

Report of the
COMMITTEE ON PUBLIC
ACCOUNTS

of the Punjab Legislative Assembly

on the Appropriation Accounts and Finance
Accounts of the Punjab Government

1948-49



351.723

PUN-REP

Lahore

Printed by the Superintendent, Government Printing, Punjab

1955

Report of the Public Accounts Committee of the Punjab Legislative Assembly on the Appropriation Accounts and Finance Accounts of the Punjab Government for the year 1948-49.

This Report has, at various stages, been dealt with by four Committees. The first Committee

Composition of the Committee. was constituted for one year by notification No. 7, dated the 17th December 1951, under rule 139 of the Punjab Legislative Assembly Rules of Procedure. It consisted of the following members :—

- (1) Hon'ble Minister of Finance (*Ex-officio*).
- (2) Mr. Abdul Waheed Khan, M.L.A., 15, Cooper Road, Lahore.
- (3) Captain Saiyed Abid Hussain Shah, M.L.A., Shah Jewana House, Civil Lines, Jhang.
- (4) Chaudhri Ali Akbar Khan, M.L.A., Advocate, Lyallpur.
- (5) Chaudhri Fazal Elahi, M.A., LL.B. (Alig), M.L.A., Advocate, Katchery Road, Gujrat.
- (6) Malik Faiz Ahmad, M.L.A., Advocate, Civil Lines, Sargodha.
- (7) Malik Muhammad Akram Khan, M.L.A., Village Shamasabad *via* Hazro, District Attock.
- (8) Mr. Muhammad Amin, M.L.A., 30, Davis Road, Lahore.
- (9) Alhaj Makhdumzada Pir Saiyad Muhammad Alamdard Hussain Shah Gilani, M.L.A., Darbar Hazarat Pir Piran, Multan City.
- (10) Chaudhri Muhammad Iqbal Cheema, M.L.A., Advocate, Abbot Road, Sialkot City.
- (11) Chaudhri Mushtaq Ahmad Khan, M.L.A., "Women's Home", Female Jail, Lahore.

2. On the expiry of the term, a new (second) Committee was constituted for another year with notification No. 23, dated the 11th December 1952. It consisted of the same members, who were on the previous Committee, with the only exception that Rana Gul Muhammad Noon, M.L.A. (Basti Dad, Tehsil Shujabad, District Multan) was appointed in place of Ch. Fazal Elahi, M.L.A.

3. On the expiry of term of this second Committee, another Committee (third) was constituted for another year with notifi-

cation No. 12, dated the 4th December 1953, and this consisted of the following members:—

- (1) The Hon'ble Finance Minister (*Ex-officio*).
- (2) Chaudhri Muhammad Hussain Chatha, M.L.A., Civil Lines, Sheikhpura.
- (3) Chaudhri Muhammad Shafiq, M.L.A., Advocate, Chowk Jhandu Lal, Montgomery.
- (4) Mian Abdul Haq, M.L.A., Muhammad Malik Shahid Square, Montgomery.
- (5) Sheikh Muhammad Amin, M.L.A., 30, Davis Road, Lahore.
- (6) Rai Nasrullah Khan, M.L.A., Kamalia, Tehsil Toba Tek Singh, District Lyallpur.
- (7) Captain Saiyed Abid Hussain Shah, M.L.A., Shah Jewana, Civil Lines, Jhang.
- (8) Chaudhri Zaffarullah Khan, M.L.A., Village Ferozewala via Gujranwala, District Gujranwala.
- (9) Mr. Joshua Fazal-ud-Din, M.L.A., Advocate, 5, Temple Road, Lahore.
- (10) Sheikh Manzoor-ul-Hassan, M.L.A., Muhalla Dehri Hassan Abad, Rawalpindi Cantt.
- (11) Sardar Abdul Hamid Naki, M.L.A., 3, Wazir Ali Road, The Upper Mall, Lahore.

4. The fourth (present) Committee was constituted under notification No. 8, dated the 7th December 1954, and consisted of the following members:—

- (1) The Hon'ble Finance Minister (*Ex-officio*).
- (2) Malik Ghulam Nabi, M.L.A., 17, Temple Road, Lahore.
- (3) Salma Begum Tassaduque Hussain, M.L.A., 9, Fane Road, Lahore.
- (4) Sardar Abdul Hamid Naki, M.L.A., 3, Wazir Ali Road, Upper Mall, Lahore.
- (5) Sheikh Manzoor-ul-Hassan, M.L.A., Mohallah Dehri Hassan Abad, Rawalpindi Cantt.
- (6) Mr. Muhammad Amin, M.L.A., 30, Davis Road, Lahore.
- (7) Chaudhri Muhammad Shafiq, M.L.A., Advocate, Chowk Jhandu Lal, Montgomery.
- (8) Mr. Joshua Fazal-ud-Din, M.L.A., Advocate, 5, Temple Road, Lahore.
- (9) Chaudhri Zaffarullah Khan, M.L.A., Village Ferozewala via Gujranwala, District Gujranwala.

- (10) Lt.-Col. Saiyed Abid Hussain Shah, M.L.A., Shah Jewana House, Civil Lines, Jhang.
- (11) Soofi Abdul Hamid Khan, M.L.A., 32, Jail Road, Lahore.

5. In all, four meetings were held by the first Committee on the 11th July, 29th, 30th August, and 30th October 1952, two meetings were held by the second Committee on the 16th and 18th May, 1953 and two meetings were held by the 3rd Committee on the 3rd and 5th August 1954, for the consideration of the Appropriation Accounts and Finance Accounts for the year 1948-49. Captain Saiyed Abid Hussain Shah, M.L.A., ceased to be a member of the Committee, as he subsequent to his election as such, was unseated from the Legislature. He did not, therefore, participate in the deliberation of the Committee. The detailed proceedings of these meetings are contained in Annexure I of this Report.

This Report was considered and finalised in the second meeting of the present Committee held on the 19th March 1955.

The Hon'ble Mian Mumtaz Muhammad Khan Daultana, Finance Minister, was unanimously elected Chairman of the first Committee. The Hon'ble Malik Muhammad Firoz Khan Noon, Finance Minister, was unanimously elected Chairman of the second, third as well as the fourth Committee.

6. It was decided in the sixth meeting of the first Committee that the limits below which the discrepancies between the final figures of the grant or the appropriation for a sub-head of the actual expenditure incurred may be regarded as trivial and, therefore, not requiring explanation, should be as mentioned at page 13 of the Appropriation Accounts for the year 1948-49, viz:—

- (1) In the case of divergencies between the grant or appropriation for the sub-head as originally voted or sanctioned and its final figures as modified by supplementary provisions, surrenders and re-appropriations, no explanation should be given—
 - (a) if the modification is less than Rs. 5,000, and
 - (b) if it is for Rs. 5,000 or more but is less than 30 per cent of the original provision.
- (2) In the case of divergencies between the figures of final grant or appropriation and the actual expenditure—
 - (a) no explanation should be given where the saving is less than Rs. 2,000, and

(b) no explanation should be furnished—

if the saving is less than

*and is also less than ... per cent
of the final appro-
priation*

Rs.		
10,000	..	5 per cent.
Other cases	..	3 per cent.

if the excess is less than—

*and is also less than ... per
cent of the final appro-
priation*

Rs.		
1,000	..	10 per cent.
5,000	..	5 per cent.
Other cases	..	2 per cent.

A preliminary examination of the Appropriation Accounts was carried out in the subsequent meetings. In regard to matters, which required further elucidation it was decided to call for explanatory notes and examine the Heads of Departments concerned where necessary. Meetings which followed later were devoted to the examination of the Heads of Departments.

7. The actual expenditure during the year under review with the original and final grants or appropriations under the main sections of the Budget is compared in the following table:—

	Original grant or Appropriation	Final grant or Appropriation	Actual Expenditure	Saving (—) or (Excess(+)) over the final grant
(In lakhs of rupees)				
1. Expenditure charged to Revenue (Voted) ..	20,35	22,52	20,81	—1,71
2. Expenditure charged to capital (Voted) ..	11,88	11,50	5,39	—6,11
3. Disbursement of loans and advances	13	84	68	—16
Total (Voted) ..	32,36	34,86	26,88	—7,98

	Original grant or Appropriation	Final grant or Appropriation	Actual Expenditure	Saving (—) or Excess (+) over the Final grant
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(In lakhs of rupees)

1. Expenditure charged to Revenue (Charged) ..	1,20	1,85	1,48	—37
2. Expenditure charged to Capital (Charged) ..	..	..	..	..
Total (Charged) ..	1,20	1,85	1,48	—37
Total expenditure charged to Revenue	21,55	24,37	22,29	—2,08
Total expenditure charged to Capital	11,83	11,50	5,89	—6,11
Total disbursement of loans and advances ..	13	8	68	—16
GRAND TOTAL ..	37,56	36,71	28,96	—8,35

The total saving amounted to Rs. 8,35 lakhs or 22.73 per cent of the final grant. This percentage of saving is distributed over 3 main sections of the Budget in the following table which also indicates the total percentage of savings during the year 1947-48 (Post-partition period).

	Saving (—) or Excess (+)	
	1947-48 (Post-partition)	1948-49
Expenditure charged to Revenue ..	—24.5	—8.53
Expenditure charged to Capital ..	—86.8	—53.13
Disbursement of Loans and Advances	—60.3	—19.04
Combined percentage ..	—38.8	—22.73

Taking the voted and charged expenditure separately the result of budgeting during the year under review is shown in the table below:—

Year		Final Appropriations and grants	Excess (+) or Savings (—)	Percentage of Savings(—) Excess (+)
		Rs.	Rs.	Rs.
1947-48 (Post-partition)	{ (Charged) ..	1,12,05,300	—86,47,200	—77.17
	{ (Voted) ..	21,34,54,470	—7,84,79,223	—36.77
	Total ..	22,46,59,770	—8,71,26,423	—38.78
1948-49	{ (Charged) ..	1,84,43,730	—36,05,115	—19.55
	{ (Voted) ..	34,36,30,130	—7,98,42,253	—22.90
	Total ..	36,70,73,860	—8,34,47,368	—22.73

8. The Accountant-General has reported in paragraph 8 of the Appropriation Accounts the following excesses over voted grants. There is, however, no excess over charged appropriations:—

No.	Name of grant	Final grant	Expenditure	Excess
VOTED GRANT				
7	Irrigation (Works) ..	1,30,49,310	1,61,39,290	30,89,980
21	Co-operation ..	24,39,100	25,47,189	1,08,089
31	Superannuation Allowances and Pensions	48,70,500	53,36,642	4,65,142
	Total (voted) ..	2,03,58,910	2,40,23,121	36,63,211

These excesses were examined and further explanations were called for from the Heads of Departments concerned, where necessary.

EXCESS DEMAND FOR THE YEAR 1948-49

In accordance with the recommendation of the Public Accounts Committee in paragraph 8 of their report on the Appropriation Accounts of the year 1948-49, excess demands are made in respect of excesses over the net grants mentioned below which are explained in paragraph 8 of the Appropriation Accounts of the Punjab Government and the Report of the Accountant-General thereon for the year 1948-49 :—

Item No.	Number and name of grant	Excess
		Rs.
1.	7—Irrigation (Works)	30,89,980 (Voted)
2.	21—Co-operation	1,08,089 (Voted)
3.	31—Superannuation Allowances and Pensions.	4,65,142 (Voted)
	Total	36,63,211 (Voted)

The Committees were generally satisfied with the explanations given and we now recommend that necessary grants to regularise the excesses over the voted grants be voted by the Punjab Legislative Assembly.

9. Important instances of defective control over expenditure detailed in paragraph 12 of the Appropriation Accounts, 1948-49 were also examined and the Committees were generally satisfied with the explanations of the Heads of Departments concerned. Some suggestions have, however, been made in certain cases and they are contained in the proceedings of the meetings (Annexure I).

10. The Accountant-General has reported the following cases of financial irregularities and losses, etc.:—

- (1) Temporary misappropriation of Government money by an Excise Inspector.
- (2) Loss due to misappropriation by a Sub-Treasurer
- (3) Loss due to misappropriation by two Head Constables.
- (4) Loss due to defalcation in an Electric Supply Undertaking.

The Committee have gone into all these cases with care and were satisfied that no further action was called for in the matter of these irregularities and losses.

11. The recommendations made are contained in the proceedings of the meetings (Annexure I). The following recommendations should, however, be mentioned here:—

(i) In connection with the saving under "A-(11)—Mailsi Canal" under Grant No. 7—Irrigation (Works), after hearing the Chief Engineer, the Committee observed that the saving could be surrendered at the time of the submission of the second list of excesses and surrenders and that this should be done in future. In this connection, it was recommended that a general note should be sent to all Heads of Departments pressing upon them the necessity of surrendering in time the savings which they anticipate would eventually result at the end of the year from the grant at their disposal. We understand that necessary instructions to this effect have in fact already been issued by Government. The Committee further recommended that for equitable distribution of water-supply, Chief Engineers, Irrigation Branch should in future see that no injustice is done to the various cultivators by postponement of work on the remodelling of outlets.

(ii) While examining the Profit and Loss Account of various seed depots of Agriculture Department, the Committee recommended that Mr. Muhammad Amin, M.L.A., and the Director of Agriculture should together consider the question of reducing the incidental charges to a reasonable level. The joint report submitted by Mr. Muhammad Amin, M.L.A. and the Director of Agriculture indicated that incidental charges included in the profit and loss account were considered reasonable. The Committee, however, observe that the aim of the department should be to keep these incidental charges at the minimum possible level.

12. The Committee has examined the various sections of the Finance Accounts, particularly the Revenue Account. The revenue position of the Government during the year under Report was not satisfactory. The actual Revenue Receipts amounted to Rs. 17,11 lakhs against the original Budget of Rs. 12,78 lakhs. The actual revenue expenditure was Rs. 18,54 lakhs against the original Budget of Rs. 18,82 lakhs. These figures reveal a rise in revenue of Rs. 4,33 lakhs and a fall in expenditure of Rs. 28 lakhs, resulting in a net deficit of Rs. 1,43 lakhs.

13. The public debt of the undivided Punjab Government, at the time of partition, was as follows:—

Debt position.

	(in lacs of rupees)
(i) Debt due to the Government of India—	
(a) Consolidated Debt ..	7,70
(b) Development Loan ..	4,69
Total ..	12,39
(ii) Loans raised in the market ..	19,09
(iii) Interest up to the date of Partition..	33
Total ..	31,81

The above debt has not yet been allocated between the Punjab (P) and Punjab (I) Governments. Pending financial settlement between the two Governments, the initial liability to discharge debt obligations (including the payment of interest) is that of the Punjab (P) Government,—vide Article 9 of the Indian Independence (Rights, Property and Liabilities) Order, 1947.

14. During the year 1947-48 (Post-partition), the repayment made towards the principal (Loan from the Central Government) was of Rs. 5.27 lakhs only.

15. The debt position (Post-partition) of the Punjab Government as it stood at the beginning and close of the year 1948-49 is summarised in the statement below:—

(In thousands of rupees)

Nature of Debt	AMOUNT OF DEBT		
	On the 1st April 1948	On the 31st March 1949	Difference (+) or (—)
Permanent Debt ..	..	—1,57,14	—1,57,14
Floating Debt ..	..	4,50,00	+4,50,00
Loans from the Central Government ..	—5,27	7,71,86	+7,77,13
Unfunded Debt ..	1,90,02	1,83,66	—6,36
Gross Total Debt ..	1,84,75	12,48,38	+10,63,63
Deduct—Outstanding Loans and Advances made by Government.	93,70	1,45,00	+51,30
Net Debt ..	91,05	11,03,38	+10,12,33

(1) No loan was raised in the open market during the year.

Permanent Debt. The 1948 Bonds matured during the year and this debt was discharged to the extent of Rs. 1,57,14 (thousands).

(2) The balance of Rs. 4,50,00 (thousands) on the 31st March 1949 represents Ways and Means advances left unpaid at the close of the year.

Floating Debt. (3) The debt raised after Partition amounted to Rs. 7,88,00 (thousands) consisting of (i) loan of Rs. 5,00,00 (thousands) for Development Schemes and (ii)

Loan from the Central Government. (thousands) for redemption of Punjab Bonds, loan of Rs. 2,88,00 (thousands) for redemption of Punjab Bonds, 1948. The total liability of the undivided Government of the Punjab on the date of Partition in respect of the loans due to the undivided Government of India amounted to Rs 12,39,25 (thousands). This liability has not been allocated between Punjab (P) and Punjab (I). The repayment made towards the debt liability of the undivided Punjab Government, during the year stood at Rs. 10,87 (thousands). This figure has reduced the debt raised during the year, viz., Rs. 7,88,00 (thousands) to Rs. 7,77,13 (thousands).

(4) The figure of Rs. 1,83,66 (thousands) represents balances of Government servants. The Unfunded Debt. decrease of Rs. 6,36 (thousands) represents the excess of withdrawals over deposits during the year.

(5) The increase of Rs. 51,30 is mainly due to payment of advances to cultivators owing to damage caused by floods.

Loans and Advances.

(16) The Committees had the advantage of the advice of the Accountant-General at all its meetings. The Accountant-General's report on the Appropriation Accounts has been of great value and we place on record our sense of appreciation for the valuable assistance given by him. We also express our appreciation of the assistance given to us by the various Heads of Departments during their oral examination.

General.

FIROZ KHAN NOON

GHULAM NABI

SALMA TASSADUQE HUSSAIN

ABDUL HAMID NAKI

MANZOOR-UL-HASSAN

MUHAMMAD AMIN

MUHAMMAD SHAFIQ

JOSHUA FAZAL-UD-DIN

ZAFARULLAH KHAN

ABID HUSSAIN SHAH

ABDUL HAMID KHAN

ANNEXURE I

Proceedings of the 6th meeting of the Public Accounts Committee, held in Town Hall, Murree, at 10-15 a.m., on Friday the 11th July 1952.

Present—

- (1) The Hon'ble Mian Mumtaz Muhammad Khan Daultana
Finance Minister.
- (2) Mr. Abdul Waheed Khan, M.L.A.
- (3) Chaudhri Ali Akbar Khan, M.L.A.
- (4) Chaudhri Fazal Elahi, M.L.A.
- (5) Chaudhri Faiz Ahmad, M.L.A.
- (6) Malik Muhammad Akram Khan, M.L.A.
- (7) Chaudhri Muhammad Iqbal Cheema, M.L.A.
- (8) Chaudhri Mushtaq Ahmad Khan, M.L.A.
- (9) M. M. Ahmad, Esquire, C.S.P., Secretary to Government, Punjab, Finance Department (*by invitation*).
- (10) M. B. Ahmad, Esquire, P.A. and A.S., Accountant-General, Punjab (*by invitation*).
- (11) S. Fazli Hossain, Esquire, Under-Secretary to Government, Punjab, Finance Department (*by invitation*).

PROCEEDINGS

* * * * *

2. The preliminary examination of the Appropriation Accounts for the year 1948-49 was then taken up. At the outset, the Committee decided that in view of the abnormal conditions then prevailing explanations should not be called for trivial discrepancies between the final figures of the grant or appropriation for a sub-head and the actual expenditure incurred, as laid down in the formula mentioned on page 13 of the said Appropriation Accounts.

GRANT No. 7—IRRIGATION (WORKS)

Page 32—

A—(11)—*Mailsi Canal*—It has been mentioned under this sub-head as well as other sub-heads noted below that the reasons for savings were due to curtailment of expenditure of

certain works as a measure of economy. The Committee desired to know what precisely was the basis of economy and how it was exercised. It also desired to know whether any essential work was left out.

A-(13)—*Haveli Canals*—

Page 33—

B-(6)—*Lower Bari Doab Canal*—The Committee desired to know full reasons why additional funds were provided through reappropriation of Rs. 1,48,170 when eventually there was a huge saving of Rs. 2,24,118. The Committee also observed that in view of the eventual savings in the following sub-heads there was no justification whatsoever for obtaining additional funds through supplementary grants or by reappropriation. The Committee desired to have explanations in these cases also:—

Page 32—

A (11)—*Mailsi Canals*—

Page 33—

B-(10)—*Nili Bar Circle*—

B-(13)—*Haveli Canals*—

Page 34—

B-(16)—*Excavator Division*—

C-(1)—*Gross Charges*—

E-(1)—*Derajat Circle (Muzaffargarh and Dera Ghazi Khan Division)*—

Page 35—

F-(2)—*Shahpur Canals*—

Page 36—

Y—*Extension and Improvements.*

18—OTHER REVENUE EXPENDITURE FINANCED FROM
ORDINARY REVENUES

Page 37—

CC-(1)—*Gross Charges*—

GRANT No. 8—CHARGES ON IRRIGATION ESTABLISHMENT

Page 41—

A-(2) (iv)—*Director, Land Reclamation*—The Committee desired to know full and specific reasons why in spite of the surrender of Rs. 1,81,600 there was an eventual saving of Rs. 2,61,505.

Page 44—

G-3—*Superintending Engineers*—The Committee desired to have detailed reasons why sum of Rs. 26,700 was surrendered when eventually the expenditure resulted in an excess of Rs. 12,196.

GRANT No. 9—IRRIGATION (CAPITAL)

Page 50—

B-(12)—*Moghalpura Irrigation Workshops Division*—The Committee desired to know detailed reasons why a sum of Rs. 14,020 was surrendered when eventually the actual expenditure disclosed an excess of Rs. 5,161. It also desired to know each work, from which it was contemplated that there would be a saving and which was ultimately responsible for an eventual excess.

It was decided that the next meeting of the Committee should be held at Lahore on Friday and Saturday the 22nd and 23rd August 1952 at 8-00 a.m.

(At this stage the Hon'ble Finance Minister left the meeting and Ch. Fazal Elahi was unanimously elected as Acting Chairman in his absence.)

B-(15)—*Excavator Division*—The Committee desired to know the full details why the huge amount of Rs. 4,46,990 was surrendered and what were the reasons for the postponement of the work.

C-(1)—*Gross Charges*—The Committee desired to know full reasons why in spite of the huge surrender of Rs. 13,37,360 there was an ultimate saving of Rs. 9,58,777.

Page 51—

D-2—*Other Suspense Accounts*—The Committee desired to know full reasons why in spite of the additional funds obtained by reappropriation (Rs. 17,010) there was a huge excess of Rs. 66,52,722.

D-(3)—*Deduct—Deposits from States*—

The Committee desired to know detailed reasons why in spite of the surrender of Rs. 1,080 there was an ultimate saving of Rs. 50,933.

E-(1)—*Gross Receipts and Recoveries*—

The Committee desired to know full reasons for the huge saving of Rs. 6,23,352 in spite of a surrender of Rs. 49,450,

Page 53—

U-(2)—*Other Suspense Accounts*—

The Committee desired to know full reasons why in spite of the additional fund of Rs. 11,01,930 obtained through re-appropriation there was eventually an excess of Rs. 7,95,705. It also desired to have full explanation of how the suspense head is operated upon.

GRANT No. 10—GENERAL ADMINISTRATION

Page 61—

I-1—*Pay of Officers*—

I-2—*Pay of Establishment*—The Committee desired to know full particulars of how the excess occurred on account of miscalculations in the estimates. It also decided to have the oral examination of the Secretary, Punjab Legislative Assembly, in the matter.

Page 62—

K-3—*Director, Food Purchases*—

The Committee desired to know full reasons on the following points:—

- (1) what was the basis of the estimates;
- (2) what was the basis of the surrender; and
- (3) whether any claims were received or not. If they were received, whether they were accepted or not.

Page 63—

P-1 (1)—*Pay of Officers*—The Committee desired to know full reasons why in spite of the surrender of Rs. 91,200 there was an ultimate saving of Rs. 1,73,720 and what in fact were the departmental changes (departments concerned to be specified) which were responsible therefor.

Page 65—

R-2 (1) (b)—*Pay of Establishment*—The Committee desired to know why the amount of Rs. 3,000 was surrendered when ultimately there was an excess of Rs. 29,644, in particular the Committee desired to know the details of how this excess came about.

MUMTAZ MUHAMMAD KHAN DAULTANA

FINANCE MINISTER

Chairman, Public Accounts Committee

FAZAL ELAHI

Acting Chairman, Public Accounts Committee

Proceedings of the seventh meeting of the Public Accounts Committee, held in Hon'ble Chief Minister's room in the Punjab Civil Secretariat, at 8-00 a.m. on Friday, the 29th August 1952.

Present—

- (1) Mr. Abdul Waheed Khan, M. L. A. (*Acting Chairman*)
- (2) Malik Muhammad Akram Khan, M.L.A.
- (3) Mr. Muhammad Amin, M.L.A.
- (4) Chaudhri Mushtaq Ahmad Khan, M.L.A.
- (5) Alhaj Makhdumzada Pir Saiyed Muhammad Alamdar Hussain Shah Gilani, M.L.A.
- (6) Chaudhri Faiz Ahmad, M.L.A.
- (7) M. M. Ahmad, Esquire, C.S.P., Secretary to Government, Punjab, Finance Department (*by invitation*).
- (8) M. B. Ahmad, Esquire, P. A. and A. S., Accountant-General, Punjab (*by invitation*).

PROCEEDINGS

In the absence of the Hon'ble Mian Mumtaz Muhammad Khan Daultana, Minister for Finance, Mr. Abdul Waheed Khan, M.L.A., was unanimously elected as Acting Chairman on the proposal of Chaudhri Mushtaq Ahmad Khan, M.L.A., which was seconded by Alhaj Makhdumzada Pir Saiyed Muhammad Alamdar Hussain Shah Gilani, M.L.A.

2. The Committee confirmed the proceedings of its fifth and sixth meetings, held on the 10th and 11th July 1952.

* * * * *

APPROPRIATION ACCOUNTS FOR THE YEAR 1948-49

5. The Committee then resumed the preliminary examination of Appropriation Accounts, 1948-49 left over in the last meeting, and came to the following conclusions:—

GRANT No. 14—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS

Page 86—

*M-2—Administration of the Punjab Weights and Measures Act—*The Committee would be interested to know the circumstances under which bills amounting to Rs. 14,427 remained unpaid for want of orders of Government. It should be intimated if the non-payment was due to failure of prompt action on the part of the Department or sanction was delayed by the competent authority. The explanation should furnish precise dates of preparation of bills, application for sanction and the date on which sanction was received.

GRANT No. 16—EDUCATION (EXCLUDING EUROPEAN AND ANGLO-PAKISTAN EDUCATION)

Page 90—

A—Grants to University—The Committee would like to have full details and justification for the post-budget sanction of the special grant which resulted in an excess of Rs. 2,90,195 in the original estimate.

Page 92—

Q—Scholarships—The Committee would like to know how scholarships are not susceptible of accurate estimation.

Page 93—

Note 5—Sub-head C—The Committee observed that there was no justification for the reappropriation of Rs. 10,000 in the original provision of Rs. 2,94,370 when eventually the Department showed a final saving of Rs. 56,541.

Note 7—Sub-head R—The Committee desired to know how expenditure on the printing of question papers for the Departmental Examinations was paid out of "Secret Service Fund" which is not open to audit.

GRANT No. 17—MEDICAL

Page 95—

B-6—Lady Aitchison Hospital, Lahore—The Committee remarked that the payment of bills should be made promptly. It, therefore, wanted to know the circumstances under which the contingent bills remained unpaid during the year when the provision existed and funds were available.

GRANT No. 18—PUBLIC HEALTH

Page 97—

C—Expenses in connection with Epidemic Diseases—The committee observed that there was an original provision of Rs. 5,80,100 and a further amount of Rs. 5,02,960 was reappropriated, thereby increasing the final grant to Rs. 10,83,060. The Department subsequently showed a saving of Rs. 3,61,719, which, as explained by it, was mainly due to non-compliance with orders for the supply of medicines and vaccines. The Committee considered that non-compliance of orders could have been anticipated earlier to have the final savings surrendered in time.

GRANT No. 19—AGRICULTURE

Page 101—

I-3—Station Gardens, Lahore—The Committee observed that the reappropriation of Rs. 2,450 was unjustified in view of the ultimate saving in excess of the amount reappropriated (Rs. 2,779).

Page 103—

Profit and Loss account of Wheat seed at the Seed Depots for the year ended 31st March 1949—The Committee examined the profit and loss account of wheat seed for the year ended 31st March 1949, and observed that on an investment of about Rs. 19 lacs the department made a profit of almost $3\frac{1}{2}$ lacs (Rs. 3,46,678). This represents a profit of 17.9% on the investment and, as this profit was secured on sale of seed, the Committee would like to have justification for such a high percentage of profit in the matter of supply of seed to cultivators.

The Committee would also like to have full justification of high incidental charges amounting to Rs. 1,22,978 on an investment of about Rs. 18 lacs (Rs. 17,42,457 plus Rs. 67,097).

Page 104—

Profit and Loss account of Gram seed at the Seed Depots for the year ended 31st March 1949—A similar exposition of the account was required by the Committee in respect of profit and loss account of gram seed for the year ended 31st March 1949. The incidental charges amounting to Rs. 5,650 on a total investment of less than Rs. 60 thousand (Rs. 59,897) appeared to the Committee to be excessive. It would, therefore, like to have full details of the incidental charges.

Page 107—

Profit and Loss account of Cotton seed for the year ended 31st March 1949—The Committee would be interested to have full details of incidental charges amounting to Rs. 44,617.

Page 108—

Profit and Loss account of Jowar seed at the Seed Depots for the year ended 31st March 1949—The Committee would like to know if the amount of incidental charges amounting to Rs. 13,084 was incurred on the seed purchased during the year 1948-49 only or the total amount of Rs. 1,01,016 which includes the seed brought forward from last year's stock?

Page 108—

Profit and Loss account of Rice seed at the Seed Depots for the year ended 31st March 1949—The Committee desired to have full details and justification of incidental amount of Rs. 6,822 on the seed stock of the value of less than Rs. 76 thousand (Rs. 75,408).

Page 109—

Profit and Loss account of Bajra seed at the Seed Depots for the year ended 31st March 1949—The Committee observed that the profit amounts to Rs. 2,449 on the seed valued at Rs. 3,141. The high profit is required to be justified.

6. The Committee then adjourned to meet again at 8-00 a. m. on the 30th August 1952.

ABDUL WAHEED KHAN,

ACTING CHAIRMAN

Public Accounts Committee

Proceedings of the eighth meeting of the Public Accounts Committee, held in Hon'ble Chief Minister's room in the Punjab Civil Secretariat, at 8-00 a. m., on Saturday, the 30th August 1952.

Present—

- (1) The Hon'ble Mian Mumtaz Muhammad Khan Daultana, Finance Minister—*Chairman.*
- (2) Malik Muhammad Akram Khan, M.L.A.
- (3) Chaudhri Fazal Elahi, M.L.A.
- (4) Mr. Abdul Waheed Khan, M.L.A.
- (5) Chaudhri Mushtaq Ahmad Khan, M.L.A.
- (6) Chaudhri Ali Akbar Khan, M.L.A.
- (7) Mr. Muhammad Amin, M.L.A.
- (8) Alhaj Makhdumzada Pir Saiyed Muhammad Alamdar Hussain Shah Gilani, M.L.A.
- (9) Chaudhri Faiz Ahmad, M.L.A.
- (10) M. M. Ahmad, Esquire, C.S.P., Secretary to Government, Punjab, Finance Department (*by invitation*).
- (11) M. B. Ahmad, Esquire, P. A. and A.S., Accountant-General, Punjab (*by invitation*).

PROCEEDINGS

* * * * *

2. The Committee then resumed the preliminary examination of Appropriation Accounts for 1948-49, left over in the last meeting, and came to the following conclusions:—

**APPROPRIATION ACCOUNTS FOR THE YEAR 1948-49
GRANT No. 21—CO-OPERATION**

Page 116—

A-1 (2)—Deduct—*Charges recoverable from other Governments, Departments, etc., and*

B-1 (5)—Deduct—*Amount to be met out of the surcharge on cloth collected by the Co-operative Union—*

The Committee would like to know the circumstances in which the amount spent on the Weaving and Spinning Schemes could not be determined before the close of the year.

GRANT No. 22—INDUSTRIES

Page 118—

A-4 (3)—*Government Zenana Industrial Schools*—The Committee wanted to know whether the Zenana Industrial Schools were started in subsequent years.

A-4 (6)—*Mayo School of Arts*—The Committee would like to know the circumstances under which the two officers were not paid their salaries amounting to Rs. 7,720 for want of orders.

It would also like to know how and where the delay in the issue of orders occurred.

Page 119—

A-5—*Industrial Development*—The Committee would like to know the circumstances under which the meetings of the Board of Industries were held late in the year and thereby grants amounting to Rs. 3,54,394 were not utilized.

Page 120—

A-6 (2) (1)—*Gross Charges*—The Committee would like to know the circumstances in which no mill stores were available.

The Department should also justify the reappropriation of the amount of Rs. 1,02,010 when it eventually showed a saving of Rs. 1,84,479.

Page 122—

Subsidies during the year 1948-49—Glue Industry—(Serial No. 6)—The details of the subsidies granted to the Glue Industry to the extent of Rs. 23,000 may be furnished for the information of the Committee.

A list of the recipients and location of industry may also be furnished.

GRANT No. 24—CIVIL WORKS

Page 125—

K-(2)—*Other Education*—The Committee desired to know the details of the unanticipated credit in connection with the construction of Government College buildings at Montgomery, which resulted in a saving of Rs. 31,327.

Page 126—

L—*Medical*—The Committee considered that the reappropriation of Rs. 17,740 was unnecessary as eventually there was a savings of over Rs. 60 thousand (Rs. 60,744).

R-(1)—*Civil Works*—The figure in the second column is incorrect. It should be Rs. 1,67,830 instead of Rs. 67,830.

GRANT No. 26—ELECTRICITY SCHEMES—WORKING EXPENSES

Page 134—

B-(1)—Lahore Electric Supply Scheme—The Committee remarked that the explanation given by the Department was not clear. The Committee, therefore, desired that a detailed explanation should be furnished for its consideration.

Page 136—

A-(1) (i) (10) (i)—The amount under column 4 should be Rs. —1,29,110 instead of Rs. —10,29,110.

Page 139—

B-(1) (9)—Cost of power creditable to Bulk Supply under the Uhl River Scheme—The Committee desired to know why expenditure of Rs. 1,34,605 was met when the entire original grant was disallowed by the Finance Department.

B-(5) (2)—Maintenance proper—The Committee would like to know the circumstances under which the savings of Rs. 3,13,579 was not surrendered in time.

Page 141—

Paragraph 8 of Notes—The Committee observed that the leniency shown by the Department was out of place. In such cases the offender should be dealt with very severely.

GRANT No. 27—OTHER REVENUE EXPENDITURE CONNECTED WITH ELECTRICITY SCHEMES

Page 144—

C-(i)—Direction—The Committee desired to know the circumstances under which the reappropriation of Rs. 27,930 was obtained in view of the ultimate savings of Rs. 53,050.

Page 147—

Paragraph (1) of Notes—Rasul Hydel Scheme—The Committee desired to ascertain if the position was correctly described in the note. In case it was correctly stated, the circumstances under which the Project Estimate was not sanctioned up to 1948-49, when the Scheme had started in 1945-46, should be explained.

GRANT No. 29—ELECTRICITY SCHEMES—CAPITAL EXPENDITURE

Page 150—

A-(1) (i) (4)—Suspense—The Committee would like to have full justification regarding erroneous provision on account of scores required for Rasul Hydel Project, particularly as this error resulted in a saving of nearly Rs. 36 lakhs (Rs. 35,93,960).

The Committee remarked that the reappropriation of the amount of Rs. 35,99,660 was unnecessary.

Page 151—

A-(3) (i) (1)—*Works*—The Committee desired to know whether less payment to the firm on account of machinery amounting to Rs. 10,38,200 was due incorrect estimate of the value of the machinery, or receipt of less machinery than was anticipated and estimated.

A-(3) (i) (4)—*Suspense*—The Committee would like to have a full explanation personally from the Head of Department concerned regarding this entry under the Suspense Head.

Page 152—

A-3 (i) (5)—*Deduct—Receipts and Recoveries on Capital Account*—The figure in column 2 was not correctly shown. It should be “—4,100” instead of “100”.

GRANT No. 31—SUPERANNUATION ALLOWANCES AND PENSIONS

Page 157—

A—*Superannuation and Retired Allowances (Voted)*—The Committee desired to know—

- (1) how the expenditure was not susceptible of accurate estimation under this particular head, and
- (2) how the excess expenditure amounted to Rs. 6,21,364 when the Department surrendered a sum of Rs. 11,73,700 and thus reduced the final grant to Rs. 30,00,000?

E—*Gratuities*—The Committee wanted to have justification for the surrender of Rs. 16,800 when ultimately it showed an excess of Rs. 1,75,383 as against the reduced grant of Rs. 12,000.

GRANT No. 32—STATIONERY AND PRINTING

Page 161—

G-1 (3)—*Provision for depreciation*—The Committee observed that the explanation against item No. (ii) in column No. 4 is not understood. The Committee, therefore, desired that the Department should furnish full explanation how the depreciation charge was not correctly anticipated.

Page 162—

G-2—*Central Jail and Borstal Institution Presses*—The Committee would like to have full explanation.

GRANT No. 33—MISCELLANEOUS

Page 173—

L-15—Less—Amount to be spent from Depreciation Reserve Fund—The Committee desired that it should be indicated whether non-payment of bills was due to non-receipt of bill or for any other reason.

Q—Loss or Gain by Exchange—The Committee wanted to have full explanation if the rate of exchange was fixed by the Central Government annually.

3. The Committee was then adjourned to meet again or dates to be fixed by the Hon'ble Minister for Finance.

MUMTAZ MUHAMMAD KHAN DAULTANA

FINANCE MINISTER

Chairman, Public Accounts Committee

Proceedings of the ninth meeting of the Public Accounts Committee, held in Hon'ble Chief Minister's room in the Punjab Civil Secretariat, at 10-30 a.m. on Thursday, the 30th October 1952.

Present—

- (1) The Hon'ble Mian Mumtaz Muhammad Khan Daultana, Finance Minister,—*Chairman.*
 - (2) Mr. Abdul Waheed Khan, M.L.A.
 - (3) Chaudhri Mushtaq Ahmad Khan, M.L.A.
 - (4) Alhaj Makhdumzada Pir Saiyed Muhammad Alamdar Hussain Shah Gilani, M.L.A.
 - (5) Chaudhri Faiz Ahmad, M.L.A.
 - (6) Mr. Muhammad Amin, M.L.A.
 - (7) Chaudhri Ali Akbar Khan, M.L.A.
 - (8) M. M. Ahmad, Esquire, Secretary to Government, Punjab, Finance Department (*by invitation*).
 - (9) M. B. Ahmad, Esquire, P. A. and A. S. Accountant-General, Punjab, (*by invitation*).
 - (10) S. Fazli Hossain, Esquire, Under-Secretary to Government, Punjab, Finance Department (*by invitation*).
- (Heads of Departments concerned were also present by invitation).

PROCEEDINGS

The Committee confirmed the proceedings of its seventh and eighth meetings held at Lahore on the 29th and 30th August 1952.

* * * * *

APPROPRIATION ACCOUNT FOR THE YEAR 1948-49

4. The Committee then resumed the preliminary examination of appropriation accounts for 1948-49 left over in the last meeting and came to the following conclusions.

GRANT No. 35—CAPITAL OUTLAY ON PROVINCIAL SCHEMES OF STATE TRADING

Page 180—

*II-A-3 (b)—Debits—*The Committee wished to know the—

- (a) Cost and freight of the foodgrains; and
- (b) incidental charges with complete break-up.

ACCOUNTS AND REVIEWS OF GOVERNMENT COMMERCIAL CONCERNS.

Pages 190—227.

5. The Committee examined the Accounts and Reviews of Government Commercial concerns and was satisfied with the position and the explanations stated therein.

6. The Committee examined the Finance Account year 1948-49 in detail and was quite satisfied with the revenue and debt position of the Province as disclosed in the accounts.

7. The Committee then adjourned to meet again on date to be fixed by the Hon'ble Minister for Finance.

MUMTAZ MUHAMMAD KHAN DAULTANA

FINANCE MINISTER

Chairman, Public Accounts Committee

Proceedings of the 1st meeting of the Public Accounts Committee, held in the Hon'ble Chief Minister's room, at 9-30 a.m., on Saturday, the 16th May 1953.

Present—

- (1) The Hon'ble Malik Muhammad Firoz Khan Noon, Finance Minister.
- (2) Ch. Mushtaq Ahmad Khan, M. L. A.
- (3) Makhdumzada Alhaj Pir Saiyed Muhammad Alamdar Hussain Shah Gilani, M. L. A.
- (4) Malik Muhammad Akram Khan, M. L. A.
- (5) Ch. Faiz Ahmad, M. L. A.
- (6) Mr. Abdul Waheed Khan, M. L. A.
- (7) Mr. Muhammad Amin, M. L. A.
- (8) Rana Gul Muhammad Noon, M. L. A.
- (9) M. M. Ahmad, Esquire, C.S.P., Secretary to Government, Punjab, Finance Department (*By invitation*).
- (10) M. B. Ahmad, Esquire, P. A. and A. S. Accountant-General, Punjab (*by invitation*).
- (11) S. Fazli Hossain, Esquire, Under-Secretary to Government, Punjab, Finance Department (*by invitation*).

PROCEEDINGS

It was proposed by Chaudhri Mushtaq Ahmad Khan, M.L.A. and seconded by Malik Muhammad Akram Khan, M.L.A., that the Hon'ble Malik Muhammad Feroze Khan Noon, Minister for Finance, be elected Chairman of the Committee. The Hon'ble Malik Muhammad Feroze Khan Noon was unanimously elected Chairman of the Committee.

2. The Committee confirmed the proceedings of its meeting, held on the 30th October 1952.

* * * * *

4. The Committee considered the memorandum regarding the proposal of the Accountant-General that token note/executive sanction should be obtained for demand/appropriation even though the net result is a minus figure. The Committee felt that the point involved was technical and required further consideration in Finance Department in consultation with the Accountant-General, Punjab. This item was, therefore, left over for later consideration.

* * * * *

6. The Committee then proceeded to examine the notes submitted by the Heads of Departments explaining divergencies between the figures of (i) original and final grant or appropriation, and (ii) final grant and actual expenditure as disclosed by the Appropriation Accounts for the year 1948-49.

GRANT No. 7—IRRIGATION (WORKS)

Page 32—

A-(11)—*Mailsi Canal*—The Committee observed that the estimates should be prepared very strictly and if a particular item is likely to be deferred then the provision for it need not be made in the Budget.

A-(13)—*Haveli Canals*—The Committee was satisfied with the explanation.

Page 33—

B-(6)—*Lower Bari Doab Canal*—The Committee was satisfied with the explanation.

B-(10)—*Nili Bar Circle*—It was decided that this item should be considered on Monday, the 18th instant when the Heads of Departments concerned should be called for oral explanation of the whole matter and should also bring full details of the expenditure for the information of the members. The Committee particularly desired to know why this amount was asked for if the work was such as was to be postponed to the next financial year.

B-(13)—*Haveli Canals*—The Committee desired to hear the Head of the Department, so that he may explain the position. The Committee particularly wanted to know why provision was made at all in the Budget if the work was in fact of "less important nature" which could be deferred to the next year.

Page 34—

B-(16)—*Excavator Division*—The Committee desired to know full details of the actual expenditure of Rs. 336 which was incurred under this item. The Committee felt that it was possible that this amount was spent unnecessarily, as the bulk of the work was apparently postponed for the next year.

C-(1)—*Gross Charges*—The Committee was satisfied with the explanation.

E-(1)—*Derajat Circle (Muzaffargarh and Dera Ghazi Khan Divisions)*—The Committee desired to hear the Head of the Department particularly on the advisability of postponement of work on remodelling of outlets.

Page 35—

F-(2)—*Shahpur Canals*—The Committee was satisfied with the explanation.

GRANT No. 8—CHARGES ON IRRIGATION
ESTABLISHMENT

Page 41—

A-2 (iv)—*Director, Land Reclamation*—

Page 44—

C-3—*Superintending Engineers—*

The Committee was satisfied with the explanation furnished by the department on these two items.

GRANT No. 9—IRRIGATION—CAPITAL

Page 50—

B-(12)—*Moghalpura Irrigation Workshops Division—*

B-(15)—*Excavator Division—*

C-(1) *Gross Charges—*

The Committee was satisfied with the department's explanation on these three items.

GRANT No. 10—GENERAL ADMINISTRATION

Page 61—

I-1—*Pay of Officers* and I-2—*Pay of Establishment*—The Secretary, Punjab Legislative Assembly explained that the excess of Rs. 16,155 under "Pay of Officers" and of Rs. 21,074 under "Pay of Establishment" was in fact a case of excess of Rs. 6,244 and of Rs. 2,534, respectively. This discrepancy was attributed to the clerical staff which lacked experience in budget and accounts matters. The Committee was not altogether satisfied with the explanation and observed that more care should have been exercised by the superior officers.

FIROZ KHAN NOON

FINANCE MINISTER

Chairman, Public Accounts Committee

Proceedings of the 2nd meeting of the Public Accounts Committee, held in the Hon'ble Chief Minister's room, at 9-30 a.m., on Monday, the 18th May 1953.

Present—

- (1) The Hon'ble Malik Muhammad Fircz Khan Noon, Finance Minister.
- (2) Ch. Mushtaq Ahmad Khan, M. L. A.
- (3) Malik Muhammad Akram Khan, M. L. A.
- (4) Mr. Abdul Waheed Khan, M. L. A.
- (5) Mr. Muhammad Amin, M. L. A.
- (6) Rana Gul Muhammad Noon, M. L. A.
- (7) M. M. Ahmad, Esquire, C. S. P., Secretary to Government, Punjab, Finance Department (*by invitation*).
- (8) M. B. Ahmad, Esquire, P. A. and A. S., Accountant-General, Punjab (*by invitation*).
- (9) S. Fazli Hossain, Esquire, Under-Secretary to Government, Punjab, Finance Department (*by invitation*).

PROCEEDINGS

The Committee proceeding with the oral examination of Heads of Departments.

GRANT No. 7—IRRIGATION (WORKS)

Page 32—

A-(11)—*Mailsi Canal*—After hearing the Chief Engineer, the Committee observed that the saving could be surrendered at the time of the submission of the second list of excesses and surrenders and that this should be done in future. The Committee further observed that a general note should be sent to all Heads of Departments pressing upon them the necessity of surrendering in time of the savings which they anticipate will eventually result at the end of the year from the grant at their disposal.

2. The Committee further observed that for equitable distribution of water-supply Chief Engineers should in future see that no injustice is done to the various cultivators by postponement of work on the remodelling of outlets.

Page 33—

B-(10)—*Nili Bar Circle*—The Committee made the same observations as in "A-(11)—*Mailsi Canal*," above.

*B-(13)—Haveli Canal—**Page 34—**B-(16)—Excavator Division—**Page 36—**Y—Extension and Improvements—**Page 37—*

*CC-(I)—Gross Charges—*The Committee was satisfied with the department's explanation on these four items.

GRANT No. 9—IRRIGATION—CAPITAL

Page—51

*D-Other Suspense Accounts—*The Committee was satisfied with the explanation.

The Accountant-General supplied for information a copy of his note, dated the 16th May 1953 (annexure II) to each member of the Committee explaining in brief the four sub-heads comprised in the head "Suspense" in the P. W. Accounts and the various types of transactions appearing under each of those sub-heads.

*D-(3)—Deduct—Deposits from States—**E-(1)—Gross Receipts and Recoveries—**Page 53—*

*U-(2)—Other Suspense Accounts—*The Committee was satisfied with the explanation received from the department on these three items.

GRANT No. 10—GENERAL ADMINISTRATION

Page 62—

*K-3—Director, Food Purchases—*The Committee was satisfied with the explanation.

Page 63—

*P-1(I)—Pay of Officers—*The Committee considered the explanation to be satisfactory.

Page 65—

*R-2 (I) (b)—Pay of Establishment—*The Reclamation Officer tried to explain the reasons for incorrect original estimates and incorrect reappropriation. He *inter alia* stated that as the records of the old Criminal Tribes Department were destroyed under the orders of Government it was not possible to explain whether in fact the expenditure of Rs. 73,104 was incurred during the year. The Committee was not satisfied with the explanation and asked that the Reclamation Officer should furnish a copy of the Government orders under which the relevant records were destroyed.

immediately on the winding up of the department. The Committee further wanted to know—

- (i) the expenditure incurred on the department in few years before as well as after partition; and
- (ii) the proportion of criminal tribes settlements at the time of partition in Punjab (P) and Punjab (I).

GRANT No. 14—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS

Page 86—

M-2—Administration of the Punjab Weights and Measures Act—The Committee was satisfied with the explanation.

GRANT No. 22—INDUSTRIES

Page 118—

A-(3)—Government Zenana Industrial Schools, Punjab—

A-4(6)—Mayo School of Arts—

Page 119—

A-5—Industrial Development—

Page 120—

A-6 (2) (1)—Gross Charges—

Page 122—

Subsidies during the year 1948-49—

The Committee was satisfied with the explanation received from the department on these five items.

GRANT No. 16—EDUCATION (EXCLUDING EUROPEAN AND ANGLO-PAK. EDUCATION)

Page 90—

A—Grants to University—

Page 92—

Q—Scholarships—

Page 93—

Note 5—Sub-head C—

Note 7—Sub-head R—

The Committee was satisfied with the department's explanation on all these four items.

GRANT No. 17—MEDICAL

Page—95

*B-6—Lady Aitchison Hospital, Lahore—*The Committee found the explanation to be satisfactory.

GRANT No. 18—PUBLIC HEALTH

Page 97—

*C—Expenses in connection with Epidemic Diseases—*The Committee was satisfied with the explanation.

GRANT No. 19—AGRICULTURE

Page 103—

Profit and Loss Account of Wheat Seed at the Seed Depots for the year ended 31st March 1949—

Page 104—

Profit and Loss Account of Gram Seed at the Seed Depots for the year ended 31st March 1949—

Page 107—

Profit and Loss Account of Cotton Seed at the Seed Depots for the year ended 31st March 1949—

Page 108—

Profit and Loss Account of Jowar Seed at the Seed Depots for the year ended 31st March 1949—

Profit and Loss Account of Rice Seed at the Seed Depots for the year ended 31st March 1949—

Page 109—

Profit and Loss Account of Bajra Seed at the Seed Depots for the year ended 31st March 1949—

The Committee was satisfied with the explanation but however, observed that incidental charges were on the high side. The Committee decided that Mr. Muhammad Amin, M. L. A., and the Director of Agriculture should together consider the question of reducing the incidental charges to a reasonable level.

GRANT No. 21—CO-OPERATION

Page 116—

*A-1 (2)—Deduct—Charges recoverable from other Governments Departments, etc.—*The Committee was satisfied with the explanation.

*B-1 (5)—Deduct—Amount to be met out of the surcharge on cloth collected by the Co-operative Union—*The Committee considered the explanation satisfactory.

GRANT No. 24—CIVIL WORKS

Page 125—

*K-(2)—Other Education—*The Committee was satisfied with the explanation.

Page 126—

*L-Medical—*The Committee found the explanation satisfactory.

*R-(1)—Civil Works—*The Committee was satisfied with the explanation.

**GRANT No. 26—ELECTRICITY SCHEMES—WORKING
EXPENSES**

Page 134—

B-(1)—Lahore Electric Supply Schemes—

Page 139—

*B-(1) (9)—Cost of Power Creditable to Bulk Supply under
the Uhl River Scheme—*

B-(5) (2)—Maintenance Proper—

Page 141—

Note 8—Losses and Irregularities—

The Committee was satisfied with the explanation received on these four items.

**GRANT No. 31—SUPERANNUATION ALLOWANCES
AND PENSIONS**

Page 157—

A-Superannuation and Retired Allowances—

E-Gratuities—

The Committee found the department's explanation satisfactory on both the items.

**GRANT No. 27—OTHER REVENUE EXPENDITURE
CONNECTED WITH ELECTRICITY SCHEMES**

Page 144—

C (1)—Direction—

Page 147—

Note (1) - Rasul Hydel Scheme—

The Committee was satisfied with the department's explanation on both the items.

**GRANT No. 29—ELECTRICITY SCHEMES—CAPITAL
EXPENDITURE**

Page 150—

A-(1) (i) (4)—Suspense—

Page 151—

A-(3) (i) (1)—Works—

A-(3) (i) (4)—Suspense—

The Committee found the department's explanation satisfactory on all the three items.

GRANT No. 32—STATIONERY AND PRINTING

Page 161—

*G-1 (3)—Provision for Depreciation—*The Committee was satisfied with the explanation.

Page 162—

*G-2—Central Jail and Borstal Institution Presses—*The Committee considered the explanation satisfactory.

GRANT No. 33—MISCELLANEOUS

Page 173—

L-15—Less—Amount to be spent from Depreciation Reserve Fund—

Q—Loss or Gain by Exchange—

The Committee considered the department's explanation satisfactory on both the items.

GRANT No. 35—CAPITAL OUTLAY ON PROVINCIAL SCHEMES OF STATE TRADING

Page 180—

*11-A—3 (b)—Debits—*The Committee was satisfied with the explanation.

2. It was decided that the next meetings of the Committee should be held at Murree on the 8th, 9th, 10th and 11th of June 1953 at 10-0 a. m., on each day. The first meeting should be held in the Town Hall while the venue of the subsequent meetings should be left to Hon'ble Finance Minister to decide on his arrival there.

FIROZ KHAN NOON

FINANCE MINISTER

Chairman, Public Accounts Committee

Proceedings of the 1st meeting of the Public Accounts Committee held in the Hon'ble Chief Minister's room at 9-00 a. m. on Tuesday the 3rd August 1954.

Present—

- (1) The Hon'ble Malik Muhammad Feroz Khan Noon, Minister of Finance, Punjab.
 - (2) Ch. Muhammad Shafiq, M.L.A.
 - (3) M. Abdul Haq, M.L.A.
 - (4) Mr. Muhammad Amin, M.L.A.
 - (5) Mr. Joshua Fazal-ud-Din, M.L.A.
 - (6) Sh. Manzoor-ul-Hassan, M.L.A.
 - (7) M. B. Ahmad, Esquire, P.A.A.S., Accountant-General, Punjab (*by invitation*).
 - (8) S. Fazli Hossain, Esquire, Under-Secretary to Government, Punjab, Finance Department (*by invitation*).
- (Heads of Departments concerned were also present by invitation).

PROCEEDINGS

The Hon'ble Malik Muhammad Feroz Khan Noon, Minister of Finance, was unanimously elected as Chairman of the Committee.

2. The Committee confirmed the proceedings of the meetings of the Committee held at Murree on the 8th, 9th and 11th June 1953.

APPROPRIATION ACCOUNTS FOR THE YEAR 1948-49.

The Committee then proceeded to examine the explanations of outstanding items furnished by the Heads of Departments concerned on the points previously noted by the Committee while examining the Appropriation Accounts 1948-49. The Heads of Departments concerned were also examined orally.

GRANT No. 10—GENERAL ADMINISTRATION

Page 65—

R-2 (1) (b)—*Pay of Establishment*—The Committee was not satisfied with the explanation and remarked that the papers relating to the accounts of the Reclamation Department should not have been destroyed as this was not contemplated in the orders of Government for the destruction of certain records of the said Department. The Committee, however, noted that the expenditure during the year was not disproportionate as compared with the expenditure of previous years keeping in view the fact that out of the total number of 36 Criminal Tribes Settlements in the former undivided Punjab province 28 were left in the Punjab (Pak).

GRANT No. 19—AGRICULTURE

Pages 103—112—

Profit and loss account of seed depots—Reduction and incidental charges of Agriculture Department—The Committee considered the joint report of Mr. Muhammad Amin, M.L.A., and the Director of Agriculture (Annexure III) who, after examination, had come to the conclusion that incidental charges included in the profit and loss account were reasonable. The Committee, however, observed that the aim of the department should be to keep these incidental charges at the minimum possible level.

* * * * *

MUHAMMAD AMIN

FIROZ KHAN NOON

ACTING CHAIRMAN

FINANCE MINISTER

Public Accounts Committee Chairman, Public Accounts Committee

Proceedings of the 3rd meeting of the Public Accounts Committee held in the Hon'ble Chief Minister's room in the Punjab Civil Secretariat at 9-30 a. m., on Thursday, the 5th August 1954.

Present—

- (1) The Hon'ble Malik Muhammad Firoz Khan Noon, Minister of Finance, Punjab.
 - (2) Ch. Muhammad Shafiq, M.L.A.
 - (3) M. Abdul Haq, M.L.A.
 - (4) Mr. Muhammad Amin, M.L.A.
 - (5) Mr. Joshua Fazal-ud-Din, M.L.A.
 - (6) Sh. Manzoor-ul-Hassan, M.L.A.
 - (7) M. B. Ahmad, Esquire, P. A. A. S., Accountant-General, Punjab (*by invitation*).
 - (8) S. Fazli Hossain, Esquire, Under-Secretary to Government, Punjab, Finance Department (*by invitation*).
- (Heads of Departments were also present by invitation).

PROCEEDINGS

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Token $\frac{\text{Vote}}{\text{Executive sanction}}$ for $\frac{\text{demands}}{\text{appropriation}}$ amounting to minus figures

2. The Committee approved the proposal of the Accountant-General, Punjab, which was agreed to by the Finance Department, that token vote/executive sanction should be obtained for demand amounting to minus figures in order to have uniformity of procedure already prevailing in the Central Government and other Provincial Governments of Pakistan.

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6. The Committee considered the statement (Annexure IV) showing the action taken on the recommendations of the Public Accounts Committee made in its report on the Appropriation Accounts and Finance Accounts 1947-48 (Post-Partition) and had no comments to make.

7. It was decided that the next meetings of the Committee should be held at Murree on the 3rd, 4th, 6th and 7th September 1954.

MUHAMMAD AMIN

FIROZ KHAN NOON

ACTING CHAIRMAN

FINANCE MINISTER

Public Accounts Committee Chairman, Public Accounts Committee

Proceedings of the 2nd meeting of the Public Accounts Committee, held in the Cabinet Room in the Assembly Chambers at 10-00 a. m., on Saturday, the 19th March 1955.

Present—

- (1) The Hon'ble Malik Muhammad Firoz Khan Noon.
 - (2) Malik Ghulam Nabi, M. L. A.
 - (3) Sardar Abdul Hamid Naki, M. L. A.
 - (4) Mr. Muhammad Amin, M. L. A.
 - (5) Mr. Joshua Fazal-ud-Din, M. L. A.
 - (6) M. M. Ahmad, Esquire, C. S. P., Secretary to Government, Punjab, Finance Department (*by invitation*).
 - (7) Muhammad Fazal-i-Haq, P.A. A.S., Esquire, Accountant-General, Punjab (*by invitation* (*by invitation*)).
 - (8) S. Fazli Hossain, Esquire, Under-Secretary to Government, Punjab, Finance Department (*by invitation*).
- (Heads of Departments concerned were also present by invitation).

PROCEEDINGS

The Committee confirmed the proceedings of its meeting held on the 3rd February 1955.

2. The Committee considered the draft of its report on the Appropriation Accounts and Finance Accounts of the Punjab Government for the year 1948-49, and the members present signed it.

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FIROZ KHAN NOON

FINANCE MINISTER

Chairman, Public Accounts Committee

ANNEXURE II

SUSPENSE ACCOUNT

The head "Suspense" in the P. W. Accounts comprises the following sub-heads :—

(1) Stock, (2) Miscellaneous Advances, (3) Purchases, (4) London Stores; (5) Workshop Suspense.

A brief note regarding the nature of transactions falling under each sub-head is given below :—

Stock—The sub-head "Stock" accommodates charges for all stores purchased for consumption on various works. All stores purchased or acquired are debited to this sub-head and all issues of stores to work or stores transferred to other Division, etc., are credited.

Miscellaneous Advances—This sub-head accommodates transactions regarding sales on credit, losses, retrenchment, errors, etc., unrecorded remittance (debit) transactions are also written back to this head when the opposite division does not adjust the item in the same year. For instance if 20 cement bags costing Rs. 100 are issued from Division A to Division B the transaction will appear in the respective divisions as follows :—

Stock. B. Remittances—Transfers between P. W. Officers

1. In accounts of Division A	..	Credit 100	Debit	100
2. In accounts of Division B	..	Debit 100	Credit	100

If the transaction is not adjusted by Division B in the same year, the debit of Rs. 100 appearing under Transfer between P. W. Officers will be written back and adjusted under Miscellaneous Public Work Advances.

Purchases—In Public Works Divisions stores and other material are purchased for various works in progress. In case stores are not paid during the same month the accounts of the work do not take cognizance of the cost of material which may have been used on the work during the month. To obviate this difficulty, the cost of material (approximately, if exact price is not known) is debited to the accounts of the work by credit to the head "Purchases" as soon as the material is received. The head "purchases" is debited when the cost is actually paid.

London Stores—Store ordered through the High Commissioner in London are sometimes received before the actual payment is made and the cost of stores, i.e., as in the case of purchases debited to the account of the work by credit to the head "London Stores". Debits of actual payments received subsequently are adjusted directly under the head "London Stores".

Workshop Suspense—This sub-head accommodates direct outlay (Debits) on jobs executed in a workshop, and receives credit when recovery for the job is made.

To sum up the head "Suspense" shows the net transactions appearing under all the four sub-heads noted above. The actual position of figures is somewhat on the following lines:—

TRANSACTIONS DURING THE YEAR

	Debits	Credits	Net
	Rs.	Rs.	Rs.
Stock ..	500	100	400 Dr.
Miscellaneous Advances ..	700	250	450 Dr.
Purchases ..	230	940	710 Dr.
London Stores ..	3,000	6,200	1,200 Cr.
Workshop Suspense ..	100	80	20 Dr.
	6,530	7,570	1,040 Cr.

The figures in accounts will thus appear as—1,040 in terms of expenditure.

BASHIR AHMAD

Accountant-General, Punjab

ANNEXURE III

Proceedings of the meeting held by the Director of Agriculture, Punjab, with Mr. Muhammad Amin, I.L.A., on the 20th March, 1954, to Discuss about the possibilities of reduction in the Incidental Charges paid by the Department of Agriculture, Punjab, as pointed out in the proceedings of the 1st meeting of the Public Accounts Committee, held on the 16th May, 1953.

The actual incidental charges (in break up to Railway freight, cartage, commission, terminal tax, godown rent, filling/cleaning/weighing/sewing charges and all other miscellaneous charges on loading, unloading, stocking, marking of bags, and cost of sutli, etc., etc.) paid by the Department on its various Seed Depot Commodities during the year 1948-49, were carefully examined and while comparing with the similar charges paid during the subsequent years 1951-52 and 1953, it was found that there has been appreciable decrease on the payment of the charges during the latter years.

Various aspects of the nature and the necessity of the charges required to be incurred by the Department particularly on the following items were discussed in detail and it was agreed that the charges are reasonable:—

1. *Railway Freight*—The supplies of *improved seeds* which can possibly be procured only at certain places are required to be extended to various places in the deficit districts and thus the payment of Railway Freight which is actual is inevitable.

2. *Commission*—It was elucidated that the commission charges are allowed to the non-official Seed Agents on the retail sales of various seeds to the growers and not to any other private party on purchases, etc. Different rates of commission have been prescribed by the Department for each commodity and are being paid by the Department during the past several years. The charges were considered to be quite reasonable in view of the extent of services rendered by the non-official Seed Agents to the Department.

3. *Cartage*—The cartage charges are paid for the transportation of seeds from the purchasing centres to the despatching Railway Stations and from the purchasing centres or from the destination Railway Stations to the Seed Sales Agencies scattered all over the Province at a distance of five miles radius. These rates are not generally allowed in excess of Re. 0-0-4 per maund per mile on Pucca roads and Re. 0-0-6 per maund per mile on Kutcha roads.

It was unanimously agreed that the present charges paid by the Department seems to be reasonable. It was, however, emphasised that strict vigilance and control if properly exercised by the officers of the Department can, of course, ensure some reduction in this expenditure.

MUHAMMAD AMIN

M. L. A.

Member, Public Accounts Committee

30-Davis Road, Lahore

KHAN ABDUL REHMAN

*Director of Agriculture, Punjab
Lahore*

ANNEXURE IV

STATEMENT SHOWING THE ACTION TAKEN ON THE RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE MADE IN ITS REPORT ON THE APPROPRIATION ACCOUNTS AND FINANCE ACCOUNTS FOR THE YEAR 1947-48 (Post-Partition Period)

Serial No.	Recommendation made by the Public Accounts Committee	Reference to the Report	Action taken or proposed to be taken on the point noticed.
1	<p>The Committee noted that there were wide variations in the actual expenditure as compared with the final grant or appropriation and this was mainly due to the inexperienced staff which was left to deal with budget and account matters immediately after Partition. The Committee recommended that Government should issue instructions to all departments impressing upon them the necessity of accurate budgeting in future.</p>	<p>Paragraph 4 at page 5.</p>	<p>The necessary instructions were issued to all concerned on the subject for guidance and compliance.</p>
2	<p>The Committee recommended that necessary grants to regularise the excesses over the grants be voted by the Punjab Legislative Assembly and the only excess over the charged appropriation be sanctioned by His Excellency the Governor.</p>		<p>Excesses over the grants have been voted by the Punjab Legislative Assembly and the excess over the charged appropriation has been sanctioned by His Excellency the Governor.</p>
3	<p>While examining the financial irregularities and losses, etc., the Committee secured a detailed explanation from the Irrigation Branch of the Public Works Department on the non-ob- servance of the prescribed rules for the purchase and acquisition of stores and also orally examined its representatives. The Committee noted that the E. E. concerned should have brought, in time, the necessity of the course adopted by him to the notice of his superior officers and obtained their requisite approval. The Committee observed that this irregularity should be brought to the notice of the department in the hope that such irregularities would not be repeated in future.</p>	<p>Paragraph 6 at pages 5-7.</p>	<p>These observations were brought to the notice of the department for guidance. The department has issued necessary instructions to its officers in this behalf.</p>
4	<p>The Committee observed that Appropriation and Finance Accounts for the period 1947-48 (Post-Partition) had been issued very late. The Accountant-General, Punjab, replied that this was due to the fact that the Heads of Departments did not supply in time the information required by him. Accordingly the Committee recommended that instructions to all concerned be issued that in future information required by the Accountant-General, Punjab, for the preparation of Appropriation and Finance Accounts be supplied promptly.</p>	<p>Paragraph 7(i) at page 6.</p>	<p>The necessary instructions have been issued to the Head of Departments in the Punjab by the Finance Department.</p>

ANNEXURE IV—CONTD.

Serial No.	Recommendation made by the Public Accounts Committee	Reference to the Report	Action taken or proposed to be taken on the point noticed.
5	<p>While examining the explanation of the Forest Department relating to minor head "D—Interest on Capital" under "Grant No. 4—Forest" the Committee expressed its dissatisfaction with the explanation and observed that it was an instance of defective budgeting. Since no provision for the expenditure was made at all.</p>	Page XI	<p>The observation of the Committee was brought to the notice of Forest Department for future guidance.</p>
6	<p>While examining the stores account of transactions of Forests for the year 1947-48, the Committee observed that the confusion in stores account was due to lack of a policy or specific instructions regarding preparation of stores accounts and expressed a hope that in future it would be removed by issuing definite instructions to the subordinate offices.</p>	Page XXXIV	<p>The Forest Department which was asked to comply with this recommendation, has issued the necessary instructions.</p>
7	<p>While considering the explanation furnished by the Chief Engineer, Electricity Branch, relating to other topics of interest, Local Audit and Inspection, the Committee reiterated its observation in the matter of irregularities suitable disciplinary action shall be taken against delinquents.</p>	Page XXXV	<p>The then Resident Engineer was solely responsible and his services were terminated by Government on this account.</p>
8	<p>While examining the explanation furnished by the Irrigation Department relating to paragraph 17 (f) of Audit Report—Local Audit Inspection—the Committee observed that if preparation of estimates is expedited, it would largely obviate tendency on the part of officers to execute urgent works in anticipation of sanction.</p>	Page XXXIX	<p>The observation of the Committee was brought to the notice of the Department with the request that instructions on the subject be issued to the concerned for compliance.</p>
9	<p>While examining the other topics of interest, the Committee observed as follows :—</p> <p>(a) The department should fix responsibility for the overpayment of Rs. 1,52,483 to the Lahore Grain Syndicate, so that suitable action could be taken against the official or officials concerned responsible for this overpayment.</p>	Page XL	<p>These recommendations were brought to the notice of the Refugee and Rehabilitation Department, which has furnished the following information :—</p> <p>(c) It was noticed that the overpayment was due to the negligence of the officer-in-charge and the Store-keeper. As there was no dishonest intention on their part they were reprimanded for the serious</p>

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mistake and further action was dropped. They have since left service and their whereabouts are not known. Hence, no further action can now be taken against them.

(b) Efforts are being made by the department to finalise the accounts with the help of the Accountant-General, Punjab.

(c) Efforts are being made by the department to settle the outstanding balance as early as possible.

(d) The matter is being pursued vigorously.

(b) The department should expedite the statement of accounts of the Lahore Grain Syndicate, so that necessary adjustment, of this overpayment could be made against the outstanding bills of the Syndicate.

(c) The department should take vigorous measures to secure adjustments of outstanding advances amounting to Rs. 25,68,745.

(d) Effective steps should be taken by the department to realise the balance of Rs. 2,700.