23

STANDING COMMITTEE ON FINANCE (1995-96)

TENTH LOK SABHA

MINISTRY OF FINANCE
DEMANDS FOR GRANTS (1995-96)

[Action Taken by the Government on the recommendations contained in the Thirteenth Report of the Standing Committee on Finance on Demands for Grants (1995-96) of Ministry of Finance]

TWENTY-THIRD REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

March, 1996/Phalguna, 1917 (Saka)

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Presented to Lok Sabha on 12 March, 1996
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March, 1996/*Phalguna*, 1917 *(Saka)*

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33. Shri Gurudas Das Gupta
34. Shri K.R. Jayadevappa
35. Dr. Shrikant Ramchandra Jichkar

@ Appointed w.e.f. 22.9.1995 *vice* Dr. Debiprosad Pal ceased to be a Member and Chairman of the Committee consequent upon his appointment as Minister on 13.9.1995.

* Expired on 1.12.1995.

36. Shri Chimanbhai Mehta
37. Shri Rajubhai A. Parmar
38. Shri Narendra Pradhan
39. Shri T. Venkatram Reddy
40. Shri Surinder Kumar Singla
41. Shri Mohan Babu
42. Shri V.P. Duraisamy

SECRETARIAT

1.	Shri S.N. Mishra	—	*Secretary-General*
2.	Smt. Roli Srivastava	—	*Joint Secretary*
3.	Shri K.L. Narang	—	*Deputy Secretary*
4.	Shri C.S. Joon	—	*Under Secretary*

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance (1995-96), having been authorised by the Committee to submit the Report on their behalf, present this Twenty Third Report on action taken by Government on the recommendations contained in the Thirteenth Report of the Committee (Tenth Lok Sabha) on Demands for Grants of the Ministry of Finance for the year 1995-96.

2. The Thirteenth Report was presented to Lok Sabha/laid in Rajya Sabha on 3 May, 1995. The Government furnished the replies indicating action taken on all the recommendations by 13 December, 1995. The Draft Report was considered and adopted by the Committee at their sitting held on 8 March, 1996.

3. An analysis of action taken by Government on recommendations contained in the Thirteenth Report of the Standing Committee on Finance (Tenth Lok Sabha) is given in Appendix.

4. For reference facility and convenience, the observations/recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;
11 *March* 1996

21 Phalguna, 1917 *(Saka)*

MARAGATHAM CHANDRASEKHAR,
Chairperson,
Standing Committee on Finance.

CHAPTER I

REPORT

This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations contained in their Thirteenth Report (Tenth Lok Sabha) on Demands for Grants (1995-96) of the Ministry of Finance which was presented to Lok Sabha on 3 May, 1995.

2. Action Taken Notes have been received from the Government in respect of all the 15 recommendations contained in the Report. These have been categorised as follows:—

(i) Recommendations/Observations which have been accepted by the Government:
Sl. Nos. 6, 8, 9, 13, 14 & 15
(Chapter II-Total 6)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:
Sl. Nos. 1, 2, 3, 4, & 11
(Chapter III-Total 5)

(iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee:
Sl. Nos. 5, 7, 10 and 12
(Chapter IV-Total 4)

(iv) Recommendation/Observation in respect of which final reply of Government is still awaited:
Nil
(Chapter V-Nil)

3. The Committee will now deal with the Action Taken by the Government on some of their recommendations.

A. Central Stamp Store

Recommendation (Sl. No. 5)

4. The Committee had noted with surprise that the workers of the Central Stamp Store, Nasik were put on extended overtime hours just to despatch the finished products of the India Security Press, thereby incurring huge expenditure on account of overtime allowance year after year. The Committee had failed to understand why the work of despatches could not be disposed off during the normal working hours. The Committee had not regarded the existing arrangement as satisfactory and could not but hold the Department/Management fully responsible for not

effectively monitoring and curbing the tendency of late disposal of work and that too when it was happening year after year. The Committee, therefore, had recommended for a thorough reorientation and streamlining of the administrative machinery alongwith a comprehensive review of the work presently undertaken by the Central Stamps Store with a view to improving the administrative efficiency and to minimise such expenditure, including, if necessary running of three shifts, each of eight hours and providing additional employment in the process, rather than the present heavy dependence on OTA.

5. The Ministry of Finance have stated in their reply as follows:

> "The Central Stamp Depot (CSD) is not only working as a Despatch Section for all products printed at India Security Press (ISP) but also receives all the indents, that too mostly quarterly and six monthly indents from over thousand identors.
>
> They have to collate this huge information from so many sources and consolidate them into item-wise print orders before ISP can plan production and produce these items. Moreover, they have to prepare the despatch documents and bills also which runs in thousands. CSD has to prepare such bills, forward these to the Indentors, and keep track of the bills etc. and expedite/organise receipt of payments.
>
> Despatching of about 90,000 boxes and 45,000 parcels on an average per year by different modes of despatch such as wagon loads, smalls by railways through post parcels, and personal delivery of priority items are itself a huge task. In appreciation of this workload, even the same hours of overtime have been maintained for the past so many years between the ISP and CSD (actually CSD is a Department of ISD like other Departments). CSD also is required to maintain stocks of finished security items before despatch (sometimes they have to hold it for a long period) and also they have to take up regular periodical stock verification work twice a year for such huge number of items moving constantly.
>
> As a policy, ISP administration tries to restrict overtime allowance to barest possible minimum but as will be observed that the quantum of despatch (and consequently speed of despatch because the same increased quantum has to be accommodated within the same period) which is reflected in the increased value of production from 41.62 crores in 1987-88 to 82.56 crores in 1991-92 and more than 105 crores in 1994-95 as corresponding increase in the despatch load and other associated load of billing, indenting, etc. with the same sanctioned strength has made working of overtime in CSD in proportion with ISP working unavoidable.

Further, in many cases the indentors want immediate despatch of bulk items to cater for certain emergent requirement at their end. For example some of the documents which are supposed to be supplied throughout the financial year have been required to be supplied in bulk at a stretch in view of the urgent requirement by some indentors. This sort of things create lot of strain on the normal despatch. Moreover on many occasions items like MICR Cheques, etc. had to be supplied overnight by speed post/couriers to meet the indentors urgent and unforeseen requirement.

ISP have to meet this increased demand of despatch with actual strength which is currently below the sanctioned strength.

Despite all efforts, due to above reasons, it sometimes becomes unavoidable to work casual overtime in CSD as required at particular points of time."

6. The Committee note that the Ministry of Finance has merely tried to justify the increase in payment of overtime allowance with increased workload. The Ministry's reply is however, silent on their recommendation which is regretable. It was in view of the increased workload over the span of years that the Committee had recommended the running of three shifts each of 8 hours and providing additional employment in the process rather than heavy dependence on OTA, for improving functional efficiency of the Central Stamps Store. The Committee would like the Ministry to spell out their specific proposals or implementation of this recommendation of the Committee.

B. Modernisation of India Government Mints

Recommendation (Sl. No. 7)

7. Expressing their distress over non-completion of the project within the target date, the Committee in their earlier report observed as follows:

"The Committee is distressed to note that the modernisation of the project of the three Government of India Mints at Bombay, Calcutta and Hyderabad which was approved by the Government in February, 1989 at a cost of Rs. 118.29 crore could not be completed within the target date of March, 1992. The Committee is surprised that the Government has not given any reasons for non-completion of the project within the original schedule fixed earlier as a result of which there was a cost escalation and the project cost now is Rs. 348.80 crore. What causes deep concern to the Committee is the fact that though the project was originally approved under the plan scheme yet the Government took almost two more years to give its approval to the revised cost estimates of the project brought via plan route despite the fact that the Mints were incurring heavy expenditure on import of coins blank from abroad to meet the domestic demand.

The Committee considers this situation as most unfortunate and can not but deplore the casual manner in which the Government had handled the matter. The Commtitee cannot, however, rest content with a mere expression of concern and disappointment. The Committee considers it its duty to point out that if every Ministry or Department is made to feel that the resources of Government are not inexhaustible and the country can ill afford to waste public funds on such time and cost overrun projects which could have been avoided, there will perhaps be lesser number of such delayed projects and greater saving of expenditure. The Committee, therefore, recommend that some sort of accountability at the level of formulation and also at the level of the implementation of various projects should be introduced immediately. The Committee would also like the Government to monitor the implementation of the modernisation project of the three mints closely so as to avoid further cost and time overruns".

8. The Ministry of Finance, in their action taken reply have stated as follows:

"This Ministry shares as well as appreciates the Hon'ble Committee's concern for the cost and time overrun that has occurred in implementation of the Government Mints Modernisation Project and assures the Hon'ble Committee that it is taking all steps to ensure that such overrun does not recur in future. In this connection, the Ministry is closely monitoring the implementation of the modernisation project of the three Mints. A Special Committee of Senior Officers of this Ministry headed by joint Secretary is constantly reviewing progress for implementation of each aspect of the modernisation project. A monthly progress report in respect of all the three Mints is being submitted by the concerned General Managers indicating details on each item & follow up action is taken. Progress review meetings are held with the General Managers of the Mints and executing agencies to ensure that there are no bottlenecks and the progress both in respect of civil works as well as procurement of equipment is smooth. The Ministry is confident that the project will be completed as per schedule and there will be no overruns in terms of cost or time. This Ministry assures the Hon'ble Committee that no laxity will be allowed in implementing the project. This assurance to the Hon'ble Committee and its recommendations are being impressed upon all authorities/agencies concerned with the request that they must not in all earnest so that the project is completed as per schedule.

As regards the recommendation of the Hon'ble Committee for introduction of a system of accountability at the level of formulation and also at the level of implementation of various projects this Ministry submits that the Government has already got a regular system of review of the progress in formulation and implementation of all projects at every stage and for this purpose a separate Ministry, viz., Ministry of Programme Implementation exists, to whom extract of above recommendations has been forwarded for follow-up action."

9. The Committee feel sceptical of the assurance given by Ministry of Finance regarding completion of the modernisation of Government of India Mints before November, 1996 in the light of the observation made by the monitoring authority of the projects — Ministry of Planning and Programme Implementation in their Annual Report 1994-95 that "the present rate of progress is not commensurate for completing the project by November, 1996 and project activities at Bombay and Calcutta are far behind schedule as compared to Hyderabad Mint. At Hyderabad Mint, the completion of civil works is held up because of the civil contractors, M/s. Hindustan Contruction Corporation, the National Buildings Construction Company and Central Public Works. The Civil Works in Bombay and Calcutta Mints are very much behind the schedule".

The Committee, however, desire that in order to ensure completion of the modernisation projects within the stipulated time frame, in view of the submissions made by the Ministry of Finance in their action taken reply, Government should closely monitor the execution with the agency implementing the projects.

Interest Payment on External Debt

Recommendation (Sl. No. 10)

10. In order to improve the utilisation of external aid, the Committee in their earlier Report recommended as follows:

> "The Committee note with concern the rising interest payment obligation on external debt which has gone up from Rs. 3,723 crore in 1993-94 to Rs. 4,309 crore in 1995-96. What causes further concern to the Committee is the fact that a significant portion of the country's external debt stocks is lying unutilised and the country has to pay a commitment charge on these amounts without actually utilising them. The Committee, therefore, feel, that there is an urgent need to review these foreign aided projects so as to identify the reasons for delay in their implementation and taking suitable steps to improve the utilisation of loans".

11. The Ministry of Finance in their action taken reply have stated as follows:

> "(1) Most of the aid is project tied. The reasons for unutilised aid can be traced to time profile of projects which is usually 5 to 7 years, exchange rate fluctuations, inadequate provision of counterpart funds, delays in land acquisition and other project specific issues.

(2) The total figure of undrawn balance does not represent the backlog. It only indicates the total that can be drawn over a period of time. Some of the main reasons for slower than expected utilisation of external aid are inadequate provisioning and counterpart funding, procurement and contracting delays, start-up and other procedural delays.

(3) Ensuring adequate provisioning for externally aided projects, release of ACA as 100% additionality advance release of ACA to the States, standardisation of bidding documents and streamilining of procurement procedures, disintermediating on flow of external aid to Central PSU's Portfolio Rationalisation and setting up of Project Management Unit in Department of Economic Affairs are some of the steps taken by Government to improve aid utilisation."

12. The Committee are not convinced with the explanation offered by Government defending their failure to check the rising interest payment obligation on external debt and the gross under-utilisation of the external aid. The Government's reply is vague and does not indicate as to whether it would carry out a review of foreign aided projects as desired by the Committee or as to what concrete steps are being/proposed to be taken to improve the aid utilisation. Merely creating a Project Management Unit which may act as another appendage of inaction, would not suffice. The need of the hour is a more realistic and pragmatic approach to ensure expeditious completion of all externally aided projects. The Committee, therefore, reiterate their recommendation regarding review of all externally aided projects within a time bound programme so that the Government not only knows as to what hindrances/problems are be setting each of the projects but also takes immediate project specific remedial action to ensure that the monies meant for these projects do not remain unutilised any further.

While approving the projects to be implemented with external aid, the Committee also desire that adequate budgetary provision for counterpart funds and advance planning in close coordination with State Governments may be made for timely implementation of such externally aided projects.

Containment of litigation

Recommendation (Sl. No. 12)

13. In regard to containment of litigation and early disposal of cases in the High Courts/Supreme Court, the Committee recommended as follows:—

> "This Committee is concerned at the large payments towards professional services (B.E. 95-96 Rs. 1.85 crore) out of which legal charges represent a substantial portion. While the Committee appreciates the steps taken by the Deptt. to contain litigation and obtain early disposal of cases in High Courts/Supreme Court, it wishes to draw the attention of the Deptt. to its Tenth Report wherein it was suggested that simplification of law must be carried out for which the formation of a Commission was also suggested.

The Committee views with great concern the growing number of cases/writs/references in the various courts of the country and reiterates its earlier recommendations for the containment of litigation since this not only represents expenditure of money but also an avoidable diversion of departmental energies which could be better utilised for revenue collection".

14. In their action taken reply, the Ministry of Finance have stated as follows:

"The Central Board of Direct Taxes is aware of the need for adopting a selective approach in filing appeals and also for ensuring that appeals, references or Special Leave Petitions are not filed in respect of issues already settled/concluded by earlier decision of the Court. The Board has issued Instruction No. 1493 dated 18.11.82 (F.No. 279/189/82-ITJ) that the orders of the Commissioners of Income Tax (Appeals) on questions of fact should be accepted by the Commissioners unless the findings are perverse. While emphasising a selective approach in filing appeals before the Income Tax Appellate Tribunal, the Board issued Instruction No. 1884 dated 16.6.1992 (F. No. 279/212/91-ITJ) (Pt.) prescribing monthly review by the Chief Commissioners of Income Tax/Director Generals of Income Tax of all appeals before the Income Tax Appellate Tribunals filed on questions of fact as well as at least 10% of the remaining appeals. Further, if any appeals were found to be not justified, they were required to be withdrawn.

Recently on 23.1.95, the Board has issued Instruction No. 1921 (F. No. 279/156/94-ITJ dt. 23.1.95) reiterating the need to ensure that departmental appeals before the Income Tax Appellate Tribunal are filed only after due care and scrutiny and emphasizing the importance of the monthly review of appeals prescribed by Board's Instruction No. 1894 dated 16.6.1992 (supra)

The reports received from the Chief Commissioners of Income Tax/Director Generals of Income Tax reveal that steps are being taken to adopt a very selective approach in filing appeals and references so as to reduce unnecessary litigation and filing of frivolous appeals. It has also been reported that pursuant to review conducted according to Board's Instruction No. 1894 dated 16.6.1992 (supra), the Chief Commissioners of Income Tax are directing withdrawal of appeals filed before the Income Tax Appellate Tribunal. For example, the Chief Commissioner of Income Tax, Pune and Hyderabad have reported that forty appeals and twenty two appeals respectively have been directed to be withdrawn from the Tribunal during the financial year 1994-95.

The recent steps taken by the Department have resulted in a reduction of the number of appeals filed by the Department as well as the assessees before the Income Tax Appellate Tribunal. The relevant details are as below:-

	1992-93	1993-94
No. of cases instituted by the Department	44008	39605
No. of cases instituted by the assessees	35121	30729

The number of Special Leave Petitions filed before the Supreme Court in direct taxes matters also decreased substantially from 753 appeals in 1992-93 to 388 appeals in 1993-94 (these figures are provisional).

With a view to simplify law, a number of amendments have been made to the Income Tax Act on the basis of the recommendations of the Tax Reforms Committee headed by Dr. Raja J. Challaiah.

Recently, the Central Board of Direct Taxes have constituted 4 Study Groups of the officers of the Income Tax Department to look into certain complicated provisions of the Income Tax Act. Necessary action shall be taken after processing the recommendations of these groups."

15. To contain litigation and obtain early disposal of cases in the High Courts/Supreme Court, the Committee in their Thirteenth Report reiterated their recommendation made in their Tenth Report for formation of a Commission for simplification of Income Tax Laws. The Ministry instead have constituted four Study Groups of the Officers of the Income Tax Department to look into certain complicated provisions of the Income Tax Act, The Committee feel however, that the Ministry should not solely fall back on departmental resources to take care of this serious problem but should abide by the recommendation made by this Committee about formation of a Commission consisting of experts from various fields to suggest remedial measures. The Committee expect that such a Commission would come into existence without further delay and with a specific mandate and time schedule. If need be the Study Groups formed by the CBDT may be co-opted suitably into this Commission.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 6)

The Committee note the regret that the performance of the Government in implementation of the proposal for modernisation of CNP, Nashik which was mooted in 1989-90 has been most disappointing. The Committee is distressed to note that it took more than 5 years to persuade the RBI to procure the required machines and lease them to CNP. The Committee also noted with surprise that even the RBI failed to visualise the urgency and need of procuring such machines and took a long time to entering into a contract for the delivery of such machines when it was within its knowledge that the production capacity of the two note printing presses together could not meet its demand for fresh notes and it had been pumping into circulation reissuable soiled/torn notes.

The Committee further regrets to note that there was an understanding with RBI that the expenditure on account of civil construction and procurement of auxiliary machines indigenously should have to be met by CNP and it was with a view to meeting that requirement, the Press had been making Budget provisions but because of inordinate delay in finalising the contract for delivery of machines the projected provisions remained underutilised for the last five years. Taking all these factors into consideration, the Committee cannot but hold the Government/RBI responsible for this unfortunate state of affairs and disapproves of the delay in awarding the contract, which has resulted in cost escalation and fall in production of the Press. The Committee would like to emphasise that it is not only the formulation of the proposals or schemes but also their actual and timely implementation which really matters in the final analysis.

The Committee, therefore, recommend that a time bound programme for implementing the remaining phases of the integrated project proposal of the modernisation programme of the Currency Note Press, Nashik should be drawn up and the same should be closely monitored to avoid further cost and time overrun.

Reply of the Government

All the machines meant for modernisation of Currency Note Press, Nashik, for which orders have been placed by Reserve Bank of India, on M/s De La Rue Giori, will be received by the Press by end of March, 1977. The Ministry of Finance has prepared an Action Plan for monitoring the modernisation programme of CNP, Nashik, including the aspect of civil construction. As per this Action Plan, the entire work of modernisation programme of CNP will be completed by the end of 1998.

[Ministry of Finance, Department of Expenditure, O.M. No. 11013/5/95-Parl, dated 1 November, 1995]

Recommendation (Sl. No. 8)

The Committee notes with concern that the financial position of RRBs is deteriorating and the losses incurred by these banks have been increasing year after year. Out of 196 RRBs, 172 RBs had incurred losses during the year ending March 1993 and 171 banks had incurred losses during 1993-94. The aggregate accumulated losses of all RRBs as on 31.3.1994 are Rs. 1302.53 crores.

What causes even a greater concern to the Committee, in regard to the experiments on RRBs. Is the fact that without even waiting for getting the results of the experiments on the performance of the 49 RRBs selected for the purpose during 1994-95 (though none from Tripura). The Government have taken a hasty decision and provided Rs. 300 crore for cleansing the balance sheets of an additional set of approximately 50 RRBs during 1995-96. The Committee is of the view that cleansing of balance sheets and infusion of fresh capital alone will not solve the problems of RRBs which arise because of inefficient and poor working, narrow margin on advances owing to the pattern prescribed high establishment expenses, mounting overdue, poor recovery performance and above all, lack of accountability of those concerned. The Committee, therefore, recommend that the Govt. should make every effort to bring in improvements not only in the overall efficiency in their functioning but also in their profitability through effective delivery including utilisation and recovery, strict enforcement of accountability at the senior level and strict monitoring. The Committee is concerned to note that the major weakness afflicting the RRBs has been the continued poor recovery performance of most of the banks in the process turning a large number of their loan accounts into non-performing. The Committee, therefor, would strongly recommend that every possible efforts should be made to recover the loans from the defaulters, for which the support of village panchayats may also be elicited.

Reply of the Government

The problems faced by RRBs have been receiving the continuing attention of the Government. The concerns expressed by the Committee and the weaknesses identified by the Committee have been suitably communicated to the R.B.I. and NABARD in order to ensure that they receive very careful consideration by these two organisations as well as by the Expert Group set up by the RBI to go into the problems of RRBs.

2. In this connection it may be stated that the RBI has constituted an Expert Group with the Chairman and Managing Director of Syndicate Bank as its Chairman, an Officer each of Government of India, RBI NABARD, Bank of Baroda, Oriental Bank of Commerce, Syndicate Bank and Canara Bank as well as the Chairman, Gorakhpur Gramin Bank as members of the Group. The Group has been set up to report progress in the exercise of re-structuring of RRBs at quarterly intervals and to make recommendations on policy issues on an ongoing basis. At a meeting of the Expert Group, the performance of 49 RRBs was reviewed and on the basis of provisional data available for 1994-95 in respect of these 49 banks, it was noted that 26 RRBs have improved their performance. Of these 12 have increased their profits, 11 have decreased their losses and 3 earlier loss making banks have earned profits during the year.

3. RBI has taken several steps to enhance the viability of RRBs. RRBs have been allowed to lend to non-target group to the extent of 60% of their fresh loans. They have been allowed to take up non-fund business like issuance of guarantees and opening of lockers. They have also been allowed to relocate loss-making branches. Select RRBs have been freed of their obligations under service Area Approach, it is also expected that the additional equity made available to select RRBs would enable them to increase their working funds and to improve performance expeditiously.

4. As identified by the Standing Committee, the RRB's have basic problems which can not be solved by mere cleansing of balance sheets and infusion of fresh capital. Problems such as the inefficient and poor working of some of the RRBs are being gone into. Each RRBs is required to prepare a development action plan to ensure gradual improvement in its financial position. In addition, Memoranda of Understanding have been signed between the selected RRBs and the respective sponsor banks indicating well defined targets relating to various financial parameters.

5. As rightly noted by the Standing Committee, the high establishment expenses constitute one of the major problems of the RRBs. Following the award of the NIT which provided for equating the pay scales in RRBs with the pay scales in sponsor banks, as against the statutory provision which provided determination of pay scales with due regard to the pay scales relating to the posts in the State Government, the establishment expenses of RRBs have increased considerably. This can be offset only by improved working results and this area is being attended to on a continuing basis.

As far as the problem of mounting overdues and poor recovery is concerned, banks are being advised to examine, with reference to the recommendations of the Standing Committee, the manner in which the support of village panchayats can be utilised in each State. It is expected that if village panchayats, with their representative character, are actively associated both at the time of lending as well as at the time of repayment, the problem of overdues could be considerably reduced and recovery would be rendered easier.

[Ministry of Finance, Department of Expenditure, O.M.No. H-11013/5/ 95-Parl, dated 1 November, 1995]

Recommendation (Sl. No. 9)

The Committee is distressed to learn that the level of non-performing assets of the 19 Nationalised banks in absolute terms as on March, 1994 stood at Rs. 19676.04 crores in their domestic operations and Rs. 4065.11 crores in respect of their overseas operations. Out of Rs. 19676.04 crores, Rs. 10364.49 crores belongs to priority sector and Rs. 9311.55 crores belongs to non-priority sector with reference to their domestic operations. While the Committee is saddend over the colossal loss of public money on the one hand and no distinct improvement in the financial results of the nationalised banks on the other, it feels that the task of writing off loans and entering into compromises will need to be done with a lot of care and circumspection for which the Government will have to be fully accountable. In this connection this Committee would like to be apprised at regular intervals of the data relating to such write off's etc. so as to form an opinion as to where the default lies.

Reply of the Government

The details of bad debts written off by the nationalised banks during 1993-94 is indicated at Annexure (I)

2. The data is updated annually.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/ 95-Parl, dated 1 November, 1995]

Recommendation (Sl. No. 13)

While the expenditure on the maintenance of the Commission has been rising steadily from an actual of Rs. 1.55 crore for 1993-94 to Rs. 1.75 crore proposed for B.E. 1995-96, so have been the number of pending cases which have been admitted. While the Committee appreciates that the Commission has to satisfy many judicial requirements before deciding case which generally involves complex investigations relating to several assessment years, if feels that enough is not being done to speed up the collection of Revenue. As a matter of fact the Settlement Commission has turned out to be a tax haven for assessees since the disputed amount of tax does not have to be deposited. The Committee wishes that the Govt. devotes serious thought to this issue to streamline the functioning of the Commission to optimise revenue collections. The Committee would also like the Government to assess as to how much revenue is locked up in case that are pending for admission as well as those which have been admitted and going on for years so as to rationalise the working of this body.

Reply of the Government

At the end of the year 1994-95, a total of 715 cases were pending for admission and 1715 admitted applications were pending for final disposal. As against these 825 cases were pending for admission and 1544 admitted cases were pending for disposal at the end of the year 1993-94. Against a total disposal of 455 cases during the year 1993-94, the disposal of cases during the year 1994-95 was 509. While ensuring compliance with the procedure of law, the Commission has to undertake complex investigations relating to several assessment years in deciding a case. During the last 2 years, the Commission has laid greater emphasis on admission of a case since on admission the applicant becomes liable to pay the additional amount of income-tax payable on the income disclosed in the application before the Commission in accordance with the time-limit prescribed under section 245B of the Income-tax Act, 1961. As against an assessment of income-tax liability to the tune of Rs. 1915.67 lakhs in respect of applications disposed during 1992-93, the income-tax liability in respect of cases disposed during 1993-94 was Rs. 6687.87 lakhs. Similarly, as against additional liability in respect of wealth-tax to the tune of Rs. 781.68 lakhs during 1992-93, the liability adjudicated during 1993-94 was Rs. 3262.83 lakhs. These figures show that the Commission is playing an important role in realisation of revenue. However, the Government is taking all possible steps including timely filling up of vacancies, monitoring of pendencies and provision of infrastructure support for augmenting disposal by the Commission. Till such time as an admitted application is not finally disposed of, the revenue implications cannot be worked out. However, the Government has laid emphasis on the disposal of older cases on priority basis in order to reduce the time gap between admission and final disposal of cases by the Commission.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/95-Parl, dated 1 November, 1995]

Recommendation (Sl. No. 14)

The Committee is not at all happy with arguments and analysis offered by the Deptt. of Revenue, attributing so much success to this Scheme. Successive Reports of this Committee, the PAC and the C&AG of India have pointed out so many deficiencies in the working of this scheme about which no action has been taken by the Government so far. The Department claims to have generated a surplus of Rs. 7.03 crore for the Government over the period from 1.10.86—31.12.94 by making a simplistic calculation in arithmatic, ignoring completely the time value of money and the cost of capital employed. Repeated recommendations of various Committees to introduce an element of objectivity and transparency in the valuation of properties and also to raise the limits of Section 269UC of the

Income-tax Act, 1961 to more realistic levels, at least in the metropolitan cities, have so far not been attended to by the Deptt. of Revenue.

The claim of the Deptt. that the working of this Scheme has led to a rise in the prices of real estate is really astounding. As a matter of fact the limits prescribed are so low that the sellers and buyers of properties are forced to supress the declared consideration to rediculous levels, so as to avoid clearances required under the law, leading to heavy loss of stamp duty for the Government. The Committee feels that higher stamp duty collection, if any, is due to the market forces and other factors etc. and not due to the operation of this scheme.

This Committee feels that it is high time that this Scheme was given a thorough examination in the light of recommendations given in its Tenth Report.

Reply of the Government

In the period from 1.10.1996 to 31.12.1994, total expenditure on purchases of 971 properties has been at Rs. 451.45 crores. Out of these, 611 properties were sold and realisations from such sales have been at Rs. 458.48 crores. The surplus of Rs. 7.03 crores represents the excess of incoming over out-going in the Government account. This surplus would further go up with the sale of remaining properties which were available with the Government as on 31.12.1994.

2. An exercise has also been made to ascertain surplus to the Government if interest at 13.53 p.a. for the period for which the properties were in possession of the Government is also taken into account. The result of this exercise indicate that only in 36 cases of properties, the sale price has been less than the cost price and interest.

3. The recommendation of the Standing Committee for raising of the limits for the applicability of the scheme of pre-emptive purchase of immovable properties has already been accepted by the Government and a notification S.O. 636(E)-dated 12.7.95 (copy enclosed—Annexure II) has already been issued on this point. The other recommendations given in the 10th report of the Committee are also receiving attention of the Government.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/95-Parl, dated 1 November, 1995]

Recommendation (Sl. No. 15)

The Committee would like to see that the Rewards are authorised in a rational and transparent manner after due deliberation at a sufficiently high level, eliminating the possibility of fraud or misappropriation as has been reported recently in some cases.

Reply of the Government

In the Directorate of Revenue Intelligence rewards are sanctioned by the competent authority as per the powers delegated by the Government of

India from time to time in the Reward Rules. The monetory limits for sanction of reward to informers and Govt. servants are as under:—

	Designation of officers/ Constitution of Committee	Monetory limit of reward to Informer	Sanction of Individual Govt. servants
1.	Director General Revenue Intelligence	Rs. 20 lakhs	Rs. 10,000/-
2.	Addl. Director General, DRI	Rs. 10,000/-	Rs. 5,000/-
3.	Deputy Director, DRI	Rs. 5000/-	Rs. 2500/-
4.	Committee comprising DGRI, DPO and ADG, DRI	In excess of Rs. 20 lakhs	—
5.	Committee comprising DGRI, ADG, DD, DRI	—	In excess of Rs. 10,000/- upto Rs. 1 lakh
6.	By the Board (CBEC) in case of exceptional nature on DGRI's recommendations.	—	In excess of Rs. 1 lakh

(1) Each and every case of reward is carefully examined by the competent sanctioning authority who strictly adhere to the guidelines while sanctioning rewards.

(2) Appropriate precautions are taken to ensure rewards are sanctioned after due the deliberation regarding role played by proposed receipient of reward. These delebcrations are at various levels and are scrutinized at the appropriate level in the Directorate of Revenue Intelligence. A Committee of very senior officers scrutinizes the role played for sanction of reward beyond certain monetary limits as stated in para (2). Nature of the information if any, role played by the informer and the officers are duly appreciated and the reward sanctioned and disbursed are duly recorded. Representation, if any, are promptly attended to and are examined in the light of case records and records of rewards sanctioned/disbursed. Thus rewards are authorised in a rational and transparent manner. A proper record management system and delegation of power for authorising rewards at very high levels as well as strict administrative accountability preclude possibility of fraud or misappropriate in granting rewards. No one has so far pointed out misappropriation of the reward in the Directorate of Revenue Intelligence.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11-13/5/95-Parl, Dated 1 November, 1995]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Sl. No. 1)

While the Committee is aware of the new Group Life Insurance Scheme of LIC announced in the budget and quite appreciate the concern shown towards the rural poor, the Committee, however, fear that the new Scheme may not be able to answer the purpose, however, modest the premium may be, because of the existence of two almost similar such relief oriented Social Welfare Schemes where no premium is payable by the insured. Since all these Schemes aim at assisting the poor rural households, the Committee, is of the view that both the existing PASS and LALGI Schemes be clubbed to the proposed new Rural Population Group Insurance Scheme (RPGIS) by introducing an element of accident insurance coverage in it.

The Committee also do not find adequate reasons for not augmenting the limit of compensation available under the Hut Scheme. The Committee, therefore, desire that the amount payable under the Hut Scheme should be suitably revised keeping in view the general inflation and the income eligibility limit under the Scheme should also be raised to the present poverty line limit.

Reply of the Government

The following points have been made in the above recommendation:—

(i) There is delay on the part of the Government in taking a final view on the future of PASS and Hut Insurance Schemes and the schemes are continuing with an element of *ad-hocism*.

(ii) The compensation payable under the Hut Insurance Scheme should be increased from the present level keeping in view the rate of inflation and the income eligibility limit should also be raised to the present poverty line limit; and

(iii) The PASS, LALGI and Rural Group Life Insurance Schemes (RGLIS) could be clubbed together, so that in the RGLIS an element of accident insurance coverage could be introduced.

Adhocism in continuing PASS and Hut Insurance Schemes on account of Malhotra Committee recommendations.

2. The Malhotra Committee only recommended that "Welfare oriented Schemes of general insurance such as PASS and Hut Insurance do not involve any element of insurance..........these Schemes should be transferred to the Government Authorities concerned." While no final view in the matter has emerged as yet, there is no adhocism either, in the continuance of these Schemes.

Increasing compensation payable and the income eligibility limit under Hut Insurance Scheme.

This has been carefully considered and the Govenment has decided not to increase the income eligibility limit or compensaiton payable under the Hut Insurance Scheme in view of the announcement made by the Finance Minister in his Budget Speech regarding introduction of National Social Assistance Scheme which provides for an old age pension of Rs. 75/- per month to people above 65 years of age who are below the poverty line; a survivor benefit Scheme to the poor households on the death of the primary bread earner, of Rs. 5,000/-, a new Rural Group Life Insurance Scheme (RGLIS) to be implemented by the Life Insurance Corporation of India (LIC) under which life cover of Rs. 5,000/- will be provided on payment of a modest annual premium of Rs. 60/- to Rs. 70/- depending upon the age of entry of the beneficiary and 50% of this premium for one member in every household below poverty line will be subsidised by the Central and State Governments equally, so that the beneficiary will have to pay only the balance 50% of the premium and doubling the housing target under Indira Awas yojana enabling building 50 lakh rural dwelling units in the next five years.

Clubbing of PASS, LALGI and Rural Group Life Insurance Scheme (RGLIS).

PASS Scheme provides an insurance cover, against accidential deaths, of Rs. 3,000/- to the poorest of the poor, *both in rural and urban areas*, whose family income from all sources does not exceed Rs. 7,200/- per annum. *The entire premium under the Scheme is borne by the Central Government.*

Two other Schemes viz. Group Insurance Scheme for Landless Agricultural labourers (LALGI) and Rural Group Life Insurance Scheme (RGLIS) operated by the LIC, supplement the aforesaid PASS Scheme. LALGI provides insurance cover of Rs. 2,000/- in the event of death of a landless agricultural labourer who is normally the head of such a family. The insurance cover is both for accidental as well as natural deaths and the entire premium is met by the LIC from its Social Security Fund. In the case of RGLIS, life cover of Rs. 5,000/- is provided for a moderate premium of Rs. 60/- to Rs. 70/- per annum depending upon the age of entry of the beneficiary. A premium subsidy of 50% is provided by the Central and State Governments (to be shared equally) in case of one member of a rural family which is below poverty line. The other 50% of the premium will have to be paid by the beneficiary. Thus, a beneficiary under LALGI can be a beneficiary under PASS Scheme also provided he satisfies the requisite conditions. Similarly, there is no bar for a member of the RGLIS Scheme to get accidental death cover under the PASS Scheme or death cover under the LALGI Scheme provided he satisfies the requisite conditions. Thus, while PASS Scheme is meant for both rural and urban poor, the LALGI and RGLIS are special Schemes intended only for rural poor and will supplement the PASS Scheme in rural areas. Since the target groups are different and the Schemes are dissimilar from each other, it will not be possible to club them together.

[Ministry of Finance, Department of Expenditure, O.M. No. 11013/5/95—Parl, dated 1 November, 1995]

Recommendation (Sl. No. 2)

The Committee desires that the Government should run this Scheme on commercial principles which are in consonance with internationally accepted insurance norms and practices. It is evident from the reply of the Government that an amount of only Rs. 114 crores is available with them under the Minor Head 105—'General Insurance Fund' for payment under the five Emergency Risks Funds constituted for similar purposes. The Committee apprehends that this amount may be insufficient to cater to the claims in case they arise en masse. The Committee, therefore, suggests that the eficiency of these insurance Schemes may be assessed thoroughly, including the performance of the insurance companies in operating these Schemes *vis-a-vis* the administrative expenses incurred in running them.

Reply of the Government

The following points have been made in the above recommendation:—

(i) Government should run the War Risks (Marine Hulls) Reinsurance Scheme on commercial principles which are in consonance with internationally accepted insurance norms and practices; and

(ii) The efficiency of War Risks (Marine Hulls) Reinsurance Scheme and Emergency Risks Insurance Schemes may be assessed thoroughly.

War Risks (Marine Hulls) Reinsurance Scheme.

War Risks (Marine Hulls) Reinsurance Scheme is already run on commercial principles. The premium rates under the Scheme are fixed by the Government in consultation with GIC. The GIC have their contacts the world over and they make the recommendations for fixation of premium rates under the Scheme after gathering necessary information from their overseas contacts. It may be mentioned that the normal premium rate charged by the Government under the Scheme is 0.10% as against the premium rate of 0.05% being charged by the London Open Market.

The War Risks (Marine Hulls) Reinsurance Scheme was reviewed sometime back in consultation with GIC and it has been amended comprehensively so as to bring the provisions of the Scheme in line with those of overseas War Clubs/Markets.

The amended Scheme came into force w.e.f. 1.7.1993.

As stated earlier in reply to the Standing Committee, four separate Acts were enacted with a view to cover the Emergency Risks for sellers/suppliers of goods and owners of factories/undertakings and four separate funds were created under the respective Acts with the premium so generated. These funds are part of the Consolidated Fund of India. All claims under the Emergency Risk Insurance Schemes are paid out of the respective Funds. Some cases are under investigation. The claims in respect of those cases, when decided, will be paid out of these funds. The four Emergency Risk Insurance Schemes were in force only during the period of operation of the proclamation of emergency issued by the President. These Schemes are no longer in force now. There is, therefore, no need to review the Emergency Risks Insurance Schemes.

Emergency Risks Insurance Schemes.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/95-Parl, dated 1 November, 1995]

Recommendation (Sl. No. 3)

It is distressing to note that the Government took 10 long years in sanctioning the additional manpower required for the Security Paper Mill which was modernised in 1983.

What is more distressing is that the further action for proper positioning of additional manpower sanctioned in October 1993 is still on hand. It is strange that the installed capacity of the Mill remained under utilised for the last so many years due to want of additional manpower while scarce foreign exchange resources were being utilised for import of currency bank note papers. The Committee feels that this is a clear case of improper planning, lack of foresight and inordinate delay in taking decisions. The Committee, therefore, is of the view that it is of utmost importance that such delays are investigated and proper responsibilities fixed. The Committee also desires that the Government should, without any further loss of time, take necessary action for proper positioning of additional manpower required for full capacity utilisation of the Mill which would reduce expenditure of scarce foreign resources on import of bank note paper.

Reply of the Government

The Security Paper Mill, Hoshangabad, which manufactures paper for printing currency/bank notes, was modernised in 1983, to increase its installed production capacity to 6000 MTs (achievable capacity 5737 MTs for 349 days working in a year) After modernisation, new norms of production manpower requirement, incentive scheme, etc. were to be introduced. For this purpose, an engineering consultancy firm, IBCON were appointed. IBCON recommendations could not be implemented because of its non acceptance by the workers. Due to the intransigent attitude of the workers, the Mill had to be put under ESMA for about two years. However, in 1987, a tripartite agreement was signed and as per terms of the agreement, Government appointed National Productivity Council (NPC) to study the manpower requirement, production norms and incentive scheme covering all categories of employees in the modernised mill.

NPC submitted its report in December 1988. Since the report had suggested creation/upgradation of a large number of posts, its recommendations were finally accepted by the Government in October 1992.

The delay in acceptance of the NPC Report was mainly due to the fact that the NPC Report was a bulky document running into 11 Volumes, and examination of the same involved consultation with the recognised Union as well as other Departments of the Govt.

The implementation of NPC Recommendation was to be achieved in two phases. The anticipated production in the first phase of implementation of the recommendations of NPC, was assessed as 4500 MTs and 5500 MTs in the second phase. On implementation of the revised norms of production and upgradation/recategorisation of the workers and the officers, the production of finished paper in the Mill rose from 3332.32 MT in 1992-93 to 3934.91 MT in 1993-94.

At the time of modernisation, the product mix contained 34% non-threaded paper (Rs. 1 and Rs. 2 denominations, and the remaining 66% was threaded paper (Rs. 5 denomination and above). The average machine deckle utilisation then worked out to 96.2% of the available capacity.

In view of a decision taken by the Government for complete coinasation of Rs. 1, Rs. 2 and Rs. 5 denominations, the product mix of the SPM was changed and they are now required to manufacture only threaded paper of Rs. 10 and above. With this change, the average machine deckle utilisation worked out to 94.2% of the available capacity. (Non-threaded paper gives higher output as compared to threaded paper).

In the meantime, because of switching over the maximum production of super size sheet paper at SPM, as required by the Currency Note Printing Press at Nashik and Bank Note Printing Press at Dewas, the Mill had to manufacture only two sheets across the deckle suitable to the super size printing machines of BNP/CNP. Earlier, the Mill was manufacturing three sheets across the deckle. Whereas they are now getting only 2 sheets across because of the changed requirement of the note-printing Presses. This resulted in loss of production to the extent of nearly 20%. Thus, there has been direct reduction in the installed capacity of the Security Paper Mill from 5500 MTs envisaged in NPC Report to 4400 MTs per annum.

Besides, some of the newly created posts on the basis of NPC recommendation could not be filled in immediately since the recruitment rules for such posts were to be framed/notified in consultation with the Department of Personnel, UPSC and the Ministry of Law, Hence, there was lesser production than anticipated.

The loss of production in the Security Paper Mill, was, therefore, due to facts explained above. There was no improper planning or lack of foresight.

[Ministry of Finance, Department of Expenditure, O.M. No. 11013/5/95 dated 1 November, 1995]

Recommendation (Sl. No. 4)

The Committee note with concern that in spite of increase in expenditure on payment of overtime allowance from Rs. 908.53 lakhs in 1991-92 to Rs. 1335 lakhs in 1994-95, there has been no corresponding increase in production performance of the India Security Press Nasik. There has been rather, a decline in its performance over these years. There has been a fall in production of the Press in 7 out of 14 items during 1992-93, 11 items in 1993-94 and 12 items in 1994-95 (upto December, 1994) as compared to the production of such items in 1991-92. Moreover, the Securing Printing Press at Hyderabad has also been supplementing the output of India Security Press Nasik in respect of postal stationery, inland letter cards and match excise bandrolls.

The Committee is equally concerned to note that despite higher provisions made in the budgets for acquisition/replacement of machinery and equipments, there has been a constant underutilisation of such provision during the last three years thus depriving the Press from improving its efficiency. The above facts reveal a very unhappy state of affairs in the Press and cast a reflection on its efficiency.

The Committee desires that the Government should conduct a comprehensive work study for ascertaining proper manpower requirement and efficient deployment of the existing manpower with a view to achieve optimal utilisation of its capacity and reducing non-plan expenditure. The Committee would also like the Ministry to monitor closely to ensure implementation of the acquisition/replacement proposals of the machinery and equipment of the Press for increasing its efficiency and for which budgetary provisions are made.

Reply of the Government

Although the sanctioned strength of ISP has remained the same from 1991-92 to 1994-95 (in fact during this period the Press has been always operating at a strength less than the sanctioned strength) the Press has not only been able to show a substantial increase in the annula value of sales between 1991-92 and 1994-95 (from Rs. 65.17 crores in 1990-91 to 107.49 crores in 1994-95) but also improvement in value of sales have been maintained from year to year.

	Sanctioned Strength	Actual Strength on 1.4.91	1.4.92	1.4.93	1.4.94
Officers	76	62	63	64	61
Staff	1206	1115	1122	1109	1112
Workmen	6650	6447	6408	6317	6178

VALUE OF ANNUAL SALES & PROFIT PERCENTAGE

	1987-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95
Sales (in crores)	41.62	46.34	54.44	65.17	82.56	105.11	104.13	107.49* (Provisional)
Profit % (+) Loss (−)	−10.59	−15.39	−1.41	−7.06	+12.89	+15.59	+9.39	—

* Expenditure figure for 1994-95 is under scrutiny before finalisation for working out the profit%.

It will thus be observed from above that while the Press was running at a Loss from 1987-88 to 1990-91, the Press with the same sanctioned strength and actually with reduced actual strength has been able to show profits during all the years from 1990-91 to 1994-95 and also has been able to improve upon the annual sales value of Rs. 65.17 crores in 1991-92 to Rs. 107.49 crores in 1994-95 maintaining the improvement year to year.

As regards production figures of 14 items it is pointed out that the figures quoted are for 1st 3 quarters only for the year 1994-95 and did not contain the figure representing rated annual capacity of the Press for the items. Therefore for correct comparison we are reproducing below the chart with the above said corrections/inclusions:—

(Figures in crores)

Sl. No.	Items	Annual production capacity of the Press	Production figures for the year			
			91-92	92-93	93-94	94-95 (upto 31.3.95)
1.	Post Card	55.00	66.41	65.10	65.28	85.53
2.	Ordy. Envelopes	20.00	17.33	21.06	21.36	18.80
3.	Regd. Envelopes	0.80	0.94	0.88	0.83	0.83
4.	Inland Letter Cards	72.00	63.61	57.04	55.48	27.40
5.	Green Envelopes & Forces letters	4.00	3.65	3.92	0.93	1.66
6.	Aerogrammes	3.00	3.82	4.97	2.85	3.75
7.	Non-judicial & Allied Forms	8.69	10.68	11.63	9.03	9.13
8.	M.I.C.R. cheques	5.86	3.32	3.45	3.24	3.43
9.	Non-MICR cheques	2.70	1.78	2.15	1.38	1.91
10.	Pass Identity Cards	0.50	2.20	0.03	0.49	0.01
11.	Misc. Security Form	8.79	8.48	5.83	4.10	8.07
12.	Public Service/ Comm. Postage Stamps	3.50	4.67	3.99	3.04	3.96
13.	Non-Postal Adh. Stamps	2.00	1.21	1.10	1.30	1.37
14.	Passport Visa Sheets	0.17	0.21	0.32	0.33	0.26

2. It will be observed that out of 14 types of items listed above in respect of 6 items (Sl. Nos. 1, 3, 6, 7, 12 & 14) the productions have been much above the rated Annual capacity of the Press and in case of further 4 items

like Sl. Nos. 2, 8, 9, 13 the production has been maintained at consistent level throughout all these years at a level slightly below their full capacity because some portion of production capacity of these items had to be shifted to boost the production of items at Sl. 1,3,6, 7, 12 & 14 as these were getting high priority by Customers and thereby the press required to achieve production much above their corresponding installed capacities. This could be done only at the cost of some items.

In case of further 2 types of items at Sl. Nos. 10 and 11 it is pointed out that these have been graded by the Ministry as Low/Non-Security items and it was considered that because the capacity at I.S.P. was under severe pressure because of indents for a large variety of security items from various Government Departments/Agencies therefore in view of the limited capacity and to avoid huge supply-demand imbalances in respect of high security items these low/non-security items listed at Sl. Nos. 10 & 11 were to be phased out and it was planned to stop printing of these items by in 1990. It will be observed from the above production Chart that despite this decision, the ISP had been continuing to supply these items because customers could not establish other sources while we were required to increase the production of high priority items stated above and this has led to not meeting the full production capacity in the shortage areas reflected in the chart.

It is pointed out that the Press has a regular work load of printing and supplying more than 1200 items and the capacity for all these 1200 items are grouped under these 14 groups of items listed above.

Even most of these 14 items listed above consist of several sub-items of their own *e.g.* Postcards (Single & Reply): M.I.C.R. Cheques (of 6000 types): N.J. Stamps (14 denominations): N.S.C. (5 denominations) K.V.P. (Seven denominations): I.V.P. (Five denominations): Revenue Stamps of 6 denominations and regular postage stamps of 12 different denominations. The allied forms grouped in the capacity of N.J. Stamps includes so many items like Hundi Stamps, Bonds, Impressed Court Fee Stamps, Copy Stamps, etc., the M.I.C.R. Plant, apart from printing MICR Cheques, has also to do the encoding of other items like Indian Postal Orders, I.T.R.O. forms, R.B.I. Drafts etc.

The production pattern for each year varies according to the indents received from about 1,000 Indentors and these are mostly not uniform. Moreover, most of the Indents are not annual but either quarterly or six monthly with substantial imbalances from quarter to quarter. This also leads to loss of utilisation of full production capacity.

In order to accommodate and supply items beyond our capacity level, the production of some of the items had to be curtailed and such facilities shifted to priority items for example—since 1991-92 the requirement of Ministry of External Affairs for Passports and other Travel Documents have increased substantially to about 30 lakhs per year as against our annual rated capacity of 17 lakhs per year. Due to this production of several items included in the 14 items listed above, had to be restricted to below capacity level for the time being to meet the requirements of passports and travel documents for Ministry of External Affairs till suitable automated machinery for production of Passport Booklets to this level could be installed and brought into operation. Further, the requirements of post cards and items like Non-Judicial Stamps etc. have also gone up substantially and because of Public demand we are trying our best to produce such items as much as we can beyond the rated capacity of the Press at the cost of some of the 14 items listed.

Further, within this total capacity created under these 14 items the Press has accepted prestigious export orders like Postage stamps for the Government of Nepal, Revenue Stamps for the Government of Bhutan, etc. which has necessitated the Press to supply such export items at the cost of some of the 14 items mentioned above.

Every year this Press has to accept new jobs to be supplied on priority. This not only consumes capacity and facility of these 14 items but also leads to loss of production of the said 14 items due to interruption in the production lines.

It is pointed out that during the period in question I.S.P. had been entrusted with as many as 9 types of new postal stamps + 20 new items for non-postal items such as—K.V.P. for Rs. 50,000/- I.V.P. and K.V.P. for Rupees One crore, High Value Non-Judicial stamps of 4 types, Jumbo ordinary International Passport Booklets, Jumbo diplomatic International Passport Travel Passes for Indo-China Border Trades, Travel Passes for Indo-Myanmar Border Trade, Exim Scrips, Clip Indentity Cards for Border States, Visa Stickers, Gold Bonds, etc. Further such items are mostly required to be supplied on top priority which has adverse effect on production programme.

On many occasions due to delay on the part of the Indentors for placing the indents on time as well as placing further supplementary indents much later during the year (due to their non-proper and non-timely assessment of demands) we get indents late and also in several batches and to ensure supply of these items the production schedules have to be broken and altered which leads to loss of production.

On many occasions ISP have also to effect supplies to different indentors after their serial order of supply is drawn up and the production schedule finalised. ISP have to alter such computerised production schedule to accommodate change in the priorites by the indentors which is beyond our control and leads to loss of production.

AS regards increase in the expenditure of payment of overtime allowance between 1991-92 and 1994-95 it is pointed out that from the above it will be appreciated that production in both quantum and as well as in value has substantially gone up from 1991-92 to 1994-95. Further the increase in overtime from 1991-92 and 1994-95 with yearwise increase *vis-a-vis* the actual strength of the factory and the vacancies are given below:—

Year	O.T. Allowance	Actual Strength	Vacancies
1991-92	9,08,52,629/-	6447	196
1992-93	11,44,45,694/-	6408	286
1993-94	12,79,63,478/-	6317	532
1994-95	13,22,66,088/-	6178	525

From this it will be observed that the annual rate in the value of overtime working has been on the average between 10% to 12% and it transpires that this increase in O.T. amount is practically due to increase in basic pay, DA, etc.

It will be observed that while the value of overtime working between 1991-92 and 1994-95 has gone up by a total of Rs. 4.18 crores the increse in the value of sales and the production has gone up by Rs. 24.93 crores.

It is further pointed out that during this period, production of passport booklets had to be increased from 17 lakhs a year to about 30 lakhs a year *i.e.*, from 6000 booklets per day to about 12000 booklets per day, in the absence of any added facilities. This had to be achieved by working extra hours by about 500 employees including technical and control and supporting staff, etc. which has also contributed to this increase in the overtime figures. It is expected that once the new Automatic Passport Booklet Machine is installed in ISP and goes into production, the overtime reduction to that extent will be possible.

[Ministry of Finance, Department of Expediture, O.M. No. H-11013/5/95-Parl, dated 13 December, 1995]

Recommendation (Sl. No. 11)

The Committee is of the view that this Directorates is not receiving the attention that it deserve in discharging the very significant work that is assigned to it. Proper policy formulation cannot be carried out unless accurate dala leading to a good management Information System is available. Fine Tuning of Direct Tax Laws can be done only when the effect of their functioning in the field can be quickly ascertained at the aggregate level. It has been the experience of the Committee that accurate information in respect of various fiscal and revenue parameters was not readily available with the Department and there were wide variations in figures supplied including differences in nomenclatures adopted by different field formations. The Committee appreciates the difficulties of the Department where the records/register/returns are largely maintained manually. The Committee notes that the computerisation initiated in 1984 has not been highly successful and that the Research and Statistics Wing is now embarking on a comprehensive computerisation programme. The Committee would want that this Directorate should be accorded the highest priority within the organisation, including allocation of higher outlays if necessary, so that this Directorate becomes a model for computerised working for achieving the objective of maximisation of Revenue.

Reply of the Government

The Government has already sanctioned procurement of computer hardware, software and accessories at a cost of Rs. 4.77 lakhs in November, 1994 which was susequently revised to Rs. 6.79 lakhs in March, 1995. With the installation of above computer equipment, the functioning of printing and publication of Directorate of Income tax (RSP&PR) will improve considerably. In so far as the Research & Statistics Wing is concerned, a proposal to augment the existing computer system at a cost of Rs. 17.00 lakhs to provide pentium based Computer server PCs and the latest State of Art Software, is under active consideration and is likely to be sanctioned shortly. With the proposed upgradation of the existing computer system in R&S Wing of the Directorate, the Management Information System will be improved.

2. It is further added that the Income tax Department has embarked on a comprehensive computerisation plan in the three metropolitan city CCIT regions of Delhi, Bombay and Madras. This covers all the main areas of work of the Department. For this purpose the application areas cover:

(a) Assessee Information System (PAN);

(b) Assessment Information System;

(c) Tax Deduction Information System;

(d) Tax Accounting System;

(e) Individual Running Ledger Account System;

(f) Enforcement Information System;

(g) Management Information System;

The Management Information System at (g) will be a by-product of the first six applications which will help the Department in monitoring, tax planning & legislation and research. All statistical reports etc. presently being compiled by the Directorate of RSP&PR will be the reports generated by the system. The data generated would be accurate and complete in respect of work done on computers in the field formations.

3. Till the time all the centres in the country are covered by the comprehensive computerisation, the Directorate of Income-tax (Research, Statistics, Publication and Public Relations) will have to continue the compilation of the statistics on the proposed hardware, software and accessories as mentioned at para 1 above.

(Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/ 95-Parl., Dated 1 November, 1995)

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 5)

The Committee noted with surprise that the workers of the Central Stamp Store, Nasik were put on extended overtime hours just to despatch the finished products of the india Security Press, thereby incurring huge expenditure on account of overtime allowance year after year. The Committee fails to understand why the work of despatches could not be disposed off during the normal working hours. The Committee does not regard the existing arrangement as satisfactory and cannot but hold the Department/Management fully responsible for not effectively monitoring and curbing the tendency of late disposal of work and that too when is happening year after year. The Committee, therefore, recommend a thorough reorientation and streamlining of the administrative machinery alongwith a comprehensive review of the work presently undertaken by the Central Stamps Store with a view to improving the administrative efficiency and to minimise such expenditure, including, if necessary running of three shifts, each of eight hours and providing additional employment in the process, rather than the present heavy dependence on OTA.

Reply of the Government

The Central Stamp Depot (CSD) is not only working as a Despatch Section for all products printed at India Security Press (ISP) but also receives all the indents, that too, mostly quarterly and six monthly indents from over thousand indentors. They have to collate this huge information from so many sources and consolidate them into item-wise print orders before ISP can plan production and produce these items. Moreover, they have to prepare the despatch documents and bills also which runs in thousands. CSD has to prepare such bills, forward these to the Indentors, and keep track of the bills etc. and expedite/organise receipt of payments.

Despatching of about 90000 boxes and 45000 parcels on an average per year by different modes of despatch such as wagon loads, smalls by railways through post parcels, and personal delivery of priority items are itself a huge task. In appreciation of this workload, even the same hours of overtime have been maintained for the past so many years between the ISP and CSD (actually CSD is a department of ISP like other departments). CSD also is required to maintain stocks of finished security items before despatch (sometimes they have to hold it for a long period) and also they have to take up regular periodical stock verification work twice a year for such huge number of items moving constantly.

As a policy, ISP administration tries to restrict overtime allowance to barest possible minimum but as will be observed that the quantum of despatch (and consequently speed of despatch becuase the same increased quantum has to be accommodated within the same period) which is reflected in the increased value of production from 41.62 crores in 1987-88 to 88.56 crores in 1991-92 and more than 105 crores in 1994-95 as corresponding increase in the despatch load and other associated load of billing, indenting, etc. with the same sanctioned strength has made working of overtime in CSD in proportion with ISP working unavoidable.

Further, in many cases the indentors want immediate despatch of bulk items to cater for certain emergent requirement at their end. For example, some of the documents which are supposed to be supplied throughout the financial year have been required to be supplied in bulk at a stretch in view of the urgent requirement by some identors. This sort of things create lot of strain on the normal despatch. Moreover on many occasions items like MICR Cheques, etc. had to be supplied overnight by speed post/ couriers to meet the identors urgent and unforeseen requirement.

ISP have to meet this increased demand of despatch with actual strength which is currently below the sanctioned strength.

Despite all efforts, due to above reasons it some times becomes unavoidable to work casual overtime in CSD as required at particular points of time.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/95-Parl., dated 1 November, 1995]

Comments of the Committee

Please refer para No. 6 of Chapter I.

Recommendation (Sl. No. 7)

The Committee is distressed to note that the modernisation of the project of the three Government of India Mints at Bombay, Calcutta and Hyderabad which was approved by the Government in Februrary, 1989 at a cost of Rs. 118.29 crore could not be completed within the target date of March, 1992. The Committee is surprised that the Government has not given any reasons for non-completion of the project within the original schedule fixed earlier as a result of which there was a cost escalation and the project cost now is Rs. 348.80 crore. What causes deep concern to the Committee is the fact that though the project was originally approved under the plan scheme yet the Government took almost two more years to give its approval to the revised cost estimates of the project brought via plan route despite the fact that the Mints were incurring heavy expenditure on import of coins blank from abroad to meet the domestic demand.

The Committee considers this situation as most unfortunate and cannot but deplore the casual manner in which the Government have handled the matter. The Committee cannot, however, rest content with a mere expression of concern and disappointment. the Committee considers it its duty to point out that if every Ministry or Department is made to feel that the resources of Government are not inexhaustible and the country can ill afford to waste public funds on such time and cost overrun projects which could have been avoided, there will perhaps be lesser number of such delayed projects and greater saving of expenditure. The Committee therefore recommend that some sort of accountability at the level of formulation and also at the level of implementation of various projects should be introduced immediately. The Committee would also like the Government to monitor the implementation of the modernisation project of the three mints closely so as to avoid further cost and time overruns.

Reply of the Government

This Ministry shares as well as appreciates the Hon'ble Committee's concern for the cost and time overrun that has occured in implementation of the Government Mints Modernisation project and assures the Hon'ble Committee that it is taking all steps to ensure that such overrun does not recur in future. In this connection, the Ministry is closely monitoring the implementation of the modernisation project of the three Mints. A Special Committee of Senior Officers of this Ministry headed by Joint Secretary is constantly reviewing progress for implementation of each aspect of the modernisation project. A monthly progress report in respect of all the three mints is being submitted by the concerned General Managers indicating details on each item & follow up action is taken. Progress review meetings are held with the General Managers of the Mints and executing agencies to ensure that there are no bottlenecks and the progress both in respect of civil works as well as procurement of equipment is smooth. The Ministry is confident that the project will be completed as per schedule and there willl be no overruns in terms of cost or time. This Ministry assures the Hon'ble Committee that no laxity will be allowed in implementing the project. This assurance to the Hon'ble Committee and its recommendations are being impressed upon all authorities/agencies concerned with the request that they must not in all earnest so that the project is completed as per schedule.

As regards the recommendation of the Hon'ble Committee for introduction of a system of accountability at the level of formulation and also at the level of implementation of various projects, this Ministry submits that the Government has already got a regular system of review of the progress in formulation and implementation of all projects at every stage and for this purpose a separate Ministry, viz., Ministry of Programme Implementation exists, to whom extract of above recommendations has been forwarded for follow-up action.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/95-Parl, dated 1 November, 1995]

Comments of the Committee

Please refer para No. 9 of Chapter I.

Recommendation (Sl. No. 10)

The Committee note with concern the rising interest payment obligation on external debt which has gone up from Rs. 3,723 crore in 1993-94 to Rs. 4,309 crore in 1995-96. What causes further concern to the Committee is the fact that a significant portion of the country's external debt stocks is lying unutilised and the country has to pay a commitment charge on these amounts without actually utilising them. The Committee, therefore feel, that, there is an urgent need to review these foreign aided projects so as to identify the reasons for delay in their implementation and taking suitable steps to improve the utilisation of loans.

Reply of the Government

Most of the aid is project tied. The reasons for unutilised aid can be traced to time profile of projects which is usually 5 to 7 years, exchange rate fluctuations, inadequate provision of counterpart funds, delays in land acquisition and other project specific issues.

2. The total figure of undrawn balance does not represent the backlog. It only indicates the total that can be drawn over a period of time. Some of the main reasons for slower than expected utilisation of external aid are inadequate provisioning and counterpart funding, procurement and contracting delays, start-up and other procedural delays.

3. Ensuring adequate provisioning for externally aided projects, release of ACA as 100% additionality advance release of ACA to the States, standardisation of bidding documents and streamlining of procurement procedures, disintermediating on flow of external aid to Central PSU's portfolio Rationalisation and setting up of Project Management Unit in Department of Economic Affairs are some of the steps taken by Government to improve aid utilisation.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/95-Parl, dated 1 November, 1995]

Comments of the Committee

Please refer para No. 12 of Chapter I.

Recommendation (Sl. No. 12)

This Committee is concerned at the large payments towards professional services (B.E. 95-96 Rs. 1.85 Crore) out of which legal charges represent a substantial portion. While the Committee appreciates the steps taken by the Deptt. to contain litigation and obtain early disposal of cases in High Courts/Supreme Court, it wishes to draw the attention of the Deptt. to its Tenth Report wherein it was suggested that simplification of law must be carried out for which the formation of a Commission was also suggested. The Committee views with great concern the growing number of cases/writs/references in the various courts of the country and reiterates its earlier recommendations for the containment of litigation since this not only represents expenditure of money but also an avoidable diversion of departmental energies which could be better utilised for revenue collection.

Reply of the Government

The Central Board of Direct Taxes is aware of the need for adopting a selective approach in filing appeals and also for ensuring that appeals, references or Special Leave Petitions are not filed in respect of issues already settled/concluded by earlier decision of the Court. The Board has issued Instructions No. 1493 dated 18.11.82 (F. No. 279/189/82-ITJ) that the orders of the Commissioners of Income Tax (Appeals) on questions of fact should be accepted by the Commissioners unless the findings are perverse. While emphasising a selective approach in filing appeals before the Income Tax Appellate Tribunal, the Board issued Instruction No. 1884 dated 16.6.1992 [F. No. 279/212/91-ITJ(Pt.)] prescribing monthly review by the Chief Commissioners of Income Tax/Director Generals of Income Tax of all appeals before the Income Tax Appellate Tribunals filed on questions of fact as well as at least 10% of the remaining appeals. Further, if any appeals were found to be not justified, they were required to be withdrawn.

Recently on 23.1.95, the Board has issued instruction No. 1921 (F. No. 279/156/94-ITJ dt 23.1.95) reiterating the need to ensure that departmental appeals before the Income Tax Appellate Tribunal are filed only after due care and scrutiny and emphasising the importance of the monthly review of appeals prescribed by Board's Instruction No. 1894 dated 16.6.1992 (supra).

The reports received from the Chief Commissioners of Income Tax/Director Generals of Income Tax reveal that steps are being taken to adopt a very selective approach in filing appeals and references so as to reduce unnecessary litigation and filing of frivolous appeals. It has also been reported that pursuant to review conducted according to Board's Instruciton No. 1894 dated 16.6.1992 (supra), the Chief Commissioners of Income Tax are directing withdrawal of appeals filed before the Income Tax Appellate Tribunal. For example, the Chief Commissioner of Income Tax, Pune and Hyderabad have reported that forty appeals and twenty two appeals respectively have been directed to be withdrawan from the Tribunal during the financial year 1994-95.

The recent steps taken by the Department have resulted in a reduction of the number of appeals filed by the Department as well as the assessees before the Income Tax Appellate Tribunal. The relevant details are as below:—

	1992-93	1993-94
No. of cases instituted by the Department	44008	39605
No. of cases instituted by the assessees	35121	30729

The number of Special Leave Petitions filed before the Supreme Court in direct taxes matters also decreased substantially from 753 appeals in 1992-93 to 388 appeals in 1993-94 (these figures are provisional).

With a view to simplify law, a number of amendments have been made to the Income Tax Act on the basis of the recommendations of the Tax Reforms Committee headed by Dr. Raja J. Challaiah.

Recenly, the Central Board of Direct Taxes have constituted 4 Study Groups of the officers of the Income Tax Department to look into certain complicated provisions of the Income Tax Act. Necessary action shall be taken after processing the recommendations of these groups.

[Ministry of Finance, Department of Expenditure, O.M. No. H-11013/5/95-Parl, Dated 1 November, 1995]

Comments of the Committee

Please refer para No. 5 of Chapter I.

CHAPTER V

RECOMMENDATION/OBSERVATION IN RESPECT OF WHICH FINAL REPLY OF THE GOVERNMENT IS STILL AWAITED

—NIL—

NEW DELHI;
11 March, 1996

21 Phalguna, 1917 (Saka)

MARAGATHAM CHANDRASEKHAR
Chairperson,
Standing Committee on Finance.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON FINANCE

The Committee sat on Friday, 8 March, 1996 from 10.30 hrs. to 11.00 hrs.

PRESENT

Smt. Maragatham Chandrasekhar—*Chairperson*

MEMBERS

Lok Sabha

2. Prof. K.V. Thomas
3. Dr. K.V.R. Chowdary
4. Shri Chittubhai Gamit
5. Shri S.B. Sidnal
6. Shri P.C. Chacko
7. Shri Prakash V. Patil
8. Shri B. Akber Pasha
9. Shri Sushil Chandra Varma
10. Shri Nirmal Kanti Chatterjee
11. Shri Bhogendra Jha
12. Shri Kadambur M.R. Janardhanan

Rajya Sabha

13. Shri Triloki Nath Chaturvedi
14. Dr. Shrikant Ramchandra Jichkar
15. Shri Rajubhai A. Parmar
16. Shri T. Venkatram Reddy
17. Shri V.P. Duraisamy

SECRETARIAT

1. Smt. Roli Srivastava—*Joint Secretary*
2. Shri K.L. Narang —*Deputy Secretary*
3. Shri C.S. Joon —*Under Secretary*

2. The Committee considered the draft Report on action taken by Government on the recommendations contained in their Thirteenth Report on Demands for Grants (1995-96) of Ministry of Finance and adopted it with the following modifications/amendments:—

(i) *Para 6 for:*—"The Committee note the Ministry of Finance's contention that the increased workload led to increase in over time allowance amount. The Ministry's reply is however, silent on their recommendation about".

Substitute "The Committee note that the Ministry of Finance has merely tried to justify the increase in payment of overtime allowance with increased workload. The Ministry's reply is, however, silent which is regrettable, on their recommendation. It was in view of the increased workload over the span of years that the Committee had recommended".

(ii) Para 12,
Add sub-para

"While approving the projects to be implemented with external aid, the Committee also desire that adequate budgetary provision for counterpart funds and advance planning in close coordination with State Governments may be made for timely implementation of such externally aided projects."

3. The Committee authorised the Chairperson to finalise and present the report to both the Houses of Parliament.

The committee then adjourned.

ANNEXURE I

AMOUNT OF BAD DEBTS WRITTEN OFF

(Rs. in lakhs)

Sr. No.	Name of the bank	During 1993-94
1.	Allahabad Bank	3584.00
2.	Andhra Bank	1206.23
3.	Bank of Baroda	20638.67
4.	Bank of India	32846.78
5.	Bank of Maharashtra	142.01
6.	Canara Bank	3478.56
7.	Central Bank of India	7950.45
8.	Corporation Bank	254.53
9.	Dena Bank	3707.01
10.	Indian Bank	600.70
11.	Indian Overseas Bank	461.09
12.	Oriental Bank of Commerce	176.00
13.	Punjab National Bank	367.00
14.	Punjab & Sind Bank	NIL
15.	Syndicate Bank	857.70
16.	Union Bank of India	8236.90
17.	United Bank of India	1182.90
18.	UCO Bank	221.70
19.	Vijaya Bank	451.26
20.	State Bank of India	41559.00
21.	State Bank of Bikaner & Jaipur	3241.67
22.	State Bank of Hyderbad	503.00
23.	State Bank of Mysore	5063.10
24.	State Bank of Indore	636.00
25.	State Bank of Patiala	1218.00@
26.	State Bank of Saurashtra	54.08
27.	State Bank of Travancore	1564.47
		140200.50

@ under clarification

ANNEXURE II

TO BE PUBLISHED-IN-GAZETTE OF INDIA EXTRAORDINARY PART III, SECTION 3, SUB-SECTION (ii)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
(CENTRAL BOARD OF DIRECT TAXES)

NEW DELHI, THE 12TH JULY, 1995

NOTIFICATION
INCOME - TAX

S.O.636 (E) — In exercise of the powers conferred by section 295 read-with section 269UC of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962 namely:—

1. (1) These rules may be called the Income-tax (Tenth Amendment) rules, 1995.

(2) They shall come into force on the Ist day of August, 1995.

2. In the Income-tax Rules, 1962, for rule 48K, the following shall be substituted, namely:

"48K. Value of immovable Property — The value of any immovable property for the purposes of sub-section (1) of section 269UC shall be, where the agreement for transfer prescribed under the said sub-section—

(a) Is entered into, on or before the 31st day of July, 1995, the apparant consideration of that property exceeding 10 lakh rupees:

(b) Is entered into, after 31st day of July, 1995, the apparent consideration of that property as specified in column (3) of the table below:—

Sl. No.	Area within which appropriate authorities shall perform their function.	Value of any immovable property for the purposes of sub-section (1) of section 269UC
(1)	(2)	(3)
1.	The area comprised-in Greater Bombay as notified *vide* S.O. 480(E) dated 7th August, 1986.	The apparent consideration of the property exceeding Rs. 75 lakhs.
2.	The area comprised in the Union Territory of Delhi as notified *vide* S.O. 480(E) dated 7th August, 1986.	The apparent consideration of the property exceeding Rs. 50 lakhs.
3.	The area comprised in Calcutta Metropolitan Area and Madras Metropolitan Planning Area as notified *vide* S.O. 480(E) dated 7th August, 1986.	The apparent consideration of the property exceeding Rs. 25 lakhs.

(1)	(2)	(3)
4.	The areas comprised in Bangalore Metropolitan Region and the areas declared as Ahmedabad Urban Development Area and the areas camprised in the city of Ahmedabad as notified *vide* S.O. 835(E) dated 21st September, 1987.	The apparent consideration of the property exceeding Rs. 25 lakhs.
5.	The areas comprised in the City of Pune as notified *vide* S.O. 339(E) dated 8th May, 1989	The apparent consideration of the property exceeding Rs. 25 Lakhs.
6.	The areas other than those mentioned at Sl. No. 5 above and notified *vide* S.O. 339 (E) dated 8th May, 1989, S.O. 53(E) dated 19th January, 1990 and S.O. 180(E) dated 14th March, 1991.	The apparent consideration of the property exceeding Rs. 20 Lakhs.

/Sd/- (DR. DHEERAJ BHATNAGAR)
UNDER SECRETARY TO THE
GOVERNMENT OF INDIA

F. No. 142/36/95-TPL

No. 9811

APPENDIX

(Vide Para 4 of the Introduction)

Analysis of the action taken by the Government on the recommendations contained in the Thirteenth Report of the Standing Committee on Finance on Demands for Grants (1995-96) of the Ministry of Finance.

		Total	% of Total
(I)	Total number of recommendations	15	
(II)	Recommendations/Observations which have been accepted by the Government. (*Vide* Rec. at Sl. Nos. 6, 8, 9, 13, 14 and 15)	6	40
(III)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies. (*Vide* Rec. at Sl. Nos. 1, 2, 3, 4 and 11)	5	33.33
(IV)	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee. (*Vide* Rec. at Sl. Nos. 5, 7, 10 and 12)	4	26.67
(V)	Recommendation/Observation in respect of which final reply of the Government is still awaited. (vide Rec. Nil)	Nil	0.00