

**THIRTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2011-2014)**

**FIFTIETH REPORT**

(Presented on 28th January, 2014)



SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2014

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**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2011-2014)**

**FIFTIETH REPORT**

**On**

**Regularisation of Excess Expenditure over Voted Grants/  
Charged Appropriation**

317/2014.

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Shri G. P. Unnikrishnan, Under Secretary.

## INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report on their behalf, present the Fiftieth Report on excess over Voted Grants/Charged Appropriations as disclosed in the Appropriation Accounts for the years from 2003-04 to 2011-12.

The Report was considered and finalised by the Committee at the meeting held on 22nd January 2014.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit) in the examination of the Appropriation Accounts.

Thiruvananthapuram,  
28th January, 2014.

DR. T. M. THOMAS ISAAC,  
*Chairman,*  
*Committee on Public Accounts.*

## **REPORT**

Regularisation of excess expenditure over Voted Grants/Charged Appropriation as disclosed in the Appropriation Accounts for the years 2003-04 to 2011-12.

2. This 50<sup>th</sup> Report of the Committee contains recommendations for regularisation of excess expenditure over Voted Grants/Charged Appropriation as disclosed in the Reports of the Comptroller and Auditor General of India for the financial years 2003-04 to 2011-12.

3. The Nineteenth Report of the Committee on Public Accounts (2011-14) presented to the House on 13<sup>th</sup> December 2012 is the latest Report in this regard. Since the Committee took utmost sincere efforts to clear the volume of pendency in regularisation of excess expenditure, it could recommend for the regularisation of all cases referred in the Appropriation Accounts up to the year 2010-11 and very few cases pertaining to the Appropriation Accounts for the year 2011-12 are remaining as of now (Detailed List in Appendix II).

4. The Constitution of India envisages that no money is expended by the State Government without the authorisation of the Legislature. As such, the administrative departments are not entitled to spend in excess of amounts allotted by the Legislature, and if any excess expenditure is incurred in certain inevitable conditions, it needs to be regularised as per the provision laid down in the Kerala Budget Manual, 'The Hand Book of Instructions' and Circulars issued by Finance Department from time to time. 'The Hand Book of Instructions' clearly stipulates that the administrative departments shall furnish the notes showing the reasons for excess expenditure within a period of 2 months from the date of presentation of Appropriation Accounts in the House.

5. The Committee had observed in the 19<sup>th</sup> Report that the huge time lag, stretching to decades, in preparing and furnishing the Notes on reasons of excess expenditure in a number of cases is explicitly a testimony of the lack of accountability on the part of administrative departments. The Committee evaluates that though persistent directions were issued, so that regarding the time frame of submission of notes, it is not being adhered to even till date. The Committee views the inordinate delay in submitting the notes by the concerned administrative departments as a gross dereliction of duty.

6. The Committee demands the Apex Committee to be more vigilant in timely submission of Notes for clearing of excess expenditure incurred by various Government Departments. The Committee explicitly expresses its happiness that the volume of pendency in submission of notes has been reduced considerably during the course of time.

7. The details of items of which the Committee could not recommend for regularisation due to the non-submission of notes by the administrative departments is listed as Appendix II. The Committee urges those departments to take adequate measures to furnish the notes within the least possible time.

8. The cases of excess expenditure mentioned in the table below were scrutinised by the Committee in its meetings on 23-1-2013 and 4-9-2013.

<i>Sl. No.</i>	<i>Year of Appropriation</i>	<i>Number and Name of Grant</i>	<i>Revenue or Capital Section</i>	<i>Department</i>	<i>Amount</i>
(1)	(2)	(3)	(4)	(5)	(6)
1	2003-04	XVII—Education, Sports, Arts and Culture	R(V)	Higher Education	121,86,09,617
2	2009-10	V—Agricultural Income Tax and Sales Tax	R(V)	Taxes	5,81,49,523
3	2009-10	VII—Stamps and Registration	R(V)	Taxes	5,55,10,479
4	2009-10	IX—Taxes on Vehicles	R(V)	Transport	1,66,30,122
5	2009-10	XVI—Pensions and Miscellaneous	R(C)	Revenue	2,71,28,083
6	2009-10	XIX—Family Welfare	C(V)	Health and Family Welfare	4,016
7	2009-10	XXVIII—Miscellaneous Economic Services	R(V)	Planning and Economic Affairs	1,30,36,755
8	2009-10	XXXI—Animal Husbandry	R(V)	Agriculture (Animal Husbandry)	2,68,33,060
9	2009-10	XXXIV—Forest and Wildlife	R(V)	Forest and Wildlife	3,22,16,217

(1)	(2)	(3)	(4)	(5)	(6)
10	2010-11	XII—Police	C(V)	Home	14,39,000
11	2010-11	XXIX—Agriculture	C(C)	Water Resources (MI)	54,916
12	2010-11	XXXII—Dairy	C(C)	Agriculture (Dairy)	83
13	2011-12	I—State Legislature	R(V)	Legislature Secretariat	23,82,620
14	2011-12	VII—Stamps and Registration	R(V)	Taxes	60,45,000

9. The Committee makes the following observations/comments in respect of the following Grants:

**Appropriation Accounts (2009-10) Grant No. IX—Taxes on vehicles  
R(V)—₹ 1,66,30,122**

10. The Committee directs the Transport Department to restrict the non-plan expenditure to the budget allocation and further adds that additional fund required to meet the enhanced establishment expenses should be included in the next year's budget proposal.

**Appropriation Accounts (2003-04) Grant No. XVII—Education, Sports, Arts  
and Culture R(V)—₹ 121,86,09,617**

11. The Committee opines that the Higher Education Department could have furnished an explanation much earlier so that the delay in regularising the excess expenditure could also have been avoided. The Committee also warns the department not to repeat such delay in future.

**Appropriation Accounts (2009-10) Grant No. XXXIV—Forest and  
Wildlife R(V)—₹ 3,22,16,217**

12. The Committee then suggests that the EDCs (Eco Development Committee) working with self generated income could either demand for budgetary support from Government or approach Planning Board for surplus TSP fund, so that incurring of excess expenditure could be avoided in future. The Committee further suggests to avoid the accounting error of calculating tax for both receipt and expenditure heads.



**Appropriation Accounts (2009-10) Grant No. V—Agricultural Income Tax and Sales Tax R(V)—₹ 5,81,49,523 Grant No. VII—Stamps and Registration R(V)—₹ 5,55,10,479 ; Appropriation Accounts (2011-12) Grant No. VII—Stamps and Registration R(V)—₹ 60,45,000**

13. The Committee expresses its displeasure over the inordinate delay in furnishing notes on excess expenditure and directs that Taxes Department should take all possible steps to submit the notes on excess expenditure, if any, incurred in future within the stipulated time limit.

**Appropriation Accounts (2009-10) Grant No. XVI—Pensions and Miscellaneous R(C)—₹ 2,71,28,083**

14. The Committee deplores the attitude of the officials of Revenue Department for the inordinate delay in furnishing notes even after repeated warnings. It warns that such negligence will be treated as a privilege issue in future.

15. The Committee directs the Finance Department to expedite action to elicit explanatory notes from the departments which failed to furnish explanatory notes. It also expresses its utmost satisfaction that the huge lump of arrears of excess mitigated to a considerable amount.

16. Subject to the above observations/comments, the excess expenditure over voted Grants/Charged Appropriation for the years from 2003-04 to 2011-12 as detailed in para 8 is recommended for regularisation under Article 205 of the Constitution of India.

Thiruvananthapuram,  
28th January, 2014.

DR. T. M. THOMAS ISAAC,  
*Chairman,*  
*Committee on Public Accounts.*

## APPENDIX I

## SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department Concerned</i>	<i>Conclusion/Recommendation</i>
(1)	(2)	(3)	(4)
1	7	General Administration, Taxes, Revenue, Finance, Home, Higher Education, Health and Family Welfare, Planning and Economic Affairs, Transport, Tourism, Social Justice	The details of items of which the Committee could not recommend for regularisation due to the non-submission of notes by the administrative departments are listed as Appendix II. The Committee urges those departments to take adequate measures to furnish the notes within the least possible time.
2	10	Transport	The Committee directs the Transport Department to restrict the non-plan expenditure to the budget allocation and further adds that additional fund required to meet the enhanced establishment expenses should be included in the next year's budget proposal.
3	11	Higher Education	The Committee opines that the Higher Education Department could have furnished an explanation much earlier so that the delay in regularising the excess expenditure could also have been avoided. The Committee also warns the department not to repeat such delay in future.
4	12	Forest and Wildlife	The Committee then suggests that the EDCs (Eco Development Committee) working with self generated income could either demand for budgetary support from Government or approach Planning

(1)	(2)	(3)	(4)
			Board for surplus TSP fund, so that incurring of excess expenditure could be avoided in future. The Committee further suggests to avoid the accounting error in calculating tax for both receipt and expenditure heads.
5	13	Taxes	The Committee expresses its displeasure over the inordinate delay in furnishing notes on excess expenditure and directs that Taxes Department should take all possible steps to submit the notes on excess expenditure, if any, incurred in future within the stipulated time limit.
6	14	Revenue	The Committee deplors the attitude of the officials of Revenue Department for the inordinate delay in furnishing notes even after repeated warnings. It warns that such negligence will be treated as a privilege issue in future.
7	15	Finance	The Committee directs the Finance Department to expedite action to elicit explanatory notes from the departments which failed to furnish explanatory notes. It also expresses its utmost satisfaction that the huge lump of arrears of excess mitigated to a considerable amount.

## APPENDIX II

DEPARTMENT-WISE STATEMENT OF ITEMS IN RESPECT OF WHICH  
NOTES EXPLAINING REASONS FOR EXCESS EXPENDITURE OVER  
VOTED GRANTS/CHARGED APPROPRIATION ARE NOT  
RECEIVED AS ON 4-9-2013

<i>Sl. No.</i>	<i>Year</i>	<i>Grant</i>	<i>Section</i>	<i>Amount</i>	<i>Department</i>
(1)	(2)	(3)	(4)	(5)	(6)
1	2011-12	II—Heads of States, Ministers and Headquarters Staff	R(C)	2,55,30,919	General Administration
2	2011-12	V—Agricultural Income Tax and Sales Tax	R(V)	2,69,07,419	Taxes
3	2011-12	VIII—Excise	R(V)	4,74,89,272	Taxes
4	2011-12	XI—District Administration and Miscellaneous	R(V)	8,28,23,107	Revenue
5	2011-12	XII—Police	R(V)	104,47,42,687	Home
6	2011-12	XII—Police	R(C)	3,01,000	Home
7	2011-12	XII—Police	C(V)	11,81,652	Home
8	2011-12	XIII—Jails	R(V)	1,03,42,841	Home
9	2011-12	XIV—Stationery and Printing and Other Administrative Services	C(V)	41,04,486	Higher Education
10	2011-12	XVI—Pensions and Miscellaneous	R(V)	570,16,88,879	Finance
11	2011-12	XIX—Family Welfare	R(V)	48,86,93,678	Health and Family Welfare

(1)	(2)	(3)	(4)	(5)	(6)
12	2011-12	XXVIII—Miscellaneous Economic Services	R(V)	2,27,91,084	Planning and Economic Affairs
13	2011-12	XLI—Transport	R(V)	14,90,73,882	Transport
14	2011-12	XLII—Tourism	C(V)	9,58,81,595	Tourism
15	2011-12	XLVI—Social Security and Welfare	C(V)	1,15,740	Social Justice