,90,573 over the modified grant.

The departmental representative explained that an expenditure of Rs. 5,67,199 was wrongly booked under sub-head B.4—Other Charges because it pertained to the Major Head 34—Frontier Regions Accounts-II—Other Charges in Demand No. 119.

The Committee directed that necessary steps should be taken at an early date to correct the mistake and repeated its general directions to the Kashmir Affairs Division, as well, that in future, the reconciliation should be done in time so that discrepancies in figures could be settled before the accounts of that year were closed.

(25) *Grant No. 81.—Development Expenditure of Kashmir Affairs Division (on page 297 of the Book).*—The Committee observed that a sum of Rs. 13,44,800 was surrendered from the original grant of Rs. 1,16,52,000, which gave the modified grant of Rs. 1,03,07,200. The actual expenditure was Rs. 1,11,11,406 which led to an excess of Rs. 804,206. The Committee asked the departmental representative to explain the reason for such a large surrender without which the grant would have closed with a saving of Rs. 5,40,594.

The departmental representative explained that this was due to difference between the departmental figures and those of the Audit particularly under sub-head Y-2(1) Development Schemes in Gilgit and Baltistan.

The Committee directed that reconciliation should be done and the result reported at the next session.

(26) *Grant No. 83: Capital Outlay on Purchases by Kashmir Affairs Division (on page 304 of the Book).*—The Committee noted that out of the original grant of Rs. 88,20,000, a sum of Rs. 13,13,400 was surrendered, but because of the actual expenditure being Rs. 1,12,89,377 there was an excess of Rs. 37,83,777 as compared to the modified grant and asked the departmental representative to explain the reason for such a large excess.

The departmental representative explained that the main reason for such a huge excess was the failure of crops in Azad Kashmir necessitating larger purchases of food grains.

The Committee accepted the explanation.

APPROPRIATION ACCOUNTS 1964-65

(28) *Grant No. 83 : Development Expenditure of Kashmir Affairs Division (on pages 226 and 227 of the Book).*—The Committee noted that out of the original grant of Rs. 1,85,54,000, a sum of Rs. 29,84,000 was surrendered giving a modified grant of Rs. 1,55,70,000. The actual expenditure being Rs. 1,67,46,286 there was an excess of Rs. 13,76,286 over the modified grant and observed that either an excessive grant should not have been obtained in the first instance, or a heavy surrender should not have been made. In their written reply the Ministry had stated that the excess was mainly due to adjustment of debit relating to previous year under sub-head Y-1(1) Grants to Azad Kashmir for Development.

The departmental representative explained that the reason was that the Ministry of Finance had prescribed that the funds for the second half of a year would not be released unless the amount released in the first half is utilized. The entire budgeted amount of the year is released quarterly, and the progress made during the first half of the year is taken into account while the funds for the second half are released.

About the surrender of Rs. 29,84,000, the departmental representative explained that abnormal conditions existed in the Azad Kashmir area, and certain political factors hindered the smooth progress of development work. He, however, assured the Committee that, since sophisticated machinery was being procured, savings would be reduced to the barest minimum.

The Committee noted the efforts that were being made by the Department to improve its performance.

(29) *Grant No. 83 : Capital Outlay on Purchases by Kashmir Affairs Division (on page 232 of the Book).*—The Committee noted that the original grant of Rs. 82,27,000 was increased to Rs. 1,18,34,000 by obtaining a supplementary grant of Rs. 36,07,000; that though a sum of Rs. 2,97,900 was later on surrendered, reducing the modified grant to Rs. 1,15,36,100, yet it closed with a saving of Rs. 17,05,277. The Committee also observed that the financial review of running accounts had not been submitted, because the Department had not received the figures from the Political Agents, and asked the departmental representative to explain the latest position of the case.

The departmental representative accepted the position and informed the Committee that the figures were being received and they would be placed before the Committee at its next session.

This finished the examination of the accounts and the Committee then proceeded to discuss the Audit Report of the Auditor-General for the years 1963-64 and 1964-65.

AUDIT REPORT 1963-64

Paragraph 32 : Failure to accept/reject debits (on page 28 of the Audit Report).—The Committee observed that from January, 1960 to May, 1961, some 11 adjustment memos on account of cost of stores aggregating Rs. 1,27,124 were issued by the Audit Office to the Public Works Divisional Officer, Gilgit but they were not adjusted by him. This resulted in understatement of expenditure, and the Committee asked the departmental representative to explain the reason for not raising the debits, as it might result in misappropriation of stores.

The departmental representative explained that the memos in question were missing and the delay in raising the debits occurred due to late receipt of memos.

The Committee directed that since it was a heavy amount, steps should be taken to trace the memos and adjust the amount, and the progress of the cases reported at the next session.

*Paragraph 33 : Advance payment of Freight (on page 29 of the Audit Report).—*The Committee observed that an amount of Rs. 2,03,694 was drawn by the Directorate of Civil Supplies and Transport on 30th June, 1963 and was advanced on the same day to the P.I.A.C. to meet their anticipated demand on airlift charges to be incurred at a later date during the subsequent financial year, and asked the departmental representative to explain the necessity for making an advance payment and why the dues of P.I.A.C. could not be settled in time.

The departmental representative explained that they were always in a desperate need of booking space and sometimes they had to make such payments. But in the present case no advance payment was made because it was regular payment against invoices.

The Committee directed the Audit and the department to verify the position to make sure that there was no loss in the transaction and report the findings at the next session.

*Paragraph 34 : Shortage of Foodgrains in Transit (on page 29 of the Audit Report).—*The Committee observed that quantity of 2,635 maunds and 15 seers of imported wheat, and of 15-36-8 maunds of sugar valuing approximately Rs. 38,570 was found short at the destination of the consignment received from Karachi and asked the departmental representative to explain the reason for it.

The departmental representative explained that the consignment consisted of American wheat, which had reached Karachi after being on the high seas for several months, as a result of which the weight of the wheat-sacks had increased due to sea moisture. But when the wheat was put into wagons, and it travelled upcountry, the moisture evaporated and the weight reduced. There was, therefore, no shortage in the real sense.

The Committee directed that the matter should be settled at an early date between the department and the Audit, and if any sanction is required to be issued for regularization, it should be done at an early date, and the matter reported at the next session.

*Paragraph 35 : Heavy Godown Shortage (on page 29 of the Audit Report).—*The Committee observed that godown shortages of imported wheat weighing 2,44-26-23 maunds, valued at Rs. 34,258 were noticed in a number of wholesale depots. In some cases the shortages resulted from unnecessary long storage of imported wheat in kacha godowns and the department did not take timely action to dispose of foodgrain in excess of the requirement of the population of the specified areas. The Committee asked the departmental representative to explain the position.

The departmental representative explained that the losses have been investigated and written off and it was for the A.G. to verify this.

The Committee directed that the position should be verified by Audit and the result reported at the next session.

*Paragraph 37 : Godown Shortage and Damaged Wheat (on page 29 of the Audit Report).—*The Committee observed that at the time of handing and taking

over charge of a depot, a godown shortage of 50 maunds of imported wheat and 95 maunds of damaged wheat was detected and that stocks of this depot were physically verified on 24th June, 1962 and 7th September, 1962, revealing further shortage of 283-31-8 maunds of wheat. Thus in all a shortage of 428-31-0 maunds costing approximately Rs. 5,992 was found.

The departmental representative explained that all losses had since been written off with the exception of a loss of 99 maunds which had still to be regularised.

The Committee directed that the matter should be finalized early and compliance reported at the next session.

Paragraph 38 : Missing Consignment of Foodgrains on page 30 of the Audit Report.—The Committee observed that certain consignments of imported wheat valuing approximately Rs. 4,455 which were made over to a carriage contractor, were not delivered by him at the destination and asked the departmental representative to explain the matter.

The departmental representative explained that their contention was that the shortage had occurred at the time of handing over ; but as the matter was under active consideration, a decision in the matter would be taken early.

The Committee directed that the matter should be finalized and reported back at the next session.

Paragraph 39 : Misappropriation of Imported Wheat (on page 3 of the Audit Report).—The Committee observed that according to the closing balance of stock ledger pertaining to a depot, there were 262 bags or 961-11-2 maunds of imported wheat in the stock against which a quantity of only 262 bags or 638-32-8 maunds of imported wheat was carried forward as opening balance, and the difference of 311-18-0 maunds, valuing approximately Rs. 4,360, could not be accounted for ; and asked the departmental representative to explain this.

The departmental representative explained that the loss was still under investigation and a decision in the matter was to be taken by the Central Government and the Government of West Pakistan.

The Committee directed that the outcome should be reported at the next session.

Paragraph 40 : Misappropriation of Stores (on page 30 of the Audit Report).—The Committee observed that an official was appointed by a certain Department to hold charge of a wholesale depot in 1952 without obtaining from him proper security of a suitable amount ; that he mis-appropriated imported wheat weighing 700 maunds and 13 maunds of rice valuing Rs. 10,771 and absconded ; that loss was ultimately written off, but no disciplinary action was taken against the administrative authority who had appointed that official without the necessary security.

The departmental representative explained that the omission did take place ; but as the official was not traceable, and the officer who appointed him had since died, the case may be closed.

The Committee took note of the position.

AUDIT REPORT 1964-65

Paragraph 23 : Overpayment to Contractors (on page 61 of the Audit Report).—This para dealt with an overpayment of Rs. 25,233 to a contractor by allowing him premium at some percentage on market rates which was not permissible. The Committee was informed that certain explanations had been furnished by the department to the Audit, which were under verification. The Committee therefore, directed that the matter be reported at the next session.

Paragraph 24 (i).—Irregular purchase of Stores (on page 62 of the Audit Report).—The Committee observed that stores worth Rs. 12,86,195 purchased by a Divisional Officer himself without the intervention of the specialized agency of the Directorate-General, Investment Promotion and Supplies, and asked the departmental representative why the Government instructions were disregarded in this case.

The departmental representative explained that the Executive Engineer who had purchased the stores unauthorizedly had since been thrown out of service and the matter would be regularised after the Ministry of Industries have agreed.

The Committee directed that the matter should be reported at the next session after regularisation.

Paragraph 24 (ii).—Purchase of Bitumen worth Rs. 26,303 (on page 62 of the Audit Report).—The Committee observed that 63 tons bitumen worth Rs. 26,303 was purchased from a firm of Lahore directly instead of from the Attock Oil Company, Rawalpindi with whom the D.G.I.P.&S. had a running contract and asked the departmental representative to explain the reason therefor.

The departmental representative explained that actually bitumen emulsion and not bitumen was purchased locally because it was only this firm which manufactured emulsion and the running contract with the Attock Oil Company was only in respect of bitumen. He also stated that arrangements with P.I.A. had been made for its shipment to Gilgit, but the P.I.A.C. could not ultimately transport the bitumen, so a refund had been claimed.

The Committee directed that the result should be reported at the next session and that Audit should also verify both the points.

Paragraph 25 (i).—Undue Financial aid to contractors (on page 62 of the Audit Report).—The Committee observed that 2,445 maunds of wheat was purchased at the rate of Rs. 55 per maund for issue to the departmental labour at a subsidized rate of Rs. 26.50 per maund, but the sanction of the competent authority was not obtained, and asked the departmental representative to explain the reasons for such a deal.

The departmental representative explained that the Engineer had provided this and other amenities because he thought that, if this was not done, labourers would not be forthcoming.

The Committee directed that the Division should consider this matter further about the legality of this facility in consultation with the Ministry of Finance and report the result at the next session.

Paragraph 25 (ii).—Unsecured advances to contractors (on page 63 of the Audit Reports).—The Committee observed that advances amounting to Rs. 20,000 and Rs. 3,700 were paid on 30th June, 1964, to contractors by an officer in an Agency for construction of sheds, without obtaining any security from them, and asked the departmental representative to explain why the irregularity was committed.

The departmental representative explained that the Political Agent desired that the work should be completed immediately and therefore he advanced the money. He has, however, been instructed not to do so in future.

The Committee directed that steps should be taken to ensure that such irregularities do not recur and the result of the reference to the Ministry of Finance for condonation of irregularities should be reported at the next session.

*Paragraph 25 (iii).—Construction of boats (on page 63 of the Audit Report).—*The Committee noted that the matter had since been settled.

*Paragraph 25 (iv).—Irregular advance to contractors (on page 63 of the Audit Report).—*The Committee observed that a sum of Rs. 4,000 was irregularly advanced to some contractors on 30th June, 1964, for the supply of certain articles which were supplied after more than a year, in August, 1965; and that another sum of Rs. 2,000 was advanced to the Inspector of Schools for repairs of school buildings which were completed in August, 1965, after a delay of more than a year; and asked the departmental representative to explain the reason for these irregularities.

The departmental representative accepted the position and promised that such irregularities would not recur.

The Committee directed that the Division should ensure that advances are not drawn at the close of the financial year unless the work is likely to be completed within that year.

*Paragraph 26.—Overpayment of travelling and daily allowances (on page 63 of the Audit Report).—*The Committee observed that according to a Government decision under Supplementary Rules 46 and 51, higher rates of "Daily Allowance" and "Road Mileage" were not admissible to Government servants on tour to Gilgit and Baltistan areas, but that in various offices of the same Agency the higher rates were actually allowed which resulted in over-payments of Rs. 5,125; and asked the departmental representative to explain the reasons.

The departmental representative undertook to supply full information at the next session.

The Committee directed that necessary action in the matter should be taken and the result reported at the next meeting.

*Paragraph 27(i).—Unnecessary drawing of money to avoid Lapse of Budget Grant and its unauthorised retention for long period (on page 64 of the Audit Report).—*The Committee observed that two sums of Rs. 11,202 and Rs. 25,159 drawn in December, 1962, and June, 1963 respectively remained undisbursed and out of the total amount of Rs. 36,361 only Rs. 26,336 was found in the cash chest and the rest was missing and demanded an explanation from the departmental representative.

The departmental representative accepted the position and stated that no amount was actually missing but a sum of Rs. 3,025 had been advanced to certain officials whose pay had not yet been fixed and that the rest was transferred to the Agency Office. He also informed that the entire amount was disbursed subsequently. The Committee directed that this irregularity should not be repeated in future.

*Paragraphs 27 (iii) and (iv).—Unnecessary drawing money not required for immediate disbursement (on pages 64 and 65 of the Audit Report).—*With regard to these paragraphs the Committee was informed by the departmental representative that no reply had been received from the Ministry of Finance in regard to regularization.

The Committee directed that they should be regularized and directed that money should not be drawn much ahead of expected expenditure, but drawn only when the proper programme had been chalked out and when it could be disbursed within a short period of time.

*Paragraph 28.—Misappropriation of 100 maunds of imported wheat (on page 65 of the Audit Report).—*The Committee observed that in a wholesale depot a short receipt of 100 maunds of wheat was recorded in respect of the consignment of 633-20 maunds of wheat and asked the departmental representative to explain the reason.

The departmental representative explained that the matter was under reference to the Ministry of Finance.

The Committee directed that the result should be reported at the next session.

*Paragraph 29.—Drawing of Funds in anticipation of Actual Requirements (on page 65 of the Audit Report).—*This paragraph pointed out that a sum of Rs. 1,00,000 was drawn by a Political Agent on 29th June, 1963 but was placed at the disposal of the P. W. D. Authorities on the 27th May, 1964 for construction of a bridge. The drawal of a large amount at the end of the year had obviously been done to avoid lapse of budget grant which was obviously irregular.

The Committee noted that this matter was also under reference to the Ministry of Finance and directed that the result should be reported at the next session.

With this the examination of the accounts of the Kashmir Affairs Division was closed. The Committee thanked the departmental representatives and took up the accounts of the House Building Finance Corporation of which examination had been postponed on a previous date.

HOUSE BUILDING FINANCE CORPORATION

COMMERCIAL ACCOUNTS 1962-63

*Paragraph 106.—Grant of loans to certain Societies without ascertaining their genuineness (on page 61 of the Book).—*Briefly, the paragraph pointed out that two partners M/S. Hussain and D'Silva formed 9 Housing Societies under different names to obtain a loan of 72 lacs from the House Building Finance Corporation. The findings of an investigation in this case were :—

- (i) The promoters were common to each society and except the two partners of the firm none else had subscribed to the share capital of the Societies.
- (ii) A sum of Rs. 5.7 lacs was paid to the societies by the Corporation on the guarantee of a non-scheduled bank while 31.7 lacs were paid without any guarantee.
- (iii) Loans were granted by the Corporation without first requiring the promoters to invest 25% of the cost of the construction.
- (iv) Funds obtained in the name of 9 societies were spent in the buildings constructed in the name of only three societies.
- (v) The two partners made a middlemans profit of Rs. 243,560 by acquiring a plot for Rs. 12,17,800 and selling it for Rs. 14,61,360.

These findings were discussed by the Board of the Corporation in August, 1966 and it was decided that a rigid attitude would jeopardise the completion of the housing project and that Messrs Hussain D'Silva might be asked to furnish all necessary securities.

After the whole paragraph was read out, the Committee asked the General Manager, West Pakistan, H.B.F.C. to explain the position.

The General Manager of the H. B. F. C. stated that the omission did take place on the part of the House Building Finance Corporation during the time of its former Managing Director. Giving the brief history of the case, he stated that the societies in question had produced certificates of registration from the Registrar, Co-operative Societies, but the Corporation did not make any independent enquiry of its own into the *bona fides* of the societies. The Ex-Managing Director, who sanctioned the loans, did not place full facts before the Board of Directors. But when the irregularity came to notice, the present Managing Director instituted an enquiry into the whole affair by a team of chartered accountants as a result of which the legal officer of the Corporation was dismissed, the Internal Auditor was reverted to his parent department and a disciplinary case was still pending against him. Unconditional bank guarantees were accepted of the Standard Bank, the buildings and land worth about Rs. 60 lacs were pledged and mortgaged to the Corporation, recoveries were started and in fact the Corporation had already effected a recovery of Rs. 3,82,292, which included interest also.

The Committee was unhappy with the manner in which the loans were originally sanctioned to the societies and felt its duty to point out that the case in question clearly showed inefficient administration of the Corporation during the time when the loans were advanced. It also observed that :—

(a) adequate disciplinary action was not taken against those who were responsible for such an irresponsible transaction :

(b) that the case against the Internal Auditor, who was reverted to his parent department, had not yet been finalized : and

(c) that no disciplinary action was taken against the then Managing Director, who not only sanctioned these loans during his tenure of office, but also suppressed the facts and did not present the correct picture of those transactions before the Board of Directors.

COMMERCIAL ACCOUNTS 1963-64

(51) *Paragraph 73.—Loss of Rs. 76.75 lakhs on investments in a Corporation on page 49 of the book.*—After the position was stated before the Committee, it asked the departmental representative to explain whether the low return of 2 per cent is adequate as compared to the bank rate as well as the rate paid on debentures.

The departmental representative explained that when the Corporation was formed through an enactment, the Government prescribed that its contribution of five crores would attract only 2 per cent. The idea was that the lending rate should not be very high, because it was intended to give relief to the middle-income group. Another idea was that any surplus which might accrue would be brought back by the Corporation for further investment, in order to enable it to progress its activities. But it was stated that Government had since raised the interest rate to almost the bank rate, that is, 5 per cent, in respect of fresh contributions.

The Committee accepted the position as being similar to that of the Agricultural Development Bank.

COMMERCIAL ACCOUNTS 1964-65

(52) *Paragraph 55.—About the inadequacy of Reserve for bad debts on page 30 of the Book.*—This paragraph pointed out that the Reserve for Bad Debts was only 0.1% of outstanding loans and needed to be augmented after examining the recovery position. After hearing the objection the departmental representative explained that the Reserve Fund stood at Rs. 3,58,000 and that it was adequate and there were practically no risk of loss as all loans were fully secured and buildings in the Quetta Division and in the mountain regions and in flood-affected areas were also insured.

(53) *Paragraph 56.—Cost ratio of the loan operation on page 30 of the Book.*—It was pointed out that the cost ratio of loan operations i.e., 4.16% was too high considering the margin available between current borrowing rate of 6% and the lending rate of 7.25%. The Committee asked the departmental representative to give his explanation. He stated that the Corporation's liabilities of interest charges, on the whole was 3.35% and the cost ratio of 4.16% besides interest element just mentioned include administrative expenses of .81%. The Committee was satisfied with this explanation.

(54).—*Paragraph 57.—Resources position of the corporation on page 3 of the Book.* After hearing the audit objection, the departmental representative explained that now they were raising the bulk of their finance through debenturers; and that the average rate has come down to 3.35 per cent with Rs. 10 crores given by Government at 2%.

(55) *Paragraph 58.—Increase in establishment charges on page 31 of the Book.*—It was suggested that working of each branch should be reviewed with a view to finding whether any branch of the Corporation was running at a loss. The departmental representative explained that they were maintaining zone-wise accounts and not by branches. The Committee, however, directed that they should keep their accounts Branch wise and report in the next session whether it has since been done.

The Committee thanked the departmental representative and then adjourned to meet again at 5 p.m.

Proceedings of the Eighteenth Meeting of the Public Accounts Committee held on 17th April, 1967.

The Public Accounts Committee met in Ayub Hall, Rawalpindi at 5 p.m. on 17th April, 1967.

Members Present

1. Mr. Nurul Amin, M.N.A., Chairman.
2. Mr. Mobarak Ali, M. N. A.
3. Mr. Nural Hoda Choudhury, M. N. A.
4. Mr. Muhammad Ashraf Raja, M. N. A.
5. Mr. Mohammad Haneef Khan, M. N. A., and Parliamentary Secretary, Ministry of Finance, Member *ex-officio*.

Audit Representatives

1. Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan.
2. Mr. K. H. Rahman, Deputy Comptroller and Auditor-General.

Departmental representatives

1. Mr. S. S. Jafri, S. Pk., S.Q.A., C.S.P., Secretary, Ministry of Industries.
2. Mr. M. Ismail, S.Q.A., Joint Secretary, Economic Affairs Division.
3. Major General M. Anwar, Chairman, Oil and Gas Corporation.
4. Mr. Alauddin, CSP., Joint Secretary, Industries.
5. Mr. A. K. Khattak, C. E. S., Joint Secretary, Rehabilitation and Works Division.
6. Alhaj Kafiluddin Ahmad, Chief Engineer, Pak. P.W.D.
7. Mr. A. M. Siddiqui, Section Officer, Ministry of Finance.

Mr. Z. A. K. Baqai, T. K. ... }
 Mr. A. K. M. Faiz, T.Q.A. ... } Deputy Secretaries, National Assembly
 of Pakistan, attended.

The Committee met to consider and hear the view points of the Ministry of Industries, Economic Affairs Division, and the Works and Rehabilitation Division on the following matters which were frequently mentioned by some departments in course of examination of their accounts as reasons for variations in, and non-finalisation of their accounts. The meeting was, however, informal as these matters had no direct bearing on the formal meetings of the Public Accounts Committee and as the meeting was short of quorum to begin with. The points for discussion and clarification were :—

- (1) Non-receipt of advices from the Economic Affairs Division for adjustment of foreign aid received by other departments.

- (2) Non-receipt of supplies or non-arrangement of supplies by the D.G.I.P. & S.
- (3) Non-execution or over-execution of works executed by the P.W.D.

The Comptroller and Auditor-General initiated the proceedings and the Deputy Comptroller and Auditor-General of Pakistan read out a few cases wherein one or other of the three aforesaid reasons were mentioned as the causes for savings or excesses in grants and non-finalisation of accounts within the financial year concerned. The Committee, however, did not like to accept these pleas without hearing the other party on whom the responsibility was shifted.

The Secretary Industries made a lucid and impressive statement on the procedure followed by the DGIP&S in procuring stores for other departments and strongly rebutted the plea that the indenting departments did not know when the indented articles were to reach them. He also mentioned that the indenting departments were consulted at the different stages of an indent. He referred to a circular that laid down a fixed number of days for each stage of the procurement process. He, however, admitted that delays might occur and that within the knowledge of the indenter and his department, where the articles/equipments required were of a special type, or where the indenting department changed the quality or quantity or even the specifications. He added that the plea of non-receipt of debits was a sort of an euphemism, which seemed to cover all sins of omission and commission on the part of my department and other indenting departments". After all, non-receipt of debits is the culmination of the purchase procedure ; and if it is true—which I very much doubt—it may have happened in exceptional cases.

According to him the first reason was that the indenting departments did not always anticipate their demands either correctly or in time. It was true that the Supply Department processes the indents made by the indenting departments, but that the final acceptance of goods was really conditional on the specifications being approved by the indenting department and the goods being up to their satisfaction. He further stated that once the goods were received the question of debiting became a formality which the indenting department should perform or in case they did not receive the debits they could easily check up the position with the Supply Department for the supply procedure starts on the basis of dates given by the indenting department. He also mentioned that in case the supplies were not received within the period of indent, the time was extended in consultation with the indenting department, if a genuine explanation for the delay was given. As for the inspection reports, he said, even these were contingent on satisfaction reports given by the indenting departments. He mentioned a case of supply of air-conditioners to a department to illustrate this point. He very ably and cogently explained the paper case relating to the office of the Surveyor General of Pakistan. He, therefore, observed that the real reasons were fundamental and that they related to lack of liaison. In this connection he referred to a circular issued as early as 1960 by the Director General of Supplies for the appointment of Liaison Officers, addressed particularly to the P.W.D., P. & T., Radio Pakistan and the Controller of Printing and Stationery who were the four main indentors. He also made a mention of the Expenditing Cells and Scrutiny Committees set up by his Ministry to tighten and streamline the process of procurement.

In conclusion the Secretary, Industries stated emphatically that after seeing the working of the independent procurement agencies of some departments as Economic Minister and Financial Adviser, London, he was completely disillusioned about the shortcomings of the Supply Department and they were not worse and perhaps a lot better than others.

The Committee was much impressed by the clear and comprehensive exposition of Mr. S. S. Jafri, Secretary, Ministry of Industries and appreciated the steps being taken by him to gear up the supply process. It agreed with him that the real solution lay in liaison, cooperation and coordination between the Supply and indenting departments.

The Committee then heard the view points of the representative of the Economic Affairs Division. He said it was true that all foreign aid was processed by this Division but that once the deal was accepted it was the administrative department or the aid receiving agency that got the supplies direct from the aid giving agency. So, the department and Economic Affairs Division were both anxious for information about actual supply or receipt, and the receiving agency was in a better position to say what had actually been received by them. So, he stated that the question of short receipt or short recovery did not arise, and that *ad hoc* debits could be raised, subject to subsequent adjustment, on the basis of information to be received from the aid giving agencies. One of the representative referred to certain difficulties in this regard and as an instance, he mentioned some supplies from Russia which did not indicate any price. (They have now agreed to indicate the prices). The Joint Secretary, Economic Affairs Division informed the Committee that their efforts with the aid giving agencies have resulted in bringing down the percentage of non-debit from 95 to 45. He also informed the Committee that after three years of discussion with the Accounts and financial authorities the accounting procedure for loans has been finalised and he hoped that there would be no difficulty about adjustment now.

In reply to a query from the Chair he informed the Committee that budget provisions were made on the basis of an estimate as to the equipment that they would get from a particular source for a particular project or institute. Asked why the shipping documents from the supplier or receiver should not serve the purpose of raising debits, the representative said that Aid giving Agencies supplied only disbursement statements to the Economic Affairs Division. The shipping documents were sent to the projects. When a particular reference was made to the case of the Gas and Oil Corporation (Rs. 81,88,000)—non-receipt of debits in respect of stores and equipment, the representative stated that a detailed programme was made and that indents were made according to it. But the difficulty was that prices of equipment regarding individual items received from the Communist countries were not known.

The Committee observed that whenever the indenting department received the equipment they should inform the Economic Affairs Division.

In reply to the query regarding the sum of Rs. 15,44,000 pertaining to the year 1963-64. Joint Secretary, Industries informed the Committee that in this case most of the aid was not received in term of goods, but in the shape of experts attached to the project. The aid giving agency could supply this information for they give their own terms to the experts. The administrative department was dependent on the aid giving agency for this information and had no control on their pay and allowances. The aid receiving agency can intervene only if (1) the expert is not up to the required standard and (2) if he were a security risk.

The representatives of the Work Division and Pak. P.W.D. stated that they had often to work and vary the tempo of their work according to emergent needs and exigencies of administrative departments. They cited the case of construction of godowns in Karachi for which there was no specific sanction of money. These lead to excess in one place and saving in another. They made a reference to the Karachi Income Tax building a big multi-storeyed which was designed/constructed within a period of three months; and cited it as a case where the construction was economic, a lot of foreign exchange for the planning and executing was saved. This was all done by the officials of the Pak. P.W.D.

An observation was made here that efforts should be made to encourage local experts on architecture and execution and to cut down dependence on foreigners in keeping with the prestige and traditions of a proud independent nation.

The Committee did not go into further details about the P.W.D. as the Cabinet had already formed a Committee to look into and gear up activities of the P.W.D.

The Committee reiterated its observations made in course of the formal meetings (i) that it served no useful purpose to shift responsibility on others without pin pointing the lapses in terms of time and action taken by the accusing party, (ii) that there was great need for inter-departmental coordination and cooperation and (iii) that the suggestion for the appointment of liaison officers should be given due consideration.

The Committee thanked the departmental representatives and then adjourned *sine die*.

Minutes of the Meeting of the Committee on Public Accounts held on 31st May, 1967.

The Public Accounts Committee met in the Committee Room No. 1, Ayub Hall, Rawalpindi, at 11.00 a. m. on 31.5.1967, under the Chairmanship of Mr. Nurul Amin, M.N.A.

The following Members were present :—

1. Mr. Md. Azizur Rahman, M.N.A.
2. Major Zulqar Ali Khan Qizilbash, M.N.A.
3. Mr. Abdullah-al-Mahmood, M.N.A.
4. Mir Darya Khan Khoso, M.N.A.
5. Mr. Mobarak Ali, M.N.A.
6. Mr. Mashiur Rahman, M.N.A.
7. Mr. Muhammad Ashraf Raja, M.N.A.
8. Mr. Nural Hoda Choudhury, M.N.A.
9. Mr. Nurul Islam Sikder, M.N.A., Parliamentary Secretary, Ministry of Finance, *ex-officio*.
10. Mr. Mohammad Hanif Khan, Chief Parliamentary Secretary, by invitation.

Departmental Representative

Mr. K. Habibur Rahman, Deputy Comptroller and Auditor General of Pakistan.

Mr. Z. A. K. Faqai T.K., and Mr. A. K. M. Faiz, T. Q. A., Deputy Secretaries, National Assembly of Pakistan, attended.

The meeting commenced with a recitation from the Holy Quran.

The minutes of the meetings held on the 10th, 11th, 12th, 13th, 14th, 15th and 17th April, 1967 were confirmed.

While initiating discussions on the draft report the Chairman invited comments/amendments from the Members. The Chairman read out the draft report para by para and the following amendments were made :

- (i) In paragraph 1, on page 2 of the report the word " did " was substituted by the word " could "
- (ii) Paragraphs 3 and 4 on page 4 of the draft report were amended to read as under :—

"We are also thankful to the Secretary and other officers of the National Assembly Secretariat for arranging our meetings and drawing up the proceedings and the Report. We were assisted by departmental representatives in our examination of the grants pertaining to their Ministries. The Committee noted with regret that the importance of the Public Accounts Committee was not fully realised by all and some of the Secretaries did not attend the meetings and some of the

departmental representatives had not come fully prepared and were not exact in their replies. The Committee directs that Secretaries/Heads of Autonomous and Semi-autonomous bodies should attend personally and they should come fully briefed.

The Committee observed that replies/explanations of the Ministries/Divisions to the observations made by the Auditor-General should be made available to the Assembly Secretariat well in time, so that they are circulated to the Members at least 7 days before the meeting to enable them fully to consider the same before they attend the meeting.

4. The Committee noted the difficulties experienced by the Pakistan Audit Department in the timely compilation and submission of the Accounts. A variety of factors were responsible for this. It is however a source of great satisfaction to us that, although most of these difficulties continue, the arrears have been overtaken and the accounts have been brought up-to-date."

The Committee amended the last sentence of para 6 on page 5 as under :—

"We would stress the necessity of timely and regular reconciliation and would request that Secretaries and Heads of Departments regard this matter as their personal responsibility."

The Committee deleted the words "especially the East Pakistan Government" occurring in paragraph 8 on page 5, of the report.

The Chairman added the following concluding paragraph to the report.

"As Chairman of the Committee I record my sincere thanks to the members of the Committee for the keen interest they took in the task entrusted to them and the co-operation I received from them in conducting the proceedings of the meetings."

The Committee then adjourned *sine die*.



STATEMENTS

STATEMENT No. 1

SUMMARY OF RESULTS OF APPROPRIATION AUDIT

APPROPRIATION ACCOUNTS 1962-63

	Original Grant or Appropriation	Final Grant or Appropriation	Actual expenditure	Variation excess(+) or saving (-)	Percentage
(In lakhs of Rupees)					
VOTED					
<i>Expenditure met from Revenue :</i>					
Civil	92.02	1,05.79	76.31	-29.48	27.86
Defence	1,02.39	1,04.29	95.83	-8.46	8.11
Posts, Telegraphs and Telephones.	15.10	15.69	15.95	+26	1.65
Total	2,09.51	2,55.77	1,88.09	-37.68	16.69
<i>Expenditure met from Capital :</i>					
Civil	1,79.33	1,83.02	1,42.33	-40.69	22.23
Defence	7.38	7.93	5.64	-2.29	28.87
Posts, Telegraphs and Telephones.	9.31	9.31	8.42	-89	9.55
Total	1,96.02	2,00.26	1,56.39	-43.87	21.90
<i>Disbursement of Loans and Advances</i>					
.. .. .	4.33	4.68	3.68	-100	21.36
Total	4,09.86	4,30.71	3,48.16	-82.55	19.16
<i>Charged :</i>					
<i>Expenditure met from Revenue :</i>					
Civil	29.67	30.80	29.12	-1.68	5.45
Posts, Telegraphs and Telephones	82	82	78	-4	4.87
Total	30.49	31.62	29.90	-1.72	5.43
<i>Expenditure met from Capital :</i>					
Civil .. .. .	..	3	..	3	100.00
<i>Disbursement of Loans and Advances</i>					
.. .. .	1,88.73	1,89.47	1,25.17	-64.30	33.93
Total—Charged	2,19.22	2,21.12	1,55.07	66.05	29.87
<i>Repayment of Debt</i>	8,01.31	8,01.31	8,05.60	+4.29	0.53
Total—Expenditure met from Revenue	2,40.00	2,57.39	2,17.99	-39.40	15.30
Total—Expenditure met from Capital	1,96.02	2,00.29	1,56.39	-43.90	21.91
Total—Disbursement of Loans and Advances.	1,93.06	1,94.16	1,28.85	-65.31	33.63
Total—Repayment of Debt	8,01.30	8,01.30	8,05.60	+4.30	0.53
Grand Total	14,30.38	14,53.14	13,08.83	-1,44.31	0.99

STATEMENT No. 1—contd.
 APPROPRIATION ACCOUNTS 1963-64

	Original Grant or Appropriation	Final Grant or Appropriation	Actual expendi- ture	Variation excess (+) saving (—)	Percentage
VOTED					
<i>Expenditure met from Revenue :</i>					
Civil	1,26,26	1,39,83	1,18,33	—21,50	15.37
Defence	1,20,31	1,29,04	1,21,67	—7,37	5.71
Posts, Telegraphs and Telephones	17,41	17,94	17,86	—8	0.44
Total	2,63,98	2,86,81	2,57,86	—28,95	10.81
<i>Expenditure met from Capital :</i>					
Civil	1,82,95	1,87,94	1,61,50	—26,44	14.06
Defence .. .. .	..	..	..	..	..
Posts, Telegraphs and Telephones	11,70	11,70	10,65	—1,05	8.97
Total	1,94,65	1,99,64	1,72,15	—27,49	13.77
<i>Disbursement of Loans and Advances</i>					
.. .. .	32,43	33,88	5,57	—28,31	83.55
Total—Voted	4,90,66	5,19,32	4,34,58	—84,74	16.31
<i>Charged :</i>					
<i>Expenditure met from Revenue :</i>					
Civil	36,99	37,30	36,59	—71	1.90
Posts, Telegraphs and Telephones	1,10	1,12	1,07	—5	4.64
Total	38,09	38,42	37,66	—76	1.98
<i>Disbursement of Loans and Advances</i>					
.. .. .	2,22,98	2,24,17	1,58,37	—65,80	29.35
Total—Charged	2,61,07	2,62,59	1,96,03	—66,56	25.34
<i>Repayment of Debt :</i>					
.. .. .	8,61,50	8,61,50	8,12,51	—48,99	0.56
Total—Expenditure met from Revenue	3,02,07	3,25,23	2,95,52	—29,71	0.91
Total—Expenditure met from Capital	1,94,65	1,99,64	1,72,15	—27,49	13.76
Total—Disbursement of Loans and Advances	2,55,41	2,58,05	1,63,94	—94,11	36.47
Total—Repayment of Debt	8,61,50	8,61,50	8,12,51	—48,99	0.56
Grand Total	16,13,63	16,44,42	14,44,12	—2,00,30	12.18

APPROPRIATION ACCOUNTS 1964-65

	Original Grant or Appropriation	Final Grant or Appropriation	Actual expendi- ture	Variation excess (+) saving (-)	Percentage
VOTED					
<i>Expenditure met from Revenue :</i>					
Civil	1,70,14	1,77,91	1,38,32	-39,59	22.25
Defence	1,31,23	1,34,03	1,26,83	-7,20	0.53
Posts, Telegraphs and Telephones	19,58	19,99	20,20	+21	0.10
Total	3,20,95	3,31,93	2,85,35	-46,58	14.03
<i>Expenditure met from Capital :</i>					
Civil	1,99,38	2,13,60	1,72,88	-40,72	19.06
Posts, Telegraphs and Telephones	13,33	13,33	13,44	+11	0.82
Total	2,12,71	2,26,93	1,86,32	-40,61	17.89
<i>Disbursement of Loans and Advances</i>	<i>29,69</i>	<i>29,94</i>	<i>4,62</i>	<i>25,32</i>	<i>84.56</i>
Total Voted	5,63,35	5,88,80	4,76,29	1,12,51	19.11
<i>Charged :</i>					
<i>Expenditure met from Revenue :</i>					
Civil	48,90	49,69	50,00	+31	0.62
Posts and Telegraphs	1,36	1,38	1,36	-2	0.14
Total	50,26	51,07	51,36	+29	0.56
<i>Expenditure met from Capital</i>					
<i>Disbursement of Loans and Advances</i>	<i>1,94,47</i>	<i>1,95,22</i>	<i>1,33,89</i>	<i>-61,33</i>	<i>31.41</i>
Total—Charged	2,44,73	2,46,32	1,85,25	-61,07	24.78
<i>Repayment of Debt</i>	<i>8,09,64</i>	<i>8,28,20</i>	<i>8,85,15</i>	<i>+56,95</i>	<i>0.68</i>
Total—Expenditure met from Revenue	3,71,21	3,83,00	3,36,71	-46,29	12.08
Total—Expenditure met from Capital	2,12,72	2,26,96	1,86,32	-40,64	17.90
Total—Repayment of Debt	8,09,64	8,28,20	8,85,15	+56,95	0.68
	16,17,73	16,63,32	15,46,69	1,16,63	0.70

STATEMENT No. 2

The following tables give an analysis of savings and excesses by main Departments, that is, Civil, Defence and Posts, Telegraphs and Telephones for each of the years 1962-63, 1963-64 and 1964-65.

APPROPRIATION ACCOUNTS 1962-63

	Final Grant	Expenditure	Excess (+) Saving (-)	Percentage
(In Lakhs of Rupees)				
(a) Without taking into account the Surrenders :				
Civil	13,15,11	11,82,21	-1,32,90	10.11
Defence	1,12,22	1,01,47	-10,75	9.58
Posts, Telegraphs and Tele- phones	25,82	25,15	-67	2.59
Total	14,53,15	13,08,83	-1,44,32	9.93
(b) After taking into account the surrenders :				
Civil	12,35,71	11,82,21	-53,50	4.43
Defence	1,11,62	1,01,47	-10,15	9.09
Posts, Telegraphs and Tele- phones	25,37	25,15	-22	0.86
Total	13,72,70	13,08,83	-63,87	4.65

APPROPRIATION ACCOUNTS 1963-64

(In Lakhs of Rupees)

(a) Without taking into account the Surrenders :				
Civil	14,84,62	12,92,88	-1,91,74	12.91
Defence	1,29,04	1,21,67	-7,37	5.71
Posts, Telegraphs and Tele- phones	30,76	29,57	-1,19	3.86
Total	16,44,12	14,44,12	-2,00,30	12.18
(b) After taking into account the Surrenders :				
Civil	13,74,80	12,92,88	-81,92	5.95
Defence	1,22,97	1,21,67	-1,30	1.05
Posts, Telegraphs and Tele- phones	30,62	29,97	-65	3.43
Total	15,28,39	14,44,12	-84,27	5.51

APPROPRIATION ACCOUNTS 1964-65

	Final Grant	Expenditure	Excess(+) Saving(-)	Percentage
(In Lakhs of Rupees)				
<i>(a) Without taking into account the Surrenders :</i>				
Civil	14,94,70	13,84,85	-1,09,85	7.35
Defence	1,34,03	1,26,83	-7,20	5.37
Posts, Telegraphs and Tele- phones	34,70	35,00	+30	.87
Total	16,63,43	15,46,68	-1,16,75	7.02
<i>(b) After taking into Account the Surrenders :</i>				
Civil	14,16,93	13,84,85	-32,08	2.26
Defence	1,32,80	1,26,83	-5,97	4.49
Posts, Telegraphs and Tele- phones	34,60	35,00	+40	1.15
Total	15,84,33	15,46,68	-37,65	2.38

STATEMENT No. 3

The following tables further analyse the savings and excesses under Revenue, Capital and Loans and Advances :—

APPROPRIATION ACCOUNTS 1962-63

	Original Grant or Appropriation	Final Grant or Appropriation	Actual Expenditure	Excess () Saving (—)	Percentage
(In Lakhs of Rupees)					
Civil :					
Expenditure met from Revenue—					
Voted	92,02	1,05,79	76,31	—29,48	27.86
Charged	29,67	30,80	29,12	—1,68	5.45
Total	1,21,69	1,36,59	1,05,43	—31,16	22.81
Expenditure met from Capital—					
Voted	1,79,33	1,83,02	1,42,33	—40,69	22.23
Charged .. ..	.. ..	3	..	—3	100
Total	1,79,33	1,83,05	1,42,33	—40,72	22.24
Disbursement of Loans and Advances—					
Voted	4,33	4,68	3,68	—1,00	21.36
Charged	1,88,73	1,89,48	1,25,17	—64,31	33.94
Total	1,93,06	1,94,16	1,28,85	—65,31	33.63
Repayment of Debt	8,01,31	8,01,31	8,05,60	4,29	.53
Total—Civil	12,95,39	13,15,11	11,82,21	—1,32,90	10.10
Defence Expenditure met from Revenue—					
Voted	1,02,39	1,04,29	95,83	—8,46	8.11
Expenditure met from Capital—					
Voted	7,38	7,93	5,64	—2,29	28.87
Total—Defence	1,09,77	1,12,22	1,01,47	—10,75	9.57
Posts, Telegraphs & Telephones:					
Expenditure met from Revenue—					
Voted	15,10	15,69	15,95	26	1.65
Charged	82	82	78	4	4.87
Total	15,92	16,51	16,73	22	1.33
Expenditure met from Capital—					
Voted	9,31	9,31	8,42	—89	9.56
Total—Posts, Telegraphs & Telephones	25,23	25,82	25,15	—67	2.59
Grant Total	14,30,39	14,53,15	13,08,83	—1,44,32	9.93

APPROPRIATION ACCOUNTS 1963-64

		Original Grant or Appropriation	Final Grant or Appropriation	Actual Expenditure	Excess(+) / Saving(-)	Percentage
Civil —						
Expenditure met from Revenue —						
Voted		1,26,26	1,39,83	1,18,33	-21,50	15.37
Charged		36,99	37,30	36,59	-71	1.90
Total		1,63,25	1,77,13	1,54,92	-22,21	12.54
Expenditure met from Capital —						
Voted		1,82,95	1,87,94	1,61,50	-26,44	14.07
Charged						
Total		1,82,95	1,87,94	1,61,50	-26,44	14.07
Disbursement of Loans and Advances —						
Voted		32,43	33,88	5,58	-28,30	83.53
Charged		2,22,98	2,24,17	1,58,37	-65,80	29.35
Total		2,55,41	2,58,05	1,63,95	-94,10	36.46
<i>Repayment of Debt</i>		<i>8,61,50</i>	<i>8,61,50</i>	<i>8,12,51</i>	<i>-48,99</i>	<i>5.69</i>
Total—Civil		14,63,11	14,84,62	12,92,88	-1,91,74	12.91
Defence —						
Expenditure met from Revenue —						
Voted		1,10,52	1,19,25	1,16,24	-3,01	2.52
Expenditure met from Capital —						
Voted		9,79	9,79	5,42	-4,37	44.67
Total: Defence		1,20,31	1,29,04	1,21,66	-7,38	5.72
Posts, Telegraphs and Telephones —						
Expenditure met from Revenue —						
Voted		17,41	17,94	17,86	-8	.45
Charged		1,10	1,12	1,07	-5	4.46
Total		18,51	19,06	18,93	-13	0.68
Expenditure met from Capital —						
Voted		11,70	11,70	10,65	-1,05	8.97
Total—Posts, Telegraphs & Telephones		30,21	30,76	29,58	-1,18	3.83
Grant Total		16,13,63	16,44,42	14,44,12	-2,00,30	12.18

STATEMENT No. 3—contd.

APPROPRIATION ACCOUNTS 1964-65

			Original Grant or Appropriation	Final Grant or Appropriation	Actual Expenditure	Excess(+) / Saving(-)	Percentage
Civil—							
Expenditure met from							
Revenue—							
Voted	...	..	1,70,14	1,77,91	1,38,31	—39,60	22.26
Charged	..	..	48,90	49,69	50,00	+31	.62
Total	..	..	2,19,04	2,27,60	1,88,31	—39,29	17.26
Capital—							
Voted	..	..	1,99,38	2,13,60	1,72,88	—40,72	19.06
Charged	..	..	1	3	..	—3	100
Total	..	..	1,99,39	2,13,63	1,72,88	—40,75	19.08
Disbursement of Loans and Advances—							
Voted	...	..	29,69	29,94	4,62	—25,32	84.57
Charged	..	..	1,94,47	1,95,22	1,33,89	—61,33	31.42
Total	..	..	2,24,16	2,25,16	1,38,51	—86,65	38.48
Repayment of Debt							
	..	..	8,09,64	8,28,20	8,85,15	+56,95	6.88
Total—Civil	..	..	14,52,23	14,94,59	13,84,85	—1,09,74	7.34
Defence							
Expenditure met from							
Revenue—							
Voted	...	..	1,19,50	1,22,30	1,16,75	—5,55	4.54
Capital—							
Voted	...	..	11,73	11,73	10,08	—1,65	14.07
Total—Defence	..	..	1,31,23	1,34,03	1,26,83	—7,20	5.37
Posts, Telegraphs & Telephones :							
Expenditure met from							
Revenue—							
Voted	...	..	19,58	19,99	20,20	+21	1.05
Charged	..	..	1,36	1,38	1,37	—1	.72
Total	..	..	20,94	21,37	21,56	+20	.94
Capital—							
Voted	...	..	13,33	13,33	13,44	+11	.83
Total—Posts, Telegraphs and Telephones	...	..	34,27	34,70	35,01	+31	.89
Grand Total	...	..	16,17,73	16,63,32	15,46,69	—1,16,63	7.01

STATEMENT No. 4

[See paragraph 1 on page 2 of the Report.]

Statement showing Excesses over Authorised Grants which require to be regularised

APPROPRIATION ACCOUNTS 1962-63

S. No.	No. & Title of the Grant	Final Grants/ Appropriations	Actual Expenditure	Excess
1	2	3	4	5
		Rs.	Rs.	Rs.
1.	2. Forest	6,95,000	8,84,099	1,89,099
2.	6. Veterinary Services	5,41,000	7,32,565	1,91,565
3.	7. Fisheries	3,21,000	3,37,802	16,802
4.	9. Rehabilitation and Works Division ..	12,01,000	12,44,101	43,101
5.	10. Civil Works	6,78,20,000	8,61,38,091	1,83,18,091
6.	13. Other Expenditure of Rehabilitation and Works Division	3,03,000	6,86,241	3,83,241
7.	14. Capital Outlay on Forests, Agriculture and Fishers	22,26,000	22,49,048	23,048
8.	15. A-Capital Outlay on Purchase of Fer- tilizers .. .. .	..	2,68,09,553	2,68,09,553
9.	21. Ministry of Commerce	77,33,000	78,77,453	1,44,453
10.	22. Commercial Intelligence	6,27,000	8,58,501	2,31,501
11.	27. Pakistan Post office and Telegraph and Telephone Departments ..	15,68,58,000	15,94,79,666	26,21,666
12.	32. Other expenditure of Ministry of Com- munications	2,06,40,000	2,22,54,506	16,14,506
13.	35. Ministry of Defence	27,49,000	37,10,593	9,61,593
14.	44. Assistance to Educational Institutions	1,42,64,000	1,45,92,422	3,28,422
15.	52. Ministry of External Affairs ..	40,16,000	40,25,280	9,280
16.	56. Ministry of Finance	39,12,000	43,38,945	4,26,945
17.	57. Currency	57,75,000	57,94,855	19,855
18.	58. Pakistan Mint	36,87,000	3,88,190	1,190
19.	59. Superannuation Allowances and Pen- sions	85,10,000	85,31,259	21,259

STATEMENT No. 4—contd.

1	2	3	4	5
		Rs.	Rs.	Rs.
20.	60. Grants-in-Aid and Miscellaneous Adjustments between Central and Provincial Governments	14,56,95,000	14,86,68,262	29,73,262
21.	60-A. Development Expenditure of Ministry of Finance .. ..	..	6,156	6,156
22.	64. Land Customs and Central Excise ..	2,30,77,000	2,35,11,234	4,34,234
23.	67-A Capital Outlay on Currency ..	1,67,72,000	1,67,88,582	16,582
24.	69. Miscellaneous Capital Investments ..	1,42,60,000	2,40,52,158	97,92,158
25.	78. Labour and Social Welfare Division	24,99,000	28,61,296	3,62,296
26.	88. Kashmir Affairs Division	7,12,000	7,65,944	53,944
27.	93. Industries	5,28,000	7,43,133	2,15,133
28.	99. Bureau of Mineral Resources ..	39,88,000	45,54,968	5,66,968
29.	100-A. Development Expenditure of Natural Resources Division .. ..	..	10,978	10,978
30.	111. Establishment Division	39,33,000	41,72,543	2,39,543
31.	114. Other Expenditure of Establishment Division	4,54,000	4,60,734	6,734
32.	117. States and Frontier Regions Division	7,52,000	8,90,729	1,38,729

Statement showing Excesses over Charged Appropriations which require to be regularised

1962-63

Serial No.	No. and Name of Appropriation	Final Appropriation	Actual Expenditure	Excess requiring the sanction of the Government of Pakistan
1	2	3	4	5
		Rs.	Rs.	Rs.
1.	10. Civil Works	7,78,000	8,40,817	62,817
2.	— <i>Repayment of Debt</i>	8,01,30,75,000	8,05,60,40,590	4,29,65,590
3.	71. Other Loans and Advances by the Central Government	75,00,000	85,00,000	10,00,000
4.	— <i>Privy Purses</i>	52,71,000	59,69,395	6,98,395

[See paragraph 1 on page 2 of the Report.]

Statement showing Excesses over Authorised Grants which require to be regularised

APPROPRIATION ACCOUNTS 1963-64

S. No.	No. and Title of Grant	Final Grants/ Appropriations	Actual Expenditure	Excess
1	2	3	4	5
		Rs.	Rs.	Rs.
1.	5. Capital Outlay on Jute Purchases ..	25,000	25,160	160
2.	8. Pakistan Telegraphs and Telephones Deptt.	9,42,76,000	9,49,67,789	6,91,789
3.	11. Lighthouses and Lightships ..	22,09,000	26,31,608	4,22,608
4.	13. Other Expenditure of Ministry of Communications	2,07,36,000	2,24,46,576	17,10,576
5.	19. Aviation	3,07,19,000	3,16,95,222	9,76,222
6.	31. Other Expenditure of Information and Broadcasting Division	1,94,12,000	1,98,08,533	3,96,533
7.	43. Central Board of Revenue	16,53,000	16,65,014	12,014
8.	45. Land Customs and Central Excise ..	2,61,25,000	2,73,25,125	12,00,125
9.	51. Miscellaneous Capital Investments ..	1,96,74,000	2,23,58,810	26,84,810
10.	53. Other Loans and Advances by the Central Government	2,18,57,000	2,22,23,031	3,66,031
11.	55. Ministry of Food and Agriculture ..	29,29,000	29,92,142	63,142
12.	56. Forest	6,10,000	6,28,268	18,268
13.	57. Survey of Pakistan	81,89,000	90,20,356	8,31,356
14.	59. Agriculture	46,36,000	49,34,521	2,98,521
15.	60. Fisheries	3,41,000	3,56,172	15,172
16.	64. Capital Outlay on Purchases by Ministry of Food and Agriculture ..	1,10,46,00,000	1,18,02,19,631	7,56,19,631
17.	66. Health Division	23,46,000	23,59,214	13,214
18.	76. Passport Organisation	16,08,000	16,29,895	21,895
19.	80. Kashmir Affairs Division	8,54,000	13,31,362	4,77,362
20.	83. Capital Outlay on Purchases by Kashmir Affairs Division ..	88,20,000	1,12,89,377	24,69,377
21.	84. Industries Division	14,32,000	14,92,468	60,468
22.	91. Bureau of Mineral Resources ..	26,75,000	29,03,137	2,28,137
23.	93. Other Expenditure of Natural Resources Division	6,01,21,000	6,41,87,719	40,66,719
24.	94. Rehabilitation and Works Division ..	13,54,000	16,35,826	2,81,826
25.	95. Civil Works	6,81,94,000	9,95,00,594	3,13,06,594
26.	106. Capital Outlay on Civil Works ..	4,40,38,000	9,16,01,634	4,75,63,634
27.	119. Frontier Regions	7,45,79,000	8,17,96,806	72,17,806

STATEMENT No. 4—contd.

Statement showing Excesses over Charged Appropriations which require to be regularised

1963-64

Serial No.	No. and Name of Appropriation	Final Appropriation	Actual Expenditure	Excess requiring the sanction of the Government of Pakistan
1	2	3	4	5
		Rs.	Rs.	Rs.
1.	95. Civil Works	5,81,000	6,24,486	43,486
2.	— National Assembly	51,45,000	41,60,575	15,575
3.	— Cabinet	8,55,000	11,84,050	3,29,050
4.	— Central Public Service Commission ..	12,52,000	12,61,679	9,679

APPROPRIATION ACCOUNTS 1964-65

Statement showing Excesses over Authorised Grants which require to be regularised

1964-65

S. No.	No. and Title of the Grant	Final Grant	Actual Expenditure	Excess
1	2	3	4	5
		Rs.	Rs.	Rs.
1.	1. Food and Agriculture Division ..	41,63,000	42,74,504	1,11,504
2.	5. Agriculture	46,13,000	46,91,155	78,155
3.	6. Fisheries	3,51,000	3,60,807	9,807
4.	9. Rehabilitation and Works Division ..	38,52,000	39,78,312	1,26,312
5.	10. Civil Works	8,08,50,000	9,59,43,993	1,50,93,993
6.	11. Rehabilitation of Displaced Persons and protection of Evacuee Property	4,85,00,000	6,00,94,644	1,15,94,644
7.	12. Development Expenditure of Rehabilitation and Works Division ..	3,77,000	7,21,575	3,44,575
8.	13. Other Expenditure of Rehabilitation and Works Division	2,96,000	4,13,851	1,17,851
9.	15-A Capital Outlay on Purchase of Fertilizers .. .. .	..	39,31,206	39,31,206
10.	20. Ministry of Commerce	92,01,000	94,38,444	2,37,444

1	2	3	4	5
		Rs.	Rs.	Rs.
11.	25. Ministry of Communications ..	23,29,000	27,78,124	4,49,124.
12.	27. Pakistan Telegraph and Telephone Deptt.	10,63,10,000	10,88,90,384	25,80,384
13.	32. Other Expenditure of Ministry of Communications	2,37,66,000	2,68,89,843	31,23,843
14.	34. Capital Outlay on Pakistan Telegraph and Telephone Department ..	12,37,02,000	12,72,51,085	35,49,085
15.	36. Ministry of Defence	25,81,000	26,70,038	89,038
16.	38. Aviation	4,47,92,000	4,74,27,173	26,35,173
17.	43. Ministry of Education	33,05,000	33,25,436	20,436
18.	45. Education	1,46,06,000	1,73,02,090	26,96,090
19.	47. Ministry of Finance	73,57,000	73,75,564	18,564
20.	52. Other Expenditure of Ministry of Finance	59,73,000	62,72,549	2,99,549
21.	58-B Capital Outlay on Pensions .. .. .	..	71,08,821	71,08,821
22.	59. Miscellaneous Capital Investments ..	1,17,49,000	2,29,43,200	1,11,94,200
23.	65. Foreign Affairs	3,33,07,000	3,39,43,639	6,36,639
24.	66. Other Expenditure of Foreign Affairs ..	48,66,000	50,16,436	1,50,436
25.	69. Medical Services	1,47,89,000	1,55,24,885	7,35,885
26.	72. Labour and Social Welfare Division ..	23,17,000	24,04,021	87,021
27.	82. Kashmir Affairs Division	8,44,000	8,74,373	30,373
28.	84. Other Expenditure of Kashmir Affairs Division	10,78,000	12,02,405	1,24,405
29.	87. Industries	11,10,000	11,70,130	60,130
30.	88. Department of Investment Promotion and Supplies	89,21,000	90,04,905	83,905
31.	89. Stationery and Printing	1,95,83,000	2,18,30,002	22,47,002
32.	93. Geological Survey	27,03,000	31,94,258	4,91,258
33.	102. Ministry of Information and Broadcasting	1,46,37,000	1,46,62,465	25,465
34.	106. Ministry of Law and Parliamentary Affairs	13,77,000	14,04,554	27,584
35.	108. Cabinet Division	96,09,000	96,16,846	1,07,846
36.	115. Development Expenditure of Economic Affairs Division	15,00,000	15,30,900	30,900
37.	116. States and Frontier Regions Division ..	5,97,000	6,13,946	16,946
38.	117. Frontier Regions	9,01,08,000	9,18,70,915	17,62,915

STATEMENT No. 4—*contd.*

Statement showing Excesses over Charged Appropriations which require to be regularised

1964-65

Serial No.	No. and Name of Appropriation	Final Appropriation	Actual Expenditure	Excess requiring the sanction of the Government of Pakistan
1	2	3	4	5
		Rs.	Rs.	Rs.
1.	26. Pakistan Post Office Department ..	18,57,000	18,88,777	31,777
2.	— Debt Services	41,59,13,000	43,36,92,436	1,77,79,436
3.	— Repayment of Debt	8,28,19,98,000	8,85,14,92,934	56,94,94,934
4.	— Staff, Household and Allowances of the President	18,95,000	19,02,820	7,820
5.	— Cabinet	9,34,000	10,11,087	77,087
6.	— Central Public Service Commission ..	13,57,000	13,74,353	17,353

STATEMENT No. 5

(See paragraph 1 on page 2 of the Report)

Statement comparing Expenditure with Grants and Appropriations,
1962-63

No. and name of Grant or Appropriation	Original Grant or Appropriation	Final Grant or Appropriation	Expenditure	Expenditure compared with Final Grant or Appropriation More + Less—
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
1. Food & Agriculture Division ..	42,73,000	42,73,000	29,44,684	—13,28,316
2. Forest ..	6,95,000	6,95,000	8,84,099	+1,89,099
3. Survey of Pakistan ..	73,48,000	73,48,000	60,37,876	—13,10,124
4. Botanical and Zoological Survey Departments ..	2,40,000	2,40,000	1,69,738	—70,262
5. Agriculture ..	74,20,000	74,20,000	56,53,289	—17,66,711
6. Veterinary Services ..	5,41,000	5,41,000	7,32,565	+1,91,565
7. Fisheries ..	3,21,000	3,21,000	3,37,802	+16,802
8. Development Expenditure of Food and Agriculture Division ..	5,51,55,000	5,51,55,000	3,46,20,778	—2,05,34,222
9. Rehabilitation and Works Division ..	12,01,000	12,01,000	12,44,101	+43,101
10. Civil Works { Charged ..	3,70,000	7,78,000	8,40,817	+62,817
{ Other than charged ..	6,57,09,000	6,78,20,000	8,61,38,091	+1,83,18,091
11. Rehabilitation of Displaced Persons and Protection of Evacuee Property ..	2,75,66,000	2,77,93,000	—1,21,70,838	—1,56,22,162
12. Development Expenditure of Rehabilitation and Works Division ..	45,000 8,22,000	2,06,000 10,51,000	46,115 7,79,018	—1,59,885 —2,71,982
13. Other Expenditure of Rehabilitation and Works Division ..	3,03,000	3,03,000	6,86,241	+3,83,241
21. Ministry of Commerce ..	76,24,000	77,33,000	78,77,453	+1,44,453
22. Commercial Intelligence	6,27,000	6,27,000	8,58,501	+2,31,501
23. Development Expenditure of Ministry of Commerce ..	35,93,000	35,93,000	25,41,589	—10,51,411

STATEMENT No. 5—contd.

	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
24. Other Expenditure of Ministry of Commerce	14,93,000	19,00,000	13,43,326	-5,56,674
26. Ministry of Communications	22,19,000	25,53,000	24,50,481	-1,02,519
27. Management of Chalna Port	17,96,000	17,96,000	17,95,316	-684
29. Department of Shipping Control and Mercantile Marine	3,49,000	3,49,000	3,32,170	-16,830
30. Lighthouses and Lightships	1,10,000	1,10,000	71,663	-38,337
31. Development Expenditure of Ministry of Communications	29,48,000	29,62,000	6,24,232	-23,37,768
32. Other Expenditure of Ministry of Communications	1,85,19,000	2,06,40,000	2,22,54,506	+16,14,506
35. Ministry of Defence	24,54,000	27,49,000	37,10,593	+9,61,593
36. Meteorology	84,57,000	84,57,000	64,54,422	-20,02,578
37. Aviation	2,63,19,000	2,63,19,000	2,46,94,264	-16,24,736
39. Development Expenditure of Ministry of Defence	30,84,000	30,84,000	6,53,063	-24,30,937
42. Education Division	34,97,000	34,97,000	25,45,017	-9,51,983
43. Archaeology and Museums	25,96,000	25,96,000	24,47,218	-1,48,782
44. Assistance to Educational Institutions	1,40,64,000	1,42,64,000	1,45,92,422	+3,28,422
45. Government Colleges and Schools	4,71,000	4,71,000	..	-4,71,000
46. Development Expenditure of Education Division	69,98,000	69,98,000	44,54,221	-25,43,779
47. Information and Broadcasting Division	1,06,48,000	1,06,76,000	1,00,02,434	-6,73,566
48. Pakistan Broadcasting Service	1,52,21,000	1,52,21,000	1,23,72,801	-28,48,199
49. Development Expenditure of Information & Broadcasting Division	78,00,000	78,00,000	53,02,300	-24,97,700
50. Other Expenditure of Information and Broadcasting Division	1,41,38,000	1,41,38,000	5,21,096	-1,36,16,904

	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
52. Ministry of External Affairs		39,46,000	40,16,000	40,25,280	+9,280
53. External Affairs		2,84,68,000	2,87,44,000	2,75,25,421	-12,18,579
54. Other Expenditure of Ministry of External Affairs		21,47,000	21,48,000	15,77,770	-5,70,230
56. Ministry of Finance		37,62,000	39,12,000	43,38,945	+4,26,945
— Debt Services		25,16,38,000	26,00,20,000	24,62,69,459	-1,37,50,541
— Audit		2,90,94,000	2,94,02,000	2,87,50,123	-6,51,877
57. Currency		57,75,000	57,75,000	57,94,855	+19,855
58. Pakistan Mint		36,87,000	36,87,000	36,88,190	+1,190
59. Superannuation Allowances & Pensions	} Charged other than Charged	1,49,000	1,49,000	46,351	-1,02,649
		83,72,000	85,10,000	85,31,259	+21,259
60. Grants-in-Aid and Miscellaneous Adjustments between Central and Provincial Government		2,27,37,000	14,56,95,000	14,86,68,262	+29,73,262
60-A Development Expenditure of Ministry of Finance .. ..		..	..	6,156	+6,156
61. Other Expenditure of Ministry of Finance		5,66,000	7,14,000	6,05,452	-1,08,548
62. Central Board of Revenue		14,00,000	14,80,000	14,49,921	-30,079
63. Sea Customs		93,18,000	93,18,000	80,46,197	-12,71,803
64. Land Customs and Central Excise		2,30,77,000	2,30,77,000	2,35,11,234	+4,34,234
65. Taxes on Income, Corporation Tax and Sales Tax		85,89,000	85,89,000	81,26,024	-4,62,976
66. Estate Duty		78,000	78,000	73,503	-4,497
67. National Savings		6,33,000	6,33,000	5,61,155	-71,845
73. Contingency Item		15,00,00,000	14,40,24,000	..	-14,40,24,000
74. Health Division		20,30,000	20,30,000	18,97,447	-1,32,553
75. Medical Services		1,32,55,000	1,32,55,000	89,86,178	-42,68,822
76. Public Health		34,66,000	34,66,000	31,70,855	-2,95,145
77. Development Expenditure of Health Division.		41,33,000	41,33,000	18,39,482	-22,93,518

STATEMENT No. 5—contd.

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
78. Labour and Social Welfare Division ..	24,71,000	24,99,000	28,61,296	3,62,296
79. Manpower and Employment Organisation ..	45,60,000	45,60,000	11,07,123	-34,52,877
80. Development Expenditure of Labour and Social Welfare Division.	74,11,000	74,11,000	7,80,716	-66,30,284
81. Other Expenditure of Labour and Social Welfare Division ..	28,54,000	28,54,000	8,20,866	-20,33,134
83. Home Affairs Division	16,09,000	18,71,000	17,52,647	-1,18,353
84. Passport Organisation	17,54,000	17,83,000	17,13,407	-69,593
85. Police	2,63,86,000	2,63,86,000	2,61,59,391	-2,26,609
86. Civil Defence ..	4,28,000	4,28,000	2,66,770	-1,61,230
87. Other Expenditure of Home Affairs Division.	15,84,000	18,66,000	14,01,749	-4,64,251
88. Kashmir Affairs Division	6,92,000	7,12,000	7,65,944	+ 53,944
89. Development Expenditure of Kashmir Affairs Division	87,70,000	87,71,000	83,84,415	-3,86,585
90. Other Expenditure of Kashmir Affairs Division	12,40,000	12,40,000	8,33,261	-4,06,739
92. Industries Division ..	33,81,000	33,81,000	23,17,897	-10,63,103
93. Industries	5,28,000	5,28,000	7,43,133	+2,15,133
94. Department of Supply and Development ..	74,41,000	74,41,000	68,09,454	-6,31,546
95. Stationery and Printing	1,69,73,000	1,69,73,000	1,46,77,414	-22,95,586
96. Development Expenditure of Industries Division	79,46,000	88,70,000	44,38,137	-44,31,863
97. Other Expenditure of Industries Division ..	84,85,000	84,85,000	68,09,406	-16,75,594
98. Natural Resources Division	33,32,000	33,32,000	24,85,818	-8,46,182
99. Bureau of Mineral Resources	39,88,000	39,88,000	45,54,968	+ 5,66,968
100. Salt	34,17,000	34,17,000	14,566	-34,02,434
100-A. Development Expenditure of Natural Resources Division ..	..	..	10,978	+10,978

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
101. Other Expenditure of Natural Resources Division	3,41,25,000	3,98,86,000	2,88,97,706	-1,09,88,294
108. Ministry of Law & Parliamentary Affairs {				
<i>Charged</i> .. ..	..	3,69,000	1,33,747	-2,35,253
Other than <i>Charged</i>	8,71,000	11,80,000	11,47,312	-32,688
— <i>National Assembly</i>	33,47,000	45,82,000	38,42,277	-7,39,723
— <i>Supreme Court</i>	7,15,000	8,03,000	7,79,379	-23,621
109. Other Expenditure of Ministry of Law and Parliamentary Affairs ..	8,00,000	9,28,000	7,51,788	-1,76,212
110. Cabinet Division	60,25,000	64,26,000	56,25,971	-8,00,029
111. Establishment Division	34,12,000	39,33,000	41,72,543	+2,39,543
112. Planning Division	30,06,000	50,72,000	41,08,591	-9,63,409
— <i>Staff, Household and Allowances of the President</i>	15,44,000	17,21,000	16,60,315	-60,685
— <i>Cabinet</i>	8,85,000	8,85,000	8,26,380	-58,620
— <i>Elections</i>	26,43,000	26,43,000	9,94,846	-16,48,154
— <i>Central Public Service Commission</i>	11,60,000	11,60,000	10,29,672	-1,30,328
113. Development Expenditure of Establishment Division	25,08,000	25,08,000	23,66,281	-1,41,719
114. Other Expenditure of Establishment Division	4,50,000	4,54,000	4,60,734	+6,734
115. Economic Affairs Division	37,05,000	37,91,000	34,52,465	-3,38,535
116. Technical Assistance Schemes	5,30,60,000	5,30,60,000	40,05,918	-4,90,54,082
117. States and Frontier Regions Division	7,52,000	7,52,000	8,90,729	+1,38,729
118. Frontier Regions	7,24,87,000	7,55,02,000	7,47,29,151	-7,72,849
— <i>Privy Purses</i>	51,04,000	52,71,000	59,69,395	+6,98,395
119. Development Expenditure of States and Frontier Regions Division	15,60,000	15,60,000	9,86,670	-5,73,330

STATEMENT No. 5--contd.

	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
120. Other Expenditure of States and Frontier Regions Division ..		1,08,000	1,08,000	82,527	-25,473
Total Expenditure met from Revenue	{				
Charged ..		29,66,94,000	30,79,89,000	29,11,88,876	-1,68,00,124
Other than Charged ..		92,01,77,000	1,05,79,34,000	76,31,09,536	-29,48,24,464
Total (A) ..		1,21,68,71,000	1,36,59,23,000	1,05,42,98,412	-31,16,24,588
B. Expenditure met from Capital—					
14. Capital Outlay on Forests, Agriculture and Fisheries ..		16,26,000	22,26,000	22,49,048	+23,048
15. Capital Outlay on Food Storage and other Works		2,39,00,000	2,39,00,000	1,60,07,671	-78,92,329
15-A. Capital Outlay on Purchase of Fertilizers	2,68,09,553	+2,68,09,553
16. Capital Outlay on Purchases by Food and Agriculture Division ..		1,26,77,40,000	1,26,77,40,000	1,02,88,45,937	-23,88,94,063
17. Grants to Provincial Governments for Agricultural Development ..		4,88,43,000	4,88,43,000	2,50,27,850	-2,38,15,150
18. Capital Outlay on New Federal Capital ..		7,60,00,000	7,60,00,000	7,10,24,294	-49,75,706
19. Capital Outlay on Civil Works	{				
Charged	3,29,000	13,310	-3,15,690
Other than Charged ..		8,97,12,000	8,97,12,000	3,12,12,029	-5,84,99,971
20. Capital Outlay on Rehabilitation of Displaced persons from Kashmir ..		47,65,000	47,65,000	1,16,855	-46,48,145
25. Capital Outlay on Jute Purchases ..		25,000	45,000	42,304	-2,696
34. Capital Outlay on Ports and Communications ..		1,65,00,000	1,80,33,000	1,48,87,377	-31,45,623
40. Capital Outlay on Civil Aviation ..		3,08,00,000	3,04,00,000	1,76,62,197	-1,31,37,803
51. Capital Outlay on Broadcasting Service ..		1,19,00,000	1,19,00,000	62,02,302	-56,97,698
55. Capital Outlay on Works of Ministry of External Affairs ..		24,48,000	24,48,000	19,80,752	-4,67,248
67. Capital Outlay on Currency	1,67,72,000	1,76,88,582	+16,582

	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
68. Capital Outlay on Pensions ..		52,85,000	76,69,000	65,83,136	- 10,85,864
69. Miscellaneous Capital Investments ..		1,17,89,000	1,42,60,000	2,40,52,158	+97,92,158
72. Capital Outlay on Purchase of Salt ..		77,000	77,000	..	-77,000
82. Capital Outlay on Medical Stores ..		3,05,07,000	3,05,07,000	1,09,14,489	- 1,95,92,511
91. Capital Outlay on Purchases by Kashmir Affairs Division ..		1,88,09,000	1,88,09,000	84,18,162	-1,03,90,838
102. Capital Outlay on Industrial Development ..		1,32,00,000	1,32,00,000	1,32,00,000	..
103. Capital Outlay on Printing Presses ..		14,29,000	14,29,000	6,65,456	- 7,63,544
104. Capital Outlay on Miscellaneous Stores ..		16,71,000	29,99,000	26,60,229	-3,38,771
105. Capital Outlay on Mineral Development ..		1,71,61,000	1,71,61,000	50,13,864	-1,21,47,136
106. Capital Outlay on Irrigation and Electricity ..		3,43,17,000	4,10,74,000	3,63,10,258	- 47,63,742
107. Capital Outlay on Fuel and Power ..		8,84,09,000	8,98,09,000	5,55,90,908	-3,42,18,092
Total Expenditure met from Capital	{ Charged ..	..	3,29,000	13,310	- 3,15,690
	{ Other than Charged ..	1,79,33,13,000	1,83,01,78,000	1,42,32,65,411	-40,69,12,589
Total (B)	..	1,79,33,13,000	1,83,05,07,000	1,42,32,78,721	-40,72,28,279
C.--Disbursements of Loans and Advances--					
Repayment of Debt ..		8,01,30,75,000	8,01,30,75,000	8,05,60,40,590	+4,29,65,590
70. Development Loans and Advances	{ Charged ..	1,88,72,60,000	1,88,72,60,000	1,24,32,25,217	- 64,30,35,783
	{ Other than Charged ..	3,53,26,000	3,53,39,000	2,65,01,894	-88,37,106
71. Other Loans & Advances by the Central Government	{ Charged ..	..	75,00,000	85,00,000	+10,00,000
	{ Other than Charged ..	79,95,000	1,14,63,000	1,02,90,031	-11,72,969
Total	{ Charged ..	9,90,03,35,000	9,90,78,35,000	9,30,77,65,807	-60,00,69,193
	{ Other than Charged ..	4,33,20,000	4,68,02,000	3,67,91,925	-1,00,10,075

STATEMENT No. 5—contd.

	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
Expenditure met from Revenue	{ Charged ..	29,66,94,000	30,79,89,000	29,11,88,876	-1,68,00,124
	{ Other than Charged ..	92,01,77,000	1,05,79,34,000	76,31,09,536	-29,48,24,464
Expenditure met from Capital	{ Charged ..	..	3,29,000	13,310	-3,15,690
	{ Other than Charged ..	1,79,33,13,000	1,83,01,78,000	1,42,32,65,411	-40,69,12,589
Loans and Advances by the Central Government	{ Charged ..	1,88,72,60,000	1,89,47,60,000	1,25,17,25,217	-64,30,34,783
	{ Other than Charged ..	4,33,20,000	4,68,02,000	3,67,91,925	-1,00,10,075
Repayment of Debt	..	8,01,30,75,000	8,01,30,75,000	8,05,60,40,590	+4,29,65,590
Total Civil	..	12,96,38,39,000	13,15,10,67,000	11,82,21,34,865	-1,32,89,32,135
PART II.—Posts, Telegraphs and Telephones.					
A.—Expenditure met from Revenue—					
27. Pakistan Post Office and Telegraph and Telephone Departments	{ Charged ..	82,00,000	82,00,000	78,17,310	-3,82,690
	{ Other than Charged ..	15,09,62,000	15,68,58,000	15,94,79,666	+26,21,666
B.—Expenditure met from Capital—					
33. Capital Outlay on Pakistan Post Office and Telegraph and Telephone Departments	..	9,31,00,000	9,31,01,000	8,42,08,582	-88,92,418
Total (A) & (B)	{ Charged ..	82,00,000	82,00,000	78,17,310	-3,82,690
	{ Other than Charged ..	24,40,62,000	24,99,59,000	24,36,88,248	-62,70,752
Total Posts, Telegraphs and Telephones	..	25,22,62,000	25,81,59,000	25,15,05,558	-66,53,442
PART III.—Defence Services					
A.—Expenditure met from Revenue—					
22. Defence Services	..	1,02,39,00,000	1,04,29,00,000	95,82,56,513	-8,46,43,487
B.—Expenditure met from Capital—					
85. Capital Outlay on Defence Services	..	7,38,00,000	7,93,00,000	5,64,11,539	-2,28,88,461
Total Defence Services	..	1,09,77,00,000	1,12,22,00,000	1,01,46,68,052	-10,75,31,948
Total	{ Charged ..	10,20,52,29,000	10,22,43,53,000	9,60,67,85,303	-61,75,65,697
	{ Other than Charged ..	4,29,85,72,000	4,30,70,73,000	3,48,15,23,172	-82,55,49,828
GRAND TOTAL	..	14,30,38,01,000	14,53,14,26,000	13,08,83,08,475	-1,44,31,15,525

(See paragraph 1 on page 2 of the Report)

Statement comparing Expenditure with Grants and Appropriations, 1963-64

No. & name of Grant or Appropriation	Original Grant or Appropriation	Final Grant or Appropriation	Expenditure	Expenditure compared with Final Grant or Appropriation More (+) Less (-)
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
1. Ministry of Commerce	92,70,000	1,02,33,000	97,11,817	-5,21,183
2. Commercial Intelligence	7,02,000	9,13,000	8,01,901	-1,11,099
3. Development Expenditure of Ministry of Commerce ..	25,00,000	25,00,000	18,87,597	-6,12,403
4. Other Expenditure of Ministry of Commerce	15,69,000	15,69,000	14,22,740	-1,46,260
6. Ministry of Communications ..	23,83,000	24,94,000	18,86,074	-6,07,926
9. Management of Chalna Port ..	22,22,000	22,22,000	21,97,336	-24,664
10. Department of Shipping Control and Mercantile Marine ..	4,09,000	4,09,000	3,46,804	-62,196
11. Lighthouses and Lightships ..	22,09,000	22,09,000	26,31,608	+4,22,608
12. Development Expenditure of Ministry of Communications ..	40,60,000	40,60,000	8,72,029	-31,87,971
13. Other Expenditure of Ministry of Communications ..	2,07,36,000	2,07,36,000	2,24,46,576	+17,10,576
17. Ministry of Defence ..	37,49,000	37,49,000	34,93,160	-2,55,840
18. Meteorology ..	88,60,000	88,60,000	75,10,818	-13,49,182
19. Aviation ..	3,07,19,000	3,07,19,000	3,16,95,222	+9,76,222
21. Development Expenditure of Ministry of Defence ..	51,87,000	51,87,000	24,54,454	-27,32,546
24. Education Division ..	31,93,000	31,93,000	30,15,584	-1,77,416
25. Archaeology and Museums ..	33,95,000	33,95,000	32,17,511	-1,77,489
26. Assistance to Educational Institutions ..	1,35,17,000	1,48,52,000	1,37,72,261	-10,79,739
27. Development Expenditure of Education Division ..	61,83,000	61,83,000	48,33,227	-13,49,773

STATEMENT No. 5—contd.

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
28. Information and Broadcasting Division ..	1,18,45,000	1,56,19,000	1,54,62,423	--1,56,577
29. Pakistan Broadcasting Service	1,97,96,000	1,97,96,000	1,58,28,694	--39,67,306
30. Development Expenditure of Information and Broadcasting Division ..	1,14,00,000	1,14,00,000	1,14,00,000	..
31. Other Expenditure of Information and Broadcasting Division ..	1,37,45,000	1,94,12,000	1,98,08,533	+3,96,533
33. Ministry of External Affairs	44,14,000	44,14,000	43,61,013	--52,987
34. External Affairs	3,03,61,000	3,06,90,000	3,06,45,859	- 44,141
35. Other Expenditure of Ministry of External Affairs	13,38,000	13,38,000	12,23,666	--1,14,334
37. Ministry of Finance	42,65,000	52,12,000	50,00,740	--2,11,260
— Debt Services	31,76,77,000	31,96,95,000	31,55,77,207	--41,17,793
— Audit	3,42,66,000	3,42,66,000	3,27,90,750	--14,75,250
38. Currency	61,50,000	61,50,000	61,43,576	- 6,424
39. Pakistan Mint	39,77,000	39,77,000	36,29,563	--3,47,437
40. Superannuation Allowances and Pensions { Charged	1,48,000	1,48,000	59,832	--88,168
{ Other than Charged	86,96,000	93,00,000	84,65,869	--8,34,131
41. Grants-in-Aid and Miscellaneous Adjustments between the Central and Provincial Governments.	34,33,11,000	35,78,50,000	25,36,10,557	--10,42,39,443
42. Other Expenditure of Ministry of Finance	5,65,000	32,65,000	31,93,632	--71,368
43. Central Board of Revenue	16,12,000	16,53,000	16,65,014	+12,014
44. Sea Customs	1,00,96,000	1,02,31,000	94,84,511	--7,46,489
45. Land Customs and Central Excise	2,52,47,000	2,61,25,000	2,73,25,125	+12,00,125
46. Taxes on Income, Corporation Tax and Sales Tax	94,84,000	94,84,000	90,77,211	--4,06,789
47. Estate Duty	81,000	81,000	70,488	--10,512
48. National Savings	7,03,000	7,03,000	6,56,333	--46,667
54. Contingency Item	15,00,00,000	4,71,75,000	..	-4,71,75,000

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
55. Ministry of Food & Agriculture	29,12,000	29,29,000	29,92,142	+63,142
56. Forest	6,10,000	6,10,000	6,28,268	+18,268
57. Survey of Pakistan ..	79,89,000	81,89,000	90,20,356	+8,31 356
58. Botanical and Zoological Survey Departments	2,35,000	2,35,000	1,93,839	-41,161
59. Agriculture	42,84,000	46,36,000	49,34,521	+2,98,521
60. Fisheries	3,41,000	3,41,000	3,56,172	+15,172
61. Development Expenditure of Ministry of Food and Agriculture ..	1,95,02,000	8,30,26,000	6,95,48,357	-1,34,77,643
61-A. Other Expenditure of Food and Agriculture Division .. ..	..	11,06,89,000	11,06,89,000	..
66. Health Division ..	24,34,000	23,46,000	23,59,214	+13,214
67. Medical Services ..	1,37,24,000	1,37,24,000	1,09,03,588	-28,20,412
68. Public Health ..	32,85,000	32,85,000	30,69,705	-2,15,295
69. Development Expenditure of Health Division	71,23,000	71,23,000	20,44,676	-50,78,324
70. Labour and Social Welfare Division ..	20,95,000	25,71,000	23,82,942	-1,88,058
71. Manpower and Employment Organisation ..	5,03,000	5,03,000	2,95,108	-2,07,892
72. Development Expenditure of Labour & Social Welfare Division ..	37,71,000	37,71,000	28,31,636	-9,39,364
73. Other Expenditure of Labour and Social Welfare Division ..	9,75,000	9,75,000	6,43,309	-3,31,691
75. Home Affairs Division	20,01,000	20,01,000	18,33,418	-1,67,582
76. Passport Organisation	16,08,000	16,08,000	16,29,895	+21,895
77. Police	4,13,35,000	4,13,41,000	2,62,14,868	-1,51,26,132
78. Civil Defence ..	4,08,000	4,08,000	3,38,508	-69,492
79. Other Expenditure of Home Affairs Division	11,72,000	12,22,000	11,17,297	-1,04,703
80. Kashmir Affairs Division	7,54,000	8,54,000	13,31,362	+4,77,362
81. Development Expenditure of Kashmir Affairs Division	1,16,52,000	1,16,52,000	1,11,11,406	-5,40,594
82. Other Expenditure of Kashmir Affairs Division	10,73,000	10,87,000	9,99,981	-87,019

STATEMENT No. 5—contd.

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
84. Industries Division ..	12,32,000	14,32,000	14,92,468	+60,468
85. Industries	10,20,000	10,20,000	10,04,875	—15,125
86. Department of Investment Promotion and Supplies	93,60,000	93,60,000	81,68,339	—11,91,661
87. Stationery and Printing	2,02,84,000	2,10,64,000	1,83,82,855	—26,81,145
88. Development Expenditure of Industries Division	1,14,00,000	1,14,00,000	66,96,724	—47,03,276
89. Other Expenditure of Industries Division ..	26,94,000	31,64,000	29,80,227	—1,83,773
90. Natural Resources Division	24,47,000	24,47,000	20,26,752	—4,20,248
91. Bureau of Mineral Resources	26,75,000	26,75,000	29,03,137	+2,28,137
92. Development Expenditure of Natural Resources Division ..	16,50,000	16,50,000	8,22,024	—8,27,976
93. Other Expenditure of Natural Resources Division	3,51,20,000	6,01,21,000	6,41,87,719	+40,66,719
94. Rehabilitation and Works Division ..	13,54,000	13,54,000	16,35,826	+2,81,826
95. Civil Works } Charged ..	4,94,000	5,81,000	6,24,486	+43,486
} Other than Charged ..	6,78,96,000	6,81,94,000	9,95,00,594	+3,13,06,594
96. Rehabilitation of Displaced Persons and Protection of Evacuee Property	63,20,000	64,93,000	64,55,020	—37,980
97. Development Expenditure of Rehabilitation and Works Division ..	6,12,000	7,24,000	4,68,448	—2,55,552
98. Other Expenditure of Rehabilitation and Works Division ..	3,02,000	3,02,000	2,89,778	—12,222
108. Ministry of Law and Parliamentary Affairs } Charged ..	2,08,000	4,19,000	3,31,910	—87,090
} Other than Charged ..	14,61,000	15,58,000	12,82,066	—2,75,934
— Supreme Court ..	8,67,000	9,04,000	8,86,219	—17,781
109. Other Expenditure of Ministry of Law and Parliamentary Affairs ..	8,42,000	8,42,000	7,51,619	—90,381
— National Assembly —	44,85,000	51,45,000	51,60,575	+15,575

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
110. Cabinet Division ..	74,39,000	79,81,000	76,13,751	—3,67,249
111. Establishment Division	40,37,000	41,77,000	41,76,044	—956
112. Planning Division ..	45,45,000	62,13,000	52,91,217	—9,21,783
— Staff, Household and Allowances of the Presidents	17,53,000	18,57,000	18,00,646	—56,354
— Cabinet	7,85,000	8,55,000	11,84,050	+3,29,050
— Elections	25,66,000	25,66,000	10,83,678	—14,82,322
— Central Public Service Commission	12,52,000	12,52,000	12,61,679	+9,679
113. Development Expenditure of Establishment Division	16,19,000	18,14,000	18,01,483	—12,517
114. Other Expenditure of Establishment Division	5,90,000	5,90,000	5,81,435	—8,565
115. Economic Affairs Division	44,75,000	44,75,000	44,45,949	—29,051
116. Technical Assistance Schemes	8,87,34,000	8,87,34,000	4,81,33,721	—4,06,00,279
117. Development Expenditure of Economic Affairs Division	5,00,000	5,00,000	1,58,411	—3,41,589
118. States and Frontier Regions Division ..	5,63,000	5,92,000	5,69,704	—22,296
119. Frontier Regions ..	7,34,81,000	7,45,79,000	8,17,96,806	+72,17,806
— Privy Purses	53,60,000	53,60,000	51,70,400	—1,89,600
120. Development Expenditure of States and Frontier Regions Division	22,19,000	22,19,000	8,98,502	—13,20,498
121. Other Expenditure of States and Frontier Regions Division ..	94,000	94,000	88,317	—5,683
Total Expenditure met from Revenue	36,98,61,000	37,30,48,000	36,59,31,432	—71,16,568
{ Charged ..	1,26,26,00,000	1,39,82,52,000	1,18,33,22,905	—21,49,29,095
{ Other than Charged ..				
Total (A) ..	1,63,24,61,000	1,77,13,00,000	1,54,92,54,337	—22,20,45,663

STATEMENT No. 5—contd.

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
B.—Expenditure met from Capital :—				
15. Capital Outlay on Jute Purchases	25,000	25,000	25,160	+160
16. Capital Outlay on Ports and Communications ..	1,53,01,000	2,13,01,000	1,27,69,130	—85,31,870
22. Capital Outlay on Civil Aviation	4,12,00,000	4,12,00,000	1,62,98,517	—2,49,01,483
32. Capital Outlay on Broadcasting Service ..	70,00,000	77,91,000	29,93,257	—47,97,743
36. Capital Outlay on Works of Ministry of External Affairs ..	26,73,000	26,73,000	15,62,114	—11,10,886
49. Capital Outlay on currency	98,00,000	98,00,000	80,85,938	—17,14,062
50. Capital Outlay on Pensions	98,00,000	1,01,70,000	75,69,642	—26,00,358
51. Miscellaneous Capital Investments	1,96,74,000	1,96,74,000	2,23,58,810	+26,84,810
62. Capital Outlay on Forests, Agriculture and Fisheries	16,50,000	33,44,000	24,67,393	—8,76,607
63. Capital Outlay on Food Storage and Other Works	1,84,49,000	2,21,61,000	1,82,47,392	—39,13,608
63-A. Capital Outlay on Purchase of Fertilizers ..	..	8,15,000	—14,60,633	—22,75,633
64. Capital Outlay on Purchases by Ministry of Food and Agriculture	1,10,46,00,000	1,10,46,00,000	1,18,02,19,631	+7,56,19,631
65. Grants to Provincial Governments for Agricultural Development ..	9,95,00,000	9,95,00,000	..	—9,95,00,000
74. Capital Outlay on Medical Stores	1,13,39,000	1,13,39,000	42,34,454	—71,04,546
83. Capital Outlay on Purchases by Kashmir Affairs Division ..	88,20,000	88,20,000	1,12,89,377	+24,69,377
99. Capital Outlay on Industrial Development	1,56,70,000	1,56,70,000	1,51,00,562	—5,69,438
100. Capital Outlay on Printing Presses	34,00,000	34,00,000	18,05,850	—15,94,150
101. Capital Outlay on Miscellaneous Stores	2,82,98,000	2,82,98,000	2,21,16,959	—61,81,041
102. Capital Outlay on Mineral Development	1,73,31,000	1,73,31,000	69,63,206	—1,03,67,794

	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
103. Capital Outlay on Irrigation and Electricity		17,32,59,000	19,12,62,000	2,79,74,059	-16,32,87,941
104. Capital Outlay on Fuel and Power		8,98,81,000	8,98,83,000	4,98,01,988	-4,00,81,012
105. Capital Outlay on New Federal Capitals.		11,35,00,000	12,40,00,000	11,12,08,640	-1,27,91,360
106. Capital Outlay on Civil Works		3,60,44,000	4,40,38,000	9,16,01,634	+4,75,63,634
107. Capital Outlay on Rehabilitation of Displaced Persons from Kashmir		23,17,000	23,17,000	17,39,383	-5,77,617
Total Expenditure met from Capital.	{ Charged	1,82,95,31,000	1,87,94,12,000	1,61,49,72,463	-26,44,39,537
	{ Other than Charged				
Total (B)		1,82,95,31,000	1,87,94,12,000	1,61,49,72,463	-26,44,39,537

C.—Disbursements of Loans and Advances—

— Repayment of Debt.		8,61,49,60,000	8,61,49,60,000	8,12,51,32,236	-48,98,27,754
52. Development Loans and Advances by the Central Government.	{ Charged	2,22,98,10,000	2,22,98,10,000	1,57,67,89,623	-65,30,20,377
	{ Other than Charged	31,69,60,000	31,69,60,000	3,35,26,689	-28,34,33,311
53. Other Loans and Advances by Central Government.	{ Charged		1,19,00,000	69,00,000	-50,00,000
	{ Other than Charged	73,53,000	2,18,57,000	2,22,23,031	+3,66,031
Loans and Advances by the Central Government.—	{ Charged	2,22,98,10,000	2,24,17,10,000	1,58,36,89,623	-65,80,20,377
	{ Other than Charged	32,43,13,000	33,88,17,000	5,57,49,720	-28,30,67,280
Total	{ Charged	11,21,46,31,000	11,22,97,18,000	10,07,47,53,301	-1,15,49,64,699
	{ Other than Charged	3,41,64,44,000	3,61,64,81,000	2,85,40,45,088	-76,24,35,912
		14,63,10,75,000	14,84,61,99,000	12,92,87,98,389	-1,91,74,00,611

STATEMENT No. 5—contd.

1		2	3	4	5
		Rs.	Rs.	Rs.	Rs.
Expenditure met from Revenue	Charged	36,98,61,000	37,30,48,000	36,59,31,432	-1,91,74,00,611
	Other than Charged	1,26,26,00,000	1,39,82,52,000	1,18,33,22,905	-21,49,29,095
Expenditure met from Capital	Charged	1,82,95,31,000	1,87,94,12,000	1,61,49,72,463	-26,44,39,537
	Other than Charged	..	..	..	..
Loans and Advances by the Central Government	Charged	2,2,98,10,000	2,24,17,10,000	1,58,36,89,623	-65,80,20,377
	Other than Charged	32,43,13,000	33,88,17,000	5,57,49,720	-28,30,67,280
Repayment of Debt	..	8,61,49,60,000	8,61,49,60,000	8,12,51,32,246	-48,98,27,547
PART II—POST OFFICE AND TELEGRAPH AND TELEPHONE DEPARTMENTS :					
A.—Expenditure met from Revenue :					
7. Pakistan Post Office Department	Charged	13,79,000	15,35,000	11,60,210	-3,74,770
	Other than Charged	8,32,42,000	8,51,34,000	8,36,29,579	-15,04,421
8. Pakistan Telegraph and Telephone Department	Charged	96,47,000	96,47,000	95,21,171	-1,25,829
	Other than Charged	9,08,47,000	9,42,76,000	9,49,67,789	+6,91,789
Total Expenditure met from Revenue	Charged	1,10,26,000	1,11,82,000	1,06,81,381	-5,00,619
	Other than Charged	17,40,89,000	17,94,10,000	17,85,97,368	-8,12,632
B.—Expenditure met from Capital :					
14. Capital Outlay on Post Office Department		70,00,000	70,00,000	41,37,886	-28,62,114
15. Capital Outlay on Pakistan Telegraph and Telephone Department		11,00,00,000	11,00,01,000	10,23,16,833	-76,84,167
Total Expenditure met from Capital		11,70,00,000	11,70,01,000	10,64,54,719	-1,05,46,281
Total (A) & (B)	Charged	1,10,26,100	1,11,82,000	1,06,81,381	-5,00,619
	Other than Charged	29,10,89,000	29,64,11,000	28,50,52,087	-1,13,58,913
Total Post Office, Telegraph and Telephone Departments		30,21,15,000	30,75,93,000	29,57,33,468	-1,18,59,532

1	2	3	4	5	
	Rs.	Rs.	Rs.	Rs.	
PART III.—DEFENCE SERVICES :					
A.—Expenditure met from Revenue :—					
20—Defence Services ..	1,10,52,00,000	1,19,25,23,000	1,16,24,22,057	—3,01,00,943	
23—Capital Outlay on Defence Services ..	9,79,00,000	9,79,00,000	5,42,35,103	—4,36,64,897	
Total—Defence Services	1,20,31,00,000	1,29,04,23,000	1,21,66,57,157	—7,37,65,840	
Total	{ Charged	11,22,56,57,000	11,24,09,00,000	10,08,54,34,682	—1,15,54,65,318
	{ Other than Charged	4,91,06,33,000	5,20,33,15,000	4,35,57,54,335	—84,75,60,665
Grand Total ..	16,13,62,90,000	16,44,42,15,000	14,44,11,89,017	—2,00,30,25,983	

(See paragraph 1 on page 2 of the Report.)

Statement Comparing Expenditure with Grants and Appropriations, 1964-65.

No. and name of grant or Appropriation	Original grant or Appropriation	Final Grant or Appropriation	Expenditure	Expenditure compared with Final Grant or Appropriation More + Less —
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
A.—Expenditure met from Revenue:				
1. Food and Agriculture Division ..	32,06,000	41,63,000	42,74,504	+1,11,504
2. Forest ..	11,45,000	11,45,000	9,67,708	—1,77,292
3. Survey of Pakistan ..	1,04,46,000	1,11,46,000	1,06,22,571	—5,23,429
4. Botanical and Zoological Survey Departments ..	2,25,000	2,25,000	1,85,664	—39,336
5. Agriculture ..	46,13,000	46,13,000	46,91,155	+78,155
6. Fisheries ..	3,51,000	3,51,000	3,60,807	+9,807
7. Development Expenditure of Food and Agriculture Division ..	16,03,97,000	16,03,97,000	8,38,84,913	—7,65,12,087
8. Other Expenditure of Food and Agriculture Division ..	10,90,91,000	12,39,50,000	12,26,18,171	—13,31,829

STATEMENT No. 5—*contd.*

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
9. Rehabilitation and Works Division	38,52,000	38,52,000	39,78,312	+1,26,312
10. Civil Works				
{ Charges	4,44,000	5,45,000	4,91,633	-53,367
{ Other than charge	8,01,50,000	8,08,50,000	9,59,43,993	+1,50,93,993
11. Rehabilitation of Displaced Persons and Protection of Evacuee Property	85,00,000	4,85,00,000	6,00,94,644	+1,15,94,644
12. Development Expenditure of Rehabilitation and Works Division ..	3,77,000	3,77,000	7,21,575	+3,44,575
13. Other Expenditure of Rehabilitation & Works Division	2,96,000	2,96,000	4,13,851	+1,17,851
20. Ministry of Commerce	89,38,000	92,01,000	94,38,444	+2,37,444
21. Export Promotion and Commercial Intelligence	33,60,000	38,52,000	37,03,537	-1,48,463
22. Development Expenditure of Ministry of Commerce ..	43,23,000	43,23,000	27,76,726	15,46,274
23. Other Expenditure of Ministry of Commerce	12,88,000	12,88,000	11,93,796	-94,204
25. Ministry of Communications	23,29,000	23,29,000	27,78,124	+4,49,124
28. Management of Chalna Port ..	25,91,000	25,91,000	24,22,307	-1,68,693
29. Department of Shipping Control and Marcantile Marine	9,61,000	12,61,000	12,35,373	-25,627
30. Lighthouses and Lightships ..	9,53,000	9,53,000	9,11,695	-41,305
31. Development Expenditure of Ministry of Communications ..	30,32,000	30,32,000	18,63,414	-11,68,586
32. Other Expenditure of Ministry of Communications ..	2,37,66,000	2,37,66,000	2,68,89,843	+31,23,843
36. Ministry of Defence ..	25,81,000	25,81,000	26,70,038	+89,038
37. Meteorology ..	1,15,06,000	1,15,06,000	82,29,794	-32,76,206
38. Aviation ..	3,58,46,000	4,47,92,000	4,74,27,173	+26,35,173
41. Development Expenditure of Ministry of Defence ..	46,94,000	46,94,000	41,35,995	-5,58,005
43. Ministry of Education	33,05,000	33,05,000	33,25,436	20,436

	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
44. Archaeology and Museums		31,09,000	31,09,000	29,75,196	-1,33,804
45. Education ..		1,30,70,000	1,46,06,000	1,73,02,090	+26,96,090
46. Development Expenditure of Ministry of Education ..		1,18,76,000	1,18,76,000	94,61,479	-24,14,521
47. Ministry of Finance ..		73,52,000	73,57,000	73,75,564	+18,564
— Debt Services ..		41,59,13,000	41,59,13,000	43,36,92,436	+1,77,79,436
— Audit ..		3,79,22,000	3,79,22,000	3,59,33,301	-19,88,699
48. Currency ..		67,24,000	67,24,000	64,24,565	-2,99,435
49. Pakistan Mint ..		39,13,000	40,13,000	39,70,583	-42,417
50. Superannuation Allowances and Pensions					
{ Charged ..		1,11,000	1,11,000	87,661	-23,339
{ Other than Charged ..		1,44,37,000	1,44,37,000	1,12,86,409	-31,50,591
51. Grants-in-Aid and Miscellaneous Adjustments between the Central and Provincial Governments ..		44,76,63,000	44,76,64,000	37,09,85,405	-7,66,78,595
52. Other Expenditure of Ministry of Finance ..		9,65,000	59,73,000	62,72,549	+2,99,549
53. Central Board of Revenue ..		18,64,000	18,64,000	17,45,623	-1,18,377
54. Sea Customs ..		1,03,14,000	1,03,14,000	1,01,21,182	-1,92,818
55. Land Customs and Central Excise ..		2,81,22,000	2,81,22,000	2,75,29,397	-5,92,603
56. Taxes on Income, Corporation Tax and Sales Tax ..		1,15,19,000	1,15,19,000	1,08,83,217	-6,35,783
57. Estate Duty ..		82,000	82,000	73,024	-8,976
58. National Savings ..		7,75,000	7,75,000	7,72,932	-2,068
63. Contingency Item ..		15,00,00,000	13,37,03,000	..	-13,37,03,000
64. Ministry of Foreign Affairs ..		46,17,000	47,58,000	45,44,516	-2,13,484
65. Foreign Affairs.					
{ Charged ..		2,00,000	2,00,000	..	-2,00,000
{ Other than Charged ..		3,33,07,000	3,33,07,000	3,39,43,639	+6,36,639
66. Other Expenditure of Foreign Affairs ..		48,66,000	48,66,000	50,16,436	+1,50,436
68. Health Division ..		29,52,000	29,52,000	27,08,297	-2,43,703
69. Medical Services ..		1,47,89,000	1,47,89,000	1,55,24,885	+7,35,885
70. Public Health ..		41,29,000	41,29,000	36,83,922	-4,45,078

STATEMENT No. 5—contd.

	1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.	Rs.
71. Development Expenditure of Health Division	71,59,000	71,59,000	30,56,003		-41,02,997
72. Labour and Social Welfare Division	23,17,000	23,17,000	24,04,021		+87,021
73. Manpower and Employment Organisation	4,11,000	4,11,000	2,28,700		-1,82,300
74. Development Expenditure of Labour & Social Welfare Division	30,00,000	30,00,000	29,32,857		-67,143
75. Other Expenditure of Labour and Social Welfare Division	7,21,000	7,21,000	6,78,388		-42,612
77. Home Affairs Division	20,09,000	20,11,000	18,48,642		-1,62,358
78. Passport Organisation	19,28,000	19,28,000	19,09,842		-18,158
79. Police	2,93,49,000	2,93,49,000	2,82,15,347		-11,33,653
80. Civil Defence	4,17,000	4,17,000	3,51,613		-65,387
81. Other Expenditure of Home Affairs Division	7,16,000	7,16,000	5,09,920		-2,06,080
82. Kashmir Affairs Division	8,44,000	8,44,000	8,74,373		+30,373
83. Development Expenditure of Kashmir Affairs Division	1,85,54,000	1,85,54,000	1,69,46,286		-16,07,714
84. Other Expenditure of Kashmir Affairs Division	10,78,000	10,78,000	12,02,405		+1,24,405
86. Industries Division	14,35,000	14,37,000	13,40,041		-96,959
87. Industries	11,10,000	11,10,000	11,70,130		+60,130
88. Department of Investment Promotion and Supplies	89,21,000	89,21,000	90,04,905		+83,905
89. Stationery and Printing	1,95,83,000	1,95,83,000	2,18,30,002		-22,47,002
90. Development Expenditure of Industries Division	1,54,71,000	1,54,71,000	1,14,88,706		-39,82,294
91. Other Expenditure of Industries Division	37,78,000	37,78,000	37,47,759		-30,241
92. Natural Resources Division	25,19,000	25,19,000	22,57,019		-2,61,981
93. Geological Survey	27,03,000	27,03,000	31,94,258		+4,91,258
94. Development Expenditure of Natural Resources Division	11,50,000	14,71,000	6,64,611		-8,06,389

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
95. Other Expenditure of Natural Resources Division	7,61,25,000	7,61,25,000	21,25,000	-7,40,00,000
102. Ministry of Information and Broadcasting.	1,45,01,000	1,46,37,000	1,46,62,465	25,465
103. Pakistan Broadcasting Service	2,19,39,000	2,19,39,000	2,05,62,348	-13,76,652
104. Other Expenditure of Ministry of Information and Broadcasting	1,67,31,000	1,67,31,000	1,46,96,512	-20,34,488
106. Ministry of Law and Parliamentary Affairs. {				
Charged	5,15,000	5,15,000	2,72,326	-2,42,674
Other than Charged	11,87,000	13,77,000	14,04,584	27,584
— Elections	1,87,92,000	2,52,89,000	1,35,79,249	-1,17,09,751
— Supreme Court	9,33,000	9,59,000	9,37,728	-21,272
107. Other Expenditure of Ministry of Law and Parliamentary Affairs. {				
Charged .. ..	..	9,86,000	9,85,982	-18
Other than Charged ..	17,24,000	17,24,000	15,33,125	-1,90,875
.. National Assembly	48,67,000	48,67,000	43,30,466	-5,36,534
108. Cabinet Division	78,47,000	95,09,000	96,16,846	+ 1,07,846
109. Establishment Division	45,46,000	53,46,000	53,33,812	- 12,188
110. Planning Division	39,81,000	50,16,000	38,27,362	-11,88,638
— Staff, Household and Allowances of the President	16,86,000	18,95,000	19,02,820	+ 7,820
— Cabinet	9,34,000	9,34,000	10,11,087	+ 77,087
— Central Public Service Commission	12,86,000	13,57,000	13,74,353	+ 17,353
111. Development Expenditure of Establishment Division	13,72,000	13,72,000	7,14,585	-6,57,415
112. Other Expenditure of Establishment Division	6,71,000	6,71,000	6,46,039	-24,961
113. Economic Affairs Division	46,94,000	46,94,000	46,79,783	-14,217
114. Technical Assistance Schemes	7,27,81,000	7,27,81,000	3,18,47,338	-4,09,33,662

STATEMENT No. 5—contd.

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
115. Development Expenditure of Economic Affairs Division ..	15,00,000	15,00,000	15,30,900	-- 30,900
116. States and Frontier Regions Division ..	5,97,000	5,97,000	6,13,946	16,946
117. Frontier Regions ..	7,43,94,000	9,01,08,000	9,18,70,915	17,62,915
-- <i>Privy Purses</i>	53,60,000	53,60,000	53,60,000	..
118. Development Expenditure of States and Frontier Regions Division	30,00,000	30,00,000	10,76,024	--19,23,976
119. Other Expenditure of States and Frontier Regions Division ..	88,000	88,000	81,137	--6,863
120. Scientific and Technological Research Division ..	..	1,00,000	91,140	--8,860
Total Expenditure met from Revenue	48,90,13,000	49,68,53,000	49,99,59,042	--31,06,043
{ <i>Charged.</i>				
{ <i>Other than</i>				
{ <i>Charged</i>	1,70,14,18,000	1,77,90,91,000	1,38,31,30,162	--39,59,60,838
Total (A)	2,19,04,31,000	2,27,59,44,000	1,88,30,89,204	--39,28,54,796
B.—Expenditure met from Capital—				
14. Capital Outlay on Forests, Agriculture and Fisheries ..	41,76,000	41,76,000	21,76,088	--19,99,912
15. Capital Outlay on Food Storage and Other Works ..	1,75,85,000	1,94,98,000	1,47,18,539	--47,79,461
15-A. Capital Outlay on Purchase of Fertilizers ..	..	..	39,31,206	+ 39,31,206
16. Capital Outlay on Purchases by Food and Agriculture Division ..	1,16,43,44,000	1,17,78,84,000	1,12,81,14,665	--4,97,69,335
17. Capital Outlay on New Federal Capitals	12,00,00,000	12,36,00,000	11,92,78,334	--43,21,666
18. Capital Outlay on Civil Works	84,000	3,09,000	..	--3,09,000
{ <i>Charged.</i>				
{ <i>Other than</i>				
{ <i>Charged</i>	4,99,00,000	5,15,54,000	3,91,80,214	--1,23,73,786
19. Capital Outlay on Rehabilitation of Displaced Persons from Kashmir ..	20,00,000	20,00,000	15,42,573	--4,57,427
24. Capital Outlay on Jute Purchases	60,50,000	60,50,000	45,199	--60,04,801

	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
35. Capital Outlay on Ports and Communications ..		2,08,34,000	2,08,34,000	1,18,82,838	-89,51,162
42. Capital Outlay on Civil Aviation ..		5,91,80,000	5,91,80,000	5,69,94,694	-21,85,306
58-A. Capital Outlay on Currency	6,57,000	6,56,937	-63
58-B. Capital Outlay on Pensions	71,08,821	-71,08,821
59. Miscellaneous Capital Investments ..		92,49,000	1,17,49,000	2,29,43,200	1,11,94,200
62. Capital Outlay on Purchase of Salt ..		77,000	77,000	26,006	-50,894
67. Capital Outlay on Works of Ministry of Foreign Affairs ..		40,79,000	40,79,000	17,48,485	-23,30,515
76. Capital Outlay on Medical Stores ..		42,59,000	42,59,000	21,63,406	-20,95,594
85. Capital Outlay on Purchases by Kashmir Affairs Division ..		82,27,000	1,18,34,000	98,30,823	-20,03,177
96. Capital Outlay on Industrial Development ..		1,72,27,000	1,72,27,000	1,65,23,591	-7,03,409
97. Capital Outlay on Printing Presses ..		82,00,000	82,00,000	35,84,526	-46,15,474
98. Capital Outlay on Miscellaneous Stores ..		69,50,000	69,50,000	55,25,425	-14,24,575
99. Capital Outlay on Mineral Development ..		1,27,78,000	1,27,78,000	83,49,087	-44,28,913
100. Capital Outlay on Irrigation and Electricity ..		34,01,50,000	44,90,47,000	26,92,22,140	17,98,24,860
101. Capital Outlay on Fuel and Power ..		11,26,17,000	11,85,05,000	8,31,64,346	-3,53,40,654
105. Capital Outlay on Broadcasting Service ..		2,59,00,000	2,59,00,000	2,34,20,397	-24,79,603
Total Expenditure met from Capital					
		84,000	3,09,000	..	-3,09,000
		1,99,37,82,000	2,13,60,38,000	1,72,88,23,837	-40,72,14,143
Total (B)		1,99,38,66,000	2,13,63,47,000	1,83,21,31,640	-30,42,15,360

STATEMENT No. 5—*contd.*

1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
C.—Disbursements of Loans and Advances.—				
<i>Repayment of Debt</i>	8,09,63,95,000	8,28,19,98,000	8,85,14,92,934	56,94,94,934
Loans and Advances by the Central Government.	{ <i>Charged.</i> 1,94,47,02,000 { <i>Other than Charged</i> 29,68,54,000	{ <i>Charged.</i> 1,95,22,02,000 { <i>Other than Charged</i> 29,93,54,000	{ <i>Charged.</i> 1,33,88,94,539 { <i>Other than Charged</i> 4,62,33,538	{ <i>Charged.</i> -61,33,07,461 { <i>Other than Charged</i> -25,31,20,462
Total	{ <i>Charged</i> 10,04,10,97,000 { <i>Other than Charged</i> 29,68,94,000	{ <i>Charged</i> 10,23,42,00,000 { <i>Other than Charged</i> 29,93,54,000	{ <i>Charged</i> 10,19,03,87,473 { <i>Other than Charged</i> 4,62,33,538	{ <i>Charged</i> -4,38,12,527 { <i>Other than Charged</i> -25,31,20,462
	10,33,79,91,000	10,53,35,54,000	10,23,66,21,011	-29,69,32,989
Expenditure met from Revenue.	{ <i>Charged</i> 48,90,13,000 { <i>Other than Charged</i> 1,70,14,18,000	{ <i>Charged</i> 49,68,53,000 { <i>Other than Charged</i> 1,77,90,91,000	{ <i>Charged</i> 49,99,59,042 { <i>Other than Charged</i> 1,38,31,30,162	{ <i>Charged</i> +31,06,042 { <i>Other than Charged</i> -39,59,60,838
Expenditure met from Capital.	{ <i>Charged.</i> 84,000 { <i>Other than Charged.</i> 1,99,37,82,000	{ <i>Charged.</i> 3,09,000 { <i>Other than Charged.</i> 2,13,60,38,000	{ <i>Charged.</i> .. { <i>Other than Charged.</i> 1,83,21,31,640	{ <i>Charged.</i> -3,09,000 { <i>Other than Charged.</i> -30,42,15,360
Loans & Advances by the Central Government.	{ <i>Charged.</i> 1,94,47,02,000 { <i>Other than Charged.</i> 29,68,54,000	{ <i>Charged.</i> 1,95,22,02,000 { <i>Other than Charged.</i> 29,93,54,000	{ <i>Charged.</i> 1,33,88,94,539 { <i>Other than Charged.</i> 4,62,33,538	{ <i>Charged.</i> -61,33,07,461 { <i>Other than Charged.</i> -25,31,20,462
<i>Re-payment of Debt.</i>	8,09,63,95,000	8,28,19,98,000	8,85,14,92,934	+56,94,94,934
PART II.—Post Office and Telegraph and Telephone Departments.				
A. Expenditure met from Revenue.—				
Grant No. 26—Pakistan Post Office Department	{ <i>Charged.</i> 18,57,000 { <i>Other than Charged</i> 9,07,51,000	{ <i>Charged.</i> 18,57,000 { <i>Other than Charged</i> 9,35,69,000	{ <i>Charged.</i> 18,88,777 { <i>Other than Charged</i> 9,31,23,545	{ <i>Charged.</i> +31,777 { <i>Other than Charged</i> -4,45,455
Grant No. 27—Pakistan Telegraph and Telephone Department	{ <i>Charged.</i> 1,17,00,000 { <i>Other than Charged</i> 10,51,84,000	{ <i>Charged.</i> 1,20,00,000 { <i>Other than Charged</i> 10,63,10,000	{ <i>Charged.</i> 1,17,43,346 { <i>Other than Charged</i> 10,88,90,384	{ <i>Charged.</i> -2,56,654 { <i>Other than Charged</i> +25,80,384
Total Expenditure met from Revenue.	{ <i>Charged.</i> 1,35,57,000 { <i>Other than Charged.</i> 19,58,35,000	{ <i>Charged.</i> 1,38,57,000 { <i>Other than Charged.</i> 19,98,79,000	{ <i>Charged.</i> 1,36,32,123 { <i>Other than Charged.</i> 20,20,13,929	{ <i>Charged.</i> -2,24,877 { <i>Other than Charged.</i> +21,34,929
B. Expenditure met from Capital.				
Grant No. 33—Capital Outlay on Pakistan Post Office Department	95,90,000	95,90,000	71,73,933	-24,16,067

	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
Grant No. 34—Capital Outlay on Telegraph and Telephone Department ..		12,37,00,000	12,37,02,000	12,72,51,085	- 35,49,085
Total Expenditure met from Capital ..		13,32,90,000	13,32,92,000	13,44,25,018	+11,33,018
Total (A) and (B) ..	{ Charged. Other than Charged.	1,35,57,000	1,38,57,000	1,36,32,123	-2,24,877
		32,92,25,000	33,31,71,000	33,64,38,947	+ 32,67,947
Total Post Office Telegraphs and Telephones ..		34,26,82,000	34,70,28,000	35,00,71,070	+30,43,070
PART III. Defence Services:					
A.—Expenditure met from Revenue :					
39.—Defence Services ..		1,19,50,00,000	1,22,30,00,000	1,16,75,41,255	-5,54,58,745
40.—Capital Outlay on Defence Services met from Revenue ..		11,73,00,000	11,73,00,000	10,07,85,755	-1,65,14,245
Total -Defence Services ..		1,31,23,00,000	1,34,03,00,000	1,26,83,27,010	-7,19,72,990
Total ..	{ Charged. Other than Charged.	10,54,37,51,000	10,74,52,19,000	10,70,89,78,638	-4,12,40,36
		5,63,35,79,000	5,88,79,54,000	4,76,29,53,514	-1,12,50,00,486
GRAND TOTAL ..		16,17,72,30,000	16,63,31,73,000	15,46,69,32,152	-1,16,62,40,848

