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**STANDING COMMITTEE ON
EXTERNAL AFFAIRS
(1995-96)**

TENTH LOK SABHA

**MINISTRY OF EXTERNAL AFFAIRS
DEMANDS FOR GRANTS 1995-96**

SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1995 / Chaitra, 1917 (Saka)

SIXTH REPORT
STANDING COMMITTEE ON
EXTERNAL AFFAIRS
(1995-96)

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DEMANDS FOR GRANTS 1995-96



Presented to Lok Sabha on

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LOK SABHA SECRETARIAT
NEW DELHI

April, 1995 / Chaitra, 1917 (Saka)

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ON EXTERNAL AFFAIRS (1995-96)

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COMPOSITION OF THE STANDING COMMITTEE
ON EXTERNAL AFFAIRS
(1995-96)

CHAIRMAN

Shri Atal Bihari Vajpayee

MEMBERS

Lok Sabha

2. Shri Bijoy Krishna Handique
3. Shri Venkata Krishna Reddy Kasu
4. Shri V. Sreenivasa Prasad
5. Shri Anwari Basavaraj Patil
6. Shri Inder Jit
7. Shri A. B. A. Ghani Khan Chowdhury
8. Dr. Girija Vyas
9. Shri Mani Shankar Aiyar
10. Prof. (Smt.) Savithri Lakshmanan
11. Shri Udaysingrao Gaikwad
12. Shri K. P. Reddaiah Yadav
13. Smt. D.K. Thara Devi Siddhartha
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15. Shri Satya Deo Singh
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23. Shri Roshan Lal
24. Dr. Sudarshan Raychaudhuri
25. Dr. Sudhir Ray
26. Smt. Geeta Mukherjee
27. Shri R. Naidu Ramasamy
28. Shri Ebrahim Sulaiman Sait
29. Shri Chandra Shekhar
30. Shri Arjun Singh

(iv)

Rajya Sabha

31. Shri Sikander Bakht
32. Shri Somappa R. Bommai
33. Shri Jagesh Desai
34. Shri Mohammad Yunus
35. Shri G. Sewaminathan
36. Shri G. G. Swell
37. Shri Tridib Chaudhuri
38. Shri K. M. Khan
39. Shri V. N. Gadgil
40. Shri K. Rahman Khan
41. Shri Inder Kumar Gujral
42. Shri Tirloki Nath Chaturvedi
43. Smt. Vyjantimala Bali

SECRETARIAT

- | | | | |
|----|------------------------|---|-----------------------------|
| 1. | Dr. Ashok Kumar Pandey | - | <i>Additional Secretary</i> |
| 2. | Shri G. R. Patwardhan | - | <i>Joint Secretary</i> |
| 3. | Shri O. P. Ghai | - | <i>Deputy Secretary</i> |
| 4. | Shri Ashok Sarin | - | <i>Under Secretary</i> |

INTRODUCTION

I, the Chairman, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, present this Sixth Report on Demands for Grants of the Ministry of External Affairs for the year 1995-96.

2. The Standing Committee on External Affairs was re-constituted on 8th April, 1995. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The Report shall not suggest anything of the nature of cut motions.

3. The Committee (1994-95) took evidence of the representatives of the Ministry of External Affairs on 5th and 6th April, 1995. The Committee wish to express their thanks to the officers of the Minsitry of External Affairs for placing before the Committee the material and information which they desired in connection with the examination of the Demands for Grants of the Ministry of 1995-96 and for giving evidence before the Committee.

4. The Committee (1995-96) considered and adopted the report at their sitting held on 17th April, 1995.

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

NEW DELHI;
17 April, 1995

Chaitra 27, 1917 (Saka)

ATAL BIHARI VAJPAYEE,
Chairman,
Standing Committee on External Affairs.

REPORT

The Demands for Grants of the Ministry of External Affairs were laid on the Table of Lok Sabha on 29 March, 1995. The budgetary provision for the Ministry of External Affairs is entirely non-plan. Demand No. 23 of the Ministry contains the figures of Revenue as well as Capital expenditure which are as follows :

(In thousands of Rs.)

Revenue		Capital	Total
Charged	2,00		2,00
Voted	9,50,88,00	47,05,00	9,97,93,00

2. The details of the actual Revenue and Capital expenditure for the year 1993-94, Budget Estimates and Revised Estimates for 1994-95 and Budget Estimates for 1995-96 of the Ministry are as under :

(In thousands of Rs.)

Sl. No.	Major Head	Items	1993-94 Actuals Non-plan	1994-95		1995-96	
				BE	RE Non-plan	BE	RE Non-plan
1	2	3	4	5	6	7	
1.	2052	Secretariat Charged General Services Voted	59,92,58	1,00	1,00	1,00	
2.	2061	(B) External Affairs					
		B(1) Embassies and Missions	330,73,49	339,99,85	387,43,00	403,03,00	
		B(2) Passport and Emigrations	46,36,69	54,35,00	31,00,00	60,00,00	
		B(3) Training	16,73	20,00	25,00	20,00	
		B(4) Special Diplomatic Expenditure Charged Voted	139,26,61	1,00 129,47,00	1,00 176,86,00	1,00 180,89,00	
		B(5) International Conferences/ Meetings	7,91,85	2,00,00	2,00,00	2,00,00	
		B(6) Entertainment Charges	4,59,05	5,00,00	7,50,00	8,00,00	

1	2	3	4	5	6	7
		B(7) International Cooperation	21,66,23	21,51,57	37,38,10	22,53,00
		B(8) Other Expenditure	29,33,21	26,40,12	48,73,50	31,47,00
		- Total major Head "2061"				
		Charged	-	1,00	1,00	1,00
		Voted	580,39,86	578,93,54	691,15,60	708,12,00
3.	2075	C. Miscellaneous General Services	23,90,01	1,00	1,00	1,00
4.	3052	D. Shipping	6,24,96	1,00	1,00	1,00
5	3053	E. Civil Aviation	1,10,54	4,30,00	8,42,00	1,00
6.	3605	F. Technical and Economic Cooperation with other countries	135,73,60	167,27,31	133,67,50	184,74,00
		Total : Revenue Section				
		Charged	-	2,00	2,00	2,00
		Voted	807,31,55	800,99,00	881,73,10	950,88,00

1	2	3,	4	5	6	7
CAPITAL SECTION						
7.	4059	Capital outlay on Public works	18,27,00	28,95,00	35,00,00	35,00,00
8.	4216	Capital outlay on Housing	2,97,28	5,00,00	10,00,00	12,00,00
9.	7453	Loan for foreign trade export promotion	1,49,92	1,00	1,00	1,00
10.	7605	Advances to Foreign Governments	33,68,68	10,02,00	3,00	3,00
11.	7615	Miscellaneous Loans	.	1,00	10,90	1,00
Total : Capital Section			56,42,88	43,99,00	45,14,90	47,05,00
Grand Total						
Charged				2,00	2,00	2,00
Voted			863,74,43	844,98,00	926,88,00	997,93,00

OVERVIEW

3. The BE 1995-96 of Rs. 997.95 Crs is Rs. 152.95 Crs. more than BE 1994-95 and Rs. 71.05 Crs. more than the RE 94-95. The break-up of BE 95-96 is as under :

(Amount in Crores of Rupees)

Revenue	950.90
Capital	47.05
	<u>997.95</u>

The Revenue allocations include Rs. 2.00 Lakhs as charged expenditure.

4. The expenditure on establishment represents 52.21% of the total budget of the Ministry. This is made up of expenditure on Missions/Posts abroad (40.39%), Headquarters (5.81%) and Passport & Emigration (6.01%). The break-up on the rest of the expenditure is as follows :

Aid/Advances to Foreign Governments	18.51%
Special Diplomatic Expenditure	18.13%
Capital Outlay	4.71%
Other Activities (Grant-in-aid to various institutions including ICCR)	6.44%

Expenditure on Headquarters

5. The estimated expenditure on the Headquarters Organisation of the Ministry during the current financial year (1995-96) is expected to be Rs. 57.78 crores which is 6% of the total estimated revenue expenditure of this Ministry. Out of this Rs. 11.78 crores will be on Salaries and Wages, Rs. 9.77 crores on Travel Expenses, Rs. 17.83 crores on Office Expenses, Rs. 6.65 crores on Publicity and Rs. 11.11 crores of Rent and Maintenance.

Expenditure on Missions

6. The total estimated expenditure on Indian Embassies/Missions abroad is expected to be Rs. 403.03 crores during the current financial year which works out to 42.4% of the total estimated Revenue Expenditure of the Ministry. Out of this, an amount of Rs. 155.43 crores is for Salaries (including Foreign Allowance and representational grant), Overtime allowance and Wages, Rs. 41.56 crores for Travel Expenses (Transfer Passages/Home Leave Passages and Local Tours), Rs. 79.55 crores for

Office Expenses and Rs. 126.49 crores for Rent, Rates and Taxes as well as for Repairs and Maintenance of Government owned /rented accomodation in Missions abroad.

7. The Demands for Grants (1995-96) were discussed by the Committee with the representatives of the Ministry of External Affairs and the results of the discussions held are given head-wise in the succeeding paragraphs.

Increase in RE 1994-95 over BE 1994-95

8. The Committee note that the Revised Estimates for 1994-95 works out to Rs. 926.90 crores against the Budget Estimates for Rs. 845.00 crores, thus reflecting an increase of Rs. 81.90 crores. The Ministry have stated that they constantly monitor the flow of expenditure and keep a tight rein on it in order to ensure that, as far as possible, it remains within the budgetary allocation. However, where unavoidable expenditure in excess of the Budgeting allocation is required to be made during the year, the Ministry, with the concurrence of the Ministry of Finance, is obliged to revise the budget estimates. The Committee hope that the Ministry of External Affairs would continue in their effort to refine and improve the system for the preparation of the budget so that the variation between the estimates and actuals are kept to a reasonable minimum limit.

SECRETARIAT - GENERAL SERVICE "2052"

BE 94-95 Rs. 50.47 Cr.

RE 94-95 Rs. 48.47 Cr.

BE 95-96 Rs. 58.10 Cr.

9. In the BE 95-96, an increase of Rs. 7.53 crores has been proposed by the Ministry over BE 94-95, principally because of a requirement to pay rental arrears amounting to Rs. 5.82 crores for Akbar Bhavan. The Ministry have stated that they are paying a monthly rent of Rs. 24.62 lakhs to NDMC, the owners of the building, in respect of Akbar Bhavan. However, the NDMC had approached the CPWD stating that in keeping with the standard rent rates, prescribed by the CPWD from time to time, higher rent was payable for the above building. In response the CPWD stated that the rent of Akbar Bhavan needed to be revised to Rs. 26.58 lakhs per month for the period 1.9.87 to 31.8.92 and to Rs. 39.62 lakhs per month with effect from 1.9.92 onwards. The arrears of higher rent, prescribed by the CPWD, have, however, not been paid so far because the discussions with the NDMC, with regard to expenses in respect of major repairs/renovations that have become necessary in the building, are yet to be concluded. These discussions are now reaching a final stage and they hope to pay the rent arrears in 1995-96.

10. In reply to a query the Financial Advisor of Ministry of External Affairs informed the Committee during evidence that they were only informed that the rent had been revised. The Ministry had raised objection for the revised rate of rent as the rent and maintenance charges were very high. He added that the rent was paid at the old rate. In view of the fact that some repairs have been carried out, the Ministry have promised to pay the arrears.

11. When asked about the relationship between NDMC and Ministry of External Affairs and fixation of rent taking into consideration and depreciation charges of the building, the Financial Advisor of Ministry of External Affairs stated that the Ministry of Urban Development takes all those points into consideration while rent of the building is fixed.

12. When enquired as to why the matter could not be discussed between the Ministry of Urban Development and Ministry of External Affairs, instead of bringing the CPWD and the NDMC into the picture, the representative of Ministry of External Affairs stated "In fact this decision has been arrived by the Committee of Secretaries after a thorough discussion".

13. The Committee find that the rent of the Akbar Bhawan was revised to Rs. 26.58 lakhs per month for the period 1.9.87 and again to Rs. 39.62 lakhs per month w.e.f. 1.9.92 onwards. The arrears of higher rent amounting to Rs. 5.82 crores have not been paid so far by the Ministry as the discussions with NDMC with regard to expenses in respect of major repairs/renovations which have become necessary are yet to be concluded. The Ministry hope to conclude the discussion in this regard and pay the rent arrears in 1995-96. The Committee are surprised to find that the Ministry of External Affairs were not consulted while enhancing the rent for the Akbar Bhawan and the matter is stated to have been decided by the Committee of Secretaries. The Committee feel that the provisions for increase in the rental in subsequent years, if any ought to have been discussed and settled while taking possession of the Akbar Bhavan. It is also surprising that NDMC/CPWD insisted for increase in rent without carrying out the necessary repair works and maintenance of the building.

The Committee feel that MEA should have taken up this matter at the highest level with the Ministry of Urban Development much earlier so that the issue could be sorted out and arrears would not have accumulated to such a level.

14. The Committee desire that arrears for the enhanced rent should be paid by the MEA only when they are satisfied that the maintenance/repairs of the building has been carried out to their satisfaction. The Committee also desire that while finalising terms and conditions with

the owners of such buildings in future it must be assured that the terms and conditions do not adversely affect the interests of the Ministry and all the relevant aspects of maintenance/repairs/enhancing of rent are adequately taken care of at that stage.

B - External Affairs : (Major Head)

B.1 Embassies / Missions

BE 94-95 Rs. 340.00 crores

RE 94-95 Rs. 387.43 crores

BE 95-96 Rs. 403.03 crores

15. The main reason according to the Ministry, for increase in RE 94-95 and BE 95-96 over BE 94-95 is principally on account of a provision of Rs. 35 crores as part payment for renewal of lease for 65 years for the Residence of our High Commissioner in London (9 KPG) and further provision for payment of Rs. 40 crores this year (1995-96) in this regard. Explaining in this regard the Ministry have stated that total amount to be paid in this regard is as under :

(a) Premium payment of Pounds 14 million (Rs. 68.76 crores) for renewal of the lease for a period of 65 years with effect from April, 1990. 50% of this amount to be paid in 1994-95 and the remaining portion in 1995-96. Accordingly, an amount of Pounds 7 million (equivalent to Rs. 34.38 crores) has already been paid in the financial year 1994-95 and the balance of Pounds 7 million (Rs. 34.38 crores) is required to be paid by 21st April, 1995.

(b) Arrears of ground rent @ Pounds 10,000 per annum for the period April, 1990 to April, 1995 i.e., Pounds 50,000 (equivalent to Rs. 24.55 lakhs) to be paid in 1995-96.

(c) Pound 1 million (Rs. 4.91 crores) for repairs and refurnishment of the property in 1995-96.

16. The Committee have been informed that negotiations in respect of this property were concluded by the RE 94-95 stage and a provision was made accordingly in RE 94-95 and BE 95-96.

17. In this connection the Financial Advisor in the MEA informed the Committee that the residence of the High Commissioner is in a building which belongs to the Crown Estate. The lease of the building had expired and that was under unauthorised occupation for 4 years. The Crown Estate Commissioner had threatened that unless a new lease was signed, they might take recourse to other measures. They have to either vacate the premises or enter into a fresh lease. The Foreign Secretary added that this location is suitable for our High Commissioner and that is why we feel that

we should make our utmost efforts to retain that property.

18. The Committee pointed out that the Ministry of External Affairs had to settle the matter relating to the High Commissioner's Residence in Delhi too. Explaining in this connection the Foreign Secretary stated that their attempt was to offset one property against the other. It was suggested that they might keep what they have got in Delhi and in turn we would keep what we have got in London and let there be no exchange of money. But British took the line that their property at KPG was considerably dearer than the property that they occupied in Delhi. But as the negotiations pursued, it could not materialise though it would have been a neat transfer. He added that matter would be pursued vigorously with the British Authorities so as to ensure that a suitable price is paid by them for the property in Delhi.

19. In reply to a question the Foreign Secretary informed that the residence of British High Commissioner in India is on lease for 30 years w.e.f. 1960. This lease expired six years ago and the property is owned by Directorate of Estate, Ministry of Urban Development. But negotiations with the British High Commissioner are being done by Ministry of External Affairs.

20. The Committee note that RE 94-95 and BE 95-96 is more than BE 94-95 in case of provisions for Embassies and Missions in the Budget principally on account of a provision of Rs. 35 crores as part payment for renewal of lease for 65 years for the residence of our High Commissioner in London during 94-95 and further provision for payment of Rs. 40 crores during 95-96. The Committee are informed that lease of the building, owned by Crown Estate, had expired and was under unauthorised occupation for 4 years. A new lease for 65 years was signed by us in London not only because of the threat posed by Crown Estate Commissioner to take an early decision in this regard but also due to the fact we wanted to retain that property due to locational advantages. The Committee note that similarly the lease for the building occupied by British High Commissioner in Delhi had also expired six years ago. However, the attempt of the Ministry of External Affairs to offset one property against another without payment of any amount did not succeed. The Committee at this stage cannot but hope that the Ministry will be able to ensure that a suitable price is paid by them for the property in New Delhi.

21. The Committee regret to observe that such major decision of negotiations carried out between Indian and British authorities on renewal of lease of their respective Commissioner's residence in Delhi and London was not intimated to the Committee during the discussions on Demands for Grants last year. The Committee desire that they must

be kept informed of such important decisions at the time of discussion of Demands for Grants so that they are seized of the matter and are in a position to give their considered opinion to the Ministry in that respect.

22. During the course of oral evidence, the Committee desired to know the reason why the Ministry was not purchasing the property for their use and continuing to retain the rented accommodation for India's permanent representative in New York despite a steep increase in rents. To this, the MEA in a statement have stated that the residence of the Permanent Representative of India in New York carried a rent of US \$ 4,870 per month till the end of 1993 as it was covered by the local rent control regulations. However, since these regulations were removed in 1993, the landlord had been demanding a higher rent in the range of US \$ 16,000 to US \$ 20,000 per month as similar surrounding properties carried a rent in the above range. At this stage, the PMI had made a proposal for purchase of a suitable property and a team visited New York to look into the matter in May 1994. Some suitable properties, proposed for purchase by the Mission, were in the range of US \$ 6 to 7 million. The calculations made by the Ministry, in keeping with its standard formula to determine the economic cost in the case of a property purchase proposal, indicated that we should not go in for a property with a cost more than US \$ 4.5 million approximately. Therefore, the proposed properties were not found suitable for purchase.

23. In the light of the foregoing, negotiations were held with the landlord of PR's rented residence and it was decided to retain the same at a monthly rent of US \$ 16,000.

24. The Committee in their 2nd Report on Demands for Grants for MEA 1994-95 had recommended that as the number of properties rented by Missions/Posts are more than those owned by them and the rentals for the hired accommodation are continuously rising, there is a need to acquire/construct more and more buildings both in India and abroad. In this connection the Ministry of External Affairs have stated that they have initiated an exercise to assess the total demand for accommodation. The Committee expect the Ministry to complete this exercise at the earliest. In this case of property at New York, the Ministry have stated that the calculations made by the Ministry, keeping with its standard formula to determine the economic cost in the case of a property purchase proposal, indicated that we should not go in for purchase of the property under consideration. The Committee recommend that after a detailed assessment of their requirement for properties abroad, a study may be conducted whether acquisition of properties especially for Missions/residential accommodations for High Commissioner and Ambassadors would be economical instead of hiring those properties by having a cost benefit analysis in each case especially where the rents are very high. Where it is found that acquisition of properties would be better proposition suitable

action may be initiated at the earliest for acquiring the same.

25. . It is seen from Annual Report of MEA for 94-95 that in order to assess the functioning of Indian Missions abroad, the Foreign Service Inspectors had inspected eight Missions during 1994-95 of the Ministry of External Affairs.

26. When asked about the details in this regard the Ministry have stated the Foreign Service Inspectors carried out a comprehensive review of the working of the Missions, inspected during 1994-95, including a review of the staff position, requirement of office equipment, property matters and the allowance structure. The shortcomings noticed were mainly in the following categories :-

- (a) It was found that in some Missions modern equipment had not been introduced to ensure efficient functioning. Purchase of necessary equipment, including computers, was sanctioned on the spot.
- (b) In some other cases, it was noticed that the upkeep of Government owned properties needed to be improved. Necessary sanctions in this regard were given on the spot.
- (c) Minor procedural lapses in the maintenance of accounts were noticed in the inspected Missions and immediate instructions were given for rectification of the same.

27. The Committee have been given to understand that during the comprehensive review of the working of the eight Missions inspected by the Foreign Service Inspectors during 94-95, a number of shortcomings were noticed. In some Missions modern equipment had not been introduced to ensure efficient functioning while in some other cases, upkeep of Government owned properties needed to be improved. Further, procedural lapses in the maintenance of accounts were also noticed. The Committee feel that such shortcomings may also be prevailing in other Missions too. The Committee desire that suitable remedial steps should be taken to overcome these shortcomings and if necessary suitable instructions/guidelines should be issued to all the Missions/ posts with a view to avoid the recurrence of such shortcomings.

28. The Committee would also like to emphasise that trade generating activities require diplomatic skill and expertise, and the entire mission including Head of the Mission and Political and information officer should be encouraged to develop necessary expertise and orientation. The Committee therefore desire that the commercial and economic wings/sections in Missions/Posts abroad under Commercial Representatives or otherwise should be suitably strengthened, so as to attract the much needed foreign investment and give necessary thrust to our trade and economic activities. The expenditure incurred under the

MEA Budget in this behalf may be indicated separately so as to reflect the work done by them in this regard. Further, since the trade servicing work is often better undertaken by the people who are in the business, the Ministry may also examine the feasibility of co-ordinating with the FICCI (Federation of Indian Chambers of Commerce and Industry) and CII (Confederation of Indian Industry) to encourage them to open a larger number of overseas offices to supplement the work of the diplomatic Missions.

A.1 (1) (8) - Advertising and Publicity (Secretariat)

BE 94-95 Rs. 6.06 crores

RE 94-95 Rs. 5.06 crores

BE 95-96 Rs. 6.65 crores

B.1 (6) - Advertising and Publicity (Mission/Posts)

RE 94-95 Rs. 6.69 crores

BE 95-96 Rs. 6.80 crores

29. It is seen from the above that there is hardly any increase in the provision for advertising and publicity in Missions/Posts in the BE for 1995-96 over RE 1994-95.

30. During evidence the representative of Ministry of External Affairs stated that as far as our missions abroad are concerned, there is no appreciable increase in expenditure. However, in the headquarters more money was spent due to some large scale advertisement in magazines and newspapers in South East Asia and America and other places due to strong business interest. That was done on an *ad hoc* basis. When asked about the use of electronic media, the witness stated that for engaging the electronic media a lot of software is to be produced, generation of which is not easy. The Ministry is in touch with the producers who would guide as to what an how to advertise. But in channels like BBC it was not easy to penetrate unless we are ready to spend large sums of money.

31. The Committee referred to the fact that sufficient literature was not available in missions, NGOs helpful to India, NRIs and individuals abroad not only to counter adverse propaganda against India but also to present positive image of India. To this, the representatives of Ministry of External Affairs stated that due to shortage of funds it has not been possible for them to make sufficient literature available to all those abroad. He however, further stated that Missions are very sensitivite to media/reports and comments about the country and its policies and spend a lot of time in cultivating the local media and if any negative tendency appears in any particular paper, they take prompt corrective action.

32. Explaining further in this regard, the Foreign Secretary stated that an institutional mechanism in essence is the Mission itself. If there is a sensitivity and there is an enlarging sensitivity, it is our responsibility both, those of us who serve abroad or those of us at headquarter to ensure that an adequate response is given to any wrong statement that may be made. It may be about law and order situation, the situation of minorities, human rights or the status of women or whatever it is, that is certainly very much a part of our responsibility.

33. The Committee have been informed that the Ministry proposes to adopt new strategies to counter hostile propaganda and project a positive image of India abroad. These strategies include more widespread, aggressive, and penetrating publicity and PR methods including dissemination of information through available mass media and other channels by placement of programmes mentioned above on local, ethnic, cable and other television channels, organisation of seminars, direct-mailing and distribution of publications, video cassettes, floppies etc. targeted at opinion makers of all varieties, accessing of information material through E-Mail, and activating NRI and other India-interest groups to act in a concerted manner in support of Indian interests etc.

34. The Ministry have further stated that greater expenditure has been foreseen in production of information and publicity material, both printed and audio visual, specifically for external publicity purpose in line with an expanded in-house production programme for such material. The range of subjects covered by these is also proposed to be wider than before. Expenditure on audio visual publicity, especially television, is expected to increase in view of the increasing dominance of this medium. Expenditure is envisaged in both production of audion visual publicity material mentioned above, as also placement of such programmes on television stations, including satellite television, oriented abroad.

35. The Ministry have admitted that they feel serious constraints of funds in this regard particularly as these strategies require considerable investments to be successful. It is proposed to aim for higher allocation in forthcoming budgets on an incremental basis.

36. The Committee are constrained to point out that on the one hand Ministry often complain of lack of funds for publicity effort, at the same time exactly Rs. 1 crore earmarked for publicity work at Headquarters during 94-95 was reduced at RE 94-95 stage. The Committee are not aware whether this reduction of Rs. 1 crore was due to lack of proper planning or curtailment of some activities in this regard. It is incomprehensible as to how the budget demand was reduced particularly when the Ministry propose to initiate so many new schemes in the field of publicity. They desire that the funds allotted for this purpose should be fully utilised

and under no circumstances the budget provisions should be revised. Further, the Committee cannot but express their concern over the fact that sufficient publicity material is either not being made available by the Ministry in the Missions/Posts abroad or not being prepared by them for distribution to target groups including the NRIs, NGOs and local opinion and decision makers. The Committee emphasise the need to respond effectively to negative publicity by our adverseries as well as to project a positive consistent and coherent image of India abroad. The Committee particularly like to underline the need to monitor the local mass-media in all languages, directly or through available clipping services so that prompt remedial action can be taken. The Committee have been consistently voicing their concern in this regard for quite some time now. They would like the Ministry to step up their efforts to supply adequate information and publicity material to the Missions/posts abroad without any further delay. At the same time the Committee would like the Ministry to explore the possibilities of utilising the electronic media and other available means to the fullest extent to supplement the efforts of the Missions/posts abroad not only to counter the hostile propaganda against India but also to project positive image of India.

37. The Committee fully agree with the Ministry that more funds are required for this purpose particularly keeping in view the large amount of expenditure being incurred by our immediate neighbour. However, they are distressed to find that there is hardly any increase in the provision for advertising and publicity in Missions/Posts in the Budget Estimates for 1995-96 (Rs. 6.80 crores against 6.69 crores) rather in real terms it has gone down. The Committee feel that the Ministry have not been able to put up the case before the Finance Ministry effectively with a view to procure more funds for publicity efforts for Missions/Posts abroad. They would like them to pursue this matter vigorously with the Finance Ministry at the Revised Estimates stage level so as to substantially increase the budget allocation in this regard as well as that for Headquarters. At the same time, the battle of the image is not going to be won only on the strength of the funds in advertising and publicity. Ultimately it is a matter of idea, imagination and ingenuity.

38. The Committee also desire that the nomenclature of the heading "Advertising and Publicity" in the Demands for Grants may be changes to "Publicity and Advertising".

Major Head "2061" - B. External Affairs

B.2 Passport and Emigration :

BE 94-95 Rs. 54.35 Crore

RE 94-95 Rs. 31.00 Crore

BE 95-96 Rs. 60.00 Crore

39. It is seen from above that RE 94-95 was reduced considerably as compared to BE 94-95. This, according to Ministry, was because the project on data entry and imaging of passport index card to enable centralised access had not been finalised.

40. The Ministry have furnished the following two reasoning for delay in completion of this project :

(a) The computerisation of passport offices was ongoing.

(b) The technology relating to the scanning of photo and alpha-numeric entry of personal particulars on the index card was being evaluated in consultation with NIC. Related aspect requiring consideration was the memory and processing capacity required to be built into the computer system in the passport offices to ensure that the stored data could be retrieved promptly enough to serve the purpose for which the data base was being created.

41. When asked about the status of the project on data entry and imaging of passport index card, the Ministry have stated that at the commencement of the financial year 1994-95, only 3 offices *viz.* Delhi, Bombay and Bangalore had been computerised. During the financial year 1994-95, 6 more offices have been computerised *viz.* Cochin, Kozhikode, Madras, Trichy, Trivandrum and Lucknow. Work has also commenced during financial year 1994-95, on 9 other passport offices *viz.* Ahmedabad, Bareilly, Calcutta, Chandigarh, Goa, Hyderabad, Jaipur, Jalandhar and Patna. It is planned that all 23 offices be computerised during financial year 1995-96.

42. The processing of evaluation of technology relating to the scan of photos and alpha-numeric data entry of personal particulars contained in the index card is in final stages. It is estimated that required approvals would be obtained in the next three months or so. Work has simultaneously begun on a pilot project at Delhi RPO to test the feasibility of this technology. It is anticipated that work would commence in the second quarter of financial year 1995-96 subject to required approvals being received.

43. The Committee regret to observe that despite making provision in BE 94-95 for the project on data entry and imaging of passport index card to enable centralised access, this was not finalised and the RE 94-95 had to be reduced from Rs. 54.35 crores to Rs. 31.00 crores. One of the reasons for the failure to complete the project has been cited as the delay in computerisation of passport offices. The Committee were informed while examining the subject of Passport Facilities that all RPOs would be computerised only by the end of 1995-96. If the project on data entry and imaging of passport index card was dependent on computerisation of

Passport Offices, it is not clear on what basis the provision for this project was at all made in BE 94-95. The Committee at this stage cannot but over-emphasise the need to ensure that all the RPOs are computerised during 1995-96 so that there is no delay in completion of aforesaid project on this account. Further, necessary formalities for approval and other related project details should also be expeditiously achieved to complete the project during the current financial year for which provision has already been made at BE 95-96.

44. The Committee further note that Rs. 60 crores have been provided in BE 1995-96 for Passport and Emigration facilities. This may include one time expenditure on computerisation and projection data entry etc. After incurring such one time expenditure, the budget for Passport and Emigration should not allowed to be reduced in the coming years as substantial amount is being raised consequent upon revision in passport fees (Rs. 57 crores were collected out of a total revenue of Rs. 155 crores during the year 1993-94). The Ministry should strive to ensure that grant for Passport and Emigration is kept at a reasonable level taking into consideration the amount being collected on passport fee every year so as to utilise the same for augmenting and improving the passport facilities e.g. by opening new offices, proper maintenance of new buildings, improvement in customer amenities and overcoming the provision of shortage of staff etc.

45. During the course of evidence, some more points were raised mainly in connection with format of the Demands for Grants, which the Committee would like the Ministry to consider and take suitable action as suggested below :

(i) The minor head of "Entertainment Charges" at B.6 in the Demands for Grants, should be changes to "Hospitality Charges". Besides a review of the norms of hospitality should be carried out and the Ministry should see that these norms are invariably observed/maintained during such occasions.

(ii) As the ICCR is an apex institution, it should not be clubbed together with "Grants to Other Institutions" under the head B. 8 (6) and should be depicted separately.

(iii) Expenditure on "Repatriation of Indian Destitutes" under B.8 (9) (1) should not be put under Miscellaneous Category since repatriation of Indian destitutes is not only a continuous but also a legitimate function of a diplomatic or Consular Mission.

(iv) Certain country - specific items, for example, Expenditure incurred on Medical treatment of Afghan Patients at B. 8 (9) (3) Treatment of Nepalese Patients in Indian Hospitals at B.8(9)(4) etc. should be

brought under the particular country's budget or these countries' Mission' budget instead of being Sub-Items of expenditure in Demands for Grants.

(v) The Budget proposals may reflect the expenditure incurred on bilateral and multilateral diplomacy and cultural interaction programmes so as to reflect the total expenditure on each of them there on at one place.

(vi) The Distinguished Visitor's Programme may be reoriented to encourage and promote persons especially the second generation of Indians settled abroad who have attained distinction in the fields of politics, business, cultures etc.

Capital Section

Major Head "4059" & "4216"

Construction and Purchase of Properties

46. As per page 24 of the Demands for Grants, the details of some of the works estimated to cost more than Rs 50 lakhs are as under :

(In thousands of Rupees)

Particulars of the Work	Estimated cost of works	Actual expenditure at the end of 1993-94	Estimated expenditure during 1994-95	Total of Columns 3 & 4	Budget Estimates 1995-96
III. Construction Projects					
1. New York	59,00,00	3,47,95	3,00,00	6,47,95	1,00,00
2. Kuala Lumpur	9,70,00	36,42	1,64,00	2,00,42	1,50,00
3. Riyadh	45,00,00	4,30,46	13,20,00	17,50,46	20,00,00
4. Port Louis	17,40,00	-	2,50,00	2,50,00	6,50,00
5. Abu Dhabi	5,50,00	-	4,00	4,00	3,00,00
6. Islamabad	21,00,00	-	12,00	12,00	50,00
(Ph-II)					
7. Kathmandu	13,00,00	-	-	-	50,00
8. Gaberone	50,00	-	-	-	50,00
9. Foreign Service	11,50,00	52	-	52	4,00,00
10. Pappankalan	16,82,00	6,65	-	6,65	50,00

47. It is seen from the above table that Estimated Cost of construction projects in New York is Rs. 59.00 crores. In reply to a query during evidence the representative of Ministry of External Affairs stated that these projects included construction of a permanent mission of India and 22 residences commenced in July, 1989.

48. The Committee are concerned to note that against the estimated cost of Rs. 59.00 crores for construction projects at important Centres in New York, which were commenced as early as 1989, only Rs. 6.48 crores have been spent on these projects, till 1994-95. What is surprising is the fact that only Rs. 1.00 crores has been provided for the purpose in BE 95-96. On the other hand the substantial amounts have been provided in BE 95-96 for construction projects in other countries where rents may not be as high as in New York e.g. Rs. 20.00 crores for Riyadh (Total cost Rs. 45.00 crores), Rs. 6.5 crores for Port Louis (Total cost Rs. 17.40 crores) and Rs. 3.00 crores for Abu Dhabi (Total Cost Rs. 5.50 crores) and Rs. 4.00 crores for Foreign Service Institutes (Total Cost Rs. 11.50 crores). The Committee would like to be apprised for inadequate Budget provisions made in BE 95-96 in case of Construction Projects in New York. Viewed in this context that projects in New York were started in 1989, it is imperative that those are completed expeditiously to avoid any further time and cost escalation. The Committee, therefore, desire that sufficient funds may be made available at RE stage this year and again in next year for these projects so that those could be completed without any further delay.

49. To have a clear picture of the progress of construction projects, the details as given on page 24 of the Demands for Grants should also include a column indicating dates of original approval and commencement and the cumulative expenditure incurred and the extent of work executed so as to have an idea of remaining work to be done and the amount to be provided therefor in the coming financial year.

50. The Committee desired to know the Ministry of External Affairs' requirement of housing units in Delhi and the residential units available with them. In this connection the Ministry have stated that the total number of housing units, required by MEA in types I to VIII, is 2040. Ministry of External Affairs officials in the above categories already have 229 housing units from the general pool. It is proposed to construct 231 units of types II to V on the MEA plot in Pappankalan and 63 units of types V to VIII on the plot in Chanakyapuri. After construction of these units, the total number of housing units available for MEA officials, together with the general pool accommodation already available, will come to 523, thereby giving a satisfaction rate of 25.63%. The average percentage satisfaction rate of the Directorate of Estates is reported to be 35. Thus even after construction of the Pappankalan and Chanakyapuri projects, the overall percentage satisfaction rate in the case of MEA officials will remain below that of the

Directorate of Estates.

51. As regards the accomodation available in MEA hostels the position is as follows :

(a) Old Hostel	:	(i)	Two Room Suites	40
		(ii)	Single Rooms	56
(b) New Hostel		(i)	Two Room accommodation	30
		(ii)	Single Room accommodation	48

52. However, it needs to be noted that the hostel accommodation is essentially a transit accommodation for those on home-leave or in transit between two postings or for a short stay on return from a posting. Therefore, the hostel accommodation cannot be taken into account while considering the requirement of the regular accommodation.

53. Explaining further in this regard the Financial Advisor stated during evidence that the Ministry feels that some efforts have to be made by them to provide some level of satisfaction to its officers and staff who are posted abroad on a regular basis. The problem is even more acute for the clerical staff. They go out, come back and then go out again. It takes roughly ten to twelve years for Groups C and D staff to secure a residence, if at all, in New Delhi with the result that they will be permanently deprived of Government accommodation in Delhi. Taking all these facts into consideration, the Ministry decided that they would like to augment the accommodation on their own with full concurrence of Ministry of Urban Development so that they do not penalise the Ministry saying that because they have constructed 120 quarters, they will be deprived of the same number of quarters from either the general pool or the tenure pool.

54. Further, according to him, this discussion is now nearing completion with the Ministry of Urban Development. They have also assured the Ministry of External Affairs that there will be some offset and also they will like to see that the level of satisfaction of MEA officers is not way beyond other services. They will give the Ministry of External Affairs permission to retain the houses and also the permission to claim accommodation from the general pool.

55. As regards the construction of Housing Projects in Delhi, the Financial adviser, Ministry of External Affairs stated during evidence that they had paid money for land for both plots at Pappankalan and Chanakyapuri. The architects had also be selected for this purpose. However, the representative of Ministry of External Affairs clarified that they have

some difficulties as far as Chanakyapuri plot is concerned. The CPWD has started the land survey. But it seems that the nearby slum dwellers have been, over the year, dumping the dead bodies. In fact, they have made it a burial ground.

56. The Committee note that against the total requirements of 2040 housing units in Delhi, the Ministry of External Affairs have only 229 housing units. Even after proposed construction of 294 units at Pappankalan and Chanakyapuri which is likely to take some time, the satisfaction rate would be 25.63% against the average percentage satisfaction rate of the Directorate of Estates of 35%. However, the Committee suggest that in working out the percentage of satisfaction type-wise requirement as well as actual allotment of available accommodation and notional entitlement of hostel accommodation should be taken into account. In any case the committee recognise the need for allotment of more units from the General Pool to the Ministry of External Affairs and reason for exploring the possibility of creating a special pool for the Ministry of External Affairs. The Committee would, therefore, like the Ministry of Urban Development/Directorate of Estates to examine the feasibility of increasing the share of Ministry of External Affairs in Government accommodation in Delhi, *inter-alia* by relating the seniority of the employees posted at Headquarters to the date of their first posting in Delhi.

57. The Committee would also like the Ministry of External Affairs to give priority to the construction projects at Pappankalan and Chanakyapuri. The Committee however, regret to observe that despite felt shortage of dwelling units, the Ministry did not make sufficient safeguards to protect the land at Chanakyapuri which is stated to have been grabbed by slum dwellers and is being use for burying dead bodies. The Committee deplore the inaction on the part of the Ministry in this regard. They would like them to take urgent remedial steps to release the land at Chanakyapuri or try to arrange another alternative site with the help of the Ministry of Urban Development.

NEW DELHI;
17 April, 1995

Chaitra 27, 1917 (Saka)

ATAL BIHARI VAJPAYEE,
Chairman,
Standing Committee on External Affairs

MINUTES OF THE SITTING OF THE STANDING COMMITTEE
ON EXTERNAL AFFAIRS HELD ON 5th APRIL, 1995.

The Committee sat from 1100 hrs to 1300 hrs.

PRESENT

Shri Atal Bihari Vajpayee - *Chairman*

MEMBERS

Lok Sabha

2. Shri Bijoy Krishna Handique
3. Prof. (Smt.) Savithri Lakshamanan
4. Shri Udaysingro Gaikwad
5. Smt. D. K. Thara Devi Siddhartha
6. Shri Anand Ratna Maurya
7. Dr. Lal Bahadur Rawal
8. Dr. A. K. Patel
9. Shri Syed Shahabuddin
10. Shri Mohd. Yunus Saleem
11. Shri Roshan Lal
12. Dr. Sudarshan Ray Chaudhuri
13. Dr. Sudhir Ray
14. Shri Ebrahim Sulaiman Sait

Rajya Sabha

15. Shri Sikander Bakht
16. Shri G. G. Swell
17. Shri K. M. Khan
18. Shri Inder Kumar Gujral
19. Shri Triloki Nath Chaturvedi

SECRETARIAT

1. Dr. Ashok Kumar Pandey - *Additional Secretary*
2. Shri G. R. Patwardhan - *Joint Secretary*
3. Shri O. P. Ghai - *Deputy Secretary*
4. Shri Ashok Sarin - *Under Secretary*

WITNESSES (MINISTRY OF EXTERNAL AFFAIRS)

- | | | | |
|-----|------------------------|---|------------------------|
| 1. | Shri. Salman Haider | - | Foreign Secretary |
| 2. | Shri V. K. Grover | - | Secretary (West) |
| 3. | Shri K. Raghunath | - | Secretary (East) |
| 4. | Shri Ishrat Aziz | - | Addl. Secretary (AD) |
| 5. | Shri Kamlesh Sharma | - | Addl. Secretary (ER) |
| 6. | Shri K. M. Lal | - | Addl. Secretary (FA) |
| 7. | Shri Vijay Kumar | - | Jt. Secretary (Coord.) |
| 8. | Shri Sarat Sabharwal | - | Jt. Secretary (Estt.) |
| 9. | Shri Arif S. Khan | - | Jt. Secretary (XP) |
| 10. | Shri T.C.A. Rangachari | - | Jt. Secretary (CPV) |
| 11. | Shri S. S. Mukherjee | - | D. G. (ICCR) |

At the outset, the Chairman welcomed the Members of the Committee and representatives of the Ministry of External Affairs to the sitting of the Committee.

The Committee then discussed with the representatives of the Ministry of External Affairs the various points arising out of the Demands for Grants (1995-96) of the Ministry. A verbatim record of the proceedings has been kept.

2. As the discussion was not concluded, the Committee decided to meet again on 6th April, 1995 at 1100 hours.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE
ON EXTERNAL AFFAIRS HELD ON 6th APRIL, 1995

The Committee sat from 11.00 hrs. to 13.00 hrs.

PRESENT

Shri Atal Bihari Vajpayee - *Chairman*

MEMBERS

Lok Sabha

2. Dr. Girija Vyas
3. Shri Mani Shankar Aiyar
4. Shri Udaysingrao Gaikwad
5. Smt. D.K. Thara Devi Siddhartha
6. Shri Anand Ratna Maurya
7. Dr. Lal Bahadur Rawal
8. Shri Ashta Bhuja Prasad Shukla
9. Dr. A.K. Patel
10. Shri Syed Shahabuddin
11. Shri Mohd. Yunus Saleem
12. Dr. Sudhir Ray
13. Shri R. Naidu Ramasamy
14. Shri Ebrahim Sulaiman Sait

Rajya Sabha

15. Shri Sikander Bakht
16. Shri Jagesh Desai
17. Shri G. Swaminathan
18. Shri G.G. Swell
19. Shri V.N. Gadgil
20. Shri K.M. Khan
21. Shri Triloki Nath Chaturvedi
22. Smt. Vyjayanthimala Bali

SECRETARIAT

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2. Shri G.R. Patwardhan - *Joint Secretary*
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4. Shri Ashok Sarin - *Under Secretary*

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| 2. | Shri V.K. Grover | - | Secretary (West) |
| 3. | Shri K. Raghunath | - | Secretary (East) |
| 4. | Shri Ishrat Aziz | - | Addl. Secretary (AD) |
| 5. | Shri Kamlesh Sharma | - | Addl. Secretary (ER) |
| 6. | Shri K.M. Lal | - | Addl. Secretary (FA) |
| 7. | Shri Vijay Kumar | - | Jt. Secretary (Coord.) |
| 8. | Shri Sarat Sabharwal | - | Jt. Secretary (Estt.) |
| 9. | Shri Arif S. Khan | - | Jt. Secretary (XP) |
| 10. | Shri T.C.A. Rangachari | - | Jt. Secretary (CPV) |
| 11. | Shri S.S. Mukherjee | - | D.G. (ICCR) |

The Committee resumed further discussion on the points arising out of the Demands for Grants (1995-96) of the Ministry of External Affairs. The representatives of the Ministry of External Affairs replied to various queries from the members. A verbatim record of the proceedings has been kept.

2. The Committee then decided to meet again on 17th April, 1995 at 1500 hours to consider and finalise the draft Report on Demands for Grants (1995-96).

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
EXTERNAL AFFAIRS HELD ON MONDAY, THE 17th APRIL, 1995

The Committee sat from 1500 to 1700 hours.

PRESENT

Shri Atal Bihari Vajpayee - *Chairman*

MEMBERS

Lok Sabha

2. Shri Bijoy Krishna Handique
3. Shri Venkata Krishna Reddy Kasu
4. Shri Inder Jit
5. Dr. Girija Vyas
6. Shri Udaysingrao Gaikwad
7. Shri Satya Deo Singh
8. Dr. Lal Bahadur Rawal
9. Shri Syed Shahabuddin
10. Shir Mohd. Yunus Saleem
11. Shri Roshan Lal
12. Dr. Sudhir Ray
13. Shri Ebrahim Sulaiman Sait

Rajya Sabha

14. Shri Sikander Bakht
15. Shri Jagesh Desai
16. Shri G. Swaminathan
17. Shri G.G. Swell
18. Shri V.N. Gadgil
19. Shri K. Rahman Khan
20. Shri Inder Kumar Gujral
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