

"That the Bill be returned."

The motion was adopted.

THE APPROPRIATION (No. 2) BILL, 1957

THE MINISTER FOR FINANCE AND IRON AND STEEL (SHRI T. T. KRISHNAMACHARI): Mr. Deputy Chairman, I move:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1953, in excess of the amounts granted for those services and for that year, as passed by the Lok Sabha, be taken into consideration."

This Bill relates to the Demands for Excess Grants totalling Rs. 3.47 crores voted by the Lok Sabha on the 21st March 1957, and Rs. 4.09 crores charged on the Consolidated Fund of India in respect of the year 1952-53. Copies of the Demands were circulated to the hon. Members of this House on the 19th March last. The reasons for the excesses have been explained in the foot-notes below each Demand or Appropriation.

As hon. Members are aware, the voting of the Excess Demands and the passing of the Appropriation Bill have been provided for in article 115 read with article 114 of the Constitution. Before, however, that stage is reached, the exact excesses have first to be ascertained from the Appropriation Accounts of the year concerned. The reasons which led to the excesses are then examined by the Public Accounts Committee and it is only on the recommendations of the Committee that the excesses can be brought before the Parliament for regularisation. As already explained in the introductory remarks to the Excess Demand Statements, the Public Accounts Committee have recommended the regularisation of

these excesses. A certain time-lag between the year to which the excesses relate and the date on which these can be presented to the Parliament is unavoidable. The Appropriation Accounts can be compiled by the Comptroller and Auditor General and the other accounting authorities only after the accounts for the year are finally closed and reasons for the variations between the budget provision and the actuals obtained from the controlling authorities. Efforts are, however, being made to reduce these time-lags as much as possible. It has also been decided that the Comptroller and Auditor General should present the Appropriation Accounts of the Grants which have been exceeded in advance of the main accounts. The Public Accounts Committee would also likewise examine these excesses in advance and make a special report for their regularisation. These measures, it is hoped, would considerably shorten the time-lags in the presentation of the Excess Demands.

The House will be interested to know that out of the total number of 153 Grants and Appropriations for the year, excesses occurred only in 16 cases. The total excess of Rs. 7.56 crores is only 0.32 per cent. of the final Grants and Appropriations. In fact, as there was an overall saving of Rs. 158.95 crores for the year as a whole, the excesses were more than counter-balanced by the savings under other Grants and Appropriations.

Sir, I move.

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1953, in excess of the amounts granted for those services and for that year, as passed by the Lok Sabha, be taken into consideration."

SHRI KISHEN CHAND (Andhra Pradesh): The hon. Finance Minister in his speech has stated that the delay is unavoidable and this can only be rectified when the Public Accounts Committee has gone into the accounts and has seen and recommended certain things but I would like to know this—and it is asked year after year. After all there is the Appropriation Bill and any payment which is made out of the Consolidated Fund of India cannot exceed that Budget Grant which is stated in the Appropriation Bill. I would like to know from the hon. Finance Minister as to how it is that excess payments are made and whether it is an adjustment from one Head to the other Head which allows the payment to be made, because if it is actually in excess of the amounts sanctioned by the Government, it cannot be paid out of the Consolidated Fund of India. If it is only an adjustment of an item from one heading to another, then it can be understood; but if these Grants are actually in excess of the amounts sanctioned by Parliament there should be a method to ensure that this excess payment may not be made. After all Parliament has got control only through the Appropriation Bill and if in spite of passing the Appropriation Bill excess payments can be made—and it is after 3 or 4 years that it is regularised—I think there must be something wrong in the system of accounting and I would like to know from the Minister why it is not rectified earlier.

SHRI BHUPESH GUPTA (West Bengal): Sir, again I rise to speak on another item of Supplementary Grant. There is provision for grants-in-aid to the States. Now, nobody would be opposed to such grants being made provided they are made for useful, constructive purposes and also, provided that there is proper check on the part of the Central Government as to how the money is being spent. Unfortunately, the Central Government does not have any definite policy with regard to this matter and they

merely go by the routine, that is to say, the provisions made in the Second Five Year Plan are followed, irrespective of the needs of particular States requiring grants. I would particularly draw the attention of the Government to the requirements of industrially backward States which require sufficient financial assistance from the Central Government for their development. The hon. Minister does not seem to listen.....

SHRI T. T. KRISHNAMACHARI: This is not a matter on which he can expand. This is a matter relating to 1952-53.

MR. DEPUTY CHAIRMAN: Any reply?

SHRI BHUPESH GUPTA: Why do you ask him? I am trying to find out whether he is listening to my speech. I am glad that he is listening. Now he had better listen to a little more.

DR. RAGHUBIR SINH (Madhya Pradesh): Sir! He does not listen to our replies.

SHRI BHUPESH GUPTA: He can look after himself very well and a few others also. Now all that I want to impress upon the Government is the need for making adequate grants for the development of various States which are industrially backward.....

MR. DEPUTY CHAIRMAN: This is about 1953.

SHRI BHUPESH GUPTA: I know but I am talking about the policy.

MR. DEPUTY CHAIRMAN: You can speak about it when the Budget comes.

SHRI BHUPESH GUPTA: This is all that I would like to say; otherwise I don't have the chance to draw his attention.

MR. DEPUTY CHAIRMAN: The Appropriation Bill is coming and you take your chance then.

SHRI BHUPESH GUPTA: There is no other item.

SHRI T. T. KRISHNAMACHARI: Regarding every point raised, I seem to have made the introductory speech in vain so far as Shri Kishen Chand is concerned. He thinks that we have done something which is egregiously wrong.

I would ask him to read article 115 (1)(b) which says:

"if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the President shall cause to be laid before both the Houses of Parliament another statement showing the estimated amount of that expenditure etc."

That is exactly what we are doing today. Therefore there is no point in going to fundamentals at this late stage. My friend has missed the bus. He should have been in the Constituent Assembly to have prevented a provision of this nature being put there.

SHRI KISHEN CHAND: The hon. Minister did not understand my question. How was the payment made by our Auditor General? It should have been stopped.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1953, in excess of the amounts granted for those services and for that year, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause by clause consideration.

Clauses 2, 3 and the Schedule were added to the Bill.

Clause 1, the Title and the Enacting Formula were added to the Bill.

SHRI T. T. KRISHNAMACHARI: Sir, I move:

"That the Bill be returned."

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be returned."

The motion was adopted.

THE KERALA APPROPRIATION BILL, 1957

SHRI T. T. KRISHNAMACHARI: Sir, I beg to move:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Kerala for the service of the period beginning on the 1st day of November, 1956, and ending on the 31st day of March, 1957, as passed by the Lok Sabha, be taken into consideration."

Sir, the position is, under section 70 of the States Reorganisation Act provision has been made in respect of expenditure for the five months ending on the 31st day of March 1957. But anyway, many legislatures have regularised the expenditure and therefore we are following suit. We are requiring parliamentary regularisation of the expenditure. If hon. Members have any comments to make in regard to particular items in these Demands, I would humbly suggest that they might reserve them for the time when we bring the Kerala Budget for discussion before the