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**STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT**

**(1998-99)**

**TWELFTH LOK SABHA**

**MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT**

**(DEPARTMENT OF URBAN DEVELOPMENT)**

**DEMANDS FOR GRANTS—1998-99**

**FIRST REPORT**



(35)

**LOK SABHA SECRETARIAT  
NEW DELHI**

*July, 1998/Asadha, 1920 (Saka)*

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**MINISTRY OF URBAN AFFAIRS & EMPLOYMENT**  
**(DEPARTMENT OF URBAN DEVELOPMENT)**

**DEMANDS FOR GRANTS—1998-99**

*Presented to Lok Sabha on 7th July, 1998*  
*Laid in Rajya Sabha on 7th July, 1998*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*July, 1998/Asadha, 1920 (Saka)*

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(1998-99)  
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COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN & RURAL DEVELOPMENT (1998-99)

Shri Kishan Singh Sangwan — *Chairman*

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*Lok Sabha*

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- \*3. Shri Sudip Bandyopadhyay
4. Dr. Shafiqur Rahman Barq
5. Shri Padmanava Behera
6. Shri Sriram Chauhan
7. Shri Shivraj Singh Chouhan
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9. Shri Ramkrushna Suryabhan Gavai
10. Shri Mitha Lal Jain
11. Shri Akbar Ali Khandokar
12. Shri Vinod Khanna
13. Shri Subhash Maharia
14. Shri Bir Singh Mahato
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19. Shrimati Jayanti Patnaik
20. Shri Mullappally Ramachandran
21. Shri Gaddam Ganga Reddy
22. Dr. Y.S. Rajasekhar Reddy

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\*Nominated w.e.f. 11.6.98.

23. Shri Ramjidas Rishidev
24. Shri Chatin Singh Samaon
25. Shri Nikhilananda Sar
26. Shri I.M. Jayaram Shetty
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30. Shri K. Venugopal

*Rajya Sabha*

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42. Shri O. S. Manian
43. Dr. Mohan Babu
44. Shri N. Rajendran
45. Shri Suryabhan Patil Vahadane

SECRETARIAT

- |                       |   |                             |
|-----------------------|---|-----------------------------|
| 1. Shri G.C. Malhotra | — | <i>Additional Secretary</i> |
| 2. Shri S.C. Rastogi  | — | <i>Director</i>             |
| 3. Smt. Sudesh Luthra | — | <i>Under Secretary</i>      |

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\*Resigned from the Committee w.e.f. 4.7.98.

\*\*Ceased to member of the Committee consequent upon his retirement from Rajya Sabha on 29.6.98.

## ACRONYMS

1. AUWSP — Accelerated Urban Water Supply Programme
2. BE — Budget Estimate
3. DMRC — Delhi Metro Rail Corporation Ltd.
4. HUDCO — Housing & Urban Development Corporation
6. IDSMT — Integrated Development of Small and Medium Towns
7. LRT — Light Rail Transit
8. MRTs — Metro Rail Transit
9. NCR — National Capital Region
10. NIUD — National Institute of Urban Affairs
11. NRSA — National Remote Sensing Development
12. NSDP — National Slum Development Programme
13. PB — Planning Board
14. RE — Revised Estimate
15. TCPO — Town and Country Planning Organisation
16. UTs — Union Territories



## INTRODUCTION

I, the Chairman of Standing Committee on Urban & Rural Development (1998-99) having been authorised by the Committee to submit the Report on their behalf, present this First Report on Demands for Grants (1998-99) Department of Urban Development (Ministry of Urban Affairs & Employment).

2. Demands for Grants have been examined by the Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Department of Urban Development (Ministry of Urban Affairs & Employment) on 22nd June, 1998.

4. The Report was considered and adopted by the Committee at their sitting held on 2nd July, 1998.

5. The Committee wish to express their thanks to the officers of the Department of Urban Development (Ministry of Urban Affairs & Employment) for placing before them the requisite material in connection with the examination of the subject. They also wish to express their thanks to the officers of the Ministry/Department who appeared before the Committee and placed their considered views.

6. The Committee would like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;  
4 July, 1998  
13 Asadha, 1920 (Saka)

KISHAN SINGH SANGWAN  
Chairman,  
Standing Committee on  
Urban & Rural Development.

## CHAPTER I

### INTRODUCTORY

The Ministry of Urban Affairs and Employment consists of two Departments (i) Department of Urban Development, and (ii) Department of Urban Employment & Poverty Alleviation.

The Special Secretary, Ministry of Urban Affairs and Employment, during his evidence before the Committee stated that both the Departments are proposed to be unified formally and a process of unification is going on.

1.2 The Department of Urban Development deals with areas of Urban Development including Urban Transport, Water Supply and Sanitation, Central Public Works Department, Directorate of Estates, Directorate of Printing, Controller of Stationery, Controller of Publications & Land and Development Office.

1.3 The overall Demands for Grants of the Department for 1998-99 are for Rs. 624 crore.

The Demands for grants of the Department are presented to Parliament under the following Demand numbers :-

Demand No.83	—	Urban Development
Demand No.85	—	Public Works
Demand No.86	—	Stationery and Printing

1.4 The detailed Demands for Grants of the Department were laid in Parliament on 11th June, 1998.

1.5 In the present Report, the Committee have restricted their examination to only major issues concerning programmes relating to (i) Urban Development — IDSMT, Mega City Scheme, Contribution to NCR Planning Board, Urban Transport, Delhi MRTs Project, Urban Mapping Scheme; (ii) Water Supply and Sanitation — AUWSP & Low Cost Sanitation; and (iii) Public Works — General Pool Accommodation (Residential), and (iv) Directorate of Printing; in the context of budgetary allocation in Demands for Grants for the year 1998-99.

## CHAPTER II

### ANALYSIS OF DEMANDS FOR GRANTS FOR THE YEAR 1998-99 OF THE DEPARTMENT OF URBAN DEVELOPMENT, MINISTRY OF URBAN AFFAIRS & EMPLOYMENT

#### Overall Performance

2.1 As per the written note furnished by the Government, overall position with regard to outlay and expenditure during 8th and 9th Plan is as below :-

	Rs. in crores
8th Plan outlay	819.60
Actual expenditure during 8th Plan	1130.66
9th Plan proposed outlay	11795.00
9th Plan tentative outlay as agreed to by the Planning Commission	2300.00
BE 1997-98	529.00
RE 1997-98	510.00
Actual 1997-98	442.39
BE 1998-99	624.00

#### 9th Plan Priorities

2.2 When asked about the priorities fixed during 9th Plan, the Department in the written note has stated that the major thrust areas during the 9th Five Year Plan were conceived as provision of drinking water facilities, sanitation, augmentation of infrastructural facilities in mega cities and other urban areas in the country, apart from MRTS Delhi. Containing the population size of Delhi by further accelerating the activities of NCR Planning Board and also arresting the migration

of population from small and medium towns to larger cities, by a more meaningful implementation of the scheme of IDSMT were also given due priority. As a major breakthrough it was proposed to extend the scheme of AUWSP to cover towns upto 1 lakh population from the existing population size of 20,000.

2.3 On a query how far the priorities fixed during 9th Plan would be affected by the reduced outlay during 9th Plan, the representative of the Ministry during his evidence before the Committee stated that it is certain that they have to reduce the targets fixed under various schemes, for 9th Plan keeping in view the reduced allocation by the Planning Commission. To support his point he cited the case of the Water Supply & Sanitation Scheme for which they had proposed an outlay of Rs. 5653 crore against which they have got an allocation of Rs. 402 crore only. Keeping in view the lesser availability of funds for the scheme they would have to reduce the targets fixed for the scheme.

#### **New schemes proposed during 9th Plan**

2.4 The following new schemes are proposed/undertaken during 9th Plan as given in the written note :-

(Rs. in crore)			
S.No.	Name of the scheme	9th Plan (1997-2002) Proposed outlay	9th Plan Tentative outlay as agreed to by the Planning Commission
1	2	3	4
1.	Pass through Assistance to DMRC	2900.00	362.24
2.	Urban/Municipal capacity Building in the context of 74th Amendment - Assistance for Distt. Metropolitan and City Development Plan—Computerisation and other Tech. Support	—	1.50

1	2	3	4
3.	PM's New Initiatives for N.E.	35.00	—
4.	Setting up of NIUD	—	1.47
5.	New Township Development in Shillong Satellite Township	100.00	2.00
6.	Computerisation	—	2.00

### Water Supply & Sanitation

#### 2.5 NEW SCHEMES

7.	Centrally Sponsored programme for providing water supply in State capitals excluding Mega Cities	434.00	0.01
8.	Centrally Sponsored programme for providing sewerage, sewage treatment & drainage facilities in State capitals excluding Mega Cities	944.00	0.01
9.	Centrally sponsored programme for solid waste management in State capitals excluding Mega Cities	86.00	0.01

### Public Works

10.	System Development through Computerisation	10.00	5.00
11.	Equity support to NBCC	20.00	—
13.	Computerisation	—	—

2.6 The representative of the Department during the course of oral evidence before the Committee stated that in view of the lesser

allocation as agreed to by the Planning Commission as given in 2.3 para of the Report, they would not be able to take up new schemes.

2.7 The Committee note that the Government have furnished the tentative data with regard to the 9th Plan allocation. They hope that the 9th Plan would be finalised soon particularly in view of the fact that more than a year's period of 9th Five Year Plan is already over.

2.8 It is observed from the broad analysis of the budgetary allocation that the tentative outlay of Rs.2300 crore for 9th Plan as agreed to by the Planning Commission against the proposed outlay of Rs.11795 crore is very much on the lower side. The Committee note with concern the observation of the officials of the Department during their evidence before them that the targets sets during 9th Plan would have to be reduced keeping in view the lesser allocation of funds by the Planning Commission. Further disturbing is the fact that the Government would not be able to take up new programmes/schemes which they have planned for the 9th Plan. The whole exercise of planning for urban sector would be futile without sufficient funds. The Committee would, therefore, like to recommend that keeping in view the broad activities of the Department sufficient funds should be provided.

2.9 The Committee further note with concern the variation between BE, RE and actuals during 1997-98. The outlay for Rs.529.00 crore which was reduced at RE stage to Rs. 570.00 crore even that could not be fully utilised by the Department. While recommending for higher outlay during 9th Plan, they would like that the Government should ensure the proper execution and implementation of the projects/schemes undertaken by the Department so that the resources allocated are utilised fully.

2.10 While noting the constraints on resources in the Centre, the Committee cannot but reiterate their recommendation made by them in their 11th report (1997-98) that the State Governments should give a thinking to generate resources through other sources. They hope that the Central Government will impress upon the State Governments that they should appreciate the resource position of the Centre and should rise to the occasion.

## **CHAPTER III**

### **SCHEME-WISE ANALYSIS OF DEMANDS FOR GRANTS 1998-99**

#### **URBAN DEVELOPMENT**

##### **(i) Integrated Development of Small and Medium Towns (IDSMT) Scheme**

3.1 Integrated Development of Small and Medium Towns (IDSMT) scheme is in operation in all the States since 1979-80 and aims at the development of selected regional growth centres with infrastructure and service facilities so as to enable such towns to emerge as regional centres of economic growth and employment opportunities and arrest migration from rural areas and small towns to large and metropolitan cities.

3.2 As per the written note furnished by the Government according to the revised guidelines of 1995, the IDSMT scheme will be applicable to towns having a population upto 5 lakh with elected local bodies. Further the quantum of institutional finance loan component has been reduced from 40—70% to 20—40% of the project cost, the quantum of budgetary support (Central & State shares) has been correspondingly enhanced from 30—60% to 60—80% of the project cost. Moreover, while there are ceiling limits on Central Assistance, there is no ceiling on the amount that could be made available by the State Governments/local bodies from out of their own resources/Institutional Financing Agencies so as to make the projects viable and enable “integrated” development.

3.3 As per Performance Budget 1998-99, since inception of the scheme till 31.3.1998, projects costing Rs. 1460.62 crores in 920 towns (including 387 towns covered during 8th Plan) have been covered under the scheme from 25 States and 5 UTs and Central assistance amounting to Rs. 309.95 crore released for these towns. The total expenditure reported by State Governments by 31.12.1997 (as against Central share + State share + Institutional Finance) is of the order of Rs. 465.72 crores.

	Rs. in crore
3.4 8th Plan approved outlay (1992—97)	155.00
Actual expenditure during 8th Plan	115.44
9th Plan (1997-2002) proposed outlay	300.00
9th Plan tentative outlay as agreed to by the Planning Commission	175.00
BE 1997-98	35.00
RE 1997-98	25.00
Actual 1997-98 (Provisional)	25.93
BE 1998-99	55.00

3.5 When asked for the reasons for shortfall in expenditure under IDSMT during 8th Plan, the special Secretary, in this evidence before the Committee stated that while the 8th Plan allocation made for IDSMT was Rs. 155 crore, the sum of Annual Plan allocations actually made available during 8th Plan was only Rs. 130 crore which was further reduced to Rs. 117.86 crore as a result of budget cuts made at RE stage during 1992-93, 1995-96 and 1996-97. The Central share actually released to State Governments during 8th Plan was Rs. 115.09 crore which was 97.6% of Rs. 117.86 crore. Thus, the actual shortfall in funds released is only 2.4% (Rs. 2.81 crore) and this shortfall is due to non-receipt of eligible proposals from Union Territories. During 1997-98, budget allocation of Rs. 35 crores was reduced at RE stage to Rs. 26.02 crores which was fully released to State Governments.

3.6 When asked to furnish the details of the amount released so far for the projects covered in 920 towns since the inception of the scheme the Department in its written note state as follows :—

	(Rs. in crore)
Central share	309.94
State share	225.12
Institutional finance	13.96



3.7 As per written note furnished by the Government, except States of Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu and West Bengal no other State/UT availed of institutional finance during the 8th Plan.

3.8 When enquired about the shortfall in institutional finance for the programme, the representative of the Ministry during the course of his evidence before the Committee stated :—

“The major reason for this shortfall in institutional financing for this programme is the financial capability of the State Governments and local municipalities. The financial status of some of them is not very good. But despite this weakness of the small municipalities which are using these funds, about Rs. 13.86 crore has been raised by them; mainly quite a bit of it has been funded through HUDCO”.

*Rate of interest for institutional financing for the scheme*

3.9 HUDCO is the main source of institutional financing under the IDSMT. When asked about the rate of interest charged for loan sanctioned under the scheme, the representative of HUDCO during his evidence stated that the rate of interest for financing projects under IDSMT is 15%. When asked what were the reasons for the high rate of interest he was clarified that :—

“..... the cost at which you can raise money from the market it is going to be of taxable bond you cannot get it for lower rate of interest. If we are able to get tax free bonds only we can give at lower rate of interest. Last year we raised Rs. 2650 crore and only Rs. 100 crore was given as tax free bonds. We raised the remaining Rs. 2,500 crore from the market only under the taxable rate”.

3.10 He further stated that if the HUDCO was allowed to issue tax free bonds, they could raise money from the market at 9.5% and then could make it available at lower rates to local bodies. He suggested that like power and telecom sector, city infrastructure sector should also be extended the benefit of section 10(23)(G) of the Income tax Act, 1961. He sought Committee's intervention in the matter.

3.11 When asked as to what was the reaction of the Government to the proposal of HUDCO, the representative of the Ministry stated that:—

“This Ministry had taken up as way back as December 1996 with the Ministry of Finance the matter regarding the municipal bonds, other concessions and the fiscal incentives which are

required for making these bonds viable and making the funds available to the housing sector. Subsequently, we have also followed them up”.

It was further stated :—

“....this issue of permitting access to low cost funds to HUDCO has been taken up on two-three level footings.

We tried to get HUDCO the same benefits for housing loans which is available to the infrastructure sector under section 23G of the Income Tax Act. Similarly, we have also requested for taking its under Section 81A of the Income Tax Act. What will happen in this is that the interest on the deposits in HUDCO will become tax free. Therefore, in turn the HUDCO will pay them slightly low rate of interest.

We have requested that in the case of HUDCO apart from bonds etc. there should be access for the housing sector within the priority sector of the banks”.

#### *Capacity building of local bodies*

3.12 When asked about the steps taken by the Government to make the local bodies self-reliant, the representative of the Ministry stated as under :—

“We have this ongoing project which is called 5D Project. The financial restructuring, accounting systems etc. all these aspects are being studied in respect of these local self-Governments. This is a pilot project and several municipalities have been taken up, and at the grass-root level, we are trying to bring about changes and several municipalities have been involved in different States. Workshops have been conducted and manpower training programmes have been taken up. It is a long process because the basic structure of accounting system has to be changed so that the accountability comes in and more transparent system of transactions take place, and that effort is on”.

3.13 The Committee note that the main objective of the IDSMT scheme is to develop selected regional growth centres

with infrastructure and service facilities so as to enable such towns to emerge as regional centres of economic growth and employment opportunities and arrest migration from rural areas and small towns to large and metropolitan cities. However, they are unable to understand as to how this laudable objective could be achieved by a meagre allocation of Rs. 35 crore during 1998-99. While due to resource crunch, the Planning Commission reduces the allocation meant for this scheme, at the same time has released a sum of Rs. 330 crore under NSDP. The Committee feel that by reducing outlay for IDSMT the Government indirectly encourage the growth of slums in large and metro towns. The development of slums further acts as an incentive to people of towns lacking in basic facilities to migrate to large and metro towns and adding to the slum population in those towns. The Committee, therefore, recommend that while considering the proposal of the Ministry for outlay under IDSMT, the Government should not reduce the outlay and should keep in view the fact that any reduction in this outlay will induce more expenditure under NSDP.

3.14 The Committee note that due to non-receipt of eligible proposals from Union Territories Administrations, a sum of Rs. 2.8 crore could not be utilised during 8th Plan period. With a view to utilise the funds properly during 9th Plan, they would urge upon the Government to impress upon the UT Administrations to submit their proposals under this scheme well in time so that they could also avail of the benefit of the IDSMT Scheme.

3.15 The Committee recommend that the pilot project launched by the Government to build the capacity of certain local bodies should be implemented vigorously and its effect would be watched. They would like to be informed of the impact of the project on the local bodies covered under the project.

3.16 The Committee note that due to higher cost of raising money from the market, HUDCO which is the main source of institutional finance under the IDSMT, was not able to give loans to local bodies at lower rate of interest. With a view to encourage local bodies to rely more on institutional finance than on Government's grants-in-aid, it is essential that institutional finance is made available to them at a lower rate of interest. The Committee, are therefore, inclined

to agree with the suggestion of the HUDCO that like telecom and power sector, the town infrastructure sector should also be extended the benefit of sections 10(23) (G), 81A of the Income tax Act, 1961. They therefore, recommend that the Government should consider to extend the same benefits to town infrastructure as are available to the power and telecom sector.

### (ii) Mega City Scheme

3.17 Keeping in view the recommendations of the National Commission on Urbanisation (NCU) and in response to persistent demand made by the State Governments for Central assistance to undertake the development of infrastructure in Mega Cities, the Centrally sponsored scheme for infrastructural development in mega cities was initiated during 1993-94. The primary objective of the scheme is to enable the Mega Cities to build a Revolving fund by the end of the 9th Plan for sustained investment in urban infrastructure through adoption of direct and indirect cost recovery measures.

3.18 The projects to be included under the scheme can be under three categories :—

- (a) Projects which are remunerative — bankable projects which are commercially viable and profitable;
- (b) Projects for which user charges could be levied to recover costs;
- (c) Projects for basic services which have very low or nil returns — which are absolutely essential for upgradation of the equality of life in metropolitan cities but where user charges cannot be recovered.
- (d) The Mega City nodal agencies are required to constitute a Revolving Fund with the help of the Central and State shares. It is stipulated that after accounting for interest on borrowed capital etc., a minimum of 75% should remain in the Corpus of each nodal agency at the end of the 9th Plan.

	Rs. in crore
3.19 8th Plan outlay	
Actual expenditure during 8th Plan	212.30
9th Plan proposed outlay	600.00
9th Plan tentative outlay as agreed to by Planning Commission	400.00
BE 1997-98	81.00
RE 1997-98	69.00
Actual 1997-98	68.50
BE 1998-99	86.50

3.20 When asked for the reasons for reduced outlay during the 8th Plan, the Government in the written replies have stated that the Planning Commission had notionally indicated an allocation of Rs. 700 crore for the scheme during the 8th Five Year Plan. Against this, an actual outlay of Rs. 290.50 crore was provided by the Planning Commission, during 8th Plan due to resource constraints and consequent budgetary cuts.

3.21 The status of A, B and C type of projects in 5 Mega Cities as given in the written note is as under :—

#### Cost of Project Expenditure

	(Rs. in crore)	(Rs. in crore)
Calcutta	532.51	166.75
Mumbai	391.82	241.86
Chennai	363.04	103.59
Hyderabad	359.82	83.73
Bangalore	638.79	60.59

3.22 The Committee while appreciate that the tentative outlay of Rs. 400 crores as agreed to by the Planning Commission against proposed allocation for Rs. 600 crores is better than the position in regard to other schemes of the Department but are constrained to

observe that as seen in para 3.20 above, there is a tendency on the part of the Government to reduce the sanctioned amount at later stage. It has also been observed that many a times the Government does not release even the amount already sanctioned by them. They feel that this approach of the Government not only affect the implementation of future programmes under a scheme but also adversely affect the implementation of projects already under progress. They, therefore, recommend that funds already sanctioned for Mega City Scheme should not be reduced so that the ongoing projects under the scheme do not suffer for want of funds.

3.23 It is observed from the status of projects in five Mega Cities where the scheme is in operation that the implementation of projects in Hyderabad and Bangalore is quite slow. They would, therefore, like to recommend that the Government should review the implementation of projects in such Mega Cities and initiate measures for the timely implementation of the projects under the scheme in all cities particularly in Hyderabad and Bangalore.

### (iii) Contribution to NCR Planning Board

3.24 National Capital Region Planning board has been constituted under an Act of Parliament in March, 1985 with the objective of preparation of a plan for the development of National Capital Region and for co-ordinating and monitoring the implementation of Regional Plan-2001 and evolving harmonised policies for control of land-uses and development of infrastructure in the National Capital Region so as to avoid any haphazard development of the Region.

3.25 As per written note, the comparative position of outlay for the scheme during 8th & 9th Plan is as below:—

	Rs. in crore
8th Plan outlay	200.00
Actual Expenditure during 8th Plan	135.00
9th Plan proposed outlay	400.00
9th Plan tentative outlay as agreed to by Planning Commission	not yet finalised
Finalised BE 1997-98	45.00
RE 1997-98	45.00
Actuals 1997-98	42.00
BE 1998-99	not yet finalised

3.26 In response to the question as to what were the priorities fixed by the NCR Planning Board during 9th Plan, it has been stated by them that for the first time a complete fiscal plan for the NCR has been drawn-up jointly by the Board and the Planning Commission. This fiscal plan envisages an overall investment of Rs. 28000 crore. during the 9th Plan out of which Rs. 16000 crore of investment is expected to come from the private sector and approx. Rs. 12000 crore from the public sector consisting of State Governments, Central Ministries and the NCR Planning Board. The NCR Planning Board is expected to fund projects worth about Rs. 6300 crore jointly with the participating States and to provide loan assistance to the extent of Rs. 4880 crore. The resource to meet the above requirements of the Boards are proposed to be generated as under:—

Rs. in crore

(i) Budgetary support from the Government of India	800
(ii) Budgetary support from GNCT-Delhi	150
(iii) IEBR (Loans, Bonds & Internal Accruals)	3850

3.27 The details of the estimated investment required during 9th Plan has been given at Appendix I.

3.28 The Committee when making a comparative study of the allocation during 8th and 9th Plan find that in comparison to the approved outlay of Rs. 200 crore during 8th Plan, the actual release has been of Rs. 135 crore. They further note that as against the proposal of Board to allocate an outlay of Rs. 800 crore the Government has proposed an outlay of Rs. 400 crore. Even the reduced outlay as suggested by the Ministry is yet to be approved by the Planning Commission.

3.29 The Committee will like to be informed as to how the Government/NCR Planning Board propose to bridge the gap in the budgetary support sought by the Board and as recommended by the Ministry.

3.30 They will also like to impress upon the Government that while making allocation for the NCR Planning Board during the 9th Plan, care must be taken to ensure that sufficient funds are available for completion of MRTS project of Delhi as per schedule, so as to avoid any cost overrun of the project due to paucity of funds.

3.31 The status of the implementation of various projects under NCR has been given at Appendix II.

3.32 It could be seen from Appendix II that different schemes are at various stages of implementation and most of the schemes have been sanctioned in March, 1998. Further, major portion of the amount sanctioned has already been released as given in the statement.

3.33 The Committee note from the Statement at Appendix II that out of a total amount of Rs. 241.5 crore a sum of Rs. 140.6 crore *i.e.* 58.2% was sanctioned by NCR Planning Board during the month of March, 1998. They are unable to comprehend the reasons which prevailed upon NCR PB to sanction projects at the fag end of the financial year. The Committee will like to be informed of these reasons. They also note that some of the projects were sanctioned during the period March, 1991 to March, 1997. They would like to be apprised of the present status of these projects.

#### (iv) Urban Transport

3.34 Since 1986, the Ministry of Urban **Affairs** and Employment, is the nodal Ministry for Planning and Coordination of Urban Transport matters in the country. Due to meagre financial resources, the ministry has generally been able to extend financial assistance to the State Governments in carrying out Transportation Feasibility Studies. However, in the case of Delhi MRTS Project the Central Government has taken an initiative to contribute 50% towards equity of the Project. During the year under review, the central assistance was extended in carrying out Feasibility Studies for Transportation Integration in Calcutta, Lucknow, Kanpur, Lucknow-Kanpur Corridor, Shimla and Howrah.

	Rs. in crore
8th Plan outlay	4.60
8th Plan Actual Expenditure	73.78
9th Plan proposed outlay	2316.00
9th Plan tentative outlay as agreed to by Planning Commission	650.00
BE 1997-98	104.20
RE 1997-98	101.00
Actual 1997-98	50.46
BE 1998-99	169.20



3.35 When asked for the reasons for more expenditure during 8th Plan than the allocation, the Department in its written note has stated that the investment approval for the Delhi MRTS Project was accorded by the Union Government in Sept., 1996. An amount of Rs. 52 crore had to be provided and released on account of equity of Delhi Metro Rail Corpn. Ltd. (the company responsible for implementing the project). Another Rs. 11.36 crore (approx.) had to be provided and released for preparation of Detailed Project report for the revised Phase-I of the project. Rs. 7.15 crore were released towards equity of the Urban Mass Transit Company — the agency set up to implement LRT in Hyderabad. The balance expenditure of Rs. 0.92 crore was incurred on the other items incidental to urban transport including minor cost of urban transportation studies for other cities.

3.36 It has further been stated that the excess expenditure incurred during 8th Plan was met through additional budgetary allocation.

3.37 In response to the question as to what was the justification for the increased allocation during 9th Plan, the Deptt. in its written note has stated that out of the total outlay of Rs. 956 crore proposed for 9th Plan, the requirement of funds towards Delhi MRTS Projects amounts to Rs. 720 crore i.e. Rs. 518 crore (equity) & Rs. 202 crore (land acquisition). In addition provision for Bangalore Elevated Light Rail Transit Project, Hyderabad LRTS feasibility Studies/Detailed Project Reports, training in Urban Transport, proposed new schemes like setting up of Natural Urban Transport Development Fund, setting up of State Directorates of Urban Transport, Purchase of Urban Buses, Govt. of India contribution for feasibility studies for several cities in India, etc. have been proposed.

3.38 When asked whether the Department has prepared any long term perspective plan with regard to the demand and availability of transport in the Metropolitan cities, it was stated that the Urban Transport is a State subject and primary responsibility for perspective planning in this regard lies with the State Government. The Ministry of Urban Affairs & Employment is responsible for planning and coordination of urban transport matters. However, Government of India has completed a study on "Traffic and Transportation Policies and Strategies in Urban Areas in India" which covers cities of various sizes of population ranging 1 lakh to 110 lakh and above. The recommendations includes perspective plan and policies to be adopted in metropolitan cities. Copies of the report have been sent to respective State Governments for taking necessary action.

3.39 The Committee note that the Ministry of Urban Affairs and Employment have conducted a study on "Traffic and Transportation Policies and strategies in urban areas in India" and have sent copies of the report to the State Governments. The Committee would like to know the general reaction of the State Governments to the said study. They would also like to know whether any proposal for Central assistance has come from any State Government as a result of this study.

#### (v) Delhi MRTS Project

3.40 As per Annual Report 1997-98 the cost of the revised Phase-I of Delhi MRTS is estimated to be Rs. 4860 crore at April, 1996 prices and it is stated that it would be completed by the year 2005. The project envisages that about 56% of the cost will be met through OECF (Japan) loan and 30% of the cost is to be shared by the Government of India and Government of NCT of Delhi in equal proportions as contribution towards equity of the company set up to implement the Project. Further the cost of land acquisition of Rs. 404 crores is to be shared equally between the two Governments and will be treated as subordinate debt. The balance cost is to be met through proceeds from property development and dedicated taxes.

3.41 As regards the achievement so far it has been mentioned that notification under the Land Acquisition Act has already been issued for most of the private land required for the Project. Further loan agreement with OECF (Japan) for a loan amounting to 14760 million Japanese Yen (Rs. 476 crores) was signed on 25th February, 1997 and has become effective w.e.f. 21.10.97. An amount of Rs. 20 crores has been released to DMRC Ltd. on this account.

3.42 With regard to meeting 14% of the cost of 1st phase of MRTS Delhi through process from property development and dedicated taxes, the Department has stated that out of 14% cost of Delhi MRTS Project, 8% represents the cost of land for the project or subordinate debt and 6% represents the proceeds from property development/dedicated taxes etc. The property development would commence from 6th year of the project implementation period and dedicated taxes are to be levied mostly by the Government of NCT of Delhi. The cost of land will be met as subordinate debt by Govt. of India & GNCTD in equal proportion. The acquisition of land will be completed by 1998-99. Govt. of India has to make payment of Rs. 152 crore in this respect during

1998-99 for which request for this outlay during 1998-99 has been made.

3.43 When asked about the cost to be borne during 1998-99 and what is the concrete planning in this regard, the Department in its written note has stated that the projected total requirement of funds for Delhi MRTS Projects to be borne by Govt. of India is as follows:—

Release towards equity	Rs. 208 crore
“ Release towards land cost	Rs. 152 crore
Budget provision against OECF loan	Rs. 65.0 crore

3.44 It has further been stated that the Planning Commission had been requested to provide outlay for meeting the above requirement of funds during 1998-99. ...

3.45 When asked as to when the process of land acquisition is likely to be completed, the Department has stated that the process of land acquisition for the project is to be completed during 1998-99 subject to availability of funds.

3.46 When it was asked as to what would be the impact on the OECF (Japan) loan agreement of the recent financial sanctions imposed by Japan, the representative of the Ministry, during his evidence before the Committee stated that as per information received by them, there would be no impact of sanctions on the loans which have already been sanctioned.

3.47 The Committee hope that the DMRTS Project would get the priority which it deserves and adequate funds will be released for the project so that all its stages including acquisition of land etc. are completed on time and within the estimated amount.

#### (vi) Urban Mapping Scheme

3.48 To meet the requirement of base maps for towns and cities, a scheme for preparing urban map using aerial photography was proposed during the 8th Five Year Plan. The original estimates were to the tune of Rs. 19.72 crore for preparing large scale base map for

about 150 towns with the help of aerial photography. The project envisaged development of technical capabilities of the town planning organisations at Central and State level so as to enable updating of the map in the revised cycle. In the first phases, 25 towns from six States were selected on priority basis for coverage under the scheme in consultation with the State Governments by the Town and Country Planning Organisation (TCPO), the implementing agency. The National Remote Sensing Agency (NRSA) was assigned the task of supplying aerial photo mosaics for these towns along with line maps after rectification, ground control etc.

	Rs. in crore
3.49 8th Plan outlay	5.50
Actual Expenditure during 8th Plan	10.04
9th Plan proposed allocation	10.00
9th Plan tentative outlay as agreed to by Planning Commission	10.00
BE 1997-98	2.80
Actual Expenditure	1.00
BE 1998—99	2.80

3.50 It has been mentioned in the written replies that during 8th Plan period, 25 towns were to be completed. Further during 9th Plan, 25 more towns are proposed to be covered.

3.51 When asked for the reasons for lesser spending of the meagre outlay sanctioned during 1997-98, the Department has stated that during the financial year 1997-98, Rs. 2.80 crores was provided for the Research & Training in Urban & Regional Planning and Urban Mapping. Out of this, an amount of Rs. 1 crore was earmarked for Urban Mapping Scheme which was released to TCPO.

3.52 Detailing the expenditure incurred during 8th Plan, it has been stated that during the 8th Plan period ending in March, 1997, an expenditure of Rs. 3.91 crores was incurred by TCPO on implementation of Urban Mapping Scheme. As on 31.3.98, an expenditure of Rs. 6.51 crore has been incurred under Urban Mapping Scheme.

3.53 As stated in the written note, as per 1991 census, there are 4615 towns and cities in the country. Out of these, as per TCPO's estimates, 880 towns have the base maps.

3.54 It has been submitted in the written reply that in the Report of the Working Group on Urban Development including urban Transport for the 9th Five Year Plan submitted to Planning Commission, this Ministry had proposed enhanced provision of Rs. 100 crore for strengthening of Urban Mapping Scheme. In addition, the Working Group Report recommended provision of funds for Urban & Regional Information System and scheme for preparation of District Metropolitan and City/Town Development Plans in the country. It has further been stated that the Planning Commission is yet to communicate the final allocation under the 9th Plan.

3.55 The Committee hope that the final allocation by the Planning Commission under 9th Plan for Urban Mapping Scheme, would be made soon so that the Ministry could achieve the target of covering the 25 more towns under Urban Mapping Scheme during 9th Plan.

## CHAPTER IV

### WATER SUPPLY AND SANITATION

#### (i) Accelerated Urban Water Supply Programme (AUWSP)

4.1 The Accelerated Urban Water Supply Programme (AUWSP) is a Centrally sponsored scheme initiated with the objective of solving the drinking water problems in towns having population of less than 20,000 (as per 1991 census). Considering the water scarcity and the narrow revenue base of these small towns, the scheme is funded by the Central and State Governments in the ratio of 50:50. The Programme was launched during the fag end of 1993-94.

(Rs. in crore)

4.2 8th Plan outlay	50.00
Actual Expenditure	68.75
9th Plan proposed outlay	3596.00
9th Plan tentative outlay as agreed to by Planning Commission	150.00
BE 97-98	28.00
RE 97-98	27.00
Actual	27.95
BE 98-99	45.00

4.3 While giving the priorities during 9th Plan, the Department in the written note has stated that as a major breakthrough it was proposed to extend the scheme of AUWSP to cover towns upto one lakh population from the existing population size of 20,000.

4.4 When asked about the physical and financial achievement of the scheme during 8th Plan period and annual plan 1997-98 it has

been submitted that during the 8th plan period, 227 schemes at an estimated project cost of Rs. 218.49 crores were approved. Central share of Rs. 68.62 crore was released and expenditure of Rs. 79.37 has been reported by the State Governments. 17 schemes were commissioned during the 8th plan period. During 1997-98, 35 water supply schemes for 35 towns with an estimated cost of Rs. 37.64 crore were approved by the Ministry under Accelerated Urban Water Supply Programme (AUWSP). In general, these schemes take 2-3 years for completion and therefore, these schemes at present are in the initial stages of implementation.

4.5 When asked whether the Department made any study with regard to the demand and availability of potable water in the urban cities in the country, the Department has stated that in pursuance of the recommendation of the Working Group constituted by the Ministry of Water Resources to assist the present water use for future demand in urban areas of the country, the Ministry has initiated action to collect the information with respect to the cities having population more than 5 lakh only.

4.6 Since there are 3768 cities/towns in the country and it is a gigantic and time consuming process to collect the above information from each and every State Agencies concerned with water supply, and, therefore, the information was collected only for the towns having population more than 5 lakh. However, even all the towns having population more than 5 lakh have not yet furnished the information.

4.7 It has further been stated that as per the information furnished by the State Govts., about 85% of the urban population is getting potable water. When asked as to what was the source of this figure, the representative of the Ministry explained during his evidence before the Committee stated that the data was collected by the Planning Commission during surveys carried out by them with State Government. When his attention was drawn to the fact that the reality appears to be otherwise, he promised to write back to State Governments to ascertain exact percentage of potable water available in their States.

4.8 The Committee would like to be informed of the outcome of this exercise.

4.9 Regarding the perspective planning with regard to the potable water the Department in the written replies has stated that the Working

Group for the formulation of the 9th Plan proposal on water supply and sanitation sector has proposed to provide water supply facilities to 100% population by the end of the 9th Plan (1997-2002). To provide water supply facilities, to 100% population by the end of Ninth Five Year Plan (31.03.2002), the estimated requirement of funds is as follows:—

	(Rs. in crore)
(i) Coverage of population in Class-I cities (51.6 million with augmentation/rehabilitation facilities).	16950
(ii) Coverage of population in Class-II-IV towns (39.83 million population with new facilities and 42.83 million with augmentation/rehabilitation facilities)	10565
<b>TOTAL (at 1997-98 prices)</b>	<b>27515</b>

4.10 When enquired about the planning of the Government to supply water in urban areas during 9th plan, they have stated that water supply being State subject, it is the primary responsibility of the State Government/Urban Local Bodies to provide funds for planning, execute, operate and maintain water supply schemes. Depending upon the availability of resources, the Central Government would supplement the efforts of the State Governments.

#### **Proposed New Scheme for 9th Plan**

4.11 *Centrally sponsored programme for providing water supply in State capitals excluding Mega Cities.*

Proposed outlay during 9th Plan — Rs. 434 crore.

4.12 The Department in its written note has stated that keeping the recommendations of the Working Group for the formulation of the 9th Five Year Plan on urban water supply and sanitation sector a new scheme, for providing assistance for water supply in the State capitals excluding Mega Cities had been submitted to the Planning Commission. However, the Planning Commission has as yet, not approved any new scheme to be taken up during the 9th Five Year Plan.



4.13 The Committee will like to be informed of the reaction of the Planning Commission to the Department's proposed new scheme for supply of drinking water. As the drinking water is the basic need of every living being, they hope that the scheme will receive a favourable reaction from the Planning Commission.

4.14 They further observe that Central Government have not procured so far, the data with regard to the demand and availability of water in each town/city. The Government took initiative for procuring data only with regard to cities having population above 5 lakhs and that too is not complete. The Committee recommend that the Central Government should conduct a survey to procure the data for demand and availability of water in all the total 3768 cities/towns as the same is an essential requirement for making future planning.

## URBAN SANITATION

### (ii) Low cost sanitation for Liberation of Scavengers

4.15 This Centrally sponsored scheme is under implementation through this Ministry since 1989-90. It provides for conversion of existing dry latrines into low cost water sealed pour flush latrines and construction of new sanitary units where none exist to prevent open defecation. The basic objective is to liberate the scavengers from the obnoxious practice of carrying head loads of night soil and the scheme is being implemented on a whole town basis.

4.16 The scheme is operated by providing subsidy from this Ministry and loans from HUDCO in a synchronised manner so that the conversion/construction of low cost sanitation units and liberation of scavengers is done on whole town basis. A physical and financial progress of the scheme is as under:—

	(Rs. in crore)
8th plan outlay	150.00
Actual Expenditure	101.12
9th Plan proposed outlay	300.00
9th Plan tentative outlay as agreed by Planning Commission	120.00
BE 97-98	28.00
RE 97-98	27.00
Actual 97-98	26.80
BE 98-99	28.00

4.17 Financial and Physical Programme of the Scheme as given in the performance Budget is as below:-

**Low Cost Sanitation upto 31.3.98**

*Financial Progress of Scheme*

---

1.	Total No. of schemes sanctioned	814
2.	No. of Towns covered	1172
3.	Project cost of sanctioned schemes	Rs. 1195.14 crores
4.	Subsidy sanctioned	Rs. 413.92 crores
5.	Loan sanctioned	Rs. 530.70 crores
6.	Subsidy released	Rs. 171.84 crores
7.	Loan released	Rs. 168.29 crores

*Physical Progress of Scheme*

1.	No. of Units sanctioned for conversion	3666849
2.	No. of units sanctioned for construction	1611148
3.	No. of community latrines sanctioned	3463
4.	No. of scavengers to be	1309531
5.	Total conversion/construction completed (cumulative)	734220
6.	Total conv./const. during 1997-98	124455
7.	Total conv./const. in progress	86038

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#### 4.18 New Schemes as proposed for 9th Plan

Sl. No.	Name of the Scheme Centrally sponsored	9th plan projection
1.	Centrally sponsored proposal for providing water supply in State capitals excluding Mega Cities	434.00
2.	Centrally sponsored programmes for providing sewerage, sewage treatment and Drainage Facilities in State capitals excluding Mega Cities	944.00
3.	Centrally sponsored programme for solid waste management in State capitals excluding Mega Cities	86.00

4.19 When asked for the information about the towns/cities having sewerage facilities, the representative of the Ministry during the course of his evidence before the Committee stated that at present out of a total number of 3768 cities/towns in the country only 30 to 35 per cent towns/cities were having sewerage facilities.

4.20 In response to a query whether any efforts were made by the Government for providing sewerage facilities to each cities/towns in the country the representative of the Ministry stated that at present there was no Central scheme for providing sewerage facilities to all cities/towns in the country. He further informed the Committee that as per calculations of the Working Group of the Planning Commission constituted before finalisation of 9th Five Year Plan, a sum of Rs. 33,000 crore will be needed to tackle the problem of sanitation in the country. He further stated that as the sanitation is a State subject, initiative has to come from State Governments. They have done the exercise many times but 32-33 thousand crore will be required for this. Moreover this is a State subject and the idea was, therefore, dropped.

4.21 The Committee observe that the problem of sanitation has become a national problem today and has to be tackled as such. It is really unfortunate to see the masses in cities/towns living in unhygienic conditions even when the country is celebrating its

50th year of Independence. The critical scenario is reflected in the figures according to which out of 3768 towns/cities in the country, only about 200 towns/cities have the sewerage facilities. No doubt the sanitation is a State subject, but they feel that the Central Government could always issue guidelines to State Governments to give due importance and priority to tackle this problem. Further State efforts can be supplemented by providing funds for schemes launched by the Centre. They would like to recommend that more attention should be paid towards the urban sanitation problem. Adequate funds should be provided for the new schemes proposed by the Ministry. Besides some scheme for cities not covered by the said scheme should also be launched and funds provided for the same. It is needless to say that every paisa invested in the sector of sanitation particularly in sewerage system not only help in a healthy environment but also goes a longway in liberating a person who has to earn his livelihood as a scavenger.

## **CHAPTER V**

### **PUBLIC WORKS**

#### **5.1 General Pool Accommodation (Residential)**

	<b>Rs. in crore</b>
8th Plan outlay	140.00
8th Plan Actual Expd.	175.94
9th Plan proposed outlay	500.00
9th Plan tentative outlay as agreed by Planning Commission	300.00
BE 97-98	45.00
RE 97-98	56.59
Actual 97-98	64.72
BE 98-99	70.00

5.2 As per Annual Report 1997-98, the residential accommodation for Central Govt. employees in Delhi meets a little above 60% of the demand based on restricted applicants, satisfaction ratio at the main regional stations ranges from 20-40%.

5.3 The Committee recommend that more funds should be provided for construction of houses for Govt. employees during 9th plan so as to improve the satisfaction level in different cities.

## CHAPTER VI

### DIRECTORATE OF PRINTING

6.1 The Directorate of Printing is responsible for the printing work of the Parliament, Ministries/Departments of Government of India, standard forms and certain school books. The special Secretary during his evidence before the Committee stated that there are 21 (Twenty one) printing presses spread all over the country. He further added that in many of the press machinery was very old. They have tried to modernise one or two of Government of India Presses but lot of money, was needed which they could not get. They were also thinking of rationalisation of the working force also.

#### 6.2 Production Data of the Govt. of India Presses

Sl. No.	Items	Actuals 1996-97	Original 1997-98	Revised 1997-98	Actuals 1997-98	Estimated for 1998-99
1.	No. of pages composed in A-5 size—both book work and form work (in Lakh)	4000	5000	3999	4.000	5.000
2.	No. of impressions printed, both book work & form work (in Lakh)	89000	90000	69342	6325*	90000
3.	Quantity of paper consumed (In Metric Tonnes)	15200	15000	8120	8500	15000

\*crore

6.3 When asked about the reasons for decrease in production during outlay at RE 1997-98, the Ministry in the written note have furnished the following reasons :—

- (1) Execution of short run jobs;
- (2) Receipt of more camera ready copies for printing;
- (3) Frequent power failure/Load sheddings/low voltage;
- (4) Non-availability of printing paper in sufficient quantity during 1997-98;
- (5) Shortage of staff.

6.4 The Committee take serious note of the decreased production during 1997-98. They would like to recommend that all efforts should be made to achieve the targets and use the presses to the optimum capacity so that the expenditure incurred by different Ministries/ Departments on getting their printing jobs done from private presses could be kept to the bare minimum.

6.5 When the attention of the special Secretary was invited to the fact that as per a decision taken by the Government of India in 1990, some of these presses were to be closed down. Though that decision was stayed, no new investment was being made to modernise the presses. In response to the question whether pending the restructuring, the Government was going to withdraw the decision of closure or not, the representative of the Government stated that 'it is still pending. We have to go to the Cabinet. This is only the Committee of Secretaries which has suggested this decision'. As regards fresh investment in the Press the special Secretary, pointed out the problem of funds. He however, promised to look into the legal hurdles coming in the way of restructuring of presses.

6.6 The Committee note that though the decision to close down the Presses was taken by the Government as long back as in 1990, the Government was neither closing the presses nor was modernising them so as to increase their productivity. The Government also stated that they were trying to restructure the Government Presses. The

Committee regret to observe that though a period of about 8 years has elapsed when Government took decision to close down the Government of India Presses, they were neither closing down nor restructuring them. As the presses have been meeting the printing requirement of Government of India for the last several decades, the Committee recommend that these be modernised/restructured in consultation with labour unions without any further loss of time. They will like to be informed of action taken by the Government in this regard.

NEW DELHI;  
July 4, 1998  
Asadha 13, 1920 (Saka)

KISHAN SINGH SANGWAN  
Chairman,  
Standing Committee on  
Urban & Rural Development.



## APPENDIX-I

*Reply*

Sl.No.	Name of the Scheme	Date of Sanction	Amount Sanctioned	Amount released upto 3/98	Expenditure incurred at project level (upto 3/98)	Remarks
1	2	3	4	5	6	7
1.	Ambedkar Nagar Residential Scheme, Alwar	3/97	521.86	400.00	105.36	These Schemes are at various stages of implementation & most of the schemes have been sanctioned in March, 1998.
2.	Construction of Tunnel at Jindoli Ghati near Alwar-Bejrpur-Bharatpur Road	3/95	395.00	395.00	489.97	
3.	Development of Industrial Area, Chopanki	3/96	3307.00	2800.00	2361.78	
4.	Development of Industrial Area, Khushkhara	3/96	2425.00	1700.00	1649.77	
5.	Development of Special complex, Bhiwadi	3/98	753.00	600.00	—	
6.	Upgradation & Improvement of Dharuhera-Bhiwadi-Road, Bhiwadi	3/98	600.00	600.00	—	
7.	Improvement & Development of Industrial Area, Nimrana	3/98	1350.00	675.00	260.00	
8.	Dev. of Export Promotion Industrial, Park-Tapukra	3/98	2400.00	1000.00	—	
9.	Dev. of Integrated Industrial Township Khurja	3/96	2400.00	1050.00	620.12	
10.	Shatabdi Nagar Sector 4C Infrastructure Development Scheme	3/94	506.90	506.80	953.51	

1	2	3	4	5	6	7
11.	Shatabdi Nagar Sector 2, 4B, 5, 6 & 8 Residential infrastructure Scheme, Meerut	3/91	535.00	320.00	646.86	
12.	Dev. of Counter Magnet Scheme, Bareilly	3/98	1300.00	1300.00	—	
13.	Augmentation of drainage system of Ghaziabad	3/98	120.00	60.00	—	
14.	50 cusec water distribution scheme of Upper Ganga canal	3/98	3905.97	750.00	—	
15.	Vasundhara Nagar Residential Infrastructure Scheme, Ghaziabad	3/98	3450.00	750.00	—	
16.	Improvement of Street light in Ghaziabad	3/98	183.00	71.00		

## APPENDIX II

### STATEMENT SHOWING ESTIMATED INVESTMENT REQUIREMENTS OF THE NCR PLAN IN THE NINTH PLAN

(Rs. Cr.)

Programmes	Private Sector	Public Sector	Total
1	2	3	4
<b>1. DEVELOPMENT OF TOWNSHIPS</b>			
Land Acquisition (10,000 ha.)	1,000	2,000	3,000
Internal Dev. (Local Infrastructure)	700	800	1,500
External Dev. (Trunk Services)	300	700	1,000
Sub Regional centres 34@ 5 cr.	—	170	170
Counter Magnet Towns -5 @ 20 cr.	—	100	100
Housing (2 lakh dwelling units)	6,500	—	6,500
Industry/wholesale trade (3 lakh jobs)	2,500	—	2,500
Social infrastructure	970	854	1,824
<b>Total for Townships</b>	<b>11,970</b>	<b>4,624</b>	<b>16,594</b>
<b>2. DEVELOPMENT OF CORE INFRASTRUCTURE (REGIONAL)</b>			
<b>(A) TRANSPORT</b>			
Improvement to National Highways	—	251	251
Regional Expressways: Land Acqn.	—	700	700
Constrn.	2,000	—	2,000
Perimeter Expressway, Rail Bypass and Terminals : Land Acqn.	—	739	739
: Construction	—	1,217	1,217
Regional Rapid Transit System	—	1,830	1,830
Regional Inner & Outer Road Grids	—	630	630

1	2	3	4
(B) POWER			
Captive Generation (1000 mv)	1,500	—	1,500
Transmission & Distr. System	—	500	500
(C) TELECOMMUNICATIONS (9 LAKH LINES)	1,000	1,300	2,300
(D) NCR UNIVERSITY	30	35	65
(E) R&D FOR INFRASTRUCTURE PROJECTS	—	100	100
Total (Regional Infrastructure)	4,530	7,302	11,832
Grand Total For NCR	16,500	11,926	28,426

MINUTES OF THE SECOND SITTING OF THE COMMITTEE  
ON URBAN & RURAL DEVELOPMENT HELD ON  
MONDAY, 22ND JUNE, 1998

\*\*\*\*\*

The Committee sat from 1100 hrs. to 1310 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Kishan Singh Sangwan — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Sriram Chauhan
5. Shrimati Malti Devi
6. Shri Vinod Khanna
7. Shri Rameshwar Patidar
8. Shri Mullappally Ramachandran
9. Shri Gaddam Ganga Reddy
10. Shri Vithal Baburao Tupe
11. Dr. Ram Vilas Vedanti

*Rajya Sabha*

12. Shri Nilotpal Basu
13. Shri N.R. Dasari
14. Prof. A. Lakshmisagar
15. Shri Jagdambi Mandal
16. Shri N. Rajendran
17. Shri Suryabhan Patil Vahadane

## SECRETARIAT

- |                         |   |                             |
|-------------------------|---|-----------------------------|
| 1. Shri G.C. Malhotra   | — | <i>Additional Secretary</i> |
| 2. Shri S.C. Rastogi    | — | <i>Director</i>             |
| 3. Smt. Sudesh Luthra   | — | <i>Under Secretary</i>      |
| 4. Shri P.V.L.N. Murthy | — | <i>Assistant Director</i>   |

*Representatives of Ministry of Urban Affairs & Employment*

## (DEPARTMENT OF URBAN DEVELOPMENT)

1. Shri S.S. Chattopadhyay, Special Secretary
2. Shri Hemendra Kumar, Additional Secretary
3. Shri P.K. Ghosh, Vice Chairman, DDA
4. Shri B.S. Duggal, D.G. (W), CPWD
5. Shri B.S. Minhas, Jt. Secretary
6. Shri S. Banerjee, Jt. Secretary
7. Shri J.P. Murthy, Joint Secretary
8. Shri G.C. Bhandari, Joint Secretary
9. Shri Brij Bhushan, Economic Adviser
10. Shri S.K. Singh, Director
11. Shri V. Suresh, CMD, HUDCO
12. Shrimati Neena Garg, Director

2. At the outset the Chairman welcomed the representatives of the Ministry of Urban Affairs and Employment (Department of Urban Development) and members of the Committee to the sitting. He drew the attention of the witnesses to the provisions of the Direction 55(1) of the Directions by the Speaker.

3. The Special Secretary, Department of Urban Development briefed the Committee about the various programmes and schemes of the Department.

4. The Committee thereafter, took up for consideration the Demands for Grants 1998-99 of the Department of Urban Development and took the evidence of the representatives of the Department on the concerned Demands for Grants.

5. A verbatim record of the proceedings was kept.

*The Committee then adjourned.*

MINUTES OF THE TENTH SITTING OF THE COMMITTEE  
ON URBAN & RURAL DEVELOPMENT HELD ON  
THURSDAY, 2ND JULY, 1998

The Committee sat from 11.00 hrs. to 12.00 hrs. in Committee Room 'D' Parliament House Annexe, New Delhi.

PRESENT

Shri Kishan Singh Sangwan — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Sriram Chauhan
5. Shrimati Malti Devi
6. Shri Subrata Mukherjee
7. Shri Chandresh Patel
8. Shrimati Jayanti Patnaik
9. Shri Nikhilananda Sar
10. Dr. Ram Vilas Vedanti

*Rajya Sabha*

11. Shri Nilotpal Basu
12. Shri C. Apok Jamir
13. Shri Onkar Singh Lakhawat
14. Prof. A. Lakshmisagar
15. Shri Jagdambi Mandal
16. Shri Suryabhan Patil Vahadane



## SECRETARIAT

- |                         |   |                           |
|-------------------------|---|---------------------------|
| 1. Shri S.C. Rastogi    | — | <i>Director</i>           |
| 2. Smt. Sudesh Luthra   | — | <i>Under Secretary</i>    |
| 3. Shri P.V.L.N. Murthy | — | <i>Assistant Director</i> |

2. The Committee considered and adopted the following Raft Reports with some additions/modifications as indicated in Appendix I & II, respectively:—

(i) Draft Report on Demands for Grants 1998-99 of the Department of Urban Development.

(ii) Draft Report on Demands for Grants of the Department of Wastelands Development.

3. Thereafter, the Committee authorised the Chairman to finalise the reports and to present/lay them in both the Houses of Parliament.

4. The Committee noted that the draft reports on Demands for Grants 1998-99 relating to the Departments of (a) Urban Employment and Poverty Alleviation; and (b) Rural Development; and (c) Rural Employment and Poverty Alleviation which were to be considered and adopted during their sitting to be held in the afternoon could not be circulated to the members. The sitting of the Committee which was scheduled to be held in the afternoon was therefore, cancelled.

5. The Committee then adjourned to meet again on Friday, 3 July, 1998 at 1500 hrs. to consider and adopt draft reports on the subjects mentioned in para 4 above.

(See Para No. 4 of Minutes dated 2.7.1998)

*Statement showing modifications made by the  
Committee in their draft reports*

Page No.	Para No.	Modifications
1	2	3
(i) <i>Draft Report</i> re : Demands for Grants 1998-99 of the Ministry of Urban Affairs and Employment (Department of Urban Development)		
15	For existing paragraph No. 3.22 <i>substitute</i> the following:	"3.22. The Committee while appreciate that tentative outlay of Rs. 400 crore as agreed to by the Planning Commission against proposed allocation for Rs. 600 crore is better than the position in regard to other schemes of the Department but are constrained to observe that as seen in para 3.20 above, there is a tendency on the part of the Government to reduce the sanctioned amount at later stage. It has also been observed that many a times the Government does not release even the amount already sanctioned by them. They feel that this approach of the Government not only affect the implementation of future programmes under a scheme but also adversely affect the implementation of projects already under progress. They, therefore, recommend that funds already sanctioned for

1	2	3
38	6.6	<p>Megacity Scheme should not be reduced so that the ongoing projects under the scheme do not suffer for want of funds."</p> <p><i>Substitute the following:</i></p> <p>"6.6 The Committee note that though the decision to close down the Presses was taken by the Government as long in 1990, the Government was neither closing the presses nor was modernising them so as to increase their productivity. The Government also stated that they were trying to restructure the Government Presses. The Committee regret to observe that though a period of about 8 years has elapsed when Government took decision to close down the Government of India presses, they were neither closing down nor restructuring them. As the presses have been meeting the printing requirement of Government of India for the last several decades, the Committee recommend that these be modernised/restructured in consultation with labour unions without any further loss of time. They will like to be informed of action taken by the Government in this regard."</p>

(ii) *Draft Report re : Demands for Grants 1998-99 of the Ministry of Rural Areas and Employment (Department of Wastelands Development).*

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Page No.	Modification
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10                      *For the following:*

*"The Committee hope that the Investment Promotion Scheme which is reported to be restructred for reintroduction during 1998-99 will be able to contribute effectively in development of wastelands under private ownership. They will like to be informed of the salient features of the restructured scheme as and when launched".*

*substitute the following:—*

*"The Committee have been stressing again and again that the Investment Promotional Scheme should be restructured so that this scheme could achieve the objective for which it was launched. In response to the recommendations contained in Third Report of the Committee (1996-97), the Government stated that they were making efforts to restructure the Scheme. At the same time, they also stated that the Ministry of Finance (Department of Expenditure) have enlisted this scheme for weeding out during Ninth Five Year Plan period. In this background the Committee note that at last the Government have restructured the Scheme for meeting the objective and are going to reintroduce the restructured scheme during 1998-99. The Committee hope that the Investment Promotional Scheme which is reported to be restructured for reintroduction during 1998-99 will be able to contribute effectively in development of wastelands under private ownership. They will like to be informed of the salient features of the restructured scheme as and when launched".*

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### APPENDIX III

#### STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl. No.	Para	Recommendation
1	2	3
1.	2.7	The Committee note that the Government have furnished the tentative data with regard to the 9th Plan allocation. They hope that the 9th Plan would be finalised soon particularly in view of the fact that more than a year's period of 9th Five Year Plan is already over.
2.	2.8	It is observed from the broad analysis of the budgetary allocation that the tentative outlay of Rs.2300 crore for 9th Plan as agreed to by the Planning Commission against the proposed outlay of Rs.11795 crore is very much on the lower side. The Committee note with concern the observation of the officials of the Department during their evidence before them that the targets sets during 9th Plan would have to be reduced keeping in view the lesser allocation of funds by the Planning Commission. Further disturbing is the fact that the Government would not be able to take up new programmes/schemes which they have planned for the 9th Plan. The whole exercise of planning for urban sector would be futile without sufficient funds. The Committee would, therefore, like to recommend that keeping in view the broad activities of the Department sufficient funds should be provided.

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3.	2.9	<p>The Committee further note with concern the variation between BE, RE and actuals during 1997-98. The outlay for Rs.529.00 crore which was reduced at RE stage to Rs.510.00 crore even that could not be fully utilised by the Department. While recommending for higher outlay during 9th Plan, they would like that the Government should ensure the proper execution and implementation of the projects/schemes undertaken by the Department so that the resources allocated are utilised fully.</p>
4.	2.10	<p>While noting the constraints on resources in the Centre, the Committee cannot but reiterate their recommendation made by them in their 11th report (1997-98) that the State Governments should give a thinking to generate resources through other sources. They hope that the Central Government will impress upon the State Governments that they should appreciate the resource position of the Centre and should rise to the occasion.</p>
5.	3.13	<p>The Committee note that the main objective of the IDSMT scheme is to develop selected regional growth centres with infrastructure and service facilities so as to enable such towns to emerge as regional centres of economic growth and employment opportunities and arrest migration from rural areas and small towns to large and metropolitan cities. However, they are unable to understand as to how this laudable</p>

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		<p>objective could be achieved by a meagre allocation of Rs.35 crore during 1998-99. While due to resource crunch, the Planning Commission reduces the allocation meant for this scheme, at the same time has released a sum of Rs. 330 crore under NSDP. The Committee feel that by reducing outlay for IDSMT the Government indirectly encourage the growth of slums in large and metro towns. The development of slums further acts as an incentive to people of towns lacking in basic facilities to migrate to large and metro towns and adding to the slum population in those towns. The Committee, therefore, recommend that while considering the proposal of the Ministry for outlay under IDSMT, the Government should not reduce the outlay and should keep in view the fact that any reduction in this outlay will induce more expenditure under NSDP.</p>
6.	3.14	<p>The Committee note that due to non-receipt of eligible proposals from Union Territories Administrations, a sum of Rs.2.8 crore could not be utilised during 8th Plan period. With a view to utilise the funds properly during 9th Plan, they would urge upon the Government to impress upon the UT Administrations to submit their proposals under this scheme well in time so that they could also avail of the benefit of the IDSMT Scheme.</p>
7.	3.15	<p>The Committee recommend that the pilot project launched by the</p>

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		<p>Government to build the capacity of certain local bodies should be implemented vigorously and its effect would be watched. They would like to be informed of the impact of the project on the local bodies covered under the project.</p>
8.	3.16	<p>The Committee note that due to higher cost of raising money from the market, HUDCO which is the main source of institutional finance under the IDSMT, was not able to give loans to local bodies at lower rate of interest. With a view to encourage local bodies to rely more on institutional finance than on Government's grants-in-aid, it is essential that institutional finance is made available to them at a lower rate of interest. The Committee, are therefore, inclined to agree with the suggestion of the HUDCO that like telecom and power sector, the town infrastructure sector should also be extended the benefit of sections 10(23) (G), 81A of the Income Tax Act, 1961. They therefore, recommend that the Government should consider to extend the same benefits to town infrastructure as are available to the power and telecom sector.</p>
9.	3.22	<p>The Committee while appreciate that the tentative outlay of Rs. 400 crores as agreed to by the Planning Commission against proposed allocation for Rs. 600 crores is better than the position in regard to other schemes of the Department but are constrained to</p>



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		<p>observe that as seen in para 3.20 above, there is a tendency on the part of the Government to reduce the sanctioned amount at later stage. It has also been observed that many a times the Government does not release even the amount already sanctioned by them. They feel that this approach of the Government not only affect the implementation of future programmes under a scheme but also adversely affect the implementation of projects already under progress. They, therefore, recommend that funds already sanctioned for Mega City Scheme should not be reduced so that the ongoing projects under the scheme do not suffer for want of funds.</p>
10.	3.23	<p>It is observed from the status of projects in five Mega Cities where the scheme is in operation that the implementation of projects in Hyderabad and Bangalore is quite slow. They would, therefore, like to recommend that the Government should review the implementation of projects in such Mega Cities and initiate measures for the timely implementation of the projects under the scheme in all cities particularly in Hyderabad and Bangalore.</p>
11.	3.28	<p>The Committee when making a comparative study of the allocation during 8th and 9th Plan find that in comparison to the approved outlay of Rs. 200 crore during 8th Plan, the actual release has been of Rs. 135 crore. They</p>

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		<p>further note that as against the proposal of Board to allocate an outlay of Rs. 800 crore the Government has proposed an outlay of Rs. 400 crore. Even the reduced outlay as suggested by the Ministry is yet to be approved by the Planning Commission.</p>
12.	3.29	<p>The Committee will like to be informed as to how the Government/ NCR Planning Board propose to bridge the gap in the budgetary support sought by the Board and as recommended by the Ministry.</p>
13.	3.30	<p>They will also like to impress upon the Government that while making allocation for the NCR Planning Board during the 9th Plan, care must be taken to ensure that sufficient funds are available for completion of MRTS project of Delhi as per schedule, so as to avoid any cost overrun of the project due to paucity of funds.</p>
14.	3.33	<p>The Committee note from the Statement at Appendix II that out of a total amount of Rs. 241.5 crore a sum of Rs. 140.6 crore i.e. 58.2% was sanctioned by NCR Planning Board during the month of March, 1998. They are unable to comprehend the reasons which prevailed upon NCR PB to sanction projects at the fag end of the financial year. The Committee will like to be informed of these reasons. They also note that some of the projects were sanctioned during the period</p>

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		<p>March, 1991 to March 1997. They would like to be apprised of the present status of these projects.</p>
15.	3.39	<p>The Committee note that the Ministry of Urban Affairs and Employment have conducted a study on "Traffic and Transportation Policies and strategies in urban areas in India" and have sent copies of the report to the State Governments. The Committee would like to know the general reaction of the State Governments to the said study. They would also like to know whether any proposal for Central assistance has come from any State Government as a result of this study.</p>
16.	3.47	<p>The Committee hope that the DMRTS Project would get the priority which it deserves and adequate funds will be released for the project so that all its stages including acquisition of land etc. are completed on time and within the estimated amount.</p>
17.	3.55	<p>The Committee hope that the final allocation by the Planning Commission under 9th Plan for Urban Mapping Scheme, would be made soon so that the Ministry could achieve the target of covering the 25 more towns under Urban Mapping Scheme during 9th Plan.</p>
18.	4.13	<p>The Committee will like to be informed of the reaction of the Planning Commission to the Department's</p>

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		<p>proposed new scheme for supply of drinking water. As the drinking water is the basic need of every living being, they hope that the scheme will receive a favourable reaction from the Planning Commission.</p>
19.	4.14	<p>They further observe that Central Government have not procured so far, the data with regard to the demand and availability of water in each town/city. The Government took initiative for procuring data only with regard to cities having population above 5 lakhs and that too is not complete. The Committee recommend that the Central Government should conduct a survey to procure the data for demand and availability of water in all the total 3768 cities/towns as the same is an essential requirement for making future planning.</p>
20.	4.21	<p>The Committee observe that the problem of sanitation has become a national problem today and has to be tackled as such. It is really unfortunate to see the masses in cities/towns living in unhygienic conditions even when the country is celebrating its 50th year of Independence. The critical scenario is reflected in the figures according to which out of 3768 towns/cities in the country, only about 200 towns/cities have the sewerage facilities. No doubt the sanitation is a State subject, but they feel that the Central Government could always issue guidelines to State Governments to give due importance</p>

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		<p>and priority to tackle this problem. Further State efforts can be supplemented by providing funds for schemes launched by the Centre. They would like to recommend that more attention should be paid towards the urban sanitation problem. Adequate funds should be provided for the new schemes proposed by the Ministry. Besides some scheme for cities not covered by the said scheme should also be launched and funds provided for the same. It is needless to say that every paisa invested in the sector of sanitation particularly in sewerage system not only help in a healthy environment but also goes a longway in liberating a person who has to earn his livelihood as a scavenger.</p>
21.	5.3	<p>The Committee recommend that more funds should be provided for construction of houses for Govt. employees during 9th plan so as to improve the satisfaction level in different cities.</p>
22	6.6	<p>The Committee note that though the decision of the Presses was taken by the Government as long back as in 1990, the Government was neither closing the Presses nor was modernising them so as to increase their productivity. The Government also stated that they were trying to restructure the Government Presses. The Committee regret to observe that though a period of about 8 years has elapsed when Government</p>

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took decision to close down the Government of India Presses, they were neither closing down nor restructuring them. As the Presses have been meeting the printing requirement of Government of India for the last several decades, the Committee recommend that these be modernised/restructured in consultation with labour unions without any further loss of time. They will like to be informed of action taken by the Government in this regard.

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