

**FOURTEENTH REPORT**  
**STANDING COMMITTEE ON FINANCE**  
**(1995-96)**

**(TENTH LOK SABHA)**

**MINISTRY OF PLANNING & PROGRAMME  
IMPLEMENTATION**

**DEMANDS FOR GRANTS (1995-96)**



*Presented to Lok Sabha on..... ३...MAY 1995*  
*Laid in Rajya Sabha on..... ३ MAY १९९५*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1995/Chaitra, 1916 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON  
FINANCE (1995-96)

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Dr. Debiprosad Pal

MEMBERS

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3. Prof. K.V. Thomas
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SECRETARIAT

1. Shri S.N. Mishra — *Additional Secretary*
2. Shri G.C. Malhotra — *Joint Secretary*
3. Shri Satish Loomba — *Deputy Secretary*
4. Shri T.K. Mukherjee — *Assistant Director*

## INTRODUCTION

I, the Chairman, of the Standing Committee on Finance having been authorised by the Committee to submit the Report on its behalf present the 14th Report on the Demands for Grants (1995-96) of the Ministry of Planning & Programme Implementation.

2. The Demands for Grants of the Ministry of Planning & Programme Implementation were presented to the Parliament on 31 March, 1995. Rule 331 E of the Departmentally related Standing Committees Rules provides that the Standing Committees shall consider the Demands for Grants of the concerned Ministries/Departments and make a Report on the same to the Houses. Therefore, the Demands for Grants of the Ministry of Planning & Programme Implementation were examined by the Standing Committee on Finance.

3. Owing to time constraints the Committee could not take the oral evidence of the representatives of the Ministry and finalised the Report on the basis of the written responses of the Ministry to the questionnaire sent by the Committee and further replies to the clarifications sought by the Members on the detailed Demands for Grants, Annual Report and other related documents of the Ministry.

4. The Committee considered and adopted this Report in its meeting held on 20 April, 1995.

5. The Committee expresses its thanks to the Ministry of Planning & Programme Implementation for furnishing the desired information to the Committee.

6. For facility of reference, recommendations/observations of the Committee have been printed in thick type.



NEW DELHI;  
20 April, 1995  

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30 Chaitra, 1916 (Saka)

DR. DEBIPROSAD PAL  
Chairman,  
Standing Committee on Finance

# **REPORT**

## **CHAPTER I**

### **ANALYSIS OF THE DEMANDS FOR GRANTS 1995-96**

**1.1 The Ministry of Planning and Programme Implementation have presented three Demands viz. Demand No. 66, Demand No. 67 and Demand No. 68 relating to Planning, Department of Statistics and Department of Programme Implementation respectively. The Committee has examined these Demands.**

#### **Demand No. 66**

##### **DEPARTMENT OF PLANNING**

**1.2 The Budgetary allocation for Department of Planning for 1993-94, 1994-95 and 1995-96 as shown in next page:—**

### Statement showing Budgetary Allocation for Deptt. of Planning

(Rs. in thousands)

Section	Budget Estimates 1993-94		Revised Estimates 1993-94		Actual 1993-94		Budget Estimates 1994-95		Revised Estimates 1994-95		Budget Estimates 1995-96	
	P	N	P	N	P*	NP*	P	NP	P	NP	P	NP
Revenue	71,65,00	17,70,00	71,65,00	16,65,00	50,13,26	14,49,28	98,50,00	19,85,00	69,50,00	19,51,00	94,60,00	19,28,00
Capital	18,35,00	-	18,35,00	-	18,44,12	-	21,50,00	-	30,50,00	-	25,40,00	-
<b>Total</b>	<b>90,00,00</b>	<b>17,70,00</b>	<b>90,00,00</b>	<b>16,65,00</b>	<b>68,57,38</b>	<b>14,49,28</b>	<b>1,20,00,00</b>	<b>19,85,00</b>	<b>1,00,00,00</b>	<b>19,51,00</b>	<b>1,20,00,00</b>	<b>19,28,00</b>

P\* - Plan

NP\* - Non-Plan



1.3 While examining the Demands for Grants (1995-96) of the Ministry of Planning & Programme Implementation, the Committee examined the following aspects of the working of Planning Commission:—

1. Salaries of the Staff of Department of Planning.
2. Strengthening of Planning Board/District Planning Machinery.
3. Micro level participatory Planning and supporting voluntary organisations.

### Major Head 3451

#### Sub-head A1 (1) (1)

#### *1. Salaries of the staff of the Department of Planning*

1.4 The Budgetary Estimates, Revised Estimates and Actual Expenditure incurred under major head 3451 A 1(1) (1) is as follows:—

(Rs. in thousands)

Year	B.E. Non Plan	R.E. Non Plan	Actuals Non Plan
1992-93	870	870	272
1993-94	800	800	384
1994-95	800	800	—
1995-96	800	—	—

1.5 It is seen from the above table that there has been a consistent under-utilisation of the funds provided. As a matter of fact only 31.74% and 48% of the budget provisions were actually spent in the years 1992-93 and 1993-94, respectively and the exaggeration is obvious even at the RE stage which responsible budgeting ought to avoid.

1.6 The Committee is not satisfied with the explanation of the Department that a large number of posts are kept in abeyance which are likely to be filled up. The Committee would, therefore, like the Department to take an early decision/action in the matter so that this anomalous situation is remedied.

**Major Head : 3601****Sub-Head : D 2(1) (1) & D 3(1) (1)****2. Strengthening of Planning Board/District Planning Machinery**

1.7 The Budget Estimates, Revised Estimates and Actual Expenditure incurred under Major Head 3601 D 2(1)(1) and D 3(1)(1) are as follows:—

(Rs. in thousands)

Year	B.E.	R.E.	Actuals
1992-93	1,00,00	1,00,00	65,99
1993-94	2,00,00	2,00,00	28,02
1994-95	7,00,00	20,00	
1995-96	5,00,00*	--	--

\* Rs. 3 crore for strengthening of Planning Machinery at State level and Rs. 2 crore at District level.

1.8 The Planning Commission as a part of its efforts to decentralise planning provides assistance to States for strengthening planning machinery at State and District levels. The Scheme of strengthening of Planning Machinery provides for two-thirds of expenditure on new technical planning staff at the State level and for half the expenditure at District level.

1.9 When asked about the reaction of the State Governments on the recommendations of the NDC Committee on Micro-level Planning and the further action taken for strengthening of planning machinery at State and District levels, the Ministry in a written reply stated that implementation of the recommendations of the NDC Committee on Micro-level Planning requires prior consultation with the State Governments as most of the recommendations have to be implemented by the States. Therefore, Planning Commission has requested the State Governments to comment on the feasibility or otherwise of each of the recommendations of the NDC Committee on Micro-level Planning. Despite repeated reminders five states namely, Meghalaya, Nagaland, Uttar Pradesh, West Bengal and Delhi and four U.Ts. namely, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu and Pondicherry are yet to respond. The responses received so far have been mixed. In the absence of responses of the State Governments, it has not been possible to recast the scheme for strengthening of planning machinery at State and District levels.

1.10 When the Committee desired to know the reasons for under-utilisation

of the provision and for providing higher allocation inspite of under-spending, the Ministry further stated that higher provisions were made in 1994-95 in anticipation of the extension of the scheme to sub-district level as recommended by the NDC Committee on Micro-level planning. In the absence of a complete picture on the subject due to lack of response from some of the States, it has not been possible to recast the scheme. That resulted in under-utilisation of the budget provision for the scheme.

1.11 The Committee feels that the Government should not show their helplessness in the matter. It also feels that this important issue has not been tackled with a sense of urgency it deserved with the result that there has been a delay in responses from certain States and Union Territories. The Committee would like to emphasize that it is not the formulation of plans or schemes but their actual implementation with real zeal and vigour which matters in the final analysis. While it is true that most of the recommendations of the NDC Committee on Micro-level Planning are to be implemented by the States, the Committee feels that a certain amount of responsibility also devolves on the Commission in as much as it can take up the matter with the Chief Ministers/Chief Administrators/Lt. Governor of the concerned States and Union Territories and convinced them of the urgency and the need for strengthening of Planning Machinery at State/District levels for achieving the objective of decentralised planning while finalising the annual State Plans. The Committee, therefore, recommends that Planning Commission should make every possible effort to persuade the concerned States and Union Territories to send their views expeditiously.

**Major Head : 3601**

**Sub-Head : D 4(1)**

*3. Micro level participatory Planning and supporting voluntary organisations*

1.12 The Budget allocation under the major head 3601 D4(1) is as under:-

(Rs. in lakhs)

Year	B.E.	R.E.	Actuals
1992-93	1300	700	000
1993-94	640	640	100
1994-95	125	-	-
1995-96	100	-	-

1.13 Recognising the importance of decentralised local level planning and people's participation in social and economic development, Eighth Plan proposed a new direction to achieve these objectives. The Planning Commission has worked out institutional strategies for creating or strengthening various people's institutions at village, block and district levels so that they synthesize the purpose of investment envisaged in the plan with optimum benefits at the grassroot level by relating these programmes to the needs of the people. This work is primarily to be undertaken by the NGO's with the support of the Government.

1.14 In tune with the above objectives, the Planning Commission had allocated Rs. 1300 lakh under this head for 1992-93 and the amount was not utilised at all even though Rs. 700 lakh had been provided at RE stage. In spite of not utilising any amount for 1992-93, a Budget provision of Rs. 640 lakh was provided during 1993-94 and only Rs. 100 lakh was spent out of that amount. In 1994-95, a drastically reduced provision of Rs. 125 lakh was provided under this head only to spend nothing out of this amount.

1.15 In response to a written query as to why there has been a drastic reduction of budget provisions and under utilisation of these provisions under this head, the Planning Commission had stated that as the scheme was held up with the Committee of Secretaries (COS), Budget provision had been reduced over the years. Planning Commission had further informed that since the Ministry of Rural Development is in touch with the grassroot level planning and also with voluntary agencies working at that level, it was the most appropriate Ministry to implement such a scheme and as such, the matter was referred to that Ministry where it was still pending.

1.16 The Committee deplores the approach and attitude of the Government and the abnormal delay in coming to a final decision with regard to the implementation of the scheme of micro-level participatory planning and development involving people and voluntary organisations. The Committee considers it most unfortunate that when we are trying to marshal our resources for our needs, laying down priorities and allocating funds for a particular scheme, the same is not implemented in time and the funds allocated for the scheme remain unutilised or are not spent fully thereby defeating the very object of the planning. The Committee, therefore, recommends that all efforts should be made to implement the scheme expeditiously so as to achieve the objective of the plan.

## CHAPTER II

### Demand No. 67

#### DEPARTMENT OF STATISTICS

Major Head : 3454

Sub-Head : B1(1)

*(i) National Sample Survey Organisation (NSSO)*

2.1 The Budget Estimates, Revised Estimates and Actual Expenditure under Major Head 3454 B1 (1) are as follows:

(Rs. in lakhs)

Year	B.E. (Plan)	R.E. (Plan)	Actuals (Plan)
1992-93	581.00	243.00	12.87
1993-94	566.35	246.00	13.42
1994-95	533.02	175.20	
1995-96	368.00		-

2.2 It is evident from the above table that there has been only a negligible utilisation of the plan funds. As against the budget estimates of Rs. 5 to 6 crores for the years 1992-93, 1993-94, 1994-95, the actual expenditure (Plan) has not exceeded Rs. 14 lakhs for each year. As a matter of fact, the utilisation for the year 1994-95 has been nil even though an expenditure of Rs. 175.20 was envisaged at the RE stage.

2.3 On being asked as to why the utilisation of funds was at such low levels, the Department of Statistics stated that the reasons were two fold. Firstly, the Ministry of Finance did not approve of the schemes as the staffing component exceeded 10% of the total outlay on the scheme and secondly, there were instructions from the Department of Expenditure for reduction of at least 10% posts before creation of new posts was to be considered.

2.4 The Committee is dismayed at the explanations given by the Department for the third consecutive year. This Committee has been consistently pointing out that the utilisation of plan funds by NSSO is very

poor. Despite this the Committee notes with regret that serious efforts have not been made to explain to the Ministry of Finance that these schemes will naturally have a higher staffing component since they are predominantly staff oriented. The fact that the Department has not geared up for taking up the matter with the Ministry of Finance in the correct perspective is indicative of a total lack of monitoring by the authorities concerned. It is suggested, therefore, that the Department should take up this issue of non-utilisation of plan funds in a proper manner and initiate action from the beginning of the year itself.

**Major Head : 3454**

**Minor Head : B 1(3)**

*(ii) Computer Services*

2.5 The Budget allocation under the major head 3454 B1(3) is as follows:—

(Rs. in lakhs)

Year	B.E.	R.E.	Actuals
1992-93	18	4	3
1993-94	88	76	2
1994-95	69	43	23*
1995-96	17.72	-	-

\* Provisional

2.6 The same under utilisation is noted in the Plan Expenditure of the Computer Services as well. Only Rs. 23 lakh could be spent in 1994-95 as against the Budget grant of Rs. 69 lakh for that year.

2.7 The Committee regrets that despite higher allocations provided in the budgets, both at BE and RE stages, proper utilisation could not be made. The Committee, therefore, urges upon the Department to chalk out and implement their proposals quickly.

**Major Head : 3454**

**Sub Head : B1(4)**

*(iii) Central Statistical Organisation (CSO)*

2.8 The Budget Estimates, Revised Estimates and Actual Expenditure incurred

by Central Statistical Organisation (CSO) is as follows:-

(Rs. in lakhs)

Year	B.E.	R,E.	Actuals
1993-94	537.15	350.00	4.44
1994-95	248.82	53.50	-
1995-96	205.00	-	-

**2.9** The same position of gross under utilisation of funds is noted in the working of the Central Statistical Organisation also, despite recurrent recommendations of this Committee, that the schemes should be formulated and implemented quickly which the Committee reiterates again.

**2.10** The Committee would like to conclude that the Department of Statistics, as a whole, has not been able to push forward and operate its plan proposals, which have been languishing for several years, in many of the wings. This indicates lack of initiative and timely monitoring by the Department resulting in a situation where schemes are not being operated as envisaged. The fact that these schemes relate to the Department of Statistics which is a focal point in the planning process is all the more worrying to the committee. The Committee, therefore, would like to recommend again in its present Report that the Department of Statistics should take immediate steps to improve its working and resolve the situation.

## **CHAPTER III**

### **Demand No. 68**

#### **DEPARTMENT OF PROGRAMME IMPLEMENTATION**

3.1 The Budget provision of Rs. 88 lakh was made for the Department of Programme Implementation during 1994-95. The proposed budget for 1995-96 is Rs. 791.04 crore which includes Rs. 790 crore allocated for implementation of the M.P. Local Area Development Scheme (MPLADS).

#### *(i) Monitoring of Twenty Point Programme, 1986 (TPP).*

3.2 One of the main functions of the Department is monitoring of Twenty Point Programme, 1986. The programme forms an integral part of both the plans and non-plan schemes of the State Governments/Union Territories Administrations and Central Ministries/Departments. The outlays for different items under this are derived from the relevant plan heads under State/UT Administration and Nodal Ministries/Departments at the Centre. Some schemes like family welfare programmes are funded entirely by the Central Government while other programmes like IRDP, JRY and Bonded Labour Rehabilitation are jointly financed by the Centre and States.

3.3 The Department/Ministries concerned on the subject of TPP 86 set the annual target in consultation with the States and Department of Programme Implementation. The Department of Programme Implementation monitors the implementation of 20-Point Programme. Under TPP'86, there are 119 items identified for monitoring; 54 items are monitored on the basis of evaluatory criteria and 65 items are retained for physical targetting/monitoring. Again of the 65 items identified for quantitative assessment, 28 items have been identified for reporting on a monthly basis.

3.4 Besides a three-tier system of monitoring at Field Level, Nodal Officers Level and at State level, the progress is also monitored and reviewed both by the concerned Departments/Ministries and finally by the Department of Programme Implementation. These monitoring bodies review the progress of TPP and provide feedback for removing bottlenecks in effective implementation of the programmes.

3.5 On an analysis of the performance of different programmes under TPP during the year 1994-95, as seen from the Annual Report of the Department, it is found that the achievements are way behind the targets set



under the respective programmes. While this Committee appreciates the fact that the actual achievement/performance is a responsibility of the respective Department/Ministries concerned with the subject, it feels that in view of the fact that the Department of Programme Implementation has been entrusted with the task of nodal monitoring and is in fact, also involved in the formulation of the targets, it cannot be absolved of the accountability for the under achievement of various programmes under TPP. The Committee would, therefore, urge the Department of Programme Implementation to explore ways and means of ensuring fulfilment/achievement of the targets through a more purposeful dialogue with the Departments/Ministries and actual removal of bottlenecks that inhibit the achievement of the desired objectives.

*(ii) Monitoring of Implementation of Projects*

3.6 The Department of Programme Implementation monitors, co-ordinates and facilitates the implementation of the Central Projects costing Rs. 20 crore and above. Apart from preparing periodical status reports on the progress in implementation, the Department apprises projects from the point of view of state of preparedness, analyses projects to examine the causes of time and cost overrun and identifies bottlenecks during implementation. It also evaluates completion reports and carries out system study. On the basis of the lessons learned and experiences gained in different sectors of the economy, the Department has been suggesting from time to time various remedial measures to be adopted by the administrative Ministries and Project Authorities.

3.7 The Committee views with concern that despite the possible remedial measures suggested for resolving the major problems and for expeditious implementation of projects by the Department of Programme Implementation, no concrete action has been taken by the concerned Ministries/Departments for their implementation, as a result of which a large number of projects led to time and consequently cost overrun. The Committee, therefore, endorses the suggestion made by the Department of Programme Implementation that there is a need for adoption of some kind of moratorium to restrict the approval of new projects to avoid thin dispersal of limited resources over a large number of projects. This would help in clearing the backlog of various projects languishing for want of funds. At the same time, the Committee would also like to emphasis the need for prioritisation so that the projects nearing completion or those strategically important for reasons of inter-sectoral and/other linkages are adequately and timely funded. The Committee expects that the Planning Commission should take note of the above factors at the time of formulation of plan proposals and approval of new projects, not withstanding any extraneous consideration which may come to the fore.

**3.8 The Committee learnt with regret that the investment decision rules which prescribe action against defaulters, not only against contractors and suppliers but also against those responsible for implementation, if held responsible, for time and cost overrun, are not implemented. The Committee is, therefore, of the view that without accountability at the level of formulation and implementation of various projects, cost and time overrun cannot be avoided. The Committee would, therefore like to reiterate its earlier recommendation that accountability at the level of formulation and implementation of various projects should be introduced immediately so as to bring in improvement in the project implementation scenario.**



NEW DELHI;  
20 April, 1995  
30 Chaitra, 1916 (Saka)

DR. DEBIPROSAD PAL,  
*Chairman,*  
*Standing Committee on Finance.*

**STATEMENT OF CONCLUSIONS/RECOMMENDATIONS OF THE  
STANDING COMMITTEE ON FINANCE IN THE FOURTEENTH  
REPORT (1995-96)**

Sl. No.	Para No.	Ministry/ Department concerned	Conclusion/Recommendation
1	2	3	4
1.	1.6	Planning Commission	The Committee is not satisfied with the explanation of the Department that a large number of posts are kept in abeyance which are likely to be filled up. The Committee would, therefore, like the Department to take an early decision/action in the matter so that this anomalous situation is remedied.
2.	1.11	-do-	The Committee feels that the Government should not show their helplessness in the matter. It also feels that this important issue has not been tackled with a sense of urgency it deserved with the result that there has been a delay in responses from certain states and union territories. The Committee would like to emphasize that it is not the formulation of plans or schemes but their actual implementation with real zeal and vigour which matters in the final analysis. While it is true that most of the recommendations of the NDC Committee on Micro-level Planning are to be Implemented by the States, the Committee feels that a certain amount of responsibility also devolves on the Commission in as much as it can take up the matter with the Chief Ministers/Chief Administrators/Lt. Governor of the concerned states and Union Territories and convince them of the urgency and the need for strengthening of Planning Machinery at State/ District levels for achieving the objective of

1	2	3	4
			<p>decentralised planning while finalising the annual state Plans. The Committee, therefore, recommends that Planning Commission should make every possible effort to persuade the concerned States and Union Territories to send their views expeditiously.</p>
3.	1.16	<p>Planning Commission</p>	<p>The Committee deplores the approach and attitude of the Government and the abnormal delay in coming to a final decision with regard to the implementation of the scheme of micro-level participatory planning and development involving people and voluntary organisations. The Committee considers it most unfortunate that when we are trying to marshal our resources for our needs, laying down priorities and allocating funds for a particular scheme, the same is not implemented in time and the funds allocated for the scheme remain unutilised or are not spent fully thereby defeating the very object of the planning. The Committee, therefore, recommends that all efforts should be made to implement the scheme expeditiously so as to achieve the objective of the plan.</p>
4.	2.4	<p>Department of Statistics</p>	<p>The Committee is dismayed at the explanations given by the Department for the third consecutive year. This Committee has been consistently pointing out that the utilisation of plan funds by NSSO is very poor. Despite this the Committee notes with regret that serious efforts have not been made to explain to the Ministry of Finance that these schemes will naturally have a higher staffing component since they are predominantly staff oriented. The fact that the Department has not geared up for taking up the matter with the Ministry of Finance in the correct perspective is indicative of a total lack of monitoring by the authorities</p>

1	2	3	4
			concerned. It is suggested, therefore, that the Department should take up this issue of non-utilisation of plan funds in a proper manner and initiate action from the beginning of the year itself.
5.	2.7	Department of Statistics	The Committee regrets that despite higher allocations provided in the budgets, both at BE and RE stages, proper utilisation could not be made. The Committee, therefore, urges upon the Department to chalk out and implement their proposals quickly.
6.	2.9	-do-	The same position of gross under utilisation of funds is noted in the working of the Central Statistical Organisation. Also, despite recurrent recommendations of this Committee, that the schemes should be formulated and implemented quickly which the Committee reiterates again.
6.	2.10	-do-	The Committee would like to conclude that the Department of Statistics, as a whole, has not been able to push forward and operate its plan proposals, which have been languishing for several years, in many of the wings. This indicates lack of initiative and timely monitoring by the Department resulting in a situation where Schemes are not being operated as envisaged. The fact that these schemes relate to the Department of Statistics which is a focal point in the planning process is all the more worrying to the Committee. The Committee, therefore, would like to recommend again in its present Report that the Department of Statistics should take immediate steps to improve its working and resolve the situation.
7.	3.5	Department of Programme Implementation	On an analysis of the performance of different programmes under TPP during the year 1994-95, as seen from the Annual Report of the Department, it is found that the achievements

1	2	3	4
			<p>are way behind the targets set under the respective programmes. While this Committee appreciates the fact that the actual achievement/performance is a responsibility of the respective Department/Ministries concerned with the subject, it feels that in view of the fact that the Department of Programme Implementation has been entrusted with the task of nodal monitoring and is in fact, also involved in the formulation of the targets, it cannot be absolved of the accountability for the under achievement of various programmes under TPP. The Committee would, therefore, urge the Department of Programme Implementation to explore ways and means of ensuring fulfilment/achievement of the targets through a more purposeful dialogue with the Departments/Ministries and actual removal of bottlenecks that inhibit the achievement of the desired objectives.</p>
8.	3.7	Department of Programme Implementation	<p>The Committee views with concern that despite the possible remedial measures suggested for resolving the major problems and for expeditious implementation of projects by the Department of programme Implementation, no concrete action has been taken by the concerned Ministries/Departments for their implementation, as a result of which a large number of projects led to time and consequently cost overrun. The Committee, therefore, endorses the suggestion made by the Department of Programme Implementation that there is a need for adoption of some kind of moratorium to restrict the approval of new projects to avoid thin dispersal of limited resources over a large number of projects. This would help in clearing the backlog of various projects</p>

1	2	3	4
			<p>linguishing for want of funds. At the same time, the Committee would also like to emphasise the need for prioritisation so that the projects nearing completion or those strategically important for reasons of inter-sectoral and/other linkages are adequately and timely funded. The Committee expects that the Planning Commission should take note of the above factors at the time of formulation of plan proposals and approval of new projects, notwithstanding any extreneous consideration which may come to the fore.</p>
9.	3.8	<p>Department of Programme Implementation</p>	<p>The Committee learnt with regret that the investment decision rules which prescribe action against defaulters, not only against contractors and suppliers but also against those responsible for implementation, if held responsible, for time and cost overrun, are not implemented. The Committee is, therefore, of the view that without accountability at the level of formulation and implementation of various projects, cost and time overrun cannot be avoided. The Committee would, therefore, like to reiterate its earlier recommendation that accountability at the level of formulation and inplementation of various projects should be introduced immediately. So as to bring in improvement in the project implementation scenario.</p>

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON  
FINANCE HELD ON 31 MARCH, 1995

The Committee sat from 1500 hrs. to 1640 hrs. in Committee Room No. 62, Parliament House, New Delhi.

PRESENT

Dr. Debiprosad Pal — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri S.B. Sidnal
3. Smt. Maragatham Chandrashekhar
4. Shri Prakash V. Patil
5. Shri B. Akbar Pasha
6. Shri Chetan P.S. Chauhan
7. Shri Harin Pathak
8. Shri Nirmal Kanti Chatterjee
9. Prof. Susanta Chakraborty
10. Shri Kadambur M.R. Janarthanan

*Rajya Sabha*

11. Shri Satish Chandra Agarwal
12. Shri Triloki Nath Chaturvedi
13. Shri Sanjay Dalmia
14. Dr. Shrikant Ramchandra Jickbar
15. Shri Gurudas Das Gupta

SECRETARIAT

1. Shri Satish Loomba — *Deputy Secretary*
2. Shri T.K. Mukherjee — *Assistant Director*

At the outset, the Chairman welcomed the members and informed them that the Demands for Grants of the Ministries of (i) Finance & (ii) Planning & Programme Implementation were laid on the Table of the House on 28 March and 31 March, 1995 respectively. He further informed that the Secretariat had already started preparation of questionnaire on both these sets of demands which would be sent to the Ministries for seeking their written replies. He requested the members to send their questions strictly on Demands for Grants to the Secretariat latest by 5 April, 1995 which would be forwarded to the concerned Ministry.



2. On being asked about the scope of discussion, the Chairman clarified that the present reports should be confined strictly to the Demands for Grants and the Committee may consider detailed discussion on the Budget in the course of the year when the Annual Report of the Ministry could be taken up.

3. On another query relating to the time limit for the presentation of the Report on Demands for Grants, the Chairman observed that as per the rules, the Reports on Demands for Grants should be finalised and presented to Parliament when it reassembles after the break. He sought the co-operation from all the Members in finalising the Reports quickly, within the time prescribed for the purpose.

4. On a suggestion about taking the evidence of the Chairman of GIC, LIC and certain Public Sector Banks, the Chairman clarified that it would not be possible to do so since the examination would be on Demands for Grants for which the Ministry Secretariat was the nodal agency and also because of paucity of time at the disposal of the Committee.

5. The Chairman agreed with the suggestions that the Committee should discuss the questionnaire first before taking up the evidence and decided that the first half of 11 April, 1995 would be devoted towards the finalisation of the questionnaire and the later half on taking up the oral evidence of the Ministry of Planning & Programme Implementation. On 12 April, 1995, the Committee would take up the oral evidence of the Ministry of Finance.

*The Committee then adjourned with a Vote of Thanks to the Chair.*

MINUTES OF THE SITTINGS OF THE STANDING COMMITTEES ON  
FINANCE HELD ON 12 APRIL, 1995

The Committee sat from 1100 hrs. to 1120 hrs. in Committee Room '62',  
Parliament House, New Delhi.

PRESENT

Dr. Debiprosad Pal – *Chairman*

MEMBERS

*Lok Sabha*

2. Dr. K.V.R. Chowdary
3. Smt. Maragatham Chandrashekhar
4. Shri Nirmal Kanti Chatterjee
5. Ptof. Susanta Chakraborty
6. Shri Bhogendra Jha
7. Shri George Fernandes

*Rajya Sabha*

8. Shri Satish Agarwal
9. Shri Triloki Nath Chaturvedi
10. Shri Sanjay Dalmia
11. Shri Gurudas Das Gupta
12. Shri T. Venkatram Reddy
13. Shri Surinder Kumar Singla
14. Shri S. Viduthalai Virumbi

SECRETARIAT

1. Shri Satish Loomba – *Deputy Secretary*
2. Shri T.K. Mukherjee – *Assistant Director*

The Officials from the Ministry of Finance were also present during the sitting.

At the outset, the Chairman informed the members that they were meeting with a deep sense of sorrow and grief due to the sad demise of Shri Morarji Desai, former Prime Minister of India. The Committee then passed a condolence resolution in memory of the departed soul and a minute's silence was observed.

After that, it was decided that due to paucity of time it would not be possible to have oral evidence of the officials from the Ministry of Finance on the Demands

for Grants (1995-96). It was also decided that the evidence of the officials from the Ministry of Planning & Programme Implementation fixed for 19 April, 1995 be cancelled and the reports on the Demands for Grants of the two Ministries be prepared on the basis of written replies received from the respective Ministries. These reports would be considered and adopted in the Committee's sitting scheduled to be held on 20 April, 1995.

*The Committee then adjourned.*

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON  
FINANCE HELD ON 20 APRIL, 1995**

The Committee sat from 1100 hrs. to 1400 hrs. in Committee Room '62', Parliament House, New Delhi.

**PRESENT**

**Dr. Debiprosad Pal** – *Chairman*

**MEMBERS**

*Lok Sabha*

2. Dr. K.V.R. Chowdary
3. Shri Prithviraj D. Chavan
4. Shri S.B. Sidnal
5. Smt. Maragatham Chandrasekhar
6. Shri P.C. Chacko
7. Shri Sushil Chandra Varma
8. Shri Dileepbhai Sanghani
9. Shri Manabendra Shah
10. Shri Sartaj Singh Chhatwal
11. Shri Nirmal Kanti Chatterjee
12. Prof. Susanta Chakraborty
13. Shri Bohgendra Jha
14. Shri Abdul Ghafoor
15. Shri Kadambur M.R. Janarthanan

*Rajya Sabha*

16. Shri Satish Agarwal
17. Shri Triloki Nath Chaturvedi
18. Shri Sanjay Dalmia
19. Shri Rajubhai A. Parmar
20. Shri T. Venkatram Reddy
21. Shri S. Viduthalaí Virumbi

**SECRETARAT**

1. Shri S.N. Mishra – *Additional Secretary*
2. Shri Satish Loomba – *Deputy Secretary*
3. Shri T.K. Mukherjee – *Assistant Director*

At the outset, the Chairman requested the Members to express their views, in the first instance, on the draft Report on Demands for Grants (1995-96) of the Ministry of Planning & Programme Implementation. The Committee considered and adopted the draft Report with certain amendments/modifications as indicated in Appendix.

Thereafter, the Committee undertook adoption/consideration of the draft Report on Demands for Grants (1995-96) of the Ministry of Finance. The Committee adopted the draft Report with certain amendments/modifications.

Finally, the Committee authorised the Chairman to finalise and present the Reports to the Parliament on its behalf.

*The Committee then adjourned.*

## APPENDIX

### AMENDMENTS/MODIFICATIONS MADE BY THE STANDING COMMITTEE ON FINANCE AT THEIR SITTING HELD ON 20 APRIL, 1995 IN DRAFT REPORT ON THE DEMANDS FOR GRANTS (1995-96) OF THE MINISTRY OF PLANNING & PROGRAMME IMPLEMENTATION

<i>Page</i>	<i>Para</i>	<i>Line</i>	<i>Amendments/Modifications</i>
1	1	2 from bottom	<i>After "Committee"</i> <i>Insert "has"</i>
2	—	—	<i>Insert : the BE and RE figures of 1993-94 in the Statement showing budgetary allocation for Department of Planning.</i>
3	2	4	<i>After "respectively"</i> <i>Add "and the exaggeration is obvious even at RE stage which responsible budgeting ought to avoid."</i>
7	2	3	<i>For "has given"</i> <i>Substitute "proposed"</i>
7	3	3	<i>After "all" Add "eventhough Rs. 700 lakh had been provided at RE stage"</i>
8	3	1	<i>For "indecisive"</i> <i>Substitute "approach and"</i>
10	2	5	<i>After "lacks"</i> <i>Add "for each year"</i>
10	2	6	<i>Delete "zero"</i> <i>Add "nil even though an expenditure of Rs. 175.20 lakh was envisaged at the RE stage."</i>
11	2	6	<i>For "with"</i> <i>Substitute "to explain to"</i>
11	2	7	<i>Delete "to explain"</i>
11	2	11	<i>After "indicative of"</i> <i>Insert "a total"</i>

<i>Page</i>	<i>Para</i>	<i>Line</i>	<i>Amendments/Modifications</i>
12	3	bottom two lines	<i>For "In this connection.....(i) above"</i> <i>Substitute</i> "The Committee regrets that despite higher allocations provided in the budgets, both at BE and RE stages, proper utilisation could not be made. The Committee, therefore, urges upon the Department to chalk out and implement their proposals quickly."
14	—	5 from bottom	<i>After "envisaged"</i> <i>Add</i> "the fact that these schemes relate to the Department of Statistics which is a focal point in the planning process is all more worrying to the Committee."
18	2	2 from bottom	<i>Delete</i> "overrun" <i>For</i> "escalation" <i>Substitute</i> "overrun"
19	1	9	<i>For</i> "from inter-sectoral or" <i>Substitute</i> "for reasons of inter-sectoral and/"
19	1	10	<i>Delete</i> "point of view"
19	1	14	<i>After</i> "projects" <i>Add</i> "notwithstanding any extraneous considerations which may come to fore."
19	2	—	<i>For</i> the existing paragraph <i>substitute</i> the following:—  "The Committee learnt with regret that the investment decision rules which prescribe action against defaulters, not only against contractors and suppliers but also against those responsible for implementation, if held responsible, for time and cost overrun, are not implemented. The Committee is, therefore, of the view that without accountability at the level of formulation and implementation of various projects, cost and time overrun cannot be avoided.

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<i>Page</i>	<i>Para</i>	<i>Line</i>	<i>Amendments/Modifications</i>
			The Committee would, therefore like to reiterate their earlier recommendation that accountability at the level of formulation and implementation of various projects should be introduced immediately so as to bring in improvement in the project implementations scenario."

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