

**COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL  
AREA DEVELOPMENT SCHEME (2008-09)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF STATISTICS AND  
PROGRAMME IMPLEMENTATION**

**MPLAD SCHEME – A REVIEW**

**FIFTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

December, 2008/Agrahayana, 1930 (Saka)

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**IMPLEMENTATION**

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**Presented to Lok Sabha on \_\_\_\_\_**



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**NEW DELHI**

December, 2008/Agrahayana, 1930 (Saka)

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## COMPOSITION OF THE MPLADS COMMITTEE

Shri Prasanna Acharya -- Chairman

### MEMBERS

2. Shri Ilyas Azmi
3. Shri Hiten Barman
4. Shri Pankaj Choudhary
5. Dr. Ram Chandra Dome
6. Shri Surendra Prakash Goyal
7. Shri Raghuvir Singh Kaushal
8. Shri Chandrakant Bhaurao Khaire
9. Shri A. Krishnaswamy
10. Shri Sajjan Kumar
11. Sardar Sukhdev Singh Libra
12. Shri Punnulal Mohale
13. Dr. Chinta Mohan
14. Shri Shripad Yesso Naik
15. Shri A.F.G. Osmani
16. Shri P. Rajendran
17. Shri M. Sreenivasulu Reddy
18. Shri Toofani Saroj
19. Prof. Mahadeorao Shiwankar
20. Kunwar Manvendra Singh
21. Shri Sita Ram Singh
22. Shri Narsingrao H. Suryawanshi
23. Shri Chandramani Tripathi
24. Shri Chandra Pal Singh Yadav

### SECRETARIAT

- |    |                   |   |                  |
|----|-------------------|---|------------------|
| 1. | Shri N.K. Sapra   | - | Addl. Secretary  |
| 2. | Shri Hardev Singh | - | Director         |
| 3. | Shri D.S. Malha   | - | Deputy Secretary |
| 4. | Dr. Satya Prakash | - | Under Secretary  |
-

## INTRODUCTION

I, the Chairman of the Committee on Members of Parliament Local Area Development Scheme (MPLADS) (2008-09) having been authorized by the Committee to submit the Report on their behalf, present this Fifteenth Report on the Ministry of Statistics and Programme Implementation on the subject 'MPLADS – A Review'.

2. The Committee on MPLADS had selected the subject 'Members of Parliament Local Area Development Scheme (MPLADS) – A Review' for detailed examination and report. As decided by the Committee, views/comments of Union Ministers, MPs and Ministries of Government of India regarding their perception of the Scheme, the achievements and implementation and suggestions for improvement, if any, were invited. A Press note was also inserted in the print and electronic media inviting views of organizations and public at large on the subject. In response, more than 200 memoranda/suggestions/representations were received from Ministers, Members of Parliament, Union Ministries, State Governments and individuals/organizations. These were forwarded to the Ministry of Statistics and Programme Implementation for their comments. The Committee also visited several places in the country for an on-the-spot study of the various works undertaken under the MPLAD Scheme. The evidence of the representatives of the Ministry of Statistics and Programme Implementation; Personnel, Public Grievances & Pensions; and Law & Justice on the subject was also taken. Written views of the Ministry of Finance and C&AG on the subject were also obtained. All these views/comments were taken into consideration while preparing the report.

3. The Committee deliberated on the subject at its sittings held on 8 February 2006, 18 September 2006, 4 June 2007, 30 August 2007, 21 May 2008, 20 June 2008, 14 July 2008 and 18 August 2008. The Committee considered and adopted the report at their sitting held on 30 October, 2008.

4. The Committee would like to express their thanks to the Hon. Ministers and MPs who gave their valuable suggestions regarding the working/improvement of the Scheme. The Committee would also like to thank the Ministry of Statistics and Programme Implementation, the C&AG and other Ministries, organizations and individuals for placing before them written notes and information desired by the Committee.

5. For facility of reference, the observations/recommendations of the Committee have been printed in bold letters in the body of the Report.

New Delhi  
December, 2008  
Agrahayana, 1930 (Saka)

PRASANNA ACHARYA  
Chairman,  
Committee on Members of Parliament  
Local Area Development Scheme  
Lok Sabha.

# **REPORT**

## **CHAPTER - I**

### **Background**

In a democracy, the legislators are the people's representatives. The legislators, being the architect of the destiny of the people, shape the direction of governance to orient it towards the welfare of the people of the country. Legislators view it their primary duty to represent their constituents by giving expression to their difficulties and seeking removal and redressal thereof. As the legislators are so intrinsically involved with the fate of the people and are so intimately concerned with the representational expectations of their constituents, it is but natural that people, quite often, approach Members of Parliament (MPs) directly for certain developmental works/basic facilities including community infrastructure in their areas. Hence, a demand was made by MPs that they should be able to recommend such works in their respective constituencies. Considering these suggestions, the Members of Parliament Local Area Development Scheme (MPLADS) was announced by the then Prime Minister in the Parliament on 23 December, 1993 to enable Members of Parliament to identify small works of capital nature based on locally felt needs in their constituencies.

1.2 The objective of the scheme is to enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs to be taken up in their constituencies. Right from inception of the Scheme, durable assets of national priorities, viz. drinking water, primary education, public health, sanitation, roads, etc. are being created.

1.3. Initially when the MPLADS was launched in 1993-94, an amount of Rs. five lakh per MP was allotted for suggesting to the head of the District works to be taken up in his/her constituency. The allocation per year for each MP was, however, increased to Rs. one crore from the year 1994-95 and subsequently to Rs. two crore per year from 1998-99. Under the Scheme, the nominated members may also select works for implementation in one or more districts, anywhere in the country choosing one district as the nodal district for coordination.



1.4 The Ministry of Rural Development administered the scheme up to October 1994. The Ministry of Planning and Programme Implementation, now Ministry of Statistics and Programme Implementation, is the administrative Ministry for the MPLAD Scheme. The designated Ministry/Department of each State Government serves as nodal Ministry/Department and is responsible for overall co-ordination at the State level. At the Community level it is the head of the district who is directly responsible for the implementation of the scheme. The District Authority receives the MPLAD funds from the Central government and sanctions expenditure on the works recommended by the Members of Parliament.

1.5 The MPLAD Scheme is governed by a set of Guidelines issued and revised by the Government of India from time to time. The Guidelines were first issued in February 1994, covering the concept, implementation and monitoring of the Scheme. The Guidelines were periodically updated in December 1994, February 1997, September 1999, April 2002 and in November 2005. A copy of the Guidelines issued by the Ministry of Statistics and Programme Implementation in November 2005, is annexed (Appendix-I).

1.6 Several irregularities and loopholes in the MPLAD Scheme were pointed out in the reports of Comptroller and Auditor General of India, Union Government (Civil) Performance Appraisals and No. 3 of 1998 and No. 3A of 2001. A few MPs, Ex-MPs, media and scholars also raised certain criticisms against the scheme. In order to analyse the actual benefits of the scheme realized, the deficiencies and pitfalls encountered in the implementation of this scheme and the corrective measures which can be taken for the smooth implementation of the scheme on the basis of past experience of over a decade, the Committee on MPLADS (Lok Sabha) decided to review the MPLAD Scheme itself. In this connection, suggestions and views of various Ministries of Government of India, State Governments, Hon'ble Ministers, MPs and various organizations / NGOs / individuals were sought. The suggestions received were forwarded to the Ministry of Statistics and Programme Implementation for their comments. The Committee had also conducted study visits to the site of works constructed/implemented with MPLADS funds in various States and to have the opinion of the State Authorities in this regard.

1.7 While the Committee undertook the task to review the Scheme, several problems and loopholes in implementation as well as monitoring of the Scheme came to their notice. A general view emerged during the course of the study was that certain provisions in the Guidelines still need revision for a more rational and practical approach. The criticism of the Scheme and the changes required in the extant Guidelines on MPLADS will be dealt with in the subsequent chapters.

### **The Era Sezhiyan Report**

1.8 The Institute of Social Science, New Delhi conducted a study on the working of MPLAD Scheme and brought out a booklet titled 'MPLADS – Concept, Confusion and Contradictions' (2005) authored by Shri Era Sezhiyan, ex-MP and ex-Chairman, PAC and Senior Fellow in Institute of Social Science. The author had vehemently opposed the operation of the MPLAD Scheme and its concept, as according to him, it was against the Parliamentary System as well as Federal System.

1.9 The issue was dealt with by the Committee in their 13<sup>th</sup> Report which was presented to Lok Sabha on 7 December 2006. The Ministry of Statistics and Programme Implementation, while submitting their action taken notes on the 13<sup>th</sup> Report, have submitted their views on the main issue raised by Shri Era Sezhiyan. The Ministry of Statistics and Programme Implementation have forwarded the issues raised by Shri Sezhiyan and their comments thereon which are given below:-

#### **“(i) Constitutional validity of the Scheme**

The concept of the MPLAD Scheme has been clearly against the Parliamentary system, demarcation of powers in the federal system, democratic decentralization and responsibility and accountability for moneys withdrawn from the public exchequer.

**Comments of the Ministry :** This is a legal point and is already a part of the 9 Writ Petitions filed in the Supreme Court of India by different persons. Out of the 9 Writ petitions, 2 were filed in the Supreme Court

and the remaining 7 were originally filed in different High Courts and were transferred to the Supreme Court. The main writ petition (W.P.) is that of Shri Bhim Singh, President, Panthers Party of India who filed W.P. in 1999. In these Writ Petitions, the constitutional validity of the MPLAD Scheme has been challenged. The Ministry of Statistics and Programme Implementation is defending the case through Additional Solicitor General of India. Last hearing in the case was held on 5 January 2006 when the Supreme Court was apprised about the release of revised Guidelines on MPLADS on 16 November 2005 and copies of the same were also made available. The Ministry is yet to receive the next date of hearing from Supreme Court.

**(ii) About the role of MPs**

The scheme, though started as a facility to the MPs, has, in practice, proved to be detrimental to prime role of the MPs in general. By giving the annual grants individually to the MPs, the Scheme distorted the collective responsibility of the members. As the MPs become part of the administration in implementation of the scheme, they have taken on themselves enormous load of work which not only distorted their supervisory role over the executive but diverted their attention from the more important parliamentary work which can not be delegated to any body else. In the midst of the heavy schedule of the work, it is not humanly possible for an MP to pay adequate attention and to involve himself administratively to plan, to supervise and to successfully implement numerous works recommended solely under his discretion. Lack of time and pressures from the electorate make the MP to hurriedly make the choice of works and send recommendation to the concerned District Authority.

**Comments of the Ministry :** The role of an MP under MPLAD Scheme is limited to making recommendations for taking up community works in the constituency. MP has no role to play in the sanction, execution and completion of the recommended works. Under the MPLAD Scheme, it is

duty of the Nodal Authority, *i.e.* District Collector etc. to examine the recommended works as per provisions of the Guidelines on MPLADS and if found permissible, get them technically examined, get the detailed estimates prepared and if found feasible, issue necessary sanction and get them implemented through an Implementing Agency. The Implementing Agency is also selected by the Nodal Authority. MP is not involved in any of these processes and procedures. Hence, it can not be said that MPs are involved in implementation of projects like an executive authority.

### **(iii) Scheme controlled by bureaucracy**

Shri Era Sezhiyan, ex-MP has stated that though introduced as a facility to the MPs for implementing locally felt needs in their constituencies, the scheme has been completely under the uncontrolled management if not under mismanagement, of the bureaucracy at all levels. The name and involvement of the MPs in the scheme have been fully exploited by the bureaucracy, with the result that the MPs got a bad name and the bureaucracy got away scot-free for all the irregularities and waste of public funds. After release of the funds to the district heads concerned, the nodal Ministry, *i.e.* Ministry of Statistics and Programme Implementation records it as an expenditure incurred and does not own any responsibility or monitoring about the utilization of the moneys released. At the District level, after the formalities of sanction of the works and release of the amount, the Collector also does not take any further interest in the progress of the work as well as working of the Implementing Agencies.

**Comments of the Ministry :** The annual entitlement of Rs. 2 crore per annum per MP was being earlier released in two instalments of Rs.1 crore each after the Monthly Progress Report showing unsanctioned balance of less than Rs.50 lakh was received from the DC/DM of the Nodal District of the MP, concerned. In order to bring about financial discipline at the district level and reduce the accumulation of unspent funds with the Districts, a new condition of unspent balance for the MP being less than

Rs. 1 crore was imposed during the financial year (2004-05). The release procedure was further streamlined and strengthened by prescribing for the original (not photo-copy) of the Monthly Progress Report, duly signed by DC/DM under his seal. This resulted in bringing down the unspent balance. To reduce the accumulated funds further and to improve accountability, some more conditions have been laid down for release of MPLADS funds in a new MPLADS funds release and management procedure adopted with effect from 1 June 2005. Now the District Authorities have to submit Utilization Certificates and Audit Certificates also for the earlier releases in addition to fulfilling the aforesaid two conditions before second instalment in any given year is considered for release for any MP. The first instalment of a year is automatically released in cases where the second instalment of the previous year had been released in the previous financial year.

As a result of the efforts made so far, there had been remarkable improvement in the percentage of utilization over release and funds available in the Districts during last year. The percentage utilization as on 31 December 2005 was 87.45% whereas the corresponding figures as on 31 March 2004 was 80.63% only. There had been excellent financial discipline in the scheme besides effective monitoring resulting in substantial decrease in the unspent balance available in the Districts. The unspent balance as on 31 December 2005 was Rs. 1,854.95 crore whereas the unspent balance as on 31 March 2004 was as high as Rs. 2,404.26 crore.

#### **(iv) Lack of Monitoring System**

Nodal Ministry has not developed so far an effective monitoring system for the scheme work.

**Comments of the Ministry :** For monitoring of MPLADS works implementation, a software had been developed and launched on 30 November 2004 by the Ministry. The same had been adopted by majority of the districts and the reports of completed and ongoing projects in

respect of 361 districts out of 428 Nodal districts have already come on the website of the Ministry. The adoption of the software by the districts will go a long way in monitoring of the works being done under MPLAD Scheme. The Ministry had nominated 78 officers of JAG and SAG level working in the Ministry, as nodal officers for the districts for entering the data in respect of the ongoing and completed works. This had facilitated substantial improvement in the data entry in the software. So far, data in respect of 1,006 MPs has been uploaded. The Revised Guidelines with the new release and management procedure and the transparency in the MPLADS works because of new monitoring mechanism are expected to become effective tools for disciplined implementation of the Scheme.

Besides above, for effective monitoring of the Scheme result oriented reviews of the Scheme have been taken up by the Secretary and Additional Secretary of the Ministry at All-India level. The Minister also visited Tamilnadu, Delhi, Jammu & Kashmir, Maharashtra, West Bengal, Punjab, Chandigarh, Tripura, A&N Islands, Himachal Pradesh, Andhra Pradesh, Sikkim, Puducherry, Rajasthan, Uttar Pradesh, Haryana, Assam, Meghalaya and Orrisa in connection with monitoring of works under this Scheme.

**(v) Acts of omission and commission by the bureaucracy**

The Era Sezhiyan Report observed that the following irregularities were committed in implementation of the works at the district level and the Ministry had not monitored and took no remedial action thereon :-

- (a) The district Head had given sanctions in excess of the amount released
- (b) Unspent balance shown as 'expenditure booked' but not expended.
- (c) Unspent balance not refunded by the DCs and Implementing Agencies.
- (d) The Implementing Agencies had not submitted the UCs.

- (e) District head allowed some works without the technical and administrative sanctions.
- (f) District Heads sanctioned and carried out works which are not permissible under the scheme.
- (g) Neither the nodal Ministry nor the district agencies maintained assets registers in respect of most of the works completed.

**Comments of the Ministry :** The Ministry has been responsible for policy formation, release of funds and prescribing monitoring mechanism for implementation of the scheme. A department in the State/UT is designated as the Nodal Deptt. with the overall responsibility of supervision, monitoring and coordination with the districts and other Departments. Under the MPLAD Scheme, the MP concerned recommends works. The District Authority verifies the eligibility and technical feasibility of each recommended work. Decision making power in regard to technical, financial, administrative sanctions to be accorded under the scheme, vested in the district level functionaries. The sanctioning of eligible works and their execution is done by the District Authorities and State Governments monitored the MPLAD works implementation. Beside this, the nodal District Authority has to coordinate with other districts falling in the same constituency (in case of Lok Sabha constituencies) and with all the districts in which the MP has recommended work (in case of Rajya Sabha MPs). Thus the nature of the scheme is such that it requires considerable technical, administrative and accounting expertise, highly efficient coordination with various agencies and organizations and a high degree of logistic and managerial support, for its successful implementation. Only the District Authorities possess all the above mentioned requisite competence and can effectively implement the scheme at the District level. Barring few irregularities, which are taken care of by the State Audit Authorities, the MPLADS funds are being properly utilized to achieve the scheme objects.

There was remarkable improvement in the utilization of funds made during the last 1-1/2 years. The percentage utilization over release, has

increased from 82.18% as on 31 March 2004 to 89.27% as on 31 December 2005. There has been substantial increase in the number of works completed. The percentage of works completed to sanctioned has increased from 80.14 (as on 31 March 2004) to 88.12 (as on 31 December 2005).

**(vi) Charges of misuse and corruption**

There is widespread impression that the MPs have been misusing the funds under the scheme for their own benefits. In this paragraph Shri Sezhiyan has quoted the view of former Minister of Parliamentary Affairs Shri P.R. Kumaramangalam and former Home Minister Shri Inderjit Gupta, Shri Kuldip Nayyar, MP (Rajya Sabha), Shri S.S. Ahluwalia, Sanjay Nirupam, MP, on the misuse and scrapping of the scheme.

**Comments of the Ministry :** Consequent upon the sting operation carried out by a private TV channel on the functioning of the MPLAD Scheme and for bringing out more transparency and accountability and continuance of the scheme, this Ministry had invited views of the Chairmen of the two Committees of Parliament of MPLADS, Chief Secretaries of the State/UTs and the concerned Secretaries in the Central Ministries. Their replies are awaited. However, this Ministry is of the opinion that since the Scheme has benefited the local community by meeting their various developmental needs such as drinking water facility, education, electricity, health and family welfare, irrigation, non-conventional energy, community centers, public libraries, bus stands, roads, pathways, bridges, sports infrastructure, etc. the Scheme needs to be continued. Moreover, misuse of powers by few MPs can not be treated a cogent reason for scrapping of the Scheme.

**(vii) Scheme without any control or accountability**

The Central Govt. has not established any monitoring system nor any control over the working of the scheme as to ensure accountability of the



Govt. to the Parliament. The Govt. has not taken any action on the findings of the audit reports and the Planning Commission's Evaluation Report and on the complaints received from the MPs.

**Comments of the Ministry :** As regards monitoring of the scheme, the Ministry's comments may be perused in para (iv) above. So far as action on the audit reports and Planning Commission's Evaluation Report and complaints from MPs is concerned, it may be mentioned that this Ministry has undertaken comprehensive revision of the guidelines keeping in view the recommendations of the MPLADS Committees of the Parliament, observations made by the C&AG in its two reports, suggestions made by the MPs and provisions of the new General Financial Rules by the M/o Finance and the revised guidelines issued on 16 November 2005.

**(viii) Inequitable distribution of funds**

Apart from the constitutional and systematic distortions in the concept and working of the scheme, there has been in practice unjust and discriminatory procedures which have offended many members. The scheme provides annual allotment of Rs.2 crore per MP. In the case of Lok Sabha Members amounts released by the Government of India are taken in the name of the constituency irrespective of the change of the MPs. In the case of Rajya Sabha and nominated members, the unspent amounts are equally divided among the successors. The annual allocation for the members is equal but not equitable in respect of the number of voters and the extent of area covered by the constituency. For instance in 2004 General Elections, the Outer Delhi constituency had 33.68 lakh voters whereas in the same Delhi State the Chandni Chowk constituency had only 3.37 lakh voters. In contrast, there are constituencies where the number of voters is very low as in Lakshdweep with 39,000 only.

**Comments of the Ministry :** As per the provisions of the constitution, MPs represent their constituency in Parliament and do not differentiate

between an MP representing more than 30 lakh voters or less than one lakh voters. All the MPs whether representing a UT or a State, have the same privileges i.e. salary, allowances etc. and no extra weightage is given to an MP on the basis of representing higher number of voters. Hence the allotment of funds under MPLADS cannot be termed as inequitable.

**(ix) Thorough enquiry necessary**

The basic defect in the concept of the Scheme has been the cause and the fountainhead of the flow of series of defects, distortions, irregularities, misuse, mismanagement, denigration and final degradation of the Scheme. Here is a Scheme wherein in the name of the MPs, the officialdom at the center and at the district levels did everything without any control or responsibility. It is absolutely necessary to have a thorough enquiry into the findings of the Audit and other Reports and other questions of misuse and irregularities raised in the media and by the Members themselves and to fix the responsibility on the irregularities committed. Such an enquiry is needed more to redeem the credibility of the MPs and the Parliament.

**Comments of the Ministry :** Further action in this regard will be taken on receipt of the views of the various authorities as indicated in para (vi) above.”

1.10 Shri J.M. Lyngdoh, former Chief Election Commissioner had also expressed his views on behalf of India Rejuvenation Initiative against the MPLAD Scheme. The views expressed by India Rejuvenation Initiative and the comments of the Ministry of Statistics and Programme Implementation thereon are as under :-

“India Rejuvenation Initiative (IRI) is of the view that MPLADS and MLALADS must be immediately abolished as they undermine the constitutional notion of separation of powers and distort the role of elected representatives. If the underlying rationale for MPLADS and MLALADS is

accepted then a question mark is placed over all other Government spending; norms give way to personal discretion and feudal notion of patronage occupies centrestage. These tend to weaken the democratic structure of the country. We believe that funds released through abolition of the aforesaid schemes should be transferred to the urban local bodies and Panchayati Raj Institutions (PRIs) as it will substantially increase the cash transfers to urban and rural PRIs and strengthen grassroots democracy as per constitutional provisions. It will also substantially reduce heartburning among the constituents of a Parliamentary or Assembly constituency and restore focus on the role of legislators in Parliament and State Assemblies besides removing the taint of corruption from the fair faces of legislators.

**Comments of the Ministry :** The role of an M.P under MPLADS is only recommendatory in nature within the parameters of the MPLADS Guidelines and the implementation is done by the District Authorities.

There have been significant improvements in the physical as well as financial aspects of the Scheme and the Government is continuing with this scheme. Since the inception of the scheme, Rs. 1,6375.20 crore have been released upto 31 March 2007 to undertake various works under MPLADS and an expenditure of Rs 14,579.83 crore has been incurred. The percentage utilization over release has risen to 89.04 from 82.2 as on 31 March 2004. Approximately 8.70 lakh works have been completed out of 9.71 lakh works sanctioned upto 31 March 2007. Percentage of works completed over sanction has also increased from 80.1% to 89.6%.

Moreover, the Evaluation Report on this scheme conducted by the Planning Commission states that the impact of the scheme, as perceived at the grassroots level, is that the majority of the people are of the opinion that the scheme has created assets, met their needs and has improved their quality of life. Since its inception, the scheme has benefited the local community by meeting their developmental needs such as drinking water

facility, education, electricity, irrigation, non-convention energy, community centres, roads, pathways, bridges etc.”

1.11 This Scheme is also being criticized on the ground of alleged corruption in its implementation and execution including the involvement of some MPs. The alleged improper conduct of some Members in the matter of implementation of MPLAD Scheme was telecast in the news bulletins on 19 December, 2005 on the Star News channel in their programme titled 'Operation Chakravyuh'. Hon'ble Speaker, Lok Sabha constituted a Committee to inquire into allegations of Improper conduct on the part of those members in the matter of implementation of MPLAD Scheme. The Committee recommended:

- “69. ... the Committee feel that the conduct of none of the four members was above board and they need to be handed out appropriate punishment.
70. As the (i) improper conduct on the part of said four members did not strictly speaking relate to their parliamentary duties, and (ii) none of the said members was actually shown as accepting money, the Committee recommend that:
- (i) The period of abstention from the sittings of the House and the Committees by all the four members, viz. Sarvashri Alemao Churchill, Paras Nath Yadav, Faggan Singh Kulaste and Ramswaroop Koli on a request made by Speaker, Lok Sabha on 20 December 2005, may be deemed to be their suspension from the membership of the House.
  - (ii) Shri Alemao Churchill, Shri Paras Nath Yadav, Shri Faggan Singh Kulaste and Shri Ramswaroop Koli may be reprimanded. They may also be suspended from the membership of the House till 22 March 2006.
71. The Committee further recommend that the Union Government may suitably revise the guidelines governing MPLADS with a view to plug various loopholes and lacunae. The Government while revising the guidelines may also consider the suggestions made by the Committee in this regard in para 60 \* of their Report. “

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\* “60. Keeping in view the aberrations in execution and implementation of MPLAD Scheme as also its various lacunae that have come to light, the Committee feel that it is about time the Union Government revises the guidelines governing the MPLADS to plug various loopholes and lacunae to make it truly effective. One suggestion which the Committee would like to put forward in this direction is that NGOs and private institutions be barred from getting any funds under MPLADS, since it is felt that most of such NGOs are merely facades for unscrupulous organizations formed to usurp funds from the MPLADS, which are meant for community development works.”

**1.12 On a pointed criticism of the MPLAD Scheme that the scheme usurped the powers of the Executive by the Legislature, interference by MPs and Central Ministry in the functioning of District Administration was against the basic tenets and philosophy of the Constitution, diverted funds from rural and local bodies increased the areas of conflict between District Administration and Panchayati Raj bodies, the Committee in their Thirteenth Report had observed that the issue of constitutional validity of the scheme was pending before the Hon'ble Supreme Court. As the matter was *sub judice*, the Committee did not give any recommendation in this regard at that stage. The Committee had also observed that the scheme did not interfere in the functioning of District Administration and in no way compromised with the District planning process. The Committee were of the view that the scheme had been conceptualized to supplement the efforts of the State and the District Administration in planning and execution of developmental projects and plug the resource gap between the Central and State Government's funds.**

**1.13 The Committee still hold the same view and disagree with the view point that the concept of MPLAD scheme is against the parliamentary system, demarcation of powers in the federal system, democratic decentralization and responsibility and accountability for moneys withdrawn from the public exchequer. The Committee note that the scheme is sponsored by the Central Government and money is directly disbursed to the district authorities who are responsible for its execution. Under the Scheme, the MPs merely recommend works under this scheme and they are in no way involved in its sanction and execution in any manner. The scheme is for the welfare of the common people and MPs being their representatives, play the role of mitigating the people's grievances and their locally felt needs. In this regard, the Committee also take note of the role being played by an MP in the District Level Vigilance & Monitoring Committee which comprises a senior MP (Lok Sabha) as Chairperson and public representatives and civil servants from the State and the Union Governments, as Members and meet at least once every quarter. The primary responsibility of this Committee is to effectively monitor the implementation of the schemes and programmes of the Ministry of Rural Development as per the relevant Guidelines**

and also ensure that the funds are used for the purpose of which they are meant. The Committee *inter alia* undertake both Input Monitoring (*i.e.* whether resources are being mobilized as planned) and Output Monitoring (*i.e.* whether services and projects are being delivered on schedule) besides looking into complaints / alleged irregularities received by them, in respect of the implementation of the Programmes, including complaints of wrong selection of beneficiaries, misappropriation / diversion of funds of various Schemes of the Ministry and recommend follow-up action. As such an MP involves himself in this process much more than in the MPLAD Scheme where his role is restricted to merely recommending works to the District Authority. The role of MPs in this scheme, thus, cannot be categorized as against parliamentary system and encroachment of the powers and functions of Executive by the legislators. Besides the works suggested by MPs are only recommendatory in nature and the sanction, execution and monitoring is done by the District Authorities under the provisions made in the guidelines on MPLADS issued by the Union Ministry of Statistics and Programme Implementation, which is responsible for the policy formulation, release of funds and prescribing monitoring mechanism for implementation of the scheme. The Committee are of the firm opinion that the scheme is only supplementary to other Central and State Schemes. As the MPs are not being given grants/funds, mere recommendation of works of locally felt needs by them cannot be termed as substitution of important parliamentary work by MPs. Rather, the scheme seems to meet on priority those felt needs of the constituents which otherwise may not find place in ordinary planning. As regards the loopholes, lapses and misutilization of MPLAD funds, the corrective and the remedial measures can be taken by the Government in consultation with C&AG of India, if required.

1.14 The Committee note that the Parliament has not shied away from taking action against its own Members for improper conduct as recommended by the Committee constituted by the Hon'ble Speaker to inquire into allegations of improper conduct on the part of some Members in the matter of implementation of MPLAD Scheme that the membership of four Members, viz. Sarvashri Alemao Churchill, Paras Nath Yadav, Faggan Singh Kulaste and Ramswaroop Koli be suspended from 20 December 2005 to 22 March 2006 for not finding their conduct

**above board. The Committee are of the view that for mitigating the criticism of rampant corruption in this Scheme, proper mechanism is already available as per the law of the land and no one, including MPs, is above law.**

1.15 The Committee in their Thirteenth Report had expressed their serious concern over the lacunae pointed out in the reports of Comptroller and Auditor General of India and also in the report authored by Shri Era Seyzihan, ex-MP like sanctioning of works by District Collectors without recommendations of the Members of Parliament, huge unspent balances with implementing agencies, non-submission of utilization certificates and levying of administrative/centage charges by implementing agencies, incomplete and abandoned works, failure to maintain asset registers, sanctioning of funds as grants or loans, weak monitoring mechanism, etc. The Committee were concerned to find the tardy implementation of the Scheme which was under the direct control and supervision of District Administration, State Governments and Union Ministry of Statistics and Programme Implementation. The Committee had recommended that the Union Ministry and State agencies should find out the reasons for poor implementation of the Scheme, strengthen their monitoring apparatus and thereafter furnish a report to the Committee. The Committee had further recommended that strict action be taken against the errant officials who had disregarded the MPLAD Scheme guidelines, while approving/executing a project/work and not adhering to Guidelines.

1.16 In their Action Taken Note to the Thirteenth Report of the Committee, the Ministry of Statistics and Programme Implementation had informed as under :-

“1. Necessary action has been taken over the lacunae pointed in the Comptroller and Auditor General Reports at the time of revision of MPLADS Guidelines in Nov 2005. Whenever any instance of poor implementation of the scheme is brought to the notice of the Ministry, the concerned State Government were asked to take necessary action. So far as monitoring aspects of the scheme is concerned, recently the Ministry has entrusted the work to NABCONS.

2. Under MPLADS, emphasis has been laid on Local Self-Government Institutions as implementing agencies, thus ensuring involvement of citizens in implementation of the scheme through the medium of these institutions.

3. The MPLAD Scheme is citizen–centric, in spirit as well as in reality and covers both urban and rural areas all over the country.

4. Initiatives have been taken towards promoting citizen awareness, to provide for an institutional mechanism for greater transparency and accountability at the implementation level, and to improve the implementation and delivery of the intended benefits to the people. These are enumerated below:-

(a) The MPLADS Guidelines, revised in November 2005, stipulate time periods for examining and sanctioning proposals by the district administration, for implementation of the scheme, for furnishing Utilization and Audit Certificates, for furnishing of work completion reports by the implementing agencies, etc. and also clearly demarcate the functions of the State government, district administration, the implementing agencies, etc.

(b) The implementation of the scheme at the ground level has also been brought under the purview of the Right to Information Act, 2005.

(c) A Software for monitoring MPLADS works which enables universal online access of details of works which are uploaded, has been launched from November 2004.

(d) To enable proper application and scrupulous adherence to the Guidelines, assistance is being provided to states to conduct training of district officials in MPLADS.

(e) A very important new initiative for physical monitoring of MPLADS works in the districts, by an independent agency has been assigned to NABCONS.

5. Moreover, the Evaluation Report on MPLADS conducted by Programme Evaluation Organisation , Planning Commission , Govt. of India, New Delhi in November 2001 mentions that the impact of the scheme as perceived at



grassroots level, majority of the people are of the opinion that the scheme has created assets, met their needs and has improved their quality of life.

6. It would also be worth mentioning prior to conceptualizing the scheme it was seen that very often the MPs are approached by the constituents for small works of a capital nature to be done in their constituencies. The scheme was, therefore, conceptualized to enable Members of Parliament to recommend developmental and infrastructural works of small nature with emphasis on creation of durable community assets based on locally felt needs to be taken up in their constituency. This apparently shows that **the MPLAD Scheme was not started as an incentive or facility** for a Member of Parliament but to provide scope for a more pro-active role in the need-based development of the local areas.

7. The Members of Parliament derive their legitimacy due to their being people's representatives. They aim to represent the hopes and aspirations of the people and possess an intuitive understanding of their needs. This is the very axiomatic edifice on which the MPLAD Scheme is based and the scheme envisages, through a recommendatory role, for a more direct involvement of the Members of Parliament in the betterment of people. In fact, the scheme attempts to foster a symbiotic relationship between the people and their representatives, in an innovative manner. The MPLADS is basically a constituency development fund in which the MP plays a catalytic role.

8. This is in consonance with the current global thinking on development and the demands of the civil society, particularly in the context of under-developed and developing countries, for a more interventionist and pro-active role for Parliamentarians at the ground-level and in local community development.

9. The success of MPLAD scheme can be gauged from the fact that it has been replicated in almost all States for Legislative Members/ Councillors etc.

The constitutional validity of the Scheme has been challenged and 9 writ petitions by different persons had been filed in the Supreme Court of India on the

ground that concept of the scheme is against the parliamentary system envisaged in the Constitution.

In response to our letter, CAG has desired complete reply of the Audit Paras with remedial measures taken by the States to avoid recurrence of such lapses. Despite repeated requests to District Authorities, complete replies have not been received. Rigorous efforts are being made to obtain the complete information by personal liaison with the State Governments and the District Authorities.

The suggestions given in the evaluation report have been examined in detail in this Ministry and taken into consideration while revising the guidelines in the year 2005.

Despite the suggestions given in the evaluation report, the study report also shows the impact of the scheme as perceived at the grassroots level. The majority voted that the created assets has met their needs and has improved the quality of life.”

**1.17 While appreciating the initiatives taken by the Ministry of Statistics and Programme Implementation for plugging the loopholes in implementation of the scheme and strengthening the monitoring mechanism as well, the Committee fully endorsed the view of the Ministry that the scheme attempts to foster a symbiotic relationship between the people and their representatives, in an innovative manner and the MPLAD Scheme is basically a constituency development scheme in which the MP plays a catalytic role. The Committee have been informed by the Ministry that their study report shows the impact of the scheme as perceived at the grassroots level and the majority voted that the created assets have met their needs and improved the quality of life. The Committee had also, during the course of examination of the subject “MPLAD Scheme – A Review” invited suggestions/opinions of various Ministries of Union Government, State Governments/UTs Administration, Ministers, MPs, ex-MPs, individuals and organizations/NGOs through letters/open advertisements in the Press. About 200 suggestions on the MPLAD Scheme were received in the Committee Secretariat. The comments of the Ministry of Statistics and**

**Programme Implementation were also obtained on those suggestions. The Committee infer from the suggestions received that almost all the respondents have favoured the scheme. However, they had suggested some changes in implementation as well as monitoring aspects of the Scheme. The Committee will be dealing with these suggestions issue-wise in subsequent paragraphs.**

## **CHAPTER - II**

### **The Need for Continuation of the Scheme**

2.1 The Committee had asked the Ministry of Statistics and Programme Implementation about their opinion on continuation of the Scheme. The Ministry, in a written note stated as under:

“Since its inception, the Scheme has benefited the local community by meeting their developmental needs and has made significant contributions towards providing infrastructure at the grassroot levels across a range of sectors such as education, health, roads, drinking water, irrigation, sanitation, etc. While supplementing the efforts of the State/Local Self Government, it enables creation of such community assets, which are normally not covered under various districts, and other plans and Schemes.

The success and credibility enjoyed by the scheme can be gauged from the fact that it has been replicated at the State and local Governments levels.

The performance of the scheme has substantially improved, particularly during the last three years. The percentage utilization over release, at any given point of time, is above 88%, which is commendable considering that the funds released under the Scheme are non-lapsable.”

2.2 On the constitutionality of the Scheme, the Ministry of Statistics and Programme Implementation, in a note submitted as under:

“The MPLAD Scheme has the authority of law as prescribed in the Constitution and is implemented in accordance with the constitutional provisions.”

2.3 As regards physical and financial management and achievements of the scheme, the Ministry of Statistics and Programme Implementation, in a written reply has informed as below :-

“Since the inception of the MPLADS, there has been significant improvement in the performance of the Scheme. A sum of Rs. 17,845.75 crore has been released out of which the expenditure of Rs. 16,086.28 crore has been incurred as on 31 March 2008. Due to concerted efforts by the Government, the percentage utilization of funds with reference to release is as high as 90.14% as on 31 March 2008.

About 10.38 lakh works have been sanctioned out of which 9.40 lakh works have been completed, reflecting a high percentage of 90.58 of the works completed to sanctioned. An amount of Rs. 1,470.55 crore has been released in the year 2007-08 out of the allocation of Rs. 1,580 core up to 31 March 2008.

The year-wise and cumulated funds released and expenditure, along with cumulative percentage utilization over release, from 1997-98 onwards is given below:-

**Year-wise figures**

<b>Year</b>	<b>Funds released</b>	<b>Expenditure incurred</b>
1998-99	789.50	766.38
1999-00	1390.50	1497.74
2000-01	2080.00	836.35
2001-02	1800.00	1960.69
2002-03	1600.00	1662.52
2003-04	1682.00	1736.68
2004-05	1310.00	1909.11
2005-06	1433.90	1382.63
2006-07	1451.50	1017.37
2007-08	1470.55	1506.45

### Cumulative figures

As on	Release by GOI Rs. in Crore	Expenditure incurred Rs. in Crore	% Utilization over release
31.03.1998	2837.80	1549.02	54.59
13.03.1999	3626.39	2315.40	63.85
31.03.2000	5017.80	3813.14	75.99
31.03.2001	7097.80	4649.49	65.51
31.02.2002	8897.80	6610.18	74.29
31.03.2003	10497.80	8272.70	78.80
31.03.2004	12179.80	10009.38	82.18
31.03.2005	13489.80	11918.49	88.35
31.03.2006	14923.70	13301.12	89.13
31.03.2007	16375.20	14579.83	89.04
31.03.2007	17845.75	16086.28	90.14

Note : Annual expenditure figures are not available before 1998.

### Achievements

MPLADS performance has improved due to pro-active initiatives and result oriented reviews and visits at the highest level. The substantial achievement in scheme performance form April 2004 till March 2008 include :

- ❖ Improved utilization of funds : These has been a remarkable improvement in the cumulative utilization of funds. Percentage of cumulative utilization over release has risen from 82.18 as on 31 March 2004 to 90.14 as on 31 March 2008.
- ❖ Completion of more works : Substantial increase in the number of cumulative works completed. The percentage of cumulative works completed to cumulative works sanctioned has increased from 80.14 as on 31 March 2004 to 90.58 as on 31 March 2008.
- ❖ The Scheme is governed by a set of Guidelines which have been comprehensively revised on 16 November 2005 after taking into account the

suggestions given by the Members of Parliament as well as the Lok Sabha and Rajya Sabha Committees on MPLAD Scheme.

- ❖ Software for monitoring MPLADS works was launched in November 2004, with a view to bring greater transparency and accountability and to promote e-governance. So far, data in respect of 1789 MPs (sitting and former Lok Sabha, Rajya Sabha) in 421 out of 430 nodal districts have been uploaded till 31 May 2008.
- ❖ Out of 57 (Lok Sabha) and 130 (Rajya Sabha) Tsunami rehabilitation/reconstruction works under MPLADS, 48 (Lok Sabha) and 104 (Rajya Sabha) works have been completed as on 31 March 2008. Rest of the ongoing works (except one work in Tamil Nadu) would be completed by June 2008 in Andhra Pradesh, Kerala and Tamil Nadu and by March 2009 in Andaman & Nicobar Islands. One work relating to construction of High Level Bridge at Cuddalore District in Tamil Nadu is in progress and would be completed only by 31 March 2009 as intimated by Nodal Secretaries of States/UTs in the review meeting held on 10 April 2008 under the chairmanship of Sh. G.K. Vasan, Hon'ble MOS (IC).
- ❖ To strengthen transparency and accountability under the scheme, MOS&PI has also taken an important initiative for physical monitoring of MPLADS works. The task has been assigned to the NABARD Consultancy Services (NABCONS). In the first phase (2007-08), physical monitoring of works in 30 Districts across the country was carried out. The reports of these 30 districts received recently are under examination.

The new initiatives regarding implementation and monitoring of the MPLAD Scheme taken by the Ministry of Statistics and Programme Implementation as intimated by them through written note are as under :-

- ❖ **Review of Guidelines** : All the State/UT Nodal Secretaries have been requested *vide* letter dated 12 May 2008 to furnish their suggestions regarding Guidelines on MPLADS latest by 15 June 2008 for consideration.
- ❖ **Electronic Transmission of MPLADS funds to District Authorities** : In order to minimize the time taken presently in releasing the funds, the Ministry has decided to transfer the MPLADS funds through Electronic Mode. To carry out

this task, District Authorities were requested to provide the required information but the requisite information from 30% States/UTs is still to be received. All Nodal Secretaries in the review meeting held on 10.04.2008 assured that the required information would be sent to this Ministry at the earliest.

- ❖ **Online Monthly Progress Reports (MPRs) :** Presently, the MPLADS funds are released on the basis of MPRs received from the District Authorities containing financial and physical performance of MPLADS works. Many a time the receipt of late and incomplete MPRs results in delay in release of funds. This Ministry also requires information with regard to disaggregated year-wise/constituency-wise/MP-wise/State-wise data and information related to funds allocated for SC/ST areas, which are not available at present. Further, such data are required for replying to Parliament Questions, various other issues raised under RTI Act and the information required by the Committees of Parliament. In order to gather all such information and for faster release of funds, the Ministry proposes to introduce the system of online Monthly Progress Reports. A Committee has been constituted under the Chairpersonship of Additional Secretary (S&PI) to examine (i) the modifications proposed in the existing Monthly Progress Reports (MPR) format, (ii) introducing online MPR ensuring availability of all information on MPLADS, (iii) mechanism/time frame to introduce online MPR, (iv) any other aspect relating to MPLADS monitoring.
- ❖ A new initiative for financial assistance for training of district officials in the States, on the MPLAD Scheme, to ensure better understanding and grasp of the scheme by the implementing officials resulting in more effective implementation of the scheme, has been undertaken since this financial year. As on 31 March 2008, proposals for training had been received from 19 States and funds have already been sent to all the States. 10 States have conducted the workshops/training programmes on MPLADS Guidelines up to 31 March 2008.
- ❖ NABARD Consultancy Services, an undertaking of NABARD, has been asked to undertake monitoring of 43 additional districts in the second phase.
- ❖ Equipments like computers, scanners, photocopiers etc. have been provided to State/UT Govts. during 2005-06 and 2006-07 for strengthening the Nodal Departments.



2.4 When asked about the steps taken to stem out corrupt practices involved in the implementation of the MPLAD Scheme, the Ministry of Statistics and Programme Implementation in written note submitted as under :-

“The proper implementation of the MPLADS Guidelines by the district authorities and proper monitoring at the State level would itself ensure checks on corrupt practices in the implementation of the Scheme. In this process, the Ministry has been proactive in streamlining the implementation of MPLADS in the last few years and the following measures have been introduced :-

- ❖ The furnishing of Utilisation and Audit Certificates has been introduced from June 2005 onwards, for release of second instalment of funds, which has strengthened the financial discipline under the scheme.
- ❖ The implementation of the scheme at the ground level has been brought under the purview of the Right to Information Act, 2005.
- ❖ A Software for monitoring MPLADS works which enables universal online access of details of works which are uploaded, has been launched from November 2004, so as to further improve the transparency and accountability under the scheme.
- ❖ To enable proper application and strict adherence to the Guidelines, assistance is being provided to states to conduct training of State / District officials in the Guidelines on MPLADS.
- ❖ A system of direct physical monitoring of a sample of MPLADS works by an independent agency (NABCONS), to monitor the implementation of the scheme by the District Authorities, has been initiated in April, 2007.

To ensure proper implementation of MPLADS works, strict monitoring mechanism has been envisaged at all levels. The State / UT Government have been entrusted with a responsibility to set up a State / UT level Monitoring Committee, under the Chairmanship of the Chief Secretary.”

2.5 Some of the suggestions received from Ministers/State Governments/MPs/NGOs/individuals regarding the MPLAD Scheme and comments of the Ministry of Statistics and Programme Implementation thereon are given below :-

<b>Suggestion received from</b>	<b>Content of Suggestion</b>	<b>Comments of the Ministry</b>
Shri Santosh Mohan Dev, Minister for Heavy Industries & Public Enterprises	“I am in favour of continuation of the Scheme subject to plugging of the existing loopholes and leakages which might occur during the implementation of the Scheme....”	“An attempt has been made to plug the existing loopholes and leakages in the Guidelines issued in November 2005...”
Dikghowmukh College, Moglow, P.O. Bharalua Tiniali, Sivasagar, Assam	“MPLADS Scheme must continue for the development of the Country....”	“MPLADS Funds can be utilized to meet the locally felt community infrastructure and development needs with emphasis on the creation of durable assets. Loans and grants are prohibited under MPLADS. The scheme is in operation at present.”
Maharashtra Government	“Scheme may be continued in the constituency development interest. MPs may recommend	“This is being followed. Only permissible works are being implemented.”

	only permissible works and spread the sanction of work over the constituency equitably.”	
Orissa Government	“MPLADS may continue in public service interest. The Scheme should be confined to infrastructural development of local area.”	“There is no proposal at present to discontinue the Scheme.”
Ch. V.H. Ramajogaih, MP(Lok Sabha)	“There is no doubt, it is a good scheme provided it is implemented in proper way...”	-
Sh. S.K. Mehta, BOKARO-827004 Jharkhand	“(a) MPLADS should not be discontinued.  (b) The present system of getting the works done through District Administration should immediately be discontinued since these administrations are overloaded with other routine jobs...”	“(a) & (b) The present system of getting works done through the District Administration is as per the Guidelines on MPLADS.”
Shri K.S. Bist, 8-9 Netaji	“MPLADS should be scrapped immediately	“At present, there is no proposal under

Coperative Housing Society, Nagpur	and instead, fund be directly allocated to the DP and District Collector for better utilization...”	consideration to scrap the MPLAD Scheme. However, the matter is before the Hon'ble Supreme Court, MPLADS funds are released to District Collectors only.”
Tasleem Bano, C/o. Alam PCO, Railway Phatak, Chireaiyakot Road	“MP/MLA funds should be discontinued because Members of Parliament, Members of Legislative Assembly, Government officials, employees and contractors are misappropriating these funds all together. The common people are literally getting no benefits while the MPs/MLAs are making fortune of these funds.”	-

**2.6 The Committee take note of the performance appraisal of the Scheme which *inter-alia* shows that percentage utilization over release has increased from 54.59% as on 31 March 1998 to 90.14% as on 31 March 2007. The percentage of cumulative works completed to cumulative works sanctioned has also increased from 80.14% as on 31 March 2004 to 90.58% as on 31 March 2008. Introduction of Utilization and Audit Certificates since 2005 onwards for release of second instalment of funds has certainly strengthened the financial discipline under the Scheme.**

**2.7 The Committee appreciate the performance of the Scheme and note that the Scheme has benefited the local community by meeting their locally felt**

developmental needs and has significantly contributed towards providing infrastructure at the grassroots level in the fields of education, health, roads, drinking water, irrigation, sanitation, etc. and observe that there is still a lot of scope for improvement in the performance and monitoring of the scheme by putting all the information on the website including submission of Monthly Progress Report, strengthening the monitoring mechanism, devising mechanism for timely furnishing of utilization and audit certificates which need to be addressed without any delay.

2.8 The Committee after pursuing more than 200 suggestions received on the subject under examination besides taking note of evidence adduced on the subject by Ministry of Statistics and Programme Implementation, Department of Personnel and Training and Ministry of Law and Justice, find that only two suggestions from individuals were received favouring scrapping of this Scheme. All other suggestions are in favour of continuance of the Scheme, though any of individuals suggested for improvements/amendments in the guidelines for better and effective implementation of the same. All the respondents who have suggested amendments in the guidelines and have not specifically advocated for discontinuance of the scheme can be construed to be in favour of continuance of the Scheme. In view of the benefits of the Scheme, the Committee strongly recommend for continuance of the Scheme.

## CHAPTER - III

### Allocation of Funds

3.1 Paragraph 2.1 of the guidelines on MPLADS issued by Ministry of Statistics and Programme Implementation states that the annual MPLADS fund entitlement per MP constituency is Rs. 2 crore. On the suggestion of Shri Bhanu Prakash Singh, former Governor and Union Minister for enhancement in the allocation of MPLADS funds, the Committee in their Thirteenth Report had observed that the existing allocation of Rs. two crore per year is insufficient and too meagre to meet the needs of the vast areas of the constituency and its constituents. The Committee had recommended the allocation per MP per year be increased to Rs. 5 crore, so that Members of Parliament can fulfil the basic requirements of the constituencies in a more effective manner. The Ministry of Statistics and Programme Implementation in their Action Taken Note on the recommendations of the Committee contained in their Thirteenth Report had replied as under :-

“The proposal to enhance the allocation of MPLADS funds from Rs. 2 crore to five crore is under examination of the Government.”

3.2 During the course of the study of the subject “MPLAD Scheme – A Review”, the Committee received several suggestions for enhancing the allocation of funds per constituency per year. Many Members of Parliament including Sarvashri Naveen Jindal, Mani Charenamei, Wangyuh W. Konyak, K.S. Rao, Smt. Kiran Maheshwari and a few individuals like Shri R.K. Mishra, retired Judge from Sambalpur, Orissa and Shri Ashish Chatterjee, Kolkata have suggested to increase the allocation suitably ranging from four crore per year to ten crore per year.

- a. The Ministry, while commenting on the suggestions regarding enhancement of the allocation, have submitted as under :-

“The.... suggestions for increase in the annual allocation of Rs. two crore to Rs. five crore are in line with the recommendations given in the 13<sup>th</sup> Report of the MPLADS, Lok Sabha Committee. However, in view of the recent report of the Administrative Reforms Commission and the Supreme

Court case challenging the Constitutional validity of the Scheme, this matter could be examined after the decision of the Supreme Court.”

**3.4 The Committee note that the allocation of MPLAD fund per constituency per year was made Rs. 2 crore in the year 1998. In view of the growing demands for developmental works for the people in every constituency, the Committee have been recommending for the enhancement of the allocation *vide* their Second, Ninth and Thirteenth Reports which were presented to Lok Sabha in August 2000, December 2001 and December 2006, respectively. The Committee had been informed that in many States the allocations under MLA Local Area Development Scheme are reasonably high like Rs. 2 crore per MLA per year in Delhi, Rs. 1.25 crore per MLA per year in Uttar Pradesh, Rs. 80 lakh per MLA per year in Rajasthan, etc. If a comparison is made between MLALAD Scheme and MPLAD Scheme, the Parliamentary constituency is much bigger than the Assembly constituency and in many cases there are as many as 6-10 Assembly segments in a Parliamentary constituency. In Delhi, for example, there are 7 Parliamentary constituencies while the number of Assembly constituencies is 70. Moreover, the Committee also feel that coupled with the cost escalation, it has become difficult for Members of Parliament to keep pace with development of their vast constituencies with the meagre amount of Rs. 2 crore presently allocated under the Scheme. Over a decade when the MPLAD fund allocation was fixed at Rs. two crore, even the enhancement of the allocation upto Rs. 5 crore may not serve the purpose in the present scenario. The Committee do not agree with the stand taken by the Ministry of Statistics and Programme Implementation that in view of the recent report of the Administrative Reforms Commission and the Supreme Court case challenging the Constitutional validity of the Scheme, this matter could be examined only after the decision of the Supreme Court. It is strange that on one hand the Ministry take shield under the pretext that the issue is pending before the Supreme Court which has never forbidden the execution of the scheme, on the other hand they assure that the proposal for enhancement is under examination. In view of the foregoing and keeping in mind the suggestions received in this regard, the Committee recommend that annual allocation under MPLAD Scheme per constituency may be raised upto Rs. 10 crore with effect from the next financial year, i.e. 2009-10.**

## **CHAPTER - IV**

### **Role of NGOs as Implementing Agency**

4.1 Paragraph 2.11 of the Guidelines provides :-

“The District Authority shall identify the agency through which a particular work recommended by the MP should be executed. The executing agency so identified by the District Authority is the implementing agency. The Panchayati Raj Institutions (PRIs) will preferably be the Implementing Agency in the rural areas and works implementation should be done through Chief Executive of the respective PRI. The Implementing Agencies in the urban areas should preferably be urban local bodies and works implementation should be done through Commissioners/Chief Executive Officers of Municipal Corporations, Municipalities. Further, the District Authority may choose either Government Department unit or Government agency or reputed Non-Governmental Organization (NGO) as capable of implementing the works satisfactorily as Implementing Agencies. For purposes of execution of works through Government Departments, District Authority can engage units for example, Public Health Engineering, Rural Housing, Housing Boards, Electricity Boards, and Urban Development Authorities etc, as Implementing Agencies.”

4.2 As per the existing provisions in the guidelines, the District Authority is competent to choose implementing agencies for execution of works under the Scheme any one from Government Department unit or Government Agency or reputed non-Governmental Organisation considering capability for implementation of works satisfactorily.

4.3 Some of the suggestions received from Ministers/State Governments/MPs/NGOs/individuals on the above subject and comments thereon of the Ministry of Statistics and Programme Implementation are given below :-



<b>Suggestion received from</b>	<b>Content of Suggestion</b>	<b>Comments of the Ministry</b>
Government of Gujarat	“The Provision of NGO as implementing agency should be discarded. The implementing agency should always be a Govt. agency, Panchayati Institution or Local Authority for MPLADS works.”	“Suggestion will be considered at the time of next revision of Guidelines.”
Government of West Bengal	“District Authority and MP should satisfy about the credentials of NGOs through whom the work is implemented.”	“This provision exists in the Guidelines.”
Ch. V.H. Ramajogaih, MP (Lok Sabha)	<p>“(i) It is preferable that execution of work, as far as possible, should not be done through contract system and should be executed through the Committees formed by the people who made the contribution.</p> <p>(ii) The powers to supervise execution of works should be vested only with Government agencies.”</p>	<p>“A Detailed procedure is given in the guidelines for execution of works under MPLADS. (Refer para 2.11).</p> <p>Implementing agencies are decided by the district authorities as per para 2.11 of MPLADS Guidelines.”</p>

Shri K. S. Rao, MP (Lok Sabha)	“NGOs and Charitable Trusts with proven integrity must be permitted to implement some of the projects.”	“As per MPLADS Guidelines (para 2.11), reputed NGOs can be entrusted with the implementation of the MPLADS works.”
Rachhedi Janata Vikas Gram Udyog Samiti, Sdhora Road, Kheda Mohalla Dosdka, Haryana	<p>“(i) The Scheme should be simplified further so that the small institutions of rural areas can also undertake works regarding education, drinking water, public health, sanitation, construction of roads and buildings etc.</p> <p>(ii) The institutions which are allocated funds under this scheme should have the right to undertake the work of construction of buildings, schools and community centres at their wish. Adequate funds should be provided for construction of temples of all religions.”</p>	“As per the scheme, Panchayati Raj Institutions will preferably be the Implementing Agency in rural areas. NGOs capable of implementing the works satisfactorily as Implementing Agency can also be allowed as per MPLADS Guidelines.”
Shri Himanshu Sehkhari, Fatesing, P.O.Banharpali, District	“Gram Panchayat should actively participate with the works done under	“Local Self Governments are involved as both implementing agencies

Jharsuguda, Orissa	MPLADS funds.	as well as beneficiaries.”
Shri Kupuswamy S. Sakunthala, Chennai	“Denying assistance to NGOs and/or not entrusting them with implementation of projects is not desirable. NGOs who apply should be carefully scrutinized for their credentials and track record. NGOs could bring in innovative project and implementation approaches.”	“NGOs can be given funds for creating building assets upto a maximum limit of Rs. 25 lakh from the scheme (provided they satisfy the conditions of para 3.21 of the Guidelines).”

4.4 The Government of Uttar Pradesh made the following suggestion in this regard in the reply given to the points forwarded to them for the meeting of the Committee with Chief Secretary and other officers of the State held on 5 June 2008 :-

“In MPLADS works, Government of Uttar Pradesh has restricted NGOs as implementing agency.”

4.5 Ministry of Statistics and Programme Implementation replied to the point on this issue sent to them for the sitting of the Committee on 20 June 2008 :-

“The MPLADS Guidelines has provisions under which funds can be provided to NGOs (para 3.21) with adequate checks to minimize the misuse, if the District Authorities properly implement the provisions. As far as NGOs as implementing agencies are concerned, it is for the District Authorities to decide, keeping in view

the State / UT Government procedures and the capability of such organizations in executing the works.”

**4.6 The Committee take note of all the suggestions on this issue and find that the demand for exclusion of NGOs as implementing agency may seem to be logical so as to do away with the criticism of alleged corruption attached to this provision but the contribution of reputed NGOs with excellent track record, as the implementing agency can not be ignored.**

**4.7 The Committee further note that as per para 3.21 of the Guidelines, for availing the facilities under these Guidelines, the Society / Trust should have been in existence for preceding three years and should be well established, public spirited, non profit making entity, enjoying a good reputation in the area. The Committee observe that NGOs of repute are assigned the job of implementing agency by District Authority as intended in the guidelines on MPLADS. The Committee feel that the retention of this provision in the guidelines would serve the prime objective of the Scheme and, therefore, do not favour the deletion of the provision regarding NGOs as implementing agency.**

**4.8 The Committee is constrained to observe that the reply of Ministry of Statistics and Programme Implementation in response to the suggestion of Government of West Bengal regarding satisfaction of District Authority and MP about the credentials of NGOs is not correct because there is no provision in the existing guidelines about satisfaction of MP at the time of selection of NGOs as implementing agency.**

**4.9 The Committee, therefore, recommend that the process of selection of NGO as implementing agency may be made more transparent so as to quell the criticism of corruption by associating MP concerned with this process. For incorporating this idea in the guidelines, the Committee recommend that following sub-para in the shape of proviso be added after para 2.11 of the guidelines.**

**“Provided the District Authority shall appoint a reputed NGO as Implementing Agency in consultation with the MP concerned on the basis of reputation, capability and credentials of the NGO.”**

## CHAPTER - V

### Admissibility and Sanction of Works

5.1 Paragraph 3.5 of Guidelines provides :

“Where the District Authority considers that a recommended work cannot be executed due to some reason, the District Authority shall inform the reasons to the MP concerned, under intimation to the Government of India and the State/UT Government within 45 days from the date of receipt of the proposal.”

5.2 Further Paragraph 3.9 *inter-alia* mentions :

“The shortfall in the estimated cost vis-à-vis the one recommended by the MP should be intimated to the MP within 45 days of the receipt of the proposal.”

5.3 Paragraph 3.11 enumerates :

“All works for which recommendations are received in the office of the District Authority till the last date of the term of the MP are to be executed, provided these are as per norms and within the entitlement of MPLADS funds of the MP. Such works cannot be changed by MP even if the MP is re-elected. It shall be the responsibility of the Nodal District Authority to scrutinize all such recommended works within 45 days of the last date of the term of office of the MP either to accord necessary sanction as per the Guidelines, or to intimate the outgoing/former MP about the rejection with reasons.”

5.4 Further paragraph 3.12 of these Guidelines also provides :

“On receipt of the recommendation from the MP, the District Authority should verify the eligibility and technical feasibility of each recommended

work. All such eligible works should be sanctioned within 45 days from the date of receipt of recommendation. In case of delay due to genuine reasons, a clarification for delay should be incorporated in the sanction letter. The same may be intimated to the MP and State/UT Government. If a recommended work is not eligible or not feasible, the District Authority shall intimate the same with reasons to the MP concerned, the Government of India and State/UT Government.”

5.5 In the above paragraphs of Guidelines, a limit of 45 days has been fixed for District Authority to sanction the works recommended by MPs. It has been a matter of contention whether the time limit of 45 days is sufficient for sanctioning of works by the District Authority under these Guidelines.

5.6 Government of Sikkim in a reply to the point on this issue for the Study Tour of the Committee in June 2006 stated :-

“So far no difficulties have been faced in implementation of this provision.”

5.7 Government of Rajasthan in reply to the Point on this subject during the Study Tour of the Committee in February 2008 stated as under :

“This provision is being followed in the State...”

5.8 During the same Study Tour, Government of Gujarat opined on this issue :

- “(a) This provision is not being followed strictly in many cases.
- (b) It takes longer time in selecting the site, preparing the estimates, within the limit of grant sanctioned by MP, obtaining T.S. etc. Sometimes local oppose litigations of land etc. also play a vital role.”

5.9 Further, Government of Goa in reply to this point during the above Study Tour stated :

“There were no problems in issuing the sanction/rejection of the proposals of work given by MPs within the stipulated time limit of 45 days.”

5.10 Government of Uttar Pradesh in reply to the point on this subject during the Study Tour of the Committee in June 2008 stated :-

“Such complaints are rare. Procedure of Guidelines given under Paragraph 3.15 is being followed.”

5.11 Further during the same Study Tour, Government of West Bengal opined on this issue :

“It becomes difficult to take decision on recommended schemes within 45 days because of man power constraints...”

**5.12 The Committee take note of all suggestions/views on the subject and after having detailed deliberations find that the time limit of 45 days for verifying the eligibility and technical feasibility of each recommended work and ultimately sanctioning the same by District Authority within that very period is sufficient. They feel that providing for more time for this purpose would instead defeat the cause. The Committee feel that there is an ambiguity in the provisions of para 3.12 where it is not clear within what period District Authority shall verify the eligibility of the recommended work and thereafter how much time will be required for assessing the technical feasibility and estimate of the same work. The Committee are of the opinion that it would be appropriate to bifurcate the period of 45 days in two segments – one segment of 15 days for District Authority for verification of eligibility/admissibility/approval of the work and another segment of 30 days for technical feasibility and approval of each recommended work (estimates/plan sanction etc.). The Committee therefore, recommends that para 3.12 of Guidelines may be suitably amended with a provision if the sanction on the suggestion of a MP is not issued within 60 days it should be deemed as sanctioned by the DM / DC / Collector.**



## **CHAPTER - VI**

### **Appellate Mechanism to Review the Works Rejected by the District Authority**

6.1 Para 3.12 of Guidelines provides :

“On receipt of the recommendation from the MP, the District Authority shall verify the eligibility and technical feasibility of each recommended work. All such eligible works shall be sanctioned within 45 days from the date of receipt of recommendation....”

6.2 Further Para 3.11 of Guidelines stipulates :

“All works for which recommendations are received in the office of the District Authority till the last date of the term of the MP are to be executed, provided these are as per norms and within the entitlement of MPLADS funds of the MP. Such works cannot be changed by the MP even if the MP is reelected. It shall be the responsibility of the Nodal District Authority to scrutinize all such recommended works within 45 days of the last date of the term of office of the MP either to accord necessary sanction as per the Guidelines, or to intimate the outgoing / former MP about the rejection with the reasons.”

6.3 It was observed by the Committee during its Study Tour to Goa in February, 2008 that District Authority had rejected certain works recommended by Hon'ble MP on flimsy grounds (Appendix - II). The Committee further observed at that point of time that all the cases may be reviewed by District Authority. Thereafter, the Committee had the opportunity to know the views of Ministry of Statistics and Programme Implementation, Department of Personnel and Training, Ministry of Law and Justice (Department of Legal Affairs) and State Govts. of Rajasthan, Gujarat and West Bengal on this view.

6.4 The Ministry of Statistics and Programme Implementation in reply dated 29 November, 2007 on the point on this issue stated :-

“There is no need for an Appellate Authority, as the grievances of the aggrieved MP are addressed by the existing Committees on MPLADS. The Ministry also addresses the grievance of the MPs on topmost priority. The Ministry issues clarificatory circulars, and has also issued a compendium clarifying various issues of the Guidelines, to ensure uniform and correct interpretation of the Guidelines, throughout the country.”

6.5 The Principal Secretary (RD& PR), Govt. of Rajasthan during discussion of the Committee with Additional Chief Secretary and other Officers of the State Govt. on 4 February, 2008 suggested :-

“State Government may be vested with powers to review the rejection of works by District Collectors.”

6.6 The Ministry of Statistics and Programme Implementation reversing their stance in reply to the point on this issue for the sitting of the Committee on 20 June, 2008 stated:-

“The MPLADS Guidelines have laid down criteria for determining the eligibility of works to be taken up under the Scheme. If there is any dissatisfaction or complaint with regard to rejection of works, Appellate provisions could be considered at the level of Divisional Commissioner / Nodal Secretaries of State / UTs...”

6.7 The Govt. of Gujarat in the reply to point on this issue for the discussion of the Committee with Principal Secretary ( Planning & Development) and other Officers of Gujarat during Study tour of the Committee in February, 2008 stated as under :-

“In view of the decentralized nature of the scheme, it is best left to District Authorities to decide the priorities.”

6.8 The Govt. of West Bengal during Study Tour in reply to the point on this issue for discussion of the Committee with Principal Secretary (Development and Planning) and other Officers of West Bengal Govt. held at Darjeeling on 9 June, 2008 stated :-

“... Only for cases of complaint the question of an Appellate Authority arises and in such cases the Divisional Commissioners will be the appropriate authority to look into the issue and also in cases where inter-district coordination will be necessary. In respect of complaints if any arising in the KMC areas the Nodal Dept. may act as Appellate Authority.”

6.9 The Secretary, Ministry of Statistics and Programme Implementation while deposing before the Committee on 20 June, 2008 observed :-

“... Now, I think a review process is desirable. The question really is at what level we should do it. One of the suggestions that we have made is to do it at the level of Divisional Commissioner. I think certain amount of knowledge of local area is required and not just the guidelines. I think it would be very desirable to have a review process at the Divisional Commissioner level.”

6.10 He further stated :-

“... Let us use the review procedure at the Divisional Commissioner level and see how it works and then take it forward....”

6.11 The Department of Personnel and Training in their reply on this issue :-

“As regards the issue of rejection of many works recommended by the Hon’ble MPs by the district authorities on flimsy grounds, there may be a case for providing an Appellate Authority in the nodal ministry in the State Government where a representative of the Ministry of Statistics and Programme Implementation and / or Parliamentary Committee on the MPLADS may also be members, keeping in view the fact that the programme will continue to be implemented through the concerned State Government.”

6.12 The Ministry of Law and Justice (Department of Legal Affairs) in reply to the point on this issue remarked :-

“To make the provisions for Appellate Authority to review the decision of the district authority, it would be appropriate if the next higher authority to the district authority is appointed as Appellate Authority.”

**6.13 The Committee note that as per the existing provisions of the Guidelines, District Authority is the only competent Authority to sanction / reject the works recommended by MPs under this Scheme. In the existing Guidelines there is no mechanism for redressal of grievances of MPs in case of rejection of recommended works by District Authority where MPs consider those works to be admissible.**

**6.14 The Committee further take note of all the above views on this issue and find that most of the Departments / State Governments who had given their views to the Committee on this issue were of the opinion that there is an urgent need for devising a mechanism through which grievances of Members (MPs) regarding rejected works (which are otherwise admissible under Guidelines) may be addressed by providing for an appellate authority against the decisions taken by the District Authority. After indepth deliberations on this issue, the Committee are of firm view and strongly recommend that it would be appropriate that all the rejected proposals (recommendations) along with necessary documents and reasons / grounds of rejection are invariably forwarded to the Divisional Commissioner by the District Authority within 7 days of their rejection under intimation to the concerned MP. The Divisional Commissioner shall cause to review and decide the fate of those proposals / recommended works within 30 days of the receipt of the same. If required, the Divisional Commissioner can seek the comments / clarifications from the Ministry of Statistics and Programme Implementation. The Committee further recommend that if a member is not satisfied with decision taken on the proposal / recommendation of work at the level of Divisional Commissioner or no decision is taken by the Divisional Commissioner within stipulated period of 30 days, he shall be at liberty to approach Ministry of Statistics and Programme Implementation in writing for clarifications on this issue. If Ministry of Statistics and Programme Implementation comes to the conclusion that proposal / recommended work is admissible under the Guidelines, District Authority shall proceed to execute the**

**works as per directions of the Ministry of Statistics and Programme Implementation by following established procedure. In case the Ministry of Statistics and Programme Implementation intend to take a decision against the proposal/recommendation of the Member, the concerned Parliamentary Committee on MPLADS may be consulted by the Ministry before asking final decision. MP may also approach the Committee on MPLADS of the concerned House who shall cause to refer the issue to Ministry of Statistics and Programme Implementation or examine / investigate the matter and if required, report to the House on the issue with necessary recommendations, if any, to the Govt. of India (Ministry of Statistics and Programme Implementation). A suitable paragraph may be inserted in the existing Guidelines providing for such a mechanism in the existing Guidelines.**

## **CHAPTER - VII**

### **Public / Community Contribution to Central / State Govts. Schemes / Programmes under MPLADS**

7.1 As per para 3.20 of the Guidelines, MPLADS funds shall not be used to substitute the public and community contribution in any Central / State Govt. Programme / Scheme, which includes a component of such contribution. There are Central / State Govts. Schemes which provide for public and community contribution. The Committee received a suggestion from the Ministry of Non-Conventional Energy Sources which states :-

“The Ministry is implementing a Remote Village Electrification programme for electrification of unelectrified remote villages/hamlets, which are not going to receive grid connectivity under the Rajiv Gandhi Grameen Vidyutikaran Yojana. The Ministry is also supporting Village Energy Security Projects for meeting the energy requirement of cooking, lighting in remote villages through locally available renewable energy resources. In both cases, 90% of the systems cost is met by the Ministry and the balance 10% cost is to be mobilized by State Agencies/beneficiaries, NGOs etc. which has been a constraint in some of the states. MPLADS funds can be tapped for meeting the balance cost in such cases.”

7.2 Ministry of Statistics and Programme Implementation commented on the above views as under :-

“As per paras 3.17 and 3.18, MPLAD Scheme can be converged with Central and State Govt. Schemes and also towards the State Govt. share in Centrally Sponsored Scheme provided the works under the Centrally Sponsored Scheme and Central and State Govt. Schemes are permissible under MPLADS.”

7.3 Further, Secretary, Ministry of Statistics and Programme Implementation while deposing on this issue before the Committee on 8 January 2007 stated :-

“... you can't replace community contribution. But if State Govt. is putting 90 per cent and you are putting ten per cent, you cannot do that.”

“... but during the discussion, we found that they are only implementing the community based drinking water supply scheme and they are getting it substituted by the MLA fund, which is not permissible under the MPLAD Scheme because community is a community and MPLADS is not a community scheme.”

**7.4 The Committee note that as per the comments of the Ministry of Statistics and Programme Implementation, suggestion regarding public / community contribution is covered in the provisions of paras 3.17 and 3.18 of MPLADS Guidelines. In the suggested Schemes i.e. Rajiv Gandhi Grameen Vidyutikaran Yojana and Village Energy Security Projects, 90% of the systems costs is stated to be met by the Ministry of Non-Conventional Energy Sources and balance 10% cost is stated to be mobilized by State Agencies / beneficiaries, NGOs, etc. which has been a constraint in some of the States. It has been suggested that 10% cost can be tapped from MPLADS funds. The Committee are constrained to observe that reply given by the Ministry is not specific and complete to the suggestion of the Ministry of Non-Conventional Energy Sources. Their reply does not seem to be correct as there is no mention of convergence of MPLAD Scheme for meeting out the share to be contributed by beneficiaries, NGOs, etc.**

**7.5 The Committee are of the opinion that the Public and Community in some of the areas may be so poor, particularly those inhabited by SC/STs and / or in remote areas that they are not able to contribute their share to such Schemes / Programmes and for want of that contribution, those Central / State Govts. Welfare Schemes might not be implemented in those areas at all.**

**7.6 The Committee do not find any sound logic and valid reasoning in the view of the Ministry of Statistics and Programme Implementation for not allowing the public / community contributions at all out of MPLADS funds because ultimately**

**all Central / State Schemes / Programme are for the welfare of the community as a whole.**

**7.7 The Committee further note that MPLAD Scheme can be converged with the Central and State Governments Schemes provided such works are eligible under the Guidelines. Community contribution share of the Schemes under suggestion is not permissible and it would be in the interest of the public particularly of the areas inhabited by SC/STs to make a provision for community contribution share out of MPLADS funds.**

**7.8 The Committee appreciate that the existing provision must have been included in these Guidelines so as to provide for public / community audit / accountability in respect of the contributions made by them and strongly recommend that it would be appropriate, while retaining the existing provision, a provision may be included in the Guidelines that if certain proposals relating to substitution of Public/Community Contribution in SC/STs inhabited areas out of MPLAD funds are brought before the concerned Committee on MPLADS and those proposals are approved by the Committee, then Member concerned may be authorized to substitute the public / community contribution in central / state Govt. Schemes / Programmes where there is a component of such contribution. For facilitating such a provision in the existing Guidelines a suitable proviso may be inserted after the existing paragraph 3.20.**



## **CHAPTER - VIII**

### **Definition of Family**

8.1 Paragraph 3.21 of the guidelines on MPLADS issued by the Ministry of Statistics and Programme Implementation in November 2005 inter-alia reads as follows :-

“... The MPLADS funding is not permissible to a Society/Trust, if the recommending MP or any of his/her family members is the President/Chairman or Member of the Managing Committee or Trustee of the registered Society/Trust in question. Family members would include MP and MP’s spouse which would comprise their parents, brothers and sisters, children, grandchildren and their spouses and their in-laws.”

8.2 The Committee in their 13<sup>th</sup> Report had quoted the decision taken at their sitting held on 20 October 2005 that the definition of family adopted in the guidelines was too broad and no Indian statute encompassed such a wide definition of family. The Committee had recommended that the family, for the purpose of MPLADS should be restricted to blood relatives only.

8.3 The comments of the Ministry of Statistics and Programme Implementation on the issue were as under :

“In the recommendation of the Committee regarding the definition of family was, however, not accepted by the Government and the revised guidelines effective from 16 November 05 incorporates the original definition as appeared in draft guidelines.”

8.4 The Committee in their 13<sup>th</sup> Report had recommended that the Government should reconsider their decision in the matter which was agreed to by the Secretaries of the Ministry of Statistics and Programme Implementation and Ministry of Law and Justice on 14 July 2008.

8.5 When asked by the Committee about the source of definition of family in the Guidelines, the Secretary to the Ministry of Statistics and Programme Implementation replied during the evidence held on 8 January, 2007 as under :-

“The guidelines have not relied on any Statute or Act. It is after detailed discussions with the MPs, the State Governments, that a proper definition of a family in the Indian context has been given ..... we have not referred to the Statute.”

8.6 When Hon’ble Chairman observed during the same sitting that while formulating this guideline the Ministry must have taken into consideration different Statutes and guidelines are supposed to be guided by Acts, Rules and Statutes of the country, the Secretary to the Ministry of Statistics and Programme Implementation deposed as under :-

“I mentioned that this is a guideline and this has not relied on any Act. If it is relied on any Act it would be quoted there. We have not quoted. .... This guideline is not derived under any Act of Parliament. This is a schematic guideline. .... but if the Committee feels, we will look into it and we will come back again to you.”

8.7 The Ministry of Statistics and Programme Implementation referred the issue to the Ministry of Law and Justice (Department of Legal Affairs) vide their DO No. D/3/2006-MPLADS dated 15 January 2007 requesting them to give their considered opinion about the legal soundness of the definition of family mentioned in Para 3.21 of the guidelines of MPLADS. It was also mentioned in the referral letter that “...since the intention of the guideline is to include those indicated in Para 3.21, you may also offer opinion on the suggestion to insert the phrase ‘**and relations**’ after ‘**Family Members**’ and before ‘**would**’. The Department of Legal Affairs, Ministry of Law and Justice had opined vide their note dated 15 February, 2007 sent to the Ministry of Statistics and Programme Implementation that the phrase ‘relations’ in the definition could have wide import and could be confusing. In another note dated 23 April, 2007, Department of Legal Affairs, Ministry of Law and Justice referred to shorter Oxford English Dictionary, 3<sup>rd</sup> Edition, according to which the word ‘family’ means the group consisting of parents,

and their children whether living together or not; in wider sense, all those who are nearly connected by blood or affinity; a person's children residing collectively, those descended or claiming descent from a common ancestor; a house, kindred, lineage; a race; a people or group of people. They also referred the judgement of the Apex Court in K.V. Muthu vs. Angamuthu Ammal reported in A.I.R. 1997 SC 628 where the word 'family' has been defined as under:-

“In its ordinary and primary sense, the term 'family' signifies the collective body of persons living in one house or under one head or manager or one domestic government. In its restricted sense, 'Family' would include only parents and their children. It may include even grand-children and all the persons of the same blood living together. In its broader sense, it may include persons who are not connected by blood depending upon the context in which the word is used.”

8.8 The Department of Legal Affairs then expressed their opinion that in view of the legal position and the context in which the definition of family is proposed to be used there may not be any objection to continue with the definition of family given in MPLADS. The Ministry of Statistics and Programme Implementation quoted this opinion of the Department of Legal Affairs in their Action Taken Note on the Thirteenth Report of the Committee.

8.9 The Ministry of Statistics and Programme Implementation had also requested the Ministry of Law and Justice to intimate definitions of 'family' in any statute. The definitions of 'family' in various statutes as provided by the Ministry of Law and Justice are given in the Appendix – II.

8.10 In a sitting of the Committee held on 14 July, 2008 while seeking clarification from the Secretary, Department of Legal Affairs, the Chairman made the following observations :

“...In the 2005 revised guidelines the family has been defined and as per the MPLADS guidelines which the Ministry has formulated, the family means the spouse of the MP, sons and daughters, grandsons and

granddaughters, MP's in-laws. It is understood. It also includes the in-laws of the grandson and granddaughter of the MP. To us it seems a very broad guideline. We would like to know one thing. There is no definite definition of family. It differs from statute to statute. As has been furnished by your Ministry to us, there are many definitions of family. The Merchant Shipping Act defines family in one way, the Employees' State Insurance Act gives a little different definition of family, your Payment of Gratuity Act has a definition of family, your Labour Act has another definition of family, your pension rules have one definition of family and finally the Supreme Court has also in some judgement defined the word family. I would like to know one thing. You might have seen the definition of family in the MPLADS guidelines. As I said, it includes even the in-laws of grandchildren. Has such a definition been found in any of the other definition of family in any other statute or it is a new definition framed by the Ministry for the MPLADS Guidelines?"

8.11 The Secretary, Department of Legal Affairs replied during the evidence as under:

"Sir, actually the object of definition is related to the object of the Act. These Merchant Shipping Act and all these precedents which were placed before you are all beneficial legislations which is trying to give some benefit to the family in the case of some tragedy of something. There are legislations where they want to curb the abuse of power. They would like to clearly outline and specify who are the relations who should not be entitled to certain favours. That is meant to curb the abuse of power.

In the MPLADS scheme the definition of family is meant to prevent this scheme to be abused so that there is no favouritism in granting of contracts and other things. There is no legality in choosing any definition. It is up to you to decide what level you should stop and proceed. Right now we have a particular definition. If you feel that it should be curtailed we have no problem. But then you have to ensure that it is in consonance of the object of the scheme. The object of the scheme is that it should not be abused, there should not be any favouritism. That is the object. If you

take out some of these categories from the existing definition it should not lead to abuse. That is the only concern. Beyond that this Parliament is competent to discuss. There is no legal issue involved in that. That is what we are trying to point out.

In this the other definitions will not be of any guide or use because they are all in different contexts. You should see that the object of the scheme is to prevent that it should not be abused or favouritism should not be shown and in that process if you feel certain categories can be included or excluded, it is for the Committee to decide.”

8.12 The Chairman further observed during the sitting as under :-

“Another important object of this scheme is also to assist different beneficial or developmental works. Many of the developmental works are undertaken by many societies, trusts, private organizations, institutions etc. That is also one of the main object of the scheme. By defining family in such a broader sense, is it not restricting the purpose itself? Suppose, I am a Member of Parliament and I have a grandson or a granddaughter. The in-laws of the grandsons or granddaughters also, if they are in the society or Trust, I cannot recommend any fund. In that process, by this definition is the whole purpose not being debarred?”

8.13 The Secretary, Department of Legal Affairs further submitted during evidence as under :-

“As I told you, it is for the Committee to decide at what level you want to include or exclude. There is absolutely no legal issue involved in that. The only object is to ensure that it should not be used as a vehicle for nepotism. So, it is for you to judge and decide the definition of family. There is no hard and fast rule for that.”

8.14 On being asked by the Chairman, the Secretary, Ministry of Statistics and Programme Implementation also deposed before the Committee as under :-

“Sir, as the Law Secretary has rightly pointed out, there is no hard and fast definition. It depends upon the circumstances and the purpose for which the definition is to be used. Now clearly, what our Ministry had thought was that here was a definition which, I think Law Secretary rightly pointed out, was to prevent nepotism and whether this would stand up to legal scrutiny or not, and the reaction of the Law Ministry was that it was all right. The point that the Law Secretary is making is valid one, which is that the family can be defined in various ways and the Committee should certainly be making recommendations on it.”

**8.15 The Committee have, since insertion of the definition of family in the Guidelines in November 2005, been taking a categorical stand that the definition of family adopted in the Guidelines is too broad and it should be restricted to a reasonable limit. In the Thirteenth Report, the Committee had reiterated that the definition of family for the purpose of MPLADS should be restricted to blood relatives only. However, the Ministry of Statistics and Programme Implementation didn't accept the recommendation of the Committee and with the intention to continue with the same definition of family as stated in para 3.21 of the Guidelines, quoted the opinion of the Department of Legal Affairs that in the context in which the definition of the family is proposed to be used, there may not be any legal objection to continue with the definition of the family given in MPLADS. However, the Secretary, Department of Legal Affairs submitted before the Committee that different definitions of family are being adopted in different contexts and there is no legal issue involved in that. According to the Secretary, Department of Legal Affairs, the definition of the family can be modified to the extent that it is in consonance of the object of the scheme. The Committee feel that one important object of the scheme is to assist different beneficial and developmental works. Many developmental and public welfare works are undertaken by many societies, trusts, private organizations, institutions, etc. The Committee are of the opinion that defining the family in a broader way as in the extant guidelines, restricts the purpose of the Scheme. The Committee feel that the approach adopted by the Ministry of Statistics and Programme**

**Implementation is rigid and predetermined and strongly recommend that the definition of the word 'family' may be suitably amended in the following manner :-**

**“The family members would include :-**

- “(i) MP and his/her spouse;**
- (ii) Sons and daughters of MP and their spouses;**
- (iii) Parents of MP and his/her spouse;**
- (iv) Brothers and sisters of MP and his/her spouse;**
- (v) Spouses and children of the brothers and sisters of the MP and his/her spouse; and**
- (iv) Grandchildren of MP.”**

## **CHAPTER – IX**

### **Release of Adequate Funds for Effective Implementation of Sanctioned Works**

9.1 Purchase of movable items except vehicles, earthmovers and equipments meant for hospital, educational, sports, drinking water and sanitation purposes belonging to Central, State, UT and Local-Self-Government is prohibited as per entry 8 of List of Works Prohibited under MPLADS (Annexure – II) to the Guidelines.

9.2 Para 4.15 of Guidelines provides :-

“The District Authority may release advance up to 50% of the estimated amount of a sanctioned work to an Implementing Agency. On the basis of the physical and financial report furnished by the Implementing Agency, the District Authority can release the remaining funds when 60% of the advance has been utilized.”

9.3 Government of Punjab, on this issue suggested :-

“Funds under this scheme are released in two instalments. There are some works like purchase of ambulance etc. where there is need to release the entire amount in lump sum.”

9.4 Ministry of Statistics and Programme Implementation on the above suggestion commented in writing as below :-

“Funds are released after fulfillment of the eligibility criteria laid down in para 4.3 of Guidelines and release is not based on specific needs. The release of MPLADS funds by the District Authority to the implementing agency are prescribed in para 4.15 of the MPLADS Guidelines.”

**9.5 The Committee, while considering the issue, do not find the reply of the Ministry of Statistics and Programme Implementation relevant to the facts of the**



problem raised by the Government of Punjab in the above suggestion. They have merely quoted the general procedure mentioned in the Guidelines for this purpose and have not addressed the problem.

After deliberations on this issue, the Committee note that as per paragraph 4.15 of the Guidelines, the District Authority is supposed to release advance up to fifty per cent of the estimated amount of sanctioned work to Implementing Agency. On the basis of physical and financial report furnished by the Implementing Agency, the District Authority is supposed to release the remaining funds when sixty per cent of the advance has been utilised. The Committee find that the existing Guidelines do not address the problem posed by the Government of Punjab in the suggestion because when movable items like vehicles, earth movers and equipments meant for hospital, educational sports, drinking water and sanitation purposes are to be purchased, the complete payment is to be made in one go. The Committee, therefore, recommend that there is the need to make enabling provision in the existing paragraph (4.15) by amending the same suitably. The Committee suggest the proposed amended paragraph as under :-

**“4.15 The District Authority shall initially release 50% advance of the estimated amount of a sanctioned work to an Implementing Agency. On the basis of the physical and financial report furnished by the Implementing Agency, the District Authority shall release the remaining funds when 60% of the advance has been utilized. This condition shall not apply in case of purchases allowed under entry 8 of List of Works Prohibited under MPLADS (Annexure – III) where entire estimated amount of a sanctioned work shall be released in one go to the Implementing Agency.”**

# CHAPTER - X

## Monitoring Mechanism

10.1 Chapter 6 of the extant Guidelines on MPLADS deals with various levels of monitoring the implementation of the Scheme. It elaborates in detail the roles of the District Authority, State/UT Government and Central Government in monitoring the working of the Scheme. As per the provisions, the Ministry of Statistics and Programme Implementation and the Union Government should hold meetings in the States and also at the Centre at least once in a year to review the implementation of the MPLAD Scheme. At the State level, a Committee under the chairmanship of the Chief Secretary/Development Commissioner/Additional Chief Secretary should review MPLADS implementation progress with the District Authorities and MPs at least once in a year. The District Authority should review every month MPLADS works implementation with the Implementing Agencies. Besides, the District Authority shall inspect at least 10 per cent of the works under implementation every year.

10.2 When asked about review of the implementation of the MPLAD Scheme, the Ministry of Statistics and Programme Implementation in a written note, submitted as under :-

“The performance of the scheme is reviewed with States/UTs regularly at the level of the Minister and senior officials. This is a continuous process though Review meetings with State officials are conducted in different States/UTs and meetings of State Nodal Secretaries are conducted twice a year.

The Ministry has taken several initiatives to improve the performance of the scheme, such as providing financial assistance to State Govt. for organizing training programmes for district officials. The Ministry has also entrusted physical monitoring of MPLADS works to an independent agency, NABCONS (NABARD Consultancy Services) a subsidiary of NABARD, to cover 30 districts all over the country in the 1<sup>st</sup> phase.”

10.3 On being asked about the steps taken by the Ministry of Statistics and Programme Implementation to strengthen the monitoring system in view of the serious comments given by the Comptroller and Auditor-General in the past, the Secretary to the Ministry deposed before the Committee during the sitting held on 14 July 2008 as below :-

“One is, of course, that we have computerized the monitoring system. That is being put in place. That is still not up to the mark. A lot of districts have started putting the data. What it does is that it gives us some idea about which are the districts which are being pro-active in this regard. That we have done. We have given an independent contract, it is a subsidiary of NABARD to do a full-scale appraisal of selecting districts and we shall be doing this by rotation every year for the next few years.

So, we will have a fairly good idea about the operation of the district, the quality of the work that have been done and hopefully, once that data is available, then the monitoring can be linked with those kind of information. That is what we have at this moment. But admittedly, the overall monitoring system is weak. We do not have enough officers who can go. So, the officers who go on the basis of the complaints rather than a regular monitoring basis.”

10.4 The Committee desired to know from the Ministry of Statistics and Programme Implementation whether regular review meetings are being held in the States/UTs. The Ministry of Statistics and Programme Implementation information through a written note informed as under :-

“The Ministry has been impressing upon the States/UT Governments to conduct review meetings as laid down in the Guidelines. So far, five Secretary level meetings have been conducted in the center and review of implementation of MPLADS works in States/UTs of Tamil Nadu, Andhra Pradesh, Orissa, West Bengal, Rajasthan, Kerala, Karnataka, Delhi, Chhattisgarh, Madhya Pradesh, Uttar Pradesh, Maharashtra, Punjab,

Haryana, Chandigarh, Puducherry, North East States, Himachal Pradesh, Gujarat, Andaman and Nicobar Islands, etc. have been conducted since 2004-05 onwards.

To ensure proper implementation of the Scheme, the State/UT governments are required to set up a State/UT level Monitoring Committee, under the Chairmanship of the Chief Secretary, in which Hon'ble MPs are also to be invited.

The Committee under the Chairmanship of Chief Secretary has been constituted in all the States except Chhatisgarh, Uttarakhand, Bihar, Manipur, Meghalaya and Mizoram.”

10.5 A consolidated statement regarding constitution of Monitoring Committees and meetings held for review of the Scheme based on the information received from 26 States/UTs as on 27 May, 2008 as provided by the Ministry of Statistics and Programme Implementation has been shown at Appendix – III.

10.6 On being asked about the requirement of review process above the level of district authority, the Secretary, Ministry of Statistics and Programme Implementation replied during the sitting of the Committee held on 20 June 2008 that :

“As you are aware, at present, the system that is followed is that the decision in terms of whether a particular proposal comes under the guidelines or not is made uniquely by the collector. It is only when he has a ‘doubt’ that it is referred to the Ministry. At the moment, the issue of ‘doubt’ is the ‘doubt’ in the Collector’s mind. Then it is referred to us and then we respond. Now, I think a review process is desirable. The question really is at what level we should do it. One of the suggestions that we have made is to do it at the level of Divisional Commissioner. I think certain amount of knowledge of local area is required and not just the guidelines. I think it would be very desirable to have a review process at the Divisional Commissioner level.

10.7 Regarding delay in release of instalments of the MPLADS funds in many Parliamentary constituencies, the Ministry of Statistics and Programme Implementation responded in writing as below :-

“The introduction of criteria of submission of Utilisation and Audit certificates for release of second instalment of funds, from June, 2005 onwards, has further strengthened the financial discipline under the scheme. For expediting the submission of these documents, the Ministry is continuously writing to the concerned District Authorities who have not submitted the requisite documents and has also been impressing upon the Nodal Departments of the States / UTs, by writing to them and also taking this up in the review meetings held in the States / UTs. in the recent meeting of Nodal Secretaries of States / UTs held on 4 December, 2007 in Delhi, Hon’ble Minister has very strongly asked the States / UTs to ensure furnishing of the pending required documents for release.”

10.8 When the Chairman pointed out to the delay in submission of MPRs, UCs and ACs from many districts all over the country causing delay in release of funds from the Centre during the sitting of the Committee on 14 December, 2007, the Secretary to the Ministry of Statistics and Programme Implementation deposed that :-

“... We fully agree that this is a matter of great concern for you, and for us as well. Unfortunately, in certain ways, our hands are tied. Mainly, the AC/UC requirement is a requirement which is imposed on us by the Ministry of Finance, and we cannot deviate from that. The problem, of course, is that since the provision of AC/UC is not in the hands of the Hon’ble MP but in the hands of the district administration; if there is not enough interest on the part of the district administration to carry out the works, then these kinds of delays are inevitable; it happens. We do take it up; we do monitor. ... The problem is really at the district administration level. Unfortunately, in the Government system, we do not have any provision whereby delays in getting the audit done is treated as a disciplinary issue. That simply does not exist. The audit reports come in with long delays but our hands get tied because of that. We will need to

think this over. The main issue, really I think what we can do and we should do is to be able to access the position in the bank accounts as to what is the balance, how much has gone in and what is the balance that is there. At present, we do that through the Monthly Progress Report. But, as you are aware, even the MPRs do not come in a number of cases and we keep sending reminders on monthly basis at least for the MPRs. We are actually now trying to do two things. One, of course, is that the review meetings are happening in cases where there are long delays. These have been specifically pointed out to the Secretary of the Nodal Department in the States. When the Minister himself is taking the meeting, he is impressing upon the Chief Secretaries that this has to be handled on an urgent footing. On the other hand, we are in discussion with two banks to whether or not we can get online monitoring of the bank account so that at least we know what is the utilization that is taking place, without the district actually having to file. If we find that there is utilisation but the UCs/ACs are not coming – today even we do not know that – then we can actually take much more focused interventions. We then just have to map the utilisation as per the bank records and the position *vis a vis* AC/UC and the MPRs. Then we should be able to focus on particular districts to do that. But, Sir, at the end of the day, even if we do this, unless the State Government takes a serious view on the non-submission of ACs and UCs, I do not know how much effect it will have. It is a moral effect but nothing very much more than that.”

10.9 The Guidelines of MPLADS (November, 2005 Edition) states in para 5.8 as under:

“The District Authorities have been implementing MPLADS since 1993-94. They are to submit periodically works Completion Report, Utilization Certificate and Audit Certificates. These Certificates are to be furnished to the Ministry of Statistics and Programme Implementation right from inception. Following time frame is drawn up for the District Authorities to submit these Completion Reports, Utilization Certificates, and Audit Certificates :-

Year	All works Completion Reports	Utilization and Audit Certificates
1993-94 to 1998-99	31.03.2006	30.06.2006
1999-2000 to 2002-03	30.06.2006	30.09.2006
2003-04 and 2004-05	30.09.2006	31.12.2006

10.10 To deal with the lapses on the part of the District Authorities in implementation as well as monitoring of the Scheme, the Ministry of Statistics and Programme Implementation were asked to furnish their views. They responded through reply to a questionnaire as below :-

“The Ministry has been asking the State/UT Governments to take action against erring officials, whenever any such cases come to the notice of the Ministry. As the officials implementing the scheme at the district level are State government officials, the Ministry cannot take action against the officials in the present federal administrative set up and, therefore, directs the State/UT Governments to take appropriate action.”

10.11 On being asked about the penal action being taken by the Ministry on the reported cases of violation of Guidelines made by the District Authorities, the Ministry of Statistics and Programme Implementation stated in a written reply that In the federal set-up, incorporation of penal provisions against implementing officials of States/UTs is not possible.

10.12 The Secretary, Ministry of Personnel, Public Grievances and Pensions deposed before the Committee on 20 June, 2008 as under :-

“Only in connection with the All India Service Officers and not State Service Officers, if there is any misconduct alleged in any case and if that is also referred to us then we would write to the State Government. Our monitoring involves only taking it up with the States. Beyond that there is no mechanism under the rule where if the State Government does not respond we can take action. In no area the Government of India can do

anything to the States if they do not respond... If certain developmental activity takes place in the States it is not correct to assume that the State Governments have lesser interest in their own development and only the Government of India have greater interest in the development of the State... I would submit that under the present rules it is not possible to take any action directly not even to direct the CBI to conduct an enquiry in case of lack of integrity.”

10.13 The Chairman asked the Secretary, “Can the DoPT help you in this respect.” The Secretary, Ministry of Statistics and Programme Implementation replied :-

“I think the suggestion which Shri Mishra has made is something we need to consider very seriously. At the moment, as you are aware, the Ministry of Statistics and Programme Implementation communicates with the State Governments usually at the Chief Secretary level for taking appropriate action against the concerned officer. As you have rightly said, Sir, some times they do investigations and we get some kind of investigation report and quite often there is no response at all. We follow up but that is the maximum we can do. Shri Mishra’s suggestion is when we issue this kind of a letter where the allegation is not a general but specific to an officer then a copy of our communication to the State Government will be sent to DoPT who can then follow it up at the personal level.”

Hon’ble Chairman remarked :-

“I think that will help improve the situation.”

10.14 When the Ministry of Statistics and Programme Implementation showed their inability to take action against the erring officers, the opinion of Department of Personnel and Training was sought and the Secretary to the Department of Personnel and Training (DoPT) deposed before the Committee during their sitting held on 20 June 2008 as under :-



“We have communicated to you the position with regard to the All India Service Rules under which the officers of the All India Services, namely, the Indian Administrative Service, Indian Police Service and Indian Forest Service are governed today. These Rules were framed under the All India Service Act which, as you know, was framed under the specific provisions of the Constitution. The Rules are made and amended in consultation with the States because the services are primarily State – borne services. When they work in the States, they are employees of the States. Only when they come on deputation to the Government of India that they come under the control and superintendence of the Central Government.

When the officers are working under the Central Government, if they commit any wrong which is defined as misconduct under the disciplinary rules applicable to the All India Service Officers, they can be proceeded against. But while they are in the State, if they commit any wrong, such as any violation of the MPLADS guidelines or any irregularity which amounts to behaviour unbecoming of an officer, then it is the State Government concerned which has to take action against them. To that extent, the hands of the Government of India are tied. When the Hon’ble MPs bring any violation of the guidelines to the notice of any branch of the Government of India, all that we could do, Sir, as you very rightly observed, is to just send it back to the State Government for action. As you know, many Hon’ble Members of Lok Sabha and Rajya Sabha, from time to time, send many complaints against the conduct of officers in the States, and the Lok Sabha / Rajya Sabha Secretariats would usually send it to us and then we send it to the States and ask them to take action.

What I can do is, if there is any specific charge of violation or misconduct against any officer, besides sending to the State Governments, if a copy of that is marked to the DoPT, then we would keep it in our record, and when that officers opts to come to the Government of India on deputation, we will inform the State Government that we would take that officer on deputation only if the State Government clarifies to us as to what action they have taken against that officer. At least, some percentage of officers who are working in the States and who have had some role in the MPLADS would have one window with us would tell the State Government

that we will not take that officer. On this, we would certainly work. I would request that if the Ministry concerned would forward hereafter cases of violation which come to their notice to us also, then

(a) we will take action in the sense we will request the State Chief Secretaries to take action and

(b) keep it in our record so that in future when that officer comes on deputation to Government of India, it would be used to decide whether we should be taking such an officer on deputation or not.

Besides, this, I am afraid that under the existing rules, the Government of India, particularly the Department of Personnel would not be able to really do anything. It is not possible to change the rules to provide that any violation of MPLADS guidelines would be a kind of misconduct in which the Government of India could taken action... We cannot take any action against the conduct of any officer who is working within the State Government for the period that he is in the State Government, except during the elections. Under a statute, the officers involved in the elections come under the general control and superintendence of the Election Commission of India.

As you know, it is only during the elections that under the statute the officers involved in the election come under the general control and superintendence of the Election Commission of India. So, any misconduct on their part during that period concerning the election is an offence for which the Election Commission of India can take cognizance and take action. There is no other action for which the Government of India can take action. Even if there is a case of lack of integrity or an allegation that somebody in MPLAD or in any other Government of India sponsored scheme has committed a financial irregularity, we cannot even order a CBI inquiry. That is because, as you know, it is only the State Government which would have to make a request that the CBI jurisdiction be extended to 'x' or 'y' State to cover this particular offence. Therefore, we cannot even direct a CBI inquiry into them...

The President of India appoints them but they are appointed to a State cadre. So, the officer remains to be an officer of a State cadre all his life. The entire control over him is in that State except for the period when he is

on deputation to Government of India. We retain only three controls with us. The State Government cannot dismiss an officer of the All India Services; cannot remove him from the service; and cannot compulsorily retire him from service without the Government of India's order. In all other cases, the officer is in the State and he is an employee of the State Government.

This issue has been agitating us in some other contexts also. We have found that many officers go on deputation from one State to the other and then overstay. In those cases, many times the Appointments Committee of the Cabinet has taken very strong exception. But except for writing to the State Governments and entreating them that they should take action, we have not been able do much. Some State Governments do take action. Even in the case of MPLAD, I am sure some State Governments should be responsible and take action. Some State Governments may not be taking action.”

10.15 The Chairman desired to know the suggestions of the DoPT regarding training the District Collectors about the MPLAD Scheme. In response, the Secretary to DoPT informed as under :-

“... Actually, we train the IAS officers in the Lal Bahadur Shastri National Academy of Administration at Mussorie. I assure that we would introduce a module in that training programme where we would invite all the Collectors. Nowadays, we are having a mid-career training programme for the IAS officers. In their eighth to tenth year, the officers are called to the Academy at Mussorie for a two month long training which the IAS candidates undergo. I would request the Director of the Academy to introduce a module on MPLAD Scheme and sensitise the Collectors that they should abide strictly by the guidelines of the Government of India and respond to the issues raised by the MPs so that there is some amount of pro-active action taken by them and sensitise them about the need to be more responsive and more correct in the interpretation and implementing the scheme. We will introduce a module there and we will invite the

Secretaries or the senior officers of the Ministry to come and speak to the Collectors about this matter.”

10.16 The DOPT also expressed their opinion in writing on the issue of taking action against the officers of All India Services working in different States/UTs responsible for violating MPLAD Guidelines, as follows :-

“As per the guidelines of the MPLADS, execution and implementation of the scheme are the sole responsibilities of district authorities usually manned by officers of the All India Services or the State services. In accordance with Rule 7 of the All India Services (Discipline and Appeal) Rules, 1969, if a member of the Service has committed any act or omission which renders him liable to any penalty specified in Rule 6 (minor / major penalties), the competent authority to institute disciplinary proceedings and to impose penalty is the Government of the concerned State if he is serving in connection with the affairs of the State. As regards officers of the State Services, the competent disciplinary authority will also be the concerned State Government.

As such, in reported cases where irregularities and mis-utilisation of the MPLADS funds have occurred due to slackness on the part of officers of concerned district authorities, the action will have to be taken under the relevant Discipline and Appeal Rules, as applicable to the concerned officers by the competent disciplinary authority in the State Government.

Under Rule 3(1) of the All India Services (Conduct) Rules, 1968, every member of the Service shall, at all times, maintain absolute integrity and devotion to duty and shall do nothing which is unbecoming of a member of the Service. Further, under Rule 3(2) every member of the Service shall take all possible steps to ensure integrity and devotion to duty by all Government servants for the time being under his control and authority.

If it is found that the officers have either been negligent in due performance of their duties, for reasons beyond their control, or have deliberately caused delay in release of the MPLADS funds or in taking decisions regarding implementation of works with malafide intention which may amount to mis-conduct warranting action under the relevant

Discipline and Appeal rules, disciplinary action may be initiated against them after following the due process as prescribed under those rules.

If a preliminary enquiry conducted on the initiative of Government of India or on the recommendation of the Committee on MPLADS brings out any cases of lapses on the part of the officers of the All India Services or the State Services, the decision to initiate disciplinary proceedings may be taken by the competent disciplinary authority in the State Government after obtaining preliminary explanation of the concerned officers who are alleged to have committed the act or omission. However, while considering the matter of initiating disciplinary action, it may be appropriate to keep in view whether the lapses are deliberate or procedural in nature or any malafide can be attributed to the officers concerned. Bonafide mistakes or errors of judgment may not be considered appropriate for disciplinary action.

It may also need to be kept in view whether the circumstances leading to lapses in regard to implementation of the MPLADS were beyond the control of the concerned officers before any decision is taken to initiate proceedings against any officer.

As provisions already exist in the conduct rules for the officials of the All India Services, as indicated earlier, as well as the State Services, there may not be a need to incorporate any specific provision in the MPLADS Guidelines for enabling disciplinary action in case of failure. As the competent disciplinary authority in either case will continue to be the State Government, it will be necessary to impress upon the respective State Government to ensure implementation of the scheme in accordance with the prescribed guidelines.

The cases of serious lapses warranting disciplinary action may be brought to the notice of the concerned State Government who may then take appropriate action in accordance with the relevant rules.

As regards the suggestion to stem out corrupt practices involved in the implementation of the MPLADS, if a prima facie case of criminal misconduct is made out by an investigating agency, a criminal case can also be registered in addition to the disciplinary proceedings under the relevant Discipline and Appeal Rules. It may, however, be mentioned that any

such investigation will have to be carried out by the investigating agency of the concerned State Government. Investigation by a Central Government agency like the CBI may not be feasible unless the concerned State Government accords its consent to extend the jurisdiction of the officers of the CBI to investigate the case in accordance with the provisions under Section 6 of the DSPE Act, 1948 and the Central Government agrees with the same and issues notification under Section 5 of the Act.”

10.17 Regarding appointment of auditors and submission of audit reports, paragraph 5.4 of Guidelines on MPLADS provides :-

“The District Authority and Implementing Agencies will properly maintain MPLADS accounts. District Authority will furnish Utilization Certificate every year in the form prescribed in the Guidelines ... to the State Government and the Ministry of Statistics and Programme Implementation. These accounts and Utilization Certificates will be audited by the Chartered Accountants or the Local Fund Auditors or any Statutory Auditors as per the State/UT Government procedure. The Auditors should be engaged by State/UT Government for each District Authority on the basis of the recommendation of the Accountant General of the State/UT concerned. The District Authority will submit every year the audited accounts, reports and certificates to the State Government and the Ministry of Statistics and Programme Implementation. The normal audit procedures would apply under the Scheme for auditing the accounts of the District Authority and Implementing Agencies. In addition, the Comptroller and Auditor General of India will undertake test audit and send reports to the District Authorities, the State Government and the Ministry of Statistics and Programme Implementation “

10.18 The Comptroller and Auditor General of India was requested vide this Secretariat's questionnaire dated 26 August, 2008 and the Comptroller and Auditor General of India had replied vide their letter dated 5 November 2008 as under :

“ (a) (i) Accountants General of 23 States/UTs viz: (i) Uttar Pradesh (ii) Andhra Pradesh (iii) Assam (iv) Bihar (v) Himachal Pradesh (vi) Manipur (vii) Maharashtra (viii) Chattisgarh (ix) Orissa (x) Sikkim (xi) Madhya Pradesh (xii) Jharkhand (xiii) Tripura (xiv) Jammu & Kashmir (xv) Uttrakhand (xvi) Punjab (xvii) Haryana (xviii) Gujarat (xix) Nagaland (xx) Arunachal Pradesh (xxi) Mizoram and (xxii) PDA (Central) Kolkata have replied that their offices have not been

consulted in the appointment of auditors for auditing the accounts of MPLADS.

- (b) (ii) Pr. AG (Audit) Kerala has stated that the State Government has not appointed auditors in all the Districts though a list of 42 Chartered Accountants firms was forwarded to the Government of Kerala. Deviation if any, will be known only after finalization of the above task by the State Government.
- (c) (iii) Pr. AG (Civil Audit), Tamil Nadu has stated that the State Government has empowered the Commissioner of Rural Development and Panchayat Raj, Chennai to approve the panel of Chartered Accountants proposed by the District Collector/Chairman of DRDA.
- (d) (iv) AG, (LB) Rajasthan has stated that the selection of the CA is made by the State Government out of the panel drawn by them.”

10.19 On this issue the Comptroller & Auditor General of India in a written note stated as under:

“Audit conducted by Comptroller and Auditor General of India in any Government entity are of three types :

- (i) Financial (certification)
- (ii) Transaction/Compliance Audit; and
- (iii) Performance Audit...

It is our considered opinion that rather than financial (certification) audit being conducted by chartered accountants nominated by State/district authorities on or without the recommendation of the Accountant General, it should rightfully be carried out by the State Accountants General or by an agency working on behalf of the State Accountants General and under their control, in cases of a resource constraint in terms of manpower with the respective Accountant General. It is necessary from the point of view of the unified audit control, including risk and materiality assessment and consistency/coordination of audit procedures in different kinds of audit. Financial (certification) audit by private auditors and transaction/compliance and performance audits by Comptroller & Auditor General presents rather a fractured platform for audit, which affect all the three types of the audit adversely. While the chartered accountants conduct audit as per the standards of the Institute of Chartered Accountants of India, the audit by Comptroller & Auditor General is as per the Auditing Standards pronounced by him. There could be variance in the approach and objective of the two. If an issue of inadequacy of audit human resources with particular Accountants General for timely audit of all accounts maintained in the districts emerges, it could be sorted out by appointment of the financial (certification) auditors by the Accountants General themselves under their audit control and in accordance with the norms and standards prescribed by Comptroller and Auditor General of

India rather than being left to the auditees themselves to appoint the auditors. The existing system of financial (certification) audit is a serious compromise on unified audit approach of the scheme.

It is clarified that transaction audit of MPLAD funds/Works is conducted on test check basis regularly in District Authorities and PRIs/ULBs as per risk assessments made by the respective Accountants General. The audit findings of transaction audit are however reported in C & AG's audit reports placed before the State Legislatures or made available to the State Government as the District Authorities/PRIs/ULBs are the entities of the State. As regards reporting these audit findings at the level of district authorities/PRIs to the Ministry of Statistics and Programme Implementation, an arrangement needs to be evolved for consolidation of these State level findings annually and reporting to the Parliament."

10.20 When approached by the Committee on MPLADS, the C&AG of India informed in a written note as under :

"Two Performance Audit reports on MPLAD Scheme for the year ended March 1997 and March 2000 were presented to Parliament on 11 June 1998 and 17 April 2001 respectively. Thus complete and vetted Action Taken Notes were required to be submitted by the Ministry by 10 October 1998 and 16 August 2001. The Action Taken Notes to the Public Account Committee are overdue by 10 and 7 years respectively. It has been observed that many Ministries/Departments, however, do not comply with the orders of the Government/recommendations of Public Account Committee regarding submission of Action Taken Notes within four months. Large number of outstanding Action Taken Notes highlights the weakness of the existing system. There is an immediate need to prescribe appropriate legislative action and procedures in cases of default to address this problem and strengthen the system of Parliamentary financial control and accountability in governance."

**10.21 The Committee note that despite the problem of shortage of manpower and constraints in having effective control over the officials of State/UT Governments in our federal structure, the Ministry of Statistics and Programme Implementation are taking several steps to improve monitoring of the implementation of the scheme, like engaging NABARD Consultancy Service (NABCONS) for full-scale appraisal of the MPLAD Scheme in selective districts and enabling universal online access of details of works under MPLAD Scheme among other things. The Committee are of the opinion that the Ministry of Statistics and Programme Implementation being the custodian of MPLAD funds which are being spent by the State Authorities which are not under their direct**



control, have greater responsibility for having a vigilant eye over all the expenses being spent towards MPLADS works. The Committee feel that in order to strengthen transparency and accountability under the Scheme, the physical monitoring of the Scheme has to be strengthened and the Ministry should work to equip themselves with adequate manpower and mobilize them for proper physical monitoring in every nook and corner of the country. The Committee appreciate the step of engaging NABCONS for physical monitoring of works in selected districts and recommend that the scope of engaging independent agency like NABCONS for full-scale appraisal of MPLAD works should be explored by the Ministry. The Committee would like to be apprised of the outcome of the monitoring undertaken by the NABCONS.

**10.22** The Committee are of the view that in the age of modern era of information technology, the dependency on the physical transmission of the reports/documents/data/information from districts to Centre is obsolete and the Ministry should expedite efforts for implementing online transmission of Monthly Progress Reports in revised format to incorporate maximum information on working of the scheme including the position of pending works/recommendations. In order to make the process of release of funds smooth, quick and hassle free, the Ministry should also undertake the task of shifting to electronic transfer of MPLAD funds on a war footing and keep the Committee informed about the achievements from time to time.

**10.23** The Committee note that the provisions of review meetings at Centre, State and District Levels has been thoughtfully incorporated in the extant guidelines in order to identify and sort out problems in implementation of the MPLAD Scheme. But the Committee are constrained to observe on the basis of information provided by the Ministry of Statistics and Programme Implementation and the feedback received from various States/UTs, that the Review Meetings are not being taken even once in a year in many States/UTs. This shows the lackadaisical attitude on the part the State Governments/Nodal Ministries Departments at State/UT level. The Committee were informed during Study Visits in some of the States that exclusive review meetings at the level of Chief Secretary/Additional Chief Secretary/Principal Secretary/Secretary to the Nodal

Ministry/Department were difficult to hold due to the officers being occupied in various other schemes and works. The same difficulty was expressed by many District Collectors in respect of inspection of selected projects and review meetings with the Implementing Agencies. The Committee while taking notice of the difficulties expressed by the State/District Authorities, feel that even though the MPLAD Scheme is a Central Government Scheme and the works are being suggested by the Members of Parliament, the basic objective of the Scheme is to undertake development works to the extent of creating durable assets for community welfare in the States/UTs and to meet the felt needs of the local people. Since the needs of local common people cannot be undermined, in view of the Committee the MPLAD Scheme should not, in any manner, be given less priority. While emphasizing on the exclusive meetings by the concerned authorities in States/UTs/Districts in connection with MPLAD works, the Committee suggest that whenever feasible, review of MPLAD works can also be clubbed with review of other Schemes in States/UTs/Districts. The Committee also stress the need for extra efforts on the part of the Ministry of Statistics and Programme Implementation to pursue constantly the State/UT and District Authorities to ensure that they review the works under MPLAD Scheme regularly without fail.

10.24 In the present scenario, where the review meetings by the Secretary to the Nodal Ministry/Department of States/UTs are not being taken regularly, the Committee are of the opinion that even when the State Level review meeting is taken once in a year, it may not be practical for them to go into details of the ongoing as well as pending works apart from resolving the doubts in the minds of District Authorities regarding admissibility and feasibility in implementation of the suggested works and also the genuineness of rejected works in each case. The Committee, therefore, strongly feel the need for an intermediary stage of supervision at the level of Divisional Commissioner. The Committee recommend that the Ministry of Statistics and Programme Implementation should make suitable provisions in the Guidelines to ensure review meetings of the Divisional Commissioners with the District Collectors and Implementing Agencies at least twice a year. The Committee also recommend that the Monthly Progress Reports (MPRs) should be appropriately modified to cover maximum information

including the status of all the recommended works by the MPs, including quality of work whether pending, ongoing or complete in addition to the fund utilization in each case and the position of the availability and requirement of MPLAD funds. The Committee desire that the MPRs should be submitted by the District Authority every month to the concerned Divisional Commissioner, State Nodal Ministry, Ministry of Statistics and Programme Implementation. A quarterly statement may also be sent to the Secretariats of the Parliamentary Committees on MPLADS. The submission of MPRs may not be difficult as online submission is also being envisaged and emphasized.

**10.25** From the feedback received during the course of the review of the Scheme, the Committee find that in many cases MPLAD funds were not released even for the years 2005-06 onwards due to non-submission of required documents like Monthly Progress Report (MPR), Utilization Certificate (UC) and Audit Certificates (AC) by the district authorities. The reasons for delay, as put forward by the concerned authorities, are not satisfactory in most of the cases as delay in appointing auditors, carelessness of implementing agencies in timely submission of UCs, improper and insufficient efforts on the part of District Authorities and casual monitoring by State Nodal Ministry/Department and Ministry of Statistics and Programme Implementation have been observed. In some of the cases, the District Authorities did not bother to submit MPRs/UCs/ACs in time, gave wrong information to MPs about availability of funds, took arbitrary decisions in assessing the admissibility and feasibility of works recommended by MPs and rejected the recommended works on flimsy grounds. Many a time, the District Authorities did not take decision on MPs recommendations within 45 days as required in the Guidelines and did not even intimate the MPs the reasons in cases of rejections. The Committee are perturbed to note that in certain cases, no action could be taken against the erring officers for years even when the Committee raised the issue repeatedly and constantly with the Ministry of Statistics and Programme Implementation. To the utter surprise of the Committee, the Ministry simply kept on writing letters and reminders to the concerned State authorities after being questioned every time by the Committee. The Committee are rather shocked by the response from the Secretary to the Ministry of Statistics and Programme Implementation that in

a federal structure, no action can be taken against the officers responsible for violating the Guidelines who are working under State Governments. While disagreeing with the helplessness shown by the Ministry with regard to the issue of taking action against erring officers, the Committee are of the opinion that the Ministry should first of all put in their best efforts in identifying and getting the responsibility fixed in respect of the officers committing such violations and then pursue the matter vigorously at the highest level, if needed, for taking appropriate action under the rules as per law of the land, including criminal prosecution. In case it is felt that action is being delayed or no action is being taken in such cases by the concerned State Government, the Ministry of Statistics and Programme Implementation should communicate their displeasure at the highest level to the State Government. In case where the concerned officer against whom action has to be taken belongs to All India Services, the Ministry of Statistics and Programme Implementation should also bring the matter to the notice of Department of Personnel and Training (DoPT), Ministry of Personnel, Public Grievances and Pensions for appropriate action on their part. The Committee also recommend that as a deterrent, the Ministry of Statistics and Programme Implementation should insert an appropriate clause in the Guidelines specifying clearly that action under the relevant Rules would be taken against the erring officers found guilty of violating the guidelines and indulging in corrupt practices with a Compliance Report from his / her immediate controlling officer within a month to the Nodal Ministry.

**10.26** The Committee note that most of the district authorities functioning under the State Governments are the officers of All India Services. The officers of All India Services are appointed to a State cadre by the President of India and their services are placed under the control of respective State Governments. It is also noted in the light of information received from DoPT that if there is any specific charge of violation or misconduct against any officer of the All India Services functioning under the control of State Government, the preliminary enquiry can be conducted by the State Government on the initiation of the Ministry of Statistics and Programme Implementation, Government of India, which is the nodal Ministry for MPLAD Scheme, or on the recommendations of the Parliamentary Committee on MPLADS. In case lapses on the part of the

officers of the All India Services or the State Services are brought out in the preliminary enquiry, the competent disciplinary authority in the State Government can initiate disciplinary proceedings under relevant rules after obtaining preliminary explanation of the concerned officers who have been found responsible for the act of omission. In the cases relating to the officers of All India Services, the Committee have been given to understand by the DoPT, Ministry of Personnel, Public Grievances and Pensions of Government of India that on being apprised of such cases by the nodal Ministry of Statistics and Programme Implementation, they can keep them in their record and when those officers opt to come to Government of India on deputation, they will inform the State Government that the officer would be taken on deputation only if the State Government clarifies to them as to what action has taken against those officers for violation of the MPLAD Guidelines.

**10.27** The Committee, therefore, recommend that the Ministry of Statistics and Programme Implementation should invariably bring all cases relating to lapses, violation and misconduct in MPLAD Scheme on the part of officers of All India Services working under State Governments to the notice of DoPT, Government of India and DoPT on their part should pursue the reported cases with the concerned State Government for action. The DoPT should place such cases in their record and should act appropriately to as per existing rules and provisions.

**10.28** The Committee further recommend that the DoPT should take appropriate steps to ensure that a module regarding all aspects of MPLAD Scheme is introduced in the training programme of the officers of Indian Administrative Service at the Lal Bahadur Shastri National Academy of Administration at Mussorie. The IAS officers including the district collectors should be made to attend orientation programmes on MPLAD Scheme as a part of their mid-career training programme also in order to sensitize them about the need for proper, complete and time-bound implementation and effective monitoring of MPLAD Scheme in a responsible manner. The nodal Ministry in Government of India i.e. the Ministry of Statistics and Programme Implementation should also be associated in such training and orientation programmes. The

**MPLADS Committees of both the House of Parliament should also be apprised from time to time of the action taken.**

**10.29** The Committee note that the Ministry has woken up very late and taken monitoring of MPLADS works implementation a bit seriously now a software has been developed and launched on 30 December 2004 by the Ministry of Statistics and Programme Implementation. The facilitated substantial improvement in the data entry in the software but the Committee had observed during their study visit to different parts of India and especially to Goa on 9 February 2008 that many of the works were rejected on flimsy grounds and district agencies are not properly maintaining asset registers of the completed works. The Central government has not taken concrete action on the findings of the audit reports, the Planning Commission's Evaluation Report and complaints received from the Members of Parliament. Not only this, the Ministry was not in a position to remove misconception about this scheme at various forums including the press and electronic media. The Committee are also unhappy to note that the Ministry was unable to get pending instalments released of a number of MPs.

**10.30** The Committee recommend that to obviate recurrence of such situations in the future and for having a suitable accounting procedure, the Ministry of Statistics and Programme Implementation should periodically make assessment about the :-

- (i)** quality of works completed through the funds of MPLAD Scheme;
- (ii)** amending Guideline No.6.2 by adding a new clause about coordination with the nodal Secretaries in each State/UT and District Magistrates, Deputy Commissioners/Collectors so as to avoid delay in providing sufficient funds under the Scheme for the benefit of the people.

**10.31** The Committee note that the auditors are engaged by the concerned State/UT Govt. for each District Authority on the basis of the recommendation of the Accountant General of the State/UT and the District Authority submits for every year the audited accounts, reports and certificates to the State Govt. and Ministry of Statistics and Programme Implementation. The Committee further

note that the audit of the MPLADS funds at the implementation level in the States is carried out by Chartered Accountants for financial (certification) audit while transaction/compliance audit and performance audit are carried out by the respective State Accountants General in respect of District Authorities. The Committee also observe that in many cases State Accountants General are not being consulted by the States for appointment of auditors of MPLAD Scheme. The Committee endorse the views of the C&AG of India on the issue and recommend that the financial (certification) auditors should be appointed 'by the C&AG of India or the Accountants General of States under their audit control and in accordance with the norms and standards prescribed by the Comptroller and Auditor General of India rather than being left to the auditees themselves to appoint the auditors as the existing system of financial (certification) audit is a serious compromise on unified audit approach of the scheme. The Committee also recommend that the auditors so appointed should audit the expenses incurred in respect of MPLAD Scheme by the District Authorities/Implementing Agencies (including Government Agencies, PRIs and NGOs) and submit the audit findings in a district wise/constituency wise format to the respective District Authorities and concerned States Government (Nodal Ministry) as well as to the Ministry of Statistics and Programme Implementation, Govt. of India annually within stipulated time so as to ensure timely release of instalments of Funds under this Scheme. The Committee also strongly feel that an arrangement needs to be evolved for consolidation of State level findings in this regard annually and reporting thereof to the Parliament.

10.32 The Committee observe that there is further scope for improving the system of MPLAD Scheme by having :-

- (a) Electronic mode of transfer of MPLAD Scheme funds and receiving back from the Districts and Monthly Progress Reports, Utilisation Certificates and Audit Certificates through Internet.
- (b) Regular and effective coordination by nodal Ministry with the nodal Secretaries in the States/UTs;
- (c) Making the scheme as a *Statutory Scheme* with a penal provision so as to punish the recalcitrant officials of the Central/State Governments and Union Territories.

**10.33** The Committee note that two Performance Audit reports on MPLAD Scheme for the year ended March 1997 and March 2000 were laid on the Table of both Houses of Parliament on 11 June 1998 and 17 April 2001 respectively. The Committee understand that as per the extant procedure laid down by PAC, duly vetted Action Taken Notes in respect of the Audit findings/observations contained in the aforesaid Report were supposed to have been furnished by the Ministry of Statistics and Programme Implementation to the PAC through the Ministry of Finance (Department of Expenditure) within four months from the date of laying of the Audit Reports i.e., by 10 October 1998 and 16 August 2001 respectively. The Committee are aghast to find these Action Taken Notes are overdue by 10 and 7 years respectively. The Committee express their strong displeasure over the inordinate delay in submission of Action Taken Notes, which is inexplicable. The Committee recommend that the Ministry of Statistics and Programme Implementation should take up the matter vigorously with the concerned State/U.T. authorities and ensure that complete replies to the audit paras alongwith remedial measures taken by the States to avoid recurrence of such lapses, are settled as per procedure without further delay. The Committee may invariably be apprised of the progress made in this regard at periodic intervals. The Committee are also given to understand that many Ministries/Departments do not comply with the recommendation of Public Account Committee regarding submission of Action Taken Notes within four months and a large number of Action Taken Notes on various Audit Paras remain pending with various Ministries/Departments of the Government. Since the Ministry of Finance (Department of Expenditure) is the nodal Ministry for ensuring submission of Action Taken Notes on various audit paras by the respective Ministry/Department to the Public Account Committee, the Committee therefore recommend that the Ministry of Finance should take appropriate action in this regard, so that such delays do not recur again in future.



## CHAPTER - XI

### Change of Nomenclature of the Scheme

11.1 The Committee received certain suggestions regarding change of nomenclature of the Scheme.

11.2 The Government of Bihar, in this regard, suggested :-

“The first two letters of the acronym MPLADS needs to be dropped right away in order to reassure the local population that ‘IT IS NOT THE MP’S PERSONAL FUND’. A more suitable acronym would be ECDS standing for Electoral Areas Development Scheme.”

11.3 The Ministry of Statistics and Programme Implementation commented on the above suggestion :-

“Noted for consideration at the time of revision of Guidelines.”

11.4 Shri Hrudananda, Jajpur, Orissa opined on this issue :-

“Scheme should be renamed as Village Ward Development Fund two crore should be distributed among the villages consisting of a constituency equally according to the population, completion of progress of work should be certified by the village committee with majority signature to reduce the manmade delay made by official procedures.”

11.5 The Ministry of Statistics and Programme Implementation offered no comments on the above suggestion/opinion.

11.6 Tasleem Bano, C/o. Alam PCO, Railway Phatak, Chireaiyakot Road, on this issue, suggested :-

“Member of Parliament Local Area Development Scheme may be renamed as Parliamentary Constituency Development Scheme and Assembly Constituency Development Scheme in which there should not be any interference of MPs/MLAs.”

11.7 The Ministry of Statistics and Programme Implementation have not commented on this suggestion either.

**11.8 The Committee take note of suggestions received for change of nomenclature of this scheme and after deliberations on this subject find that there are so many criticisms attached to this scheme merely due to attachment of the word 'Member of Parliament' with the scheme. Usually it is considered that it is a scheme being implemented by MPs after allocation of funds to them. A general impression prevails that funds are allocated to MPs and they disburse the same at their whims and fancies for the works of their own choice. Perusal and careful study of the scheme makes it clear that role of a Member of Parliament in this scheme is merely to recommend works for locally felt needs of his constituents for creation of durable assets. He has no role to play in the execution and implementation of the scheme. It is the sole responsibility of Ministry of Statistics and Programme Implementation, State Nodal Departments and District Administration to execute and implement this scheme as per MPLADS Guidelines. The Committee do not find any merit in most of the criticisms attached to this Scheme and, therefore, strongly recommend that it would be appropriate to change the nomenclature of this scheme by removing the word 'Member of Parliament' from this scheme so as to do away with the unreasonable criticisms of the scheme. It would be appropriate if the scheme is renamed as "Scheme for Local Area Development (SLAD)."**

**Guidelines**  
**on**  
**Member of Parliament**  
**Local Area Development Scheme**  
**(MPLADS)**



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**November 2005**

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## FOREWORD

After taking over charge of the Ministry of Statistics and Programme Implementation in May, 2004, my endeavour has been to bring about all round improvement in the Programmes/Schemes of the Ministry. My attention was specifically attracted to the implementation of the Member of Parliament Local Area Development Scheme (MPLADS) about which I was also concerned earlier as Member of the MPLADS Committee of Rajya Sabha.

The MPLAD Scheme is governed by a set of guidelines notified in April, 2002. Since then, several circulars were issued clarifying various provisions of the Guidelines. Further, certain other provisions needed to be modified in order to bring about further improvement in the implementation of the Scheme. Consequently, a need for revision of the guidelines was felt by the Ministry. I had the good opportunity of having inter-active discussions with the Hon'ble Members of Parliament in four batches from August to December, 2004 and could get their valuable suggestions. After taking into account in suggestions of the Hon'ble Member of Parliament, MPLADS Committees of Parliament and other relevant observations of the Comptroller and Auditor General of India, the Guidelines have been comprehensively revised.

The revised Guidelines inculcate financial discipline at the district level, monitoring of MPLADS works and clearly demarcating the functioning at the Panchayat, Block, District and State levels. The illustrative list of permissible items has been removed and only the list for non-permissible items has been provided. It means the works which are not covered in the non-permissible list can be taken up under MPLAD scheme. While retaining the maximum limit of Rs. 25 lakhs of works for the Trusts and Societies from the MPLADS; the maximum limit of cost of Rs. 25 lakh for each work stipulated in the earlier Guidelines has been deleted.

I am happy in releasing the Revised Guidelines to all concerned and hope that this will meet their requirement and will be helpful in bringing about the improvement in the Scheme implementation.

November 16, 2005

(OSCAR FERNANDES)



सत्यमेव जयते

पी. एस. राणा

सचिव

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## PREFACE

The implementation of the Member of Parliament Local Area Development Scheme (MPLADS) is governed by a set of Guidelines which were first issued in February, 1994 and have been updated and revised from time to time. The last revision was made in April, 2002. We have now undertaken comprehensive revision of the Guidelines keeping in view the recommendations of the MPLADS Committees of the Parliament, observations made by the Comptroller and Auditor General of India in his two reports, suggestions made by Members of Parliament and provisions of the new General Financial Rules issued by the Ministry of Finance.

The revised Guidelines are simple, clear and understandable to all concerned. The notable features of the Guidelines are the removal of the limit of Rs. 25 lakh on individual works to be executed by Govt. Departments/Agencies, deletion of illustrative list of permissible items, clear demarcation of the role of the Implementing Agency, District Authority, State Government and the Government of India. Some new provisions made in the Guidelines include the development of areas inhabited by Scheduled Castes and Scheduled Tribes; special provision for natural calamities like floods, droughts etc.; and also for education and cultural development. In order to bring about financial discipline at the implementation level, the release and management procedure of MPLADS funds has been streamlined. Monitoring through the software developed by the Ministry of Statistics and Programme Implementation has also been provided in these Guidelines.

Since inception of the Scheme, as on 1<sup>st</sup> November, 2005, Rs. 14,308.80 crore have been released by Government of India to various districts. Out of the released amount, Rs. 12,732.16 crore have been utilized by the Nodal Authorities in the districts. Further, out of a total of 8,77,571 works sanctioned under the Scheme, 7,76,675 works have so far been completed. The percentage of utilization of release is 88.98 and that of works completed to sanctioned is 88.43. With the revision of the Guidelines, it is expected that the utilization of funds under MPLADS would further improve filling the gap in infrastructure at the local level.

I hope that these Guidelines with the features indicated above will prove an effective tool for proper implementation of the MPLAD Scheme.

(P.S. Rana)

Secretary to the Government of India

November 16, 2005

**GUIDELINES**  
**ON**  
**MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME**

**1. BACKGROUND**

- 1.1 The general public approach Members of Parliament (MPs) for provision of certain basic facilities including community infrastructure in their areas. Government of India considered the need for a mechanism to respond to such requests and decided to have a scheme to meet the felt needs of the people.
- 1.2 On 23<sup>rd</sup> December 1993 Prime Minister announced in the Parliament the Members of Parliament Local Area Development Scheme (MPLADS). Initially the MPLADS was under the control of the Ministry of Rural Development. The Guidelines were issued in February 1994, covering the concept, implementation and monitoring of the Scheme. The subject relating to the MPLADS was transferred to the Ministry of Statistics and Programme Implementation in October 1994. The Guidelines were periodically updated in December 1994, February 1997, September 1999 and lastly in April 2002. With the experience gained over a decade, and having considered the suggestions made by the Members of Parliament in the inter active discussions taken by the Minister of State (Independent Charge) of the Ministry of Statistics and Programme Implementation; MPLADS Committees of the Parliament; Planning Commission and Comptroller and Auditor General of India in its two Reports; it was felt necessary to carry out a comprehensive revision of the Guidelines.
- 1.3 The objective of the scheme is to enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs to be taken up in their Constituencies. Right from inception of the Scheme, durable assets of national priorities viz. drinking water, primary education, public health, sanitation and roads, etc. are being created.
- 1.4 In 1993-94, when the Scheme was launched, an amount of Rs. 5 lakh per Member of Parliament was allotted which became Rupees one crore per annum from 1994-95 per MP constituency. This was stepped up to Rs. 2 crore from 1998-99.
- 1.5 The Ministry of Statistics and Programme Implementation has been responsible for the policy formulation, release of funds and prescribing monitoring mechanism for implementation of the Scheme. A Department in the State or the

Union Territory (UT) is designated as the Nodal Department with the overall responsibility of supervision, monitoring and coordination of the MPLADS implementation with the districts and other Line Departments. The Government of India informs the State Nodal Department about the MPLADS funds release to the District Authorities. The District Authorities report the status of MPLADS implementation to the Government of India and State Nodal Department. The District Authority gets the MPLADS implemented through Local Self Governments or through Government agencies. In some cases, the District Authority engages reputed Non Government Organizations (NGOs) for execution of MPLADS works.

## **2. FEATURES**

- 2.1 The MPLADS is a Plan Scheme fully funded by Government of India. The annual MPLADS fund entitlement per MP constituency, is Rs. 2 crore.
- 2.2 Lok Sabha Members can recommend works for their respective constituencies. Elected Members of Rajya Sabha can recommend works for implementation in one or more districts as they may choose in the State of their election. Nominated Members of Lok Sabha and Rajya Sabha can recommend works for implementation in one or more districts anywhere in the country.
- 2.3 The choice of the Nodal District shall be furnished by Lok Sabha and Rajya Sabha Members to the Director (MPLADS) of the Ministry of Statistics and Programme Implementation with copy to the State Nodal Department and the District Authority in the format at **Annex-I**. In case a Lok Sabha constituency covers more than one district, the Member of Lok Sabha may choose one of the districts as the Nodal District.
- 2.4 All works to meet the locally felt community infrastructure and development needs with emphasis on the creation of durable assets in the respective constituency are permissible under MPLADS except those prohibited in **Annex-II**. MPs may choose some works for creation of durable assets of national priorities namely drinking water, education, public health, sanitation, and roads under the Scheme.
- 2.5 **Development of Areas inhabited by Scheduled Castes and Scheduled Tribes:** There is a greater need to develop areas inhabited by Scheduled Castes (SCs) and Scheduled Tribes (STs). It is necessary that special attention is given for infrastructural development of such areas. The MPs are to recommend every year such works costing at least 15% of MPLADS fund for areas inhabited by Scheduled Caste population and 7.5% for areas inhabited by Scheduled Tribe



population. In other words, permissible works costing not less than Rs. 30 lakh out of the annual allocation of Rs. 2 crore per MP shall be recommended for areas inhabited by SC population and Rs. 15 lakh for areas inhabited by ST population. In case, a constituency does not have ST inhabited area, such fund may be utilized in SC inhabited areas and vice-versa. It shall be the responsibility of the District Authority to enforce this provision of the Guidelines.

- 2.6 Each MP will recommend works up to the annual entitlement during the financial year preferably within 90 days of the commencement of the financial year in the format at **Annex-III** to the concerned District Authority. The District Authority will get the eligible sanctioned works executed as per the established procedure laid down by the State Government for implementation of such works subject to the provision in these Guidelines.
- 2.7 **Natural Calamities:** MPLADS works can also be implemented in the areas affected by the calamities like floods, cyclone, Tsunami, earthquake, tornado and drought. Lok Sabha MPs from the non-affected areas of the State can also recommend permissible works up to a maximum of Rs.10 lakh per annum in the affected area(s) in that State. The funds would be released by the Nodal district of the MP concerned to the District Authority of the affected district. MPLADS funds may be pooled by the District Authority of the affected district for works permissible in the Guidelines. The Works Completion Report, Utilization Certificate and Audit Certificate for such works and funds will be provided by the District Authority of the affected districts to the respective District Authority from whom the funds were received.
- 2.8 In the event of “**Calamity of severe nature**” in any part of the country, an MP can recommend works up to a maximum of Rs.50 lakh for the affected district. Whether a calamity is of severe nature or not, will be decided by the Government of India. The funds in this regard will be released by the District Authority of Nodal district of the MP concerned to the District Authority of the affected district to get permissible works done. The Works Completion Report, Utilization Certificate and Audit Certificate for such works and funds will be provided by the District Authority of the affected districts to the respective District Authority from whom the funds were received.
- 2.9 If an elected Member of Parliament finds the need to promote education and culture of a State/UT wherefrom the MP is elected at a place outside that State/UT, the MP can select works relating to education and cultural development not prohibited under these Guidelines up to maximum of Rs10 lakh in a financial

year. In such cases, the Nodal District Authority will be fully responsible for coordination and other functions bestowed on him in the Guidelines. The works Completion Report, Utilization Certificate and Audit Certificate for such works and funds will be provided by the District Authority of the districts concerned to the respective District Authority from whom the funds were received.

**2.10 District Authority:** District Collector/District Magistrate/Deputy Commissioner will generally be the District Authority to implement MPLADS in the district. If the District Planning Committee is empowered by the State Government, the Chief Executive Officer of the District Planning Committee can function as the District Authority. In case of Municipal Corporations, the Commissioner/Chief Executive Officer may function as the District Authority. In this regard if there is any doubt, Government of India in consultation with the State/UT Government, will decide the District Authority for the purpose of MPLADS implementation.

**2.11 Implementing Agency:** The District Authority shall identify the agency through which a particular work recommended by the MP should be executed. The executing agency so identified by the District Authority is the implementing agency. The Panchayati Raj Institutions (PRIs) will preferably be the Implementing Agency in the rural areas and works implementation should be done through Chief Executive of the respective PRI. The Implementing Agencies in the urban areas should preferably be urban local bodies and works implementation should be done through Commissioners/Chief Executive Officers of Municipal Corporations, Municipalities. Further, the District Authority may choose either Government Department unit or Government agency or reputed Non-Governmental Organization (NGO) as capable of implementing the works satisfactorily as Implementing Agencies. For purposes of execution of works through Government Departments, District Authority can engage units for example, Public Health Engineering, Rural Housing, Housing Boards, Electricity Boards, and Urban Development Authorities etc, as Implementing Agencies.

### **3. IMPLEMENTATION**

3.1 Each MP shall recommend eligible works on MP's letter head duly signed. A letter format from the MP to the District Authority is at **Annex-III**. Recommendations by representative(s) of MPs are not admissible.

3.2 In case a constituency comprises more than one district, and the MP wishes to recommend works in the district other than the Nodal District, the works list in the prescribed format shall be given to the District Authority of the Nodal

District with copy to the District Authority in whose jurisdiction the proposed works are to be executed. The District Authority in whose jurisdiction, the proposed works are to be executed, will maintain proper accounts, follow proper procedure for sanction and implementation for timely completion of works. The District Authority will furnish monthly progress reports, work completion reports, and audit certificates for such works to the Nodal District Authority.

- 3.3 The District Authority shall identify the Implementing Agency capable of executing the eligible work qualitatively, timely and satisfactorily. The District Authority shall follow the established work scrutiny; technical, work estimation, tendering and administrative procedure of the State/UT Government concerned in the matter of work execution, and shall be responsible for timely and effective implementation of such works.
- 3.4 The work and the site selected for the work execution by the MP shall not be changed, except with the concurrence of the MP concerned.
- 3.5 Where the District Authority considers that a recommended work cannot be executed due to some reason, the District Authority shall inform the reasons to the MP concerned, under intimation to the Government of India and the State/UT Government within 45 days from the date of receipt of the proposal.
- 3.6 The District Authority should get in advance a firm commitment about the operation, upkeep and maintenance of the proposed asset from the User Agency concerned before the execution of the work is sanctioned.
- 3.7 The District Authority may sanction works as per the recommendation of the MP up to the full entitlement. However, the release of funds will be regulated as specified in these Guidelines.
- 3.8 If the estimated amount for a work is more than the amount indicated by the MP for the same, MP's further consent is necessary before the sanction is accorded.
- 3.9 The work should be sanctioned and executed only if the MP concerned has allocated the full estimated cost of the work in the year. If the commitment for the full estimated amount is not forthcoming and the amount recommended by the MP is less than the estimates for the work and there are no other sources

from which the deficit can be made good, then the work should not be sanctioned, as in such an eventuality, the project will remain incomplete for want of sufficient funds. The shortfall in the estimated cost vis-à-vis the one recommended by the MP should be intimated to the MP within 45 days of the receipt of the proposal.

- 3.10 In case, more than one list of recommendations is received by the District Authority, the priority will be as per the principle of first received to be first considered.
- 3.11 All works for which recommendations are received in the office of the District Authority till the last date of the term of the MP are to be executed, provided these are as per norms and within the entitlement of MPLADS funds of the MP. Such works cannot be changed by MP even if the MP is reelected. It shall be the responsibility of the Nodal District Authority to scrutinize all such recommended works within 45 days of the last date of the term of office of the MP either to accord necessary sanction as per the Guidelines, or to intimate the outgoing/former MP about the rejection with reasons.
- 3.12 On receipt of the recommendation from the MP, the District Authority should verify the eligibility and technical feasibility of each recommended work. All such eligible works should be sanctioned within 45 days from the date of receipt of recommendation. In case of delay due to genuine reasons, a clarification for delay should be incorporated in the sanction letter. The same may be intimated to the MP and State/UT Government. If a recommended work is not eligible or not feasible, the District Authority shall intimate the same with reasons to the MP concerned, the Government of India and State/ UT Government.
- 3.13 The sanction letter/order shall stipulate a time limit for completion of the work to the Implementation Agency. The time limit for completion of the works should generally not exceed one year. In exceptional cases, where the implementation time exceeds one year, specific reasons for the same shall be incorporated in the sanction letter/order. The sanction letter/order may also include a clause for suitable action against the Implementation Agency in the event of their failure to complete the work within the stipulated time as per the State Government Procedure. A copy of the sanction letter/order shall be sent to the MP concerned.
- 3.14 Decision making powers in regard to technical, financial and administrative sanctions to be accorded under the Scheme, vest in the district level functionaries. To facilitate quick implementation of projects under this Scheme,

full powers should be delegated by the State/UT Governments to the district functionaries. The District Authorities will have full powers to get the works technically approved and financial estimates prepared by the competent district functionaries before according the final administrative sanction and approval. The District Authority should, before sanctioning the work, ensure that all clearances for such works have been taken from the competent authorities and the work conforms to the Guidelines.

- 3.15 The work, once recommended by the MP and sanctioned by the District Authority may be cancelled if so desired by the MP only, if the execution of the work has not commenced and the cancellation does not lead to any contractual financial liability/ cost on the Government and also subject to Paragraph 3.11. If for some compelling, reasons, stoppage/abandonment of a work in progress becomes inevitable; the matter should be referred to the State Nodal Department with full justification for a decision under intimation to the Government of India and to the MP concerned.
- 3.16 On receipt of the recommendation of the works from the MP, and issue of the work sanction order by the District Authority, the District authority should ensure that details of the work sanctioned are entered in the Input Format (**Annex-IV A,B,C,D, and E**) and uploaded in the MPLADS website ([www.mplads.nic.in](http://www.mplads.nic.in)) or transmitted to the Ministry of Statistics and Programme Implementation for hoisting in its web site. District Authorities will take steps to ensure that all works so sanctioned with effect from 1<sup>st</sup> April 2005 are entered and transmitted to the Ministry for website hoisting. For the previous years works already executed or under execution need the similar process and all entries are made in a time bound manner. In all cases of doubts, the Software Manual for Monitoring of Works under MPLADS already released and available in the website may be referred to.
- 3.17 MPLAD Scheme can be converged with the Central and State Government schemes provided such works are eligible under MPLADS. Funds from local bodies can also be pooled for MPLADS works. Wherever such pooling is done, funds from other scheme sources should be used first and the MPLADS funds should be released later, so that MPLADS fund results in completion of the work.
- 3.18 The MPs concerned can recommend the use of MPLADS funds towards the State Government share in a Centrally Sponsored Scheme being implemented in their constituencies, provided the works under the Centrally Sponsored Scheme are permissible under MPLADS.

- 3.19 Public and community contribution to the works recommended by MPs is permissible. In such cases, MPLADS funds will be limited to the estimated amount minus the public and community contribution.
- 3.20 There are Central and State Government Schemes which provide for the public and community contribution. MPLADS funds shall not be used to substitute the public and community contribution in any Central/State Government Programme/Scheme, which includes a component of such contribution.
- 3.21 Community infrastructure and public utility building works are also permissible for registered Societies/Trusts under the Scheme, provided that the Society/Trust is engaged in the social service/welfare activity and has been in existence for the preceding three years. The existence of the Society/Trust shall be reckoned from the date it started its activities in the field, or the date of registration under the relevant Registration Act, whichever is later. The beneficiary Society/Trust shall be a well established, public spirited, non profit making entity, enjoying a good reputation in the area. Whether such a society/trust is well reputed or not, should be decided by the District Authority concerned on the basis of relevant factors, like performance in the field of social service, welfare activities, non-profit orientation of its activities, transparency of its activities and sound financial position. The ownership of the land may remain with the Society/Trust, but the structure constructed with MPLADS funds shall be the property of State/UT Government. The Society/Trust shall undertake to operate, maintain and up keep at its cost the asset created under MPLADS. If at any time, it is found that the asset created with MPLADS funds is not being used for the purpose for which the asset was funded, the State/UT Government may take over the asset and proceed to recover from the Society/Trust, the cost incurred from MPLADS for the creation of asset along with interest at the rate of 18% per annum calculated with effect from the date of use of MPLADS fund for the works concurred. A formal agreement (a model agreement form is at **Annex-V**) will be executed by the Society/Trust with the District Authority in favour of the Government in advance for the purpose. This agreement will be registered under the relevant Registration Act on a non-judicial stamp paper of Rs.10 or more, as is applicable in the State/UT. No stamp duty would be required to be paid for registration as there is no formal transfer of assets. Not more than Rs.25 lakh can be spent from MPLADS fund for one or more works of a particular Society/Trust. If a Society has availed of the MPLADS funds up to Rs. 25 lakh, no more work can be recommended for that Society/Trust under the Scheme. The MPLADS funding is not permissible to a Society/Trust, if the recommending MP or any of his/her family members is

the President/Chairman or Member of the Managing Committee or Trustee of the registered Society/Trust in question. Family members would include MP and MP's spouse which would comprise of their parents, brothers and sisters, children, grandchildren and their spouses and their in-laws.

- 3.22 As soon as a work under the Scheme is completed, it should be put to public use. For greater public awareness, for all works executed under MPLADS a plaque (stone/metal) carrying the inscription 'Member of Parliament Local Area Development Scheme Work' indicating the cost involved, the commencement, completion and inauguration date and the name of the MP sponsoring the project should be permanently erected.
- 3.23 List of all completed and ongoing works with MPLADS funds should also be displayed at the District Authority Office and posted in the website for information of the general public.
- 3.24 As per the provisions of the Right to Information Act, 2005 and the Rules framed thereunder, all citizens have the right to information on any aspect of the MPLAD Scheme and the works recommended/ sanctioned/ executed under it. This may include any information on works recommended by the MPs, works sanctioned/ not sanctioned, cost of works sanctioned, Implementing Agencies, quality of work completed, User's Agency etc. The District Authorities are responsible to provide such information to the public in the manner as required under the Right to Information Act 2005.

#### **4. FUND RELEASE AND MANAGEMENT**

- 4.1 The annual entitlement of Rs 2 crore will be released in two equal instalments of Rs one crore each by Government of India directly to the District Authority (District Collector/ District Magistrate/ Deputy Commissioner or the Chief Executive of the Municipal Corporation, or the Chief Executive of the District Planning Committee as the case may be), under intimation to the State/UT Nodal Department and to the Member of Parliament concerned.
- 4.2 At the time of the constitution of Lok Sabha, and election of a Rajya Sabha Member, the first instalment will be released to the District Authority and the report/ certificate required under Para 4.3 will not be necessary. The subsequent instalments of the continuing Members of Rajya Sabha and Lok Sabha will be released as per the eligibility criteria indicated in Paragraph 4.3. There will be no clubbing of the MPLADS accounts of the previous MP for the purpose of MPLADS fund release. Physical and Financial Progress for each MP (sitting and former) will be sent by the District Authorities separately.

4.3 The first instalment will be released in the beginning of the financial year. This is subject to the condition that second instalment of the previous year was released for the MP concerned. However, if any specific condition was imposed at the time of release of the second instalment of the previous year, its compliance will be ensured before the release of the first instalment. The second instalment of the MPLADS funds will be released subject to the fulfillment of the following eligibility criteria:-

- (i) the unsanctioned balance amount available with the accounts of the District Authority after taking into account the cost of all the works sanctioned is less than Rs.50 lakh;
- (ii) the unspent balance of funds of the MP concerned is less than Rupees one crore; and
- (iii) Utilization Certificate for the previous financial year and the Audit Certificate for the funds released for MP concerned in the year prior to the previous year have been furnished by District Authority. The Utilisation Certificate and Audit Certificate formats are at **Annex. VIII and IX** respectively.

The stipulations at (i) and (ii) above will be calculated from the Monthly Progress Report to be sent by the District Authorities for each sitting and former MP term-wise separately. **Annex-VI** is the format in which the Monthly Progress Report is to be sent by the District Authorities.

However, for release of 2<sup>nd</sup> instalment of 2005-06 of new MPs of 14<sup>th</sup> Lok Sabha and MPs of Rajya Sabha who have been elected in the year 2004-05, only Utilization Certificate for the funds released during 2004-05 would be required. However, in case of MPs of 14<sup>th</sup> Lok Sabha who have been re-elected and also MPs (RS) who have been continuing prior to 2004-05, 2<sup>nd</sup> instalment of 2005-06 will be released subject to the fulfillment of conditions as laid down in clause (iii) above.

4.4 **Funds Non-lapsable:** Funds released to the District Authority by the Government of India are non-lapsable. Funds left in the district can be carried forward for utilization in the subsequent years. Further, the funds not released by the Government of India in a year will be carried forward for making releases in the subsequent years subject to the fulfillment of criteria stipulated in Paragraph 4.3.



- 4.5 The entitlement of funds of a Rajya Sabha, MP for a particular year is determined as under:

<b>Period in the financial year as MP</b>	<b>Entitlement</b>
Less than 3 months	Nil
Up to 9 months	50% of the annual allocation
More than 9 months	100% of the annual allocation

- 4.6 If a Lok Sabha constituency is spread over more than one district, funds for the constituency shall be released to Nodal District Authority, who will be responsible for transfer of funds to the other districts within the constituency as per the requirement of funds in those districts.
- 4.7 The balances of MPLADS funds (funds not committed for the recommended works) left by the predecessor MP in a Lok Sabha constituency would be passed on to the successor MP from that constituency.
- 4.8 In respect of elected Members of Rajya Sabha, the balance of funds (funds not committed for the recommended and sanctioned works) left in the Nodal District by the predecessor Members in a particular State will be equally distributed by the State Government among the successor elected Rajya Sabha Members in that State.

However, the unspent balance of former Rajya Sabha MPs from 1993-94 to 2004-05, if not already distributed, will be equally distributed among the sitting Rajya Sabha Members of the States concerned.

- 4.9 The balance of funds (funds not committed for the recommended and sanctioned works) left by the nominated Members of Rajya Sabha in the Nodal District will be equally distributed amongst the successor nominated Members of Rajya Sabha by the Government of India.

However, the unspent balance of former Nominated Rajya Sabha Members from 1993-94 to 2004-05, if not already distributed, will be equally distributed among the sitting Nominated Rajya Sabha Members.

- 4.10 The balance of funds (funds not committed for the recommended and sanctioned works) left by Anglo-Indian nominated Lok Sabha MPs will be equally distributed among the successor Anglo-Indian nominated Lok Sabha MPs by the Government of India.

However, the unspent balance of former Anglo-Indian Nominated Lok Sabha Members from 1993-94 to 2004-05, if not already distributed, will be distributed among the sitting Nominated Lok Sabha Members.

- 4.11 The unreleased fund by the Government of India will follow the pattern stipulated in clauses 4.7 to 4.10 as the case may be and the fund release will be done by the Government of India.
- 4.12 Generally a vacancy caused prematurely due to resignation etc. of an elected/nominated Rajya Sabha MP is filled up by election/nomination for the remaining term of the MP vacating the seat. The total term of both the MPs in such cases remains six years. Therefore, the new MP will be treated as a successor of the MP vacating the seat prematurely and balance funds will not be distributed among other MPs but just transferred to MPLADS Account of the successor MP.
- 4.13 The District Authority can sanction works up to the entitlement of the MP for that year without even physical availability of funds. Funds will be released by the Government as per the eligibility stipulated in paragraphs 4.2 and 4.3
- 4.14 The District Authority and the Implementing Agencies shall deposit the funds in a nationalised bank. Separate account will be opened for each MP for the purpose.
- 4.15 The District Authority may release advance up to 50% of the estimated amount of a sanctioned work to an Implementing Agency. On the basis of the physical and financial report furnished by the Implementing Agency, the District Authority can release the remaining funds when 60% of the advance has been utilised.
- 4.16 The interest accrued on the funds released under the Scheme, to the District Authority is to be used for permissible works recommended by the MP concerned. The interest accrued on the funds released under the Scheme to the Implementing agencies shall be calculated while arriving at the savings for each work. The savings for each work shall be refunded to the District Authority within 30 days of the completion of the work.
- 4.17 **Contingency Expenses:** The District Authority can utilize up to 0.5% of the amount spent on completed projects in a year under MPLADS as 'contingency expenses' on the items like (i) Purchase of Stationery; (ii) Office equipment including computer (excluding laptop); (iii) Telephone/fax charges, postal charges; and (iv) Expenses incurred (a) to make MPLADS works monitoring

software operational and (b) to get the audit certificate and audit of the accounts.

This amount must not be used for meeting the cost of items like (a) Purchase of any type for office furniture; vehicles; air-conditioners, refrigerators etc. and (b) Renovation and maintenance of office building.

A separate account for such expenditure incurred during a year under MPLAD Scheme shall be maintained and MP concerned shall be kept informed besides making available the details for scrutiny by audit.

- 4.18 **Administrative and centage charges:** The District Authority and Implementing Agencies shall not levy any administrative charges, centage, salary of any person, travel cost etc. for their services in respect of preparatory work, implementation and supervision of projects/works under MPLADS. The District Authority shall not charge any administrative expenses for the MPLADS works.

## 5. ACCOUNTING PROCEDURE

- 5.1 The District Authority and Implementing Agencies shall maintain accounts of MPLADS funds, MP-wise. Cash Book and other Books of Accounts shall be maintained as per the State/UT Government procedure. MPLADS funds received by the District Authority from the Government of India and the Implementing Agencies receiving the funds from the District Authority shall be kept only in Savings Bank Account of a nationalized Bank. Only one Account shall be maintained per MP. Deposit of MPLADS funds by the District Authority and Implementing Agencies in the State/UT Government Treasury accounts is prohibited.
- 5.2 The District Authority shall also maintain different head wise list of works executed( Head and Code of Works may be seen in **Annex IV E**) in an Asset Register for all the MPLADS works created in the district and the Constituency for which the MPLADS funds were received.
- 5.3 On completion of a work, the Implementing Agency shall quickly finalize the accounts for that work and shall furnish a work completion report and utilization certificate and return the un-utilized balance (savings) and interest amount within 30 days to the District Authority concerned. The model work completion report is at **Annex-VII**. The District Authority and the Implementing Agency would arrange to transfer the asset to the User Agency without any delay. The User Agency should take it on its books for normal operation and maintenance.

## Utilization and Audit Certificates

- 5.4 The District Authority and Implementing Agencies will properly maintain MPLADS accounts. District Authority will furnish Utilization Certificate every year in the form prescribed in the Guidelines (**Annex- VIII**) to the State Government and the Ministry of Statistics and Programme Implementation. These accounts and Utilization Certificates will be audited by the Chartered Accountants or the Local Fund Auditors or any Statutory Auditors as per the State/UT Government procedure. The Auditors should be engaged by State/UT Government for each District Authority on the basis of the recommendation of the Accountant General of the State/UT concerned. The District Authority will submit for every year the audited accounts, reports and certificates to the State Government and the Ministry of Statistics and Programme Implementation. The normal audit procedures would apply under the Scheme for auditing the accounts of the District Authority and Implementing Agencies. In addition, the Comptroller and Auditor General of India will undertake test audit and send reports to the District Authorities, the State Government and the Ministry of Statistics and Programme Implementation.
- 5.5 The Audit Report should be prepared MP wise and should *inter alia* cover the following aspects: (i) number of Savings/other Bank Accounts being maintained by the District Administration and the Implementing Agencies; (ii) if any fund held in fixed deposits(Fixed deposits are not permissible); (iii) whether interest accrued in Savings Account has been taken as receipt and utilized for the Project; ( iv) delay, if any, in crediting the Accounts of the District Authority and the Implementing Agencies by the receiving Bank - if so, the period of delay; (v) Whether Bank reconciliation in respect of Cash Book balance and Pass Book balance is being done every month; (vi) The Bank reconciliation should also cover interest accruals. The Bank reconciliation statement as on 31<sup>st</sup> March should be attached to the Audit Report; (vii) Proper maintenance of Cash Book by the District Authority and Implementing Agencies; (viii) Cheques issued but not encashed as on 31st March as per Bank reconciliation; (ix) Actual expenditure incurred out of advances to the Implementing Agencies; and closing balances with them; (x) Diversion of funds, works prohibited and inadmissible items of expenditure ( The details along with the views of District Authority in each case shall form part of the audit report for the District Authority to get such audit objection settled and follow up audit in succeeding year); and (xi) Utilisation of earmarked fund for SC and ST areas.
- 5.6 The Audit Certificate furnished by the Chartered Accountants shall be submitted for every year by the District Authority along with replies to each of the audit

objections on or before 30<sup>th</sup> September of the succeeding year. It will be the responsibility of the District Authority to ensure that all audit objections are settled forth with. The Implementing Agencies are to submit works completion report and associated fund utilization report to the District Authority. The Chartered Accountants will audit all such reports and records and furnish their certificate in a model Audit Certificate prescribed in these Guidelines (**Annex-IX**). The audit fee may be paid under contingency expenses as per item iv (b) of paragraph 4.17.

5.7 There are former elected and nominated Members of Rajya Sabha and nominated Member of Lok Sabha who recommended works under MPLADS. Those are yet to be completed, for which works Completion Report, Utilisation and Audit Certificate are to be furnished by the District Authorities along with Monthly Progress Report (**Annex-VI**).

5.8 The District Authorities have been implementing MPLADS since 1993-94. They are to submit periodically works Completion Report, Utilization Certificate, and Audit Certificates. These Certificates are to be furnished to the Ministry of Statistics and Programme Implementation right from inception. Following time frame is drawn up for the District Authorities to submit these Completion Reports, Utilization Certificates, and Audit Certificates:-

<b>Year</b>	<b>All works Completion Reports</b>	<b>Utilization and Audit Certificates</b>
1993-94 to 1998-99	31.03.2006	30.06.2006
1999-2000 to 2002-03	30.06.2006	30.09.2006
2003-04 and 2004-05	30.09.2006	31.12.2006

## **6. MONITORING**

**6.1 Role of MPLADS Parliamentary Committees:** There are two Committees of Parliament (Rajya Sabha and Lok Sabha) on Members of Parliament Local Area Development Scheme which receive representations from MPs and the proposals submitted by the Government of India to advise the Ministry of Statistics and Programme Implementation, Government of India for appropriate action. The role of the Committees is decided by the Speaker, for Lok Sabha Committee, and Chairman Rajya Sabha for Rajya Sabha Committee on MPLADS.

## **6.2 Role of the Central Government**

- (i) The Ministry of Statistics and Programme Implementation shall monitor the overall position of funds released, cost of works sanctioned, funds spent etc.
- (ii) The Ministry will monitor the receipt of Completion Reports, Utilization Certificates, and Audit Certificate from the District Authorities.
- (iii) The Ministry will bring out Annual Report on the implementation of MPLADS including the facts relating to physical and financial progress.
- (iv) The Ministry will, hold meetings in the States and also at the Centre at least once in a year to review the implementation of the MPLAD Scheme.
- (v) The Ministry shall provide training materials for conducting training of district officers, on MPLADS as and when these are organized by the State Governments.
- (vi) The Ministry has developed the software on monitoring of MPLADS works and will operationalise through State-Governments, UT Administrations and District Authorities.
- (vii) The Ministry will review the utilization of funds by the District Authorities in SC and ST areas.
- (vii) The Ministry will review the audit objections and issues arising out of the Audit and Utilization Certificates.
- (ix) The Ministry will release the unreleased MPLADS funds as per paragraph 4.11.

## **6.3 Role of the State/UT Government:**

- (i) The Nodal Department will be responsible for coordination with the Ministry and proper and effective supervision of the MPLADS implementation in the State. To this effect a committee under the Chairmanship of the Chief Secretary/Development Commissioner/Additional Chief Secretary should review MPLADS implementation progress with the District Authorities and MPs at least once in a year. The Nodal Department Secretary and other Administrative Department Secretaries should also participate in such meetings.

- (ii) The States/UTs in which Divisional Commissioner arrangements exist, the Divisional Commissioners should be empowered to review the MPLADS implementation progress and guide the District Authorities
- (iii) The State/UT Government will review (a) the utilization of funds by the District Authority in SC and ST areas; and (b) the audit objections and issues arising out of the audit and utilization certificates.
- (iv) The State/UT Government, by specific order, shall empower the District Authorities and other District functionaries technical and administrative powers for implementation of MPLADS.
- (v) The State/UT Government may make arrangements for training of district officers concerned with the implementation of the MPLAD Scheme.
- (vi) The State/UT Government may authorize its officers not below the rank of Deputy Secretary / Executive Engineer to inspect MPLADS works as and when they make official field visits. It may also check and review the number of MPLADS works inspected by the District Authorities.
- (vii) The State/UT Government shall, in consultation with Accountant General of the State/UT, engage the Auditor for auditing of MPLADS accounts of each District Authority.
- (viii) The State/UT Government shall hoist data on MPLADS implementation in the state on their web sites.
- (x) The State/UT Government shall distribute the unspent balance of Rajya Sabha MPs as stipulated in paragraph 4.8.

**6.4 Role of the District Authority:-** The District Authority's role has been outlined in different paragraphs of the Guidelines. Here the District Authority's role on coordination and supervision is being indicated.

- (i) The District Authority would be responsible for overall coordination and supervision of the works under the scheme at the district level, and inspect at least 10% of the works under implementation every year. The District Authority should involve the MPs in the inspections of projects to the extent feasible.

- (ii) The District Authority shall enforce the provisions made in the Paragraph 2.5 on the earmarked 15% and 7.5 % of funding for MPLADS works in the SC and ST areas respectively.
- (iii) The District Authority shall maintain the work-registers indicating the position of each work recommended by the MPs and shall furnish work details along with a photograph of each work costing Rs.5 lakh or more, to the Ministry in the prescribed format for web hoisting.
- (iv) The District Authority shall also maintain a register of all the assets created with the Scheme funds and subsequently transferred to the User Agencies.
- (v) The District Authority will inspect all works executed by/for societies and trusts under MPLADS and ensure that the agreement conditions are being complied with. In case of violation of any of the provisions of the agreement, action as per the agreement shall be taken by the District Authority.
- (vi) The District Authority shall review every month MPLADS works implementation with the Implementing Agencies. The District Authority shall invite the MPs concerned to such review meetings.
- (vii) The District Authority shall be responsible to settle audit objections raised in the audits.
- (viii) The Nodal District Authority shall submit Monthly Progress Report to the Government of India, State/UT Government and the MP concerned for each MP separately in the format available at **Annex-VI** on or before 10<sup>th</sup> of the succeeding month. With regard to the execution of works in the SC and ST areas, physical and financial details shall be furnished in part IV and V of format available at **Annex-VI**.
- (ix) As per paragraph 4.8, the Nodal District Authority shall report to the State/UT Government about the unspent balance of the elected Rajya Sabha MP concerned. He shall also report to the Government of India the details as per paragraphs 4.9 and 4.10.

## **6.5 Role of the Implementing Agencies:-**

- (i) It will be the responsibility of the officers of the Implementing Agencies to regularly visit the works spots to ensure that the works are progressing



satisfactorily as per the prescribed procedure and specifications and the time schedule.

- (ii) The Implementing Agencies shall furnish physical and financial progress of each work to the District Authority every month with a copy to the concerned State Department. The Implementing Agencies should provide the report also in the soft format.
- (iii) The Implementing Agencies shall furnish completion report/certificates and utilization certificates to the District Authority within one month of completion of the works.
- (iv) The Implementing Agencies shall also refund to the District Authority the savings (balance amounts) including interest if any, at their disposal within one month and close the Bank Account opened for the purpose.

## **7. Application of the Guidelines:**

- 7.1 The Guidelines will come into force with immediate effect. These Guidelines on MPLADS supercede the extant Guidelines and instructions issued there under.
- 7.2 Clarification, if any, on the Guidelines on the MPLADS or interpretation of any provision of these Guidelines shall be referred to the Ministry of Statistics and Programme Implementation and its decision shall be the final.

**FORM FOR CHOICE OF NODAL DISTRICT**  
(For all Members of Parliament)

I am elected/nominated Member of Rajya Sabha/Lok Sabha with effect from ..... (date, month, year). My Choice of the Nodal District for implementation and release of MPLADS funds is:

District Opted : \_\_\_\_\_

District Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

PIN:

State/UT in which the district falls : \_\_\_\_\_

**(SIGNATURE)**  
**Full Name:**  
**(In capital Letters)**  
**Date:**

Permanent Address \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Delhi Address \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

PIN:

PIN:

Telephone with STD.....  
 Fax.....

Telephone  
 E mail.....

(Any change in the addresses in future may also be intimated immediately)

To,  
 Director (MPLADS),  
 Ministry of Statistics and Programme Implementation,  
 Government of India,  
 Sardar Patel Bhawan, Parliament Street,  
 New Delhi 110001.

Copy to Shri/Smt .....Secretary,  
 .....Nodal Department, State Government.....

Copy to Shri/Smt .....District Authority (District Collector)  
 .....District, At.....P.O.....PIN.....

**LIST OF WORKS PROHIBITED UNDER MPLADS**

1. Office and residential buildings belonging to Central, and State Governments, their Departments, Government Agencies/ Organizations and Public Sector Undertakings.
2. Office and residential buildings, and other works belonging to private, cooperative and commercial organizations.
3. All works involving commercial establishments/units.
4. All maintenance works of any type.
5. All renovation, and repair works **except** heritage and archeological monuments and buildings with specific permission available from the Archeological Survey of India.
6. Grants and loans, contribution to any Central and State/UT Relief Funds.
7. Assets to be named after any person.
8. Purchase of all movable items **except** vehicles, earth movers, and equipments meant for hospital, educational, sports, drinking water and sanitation purposes belonging to Central, State, UT and Local Self Governments. (This will be subject to 10% of the Capital Cost of the work for which such items are proposed)
9. Acquisition of land or any compensation for land acquired.
10. Reimbursement of any type of completed or partly completed works or items.
11. Assets for individual/family benefits.
12. All revenue and recurring expenditure.
13. Works within the places of religious worship and on land belonging to or owned by religious faith/group.

### Annex-III

## FORMAT FOR RECOMMENDING ELIGIBLE WORKS BY MEMBER OF PARLIAMENT

(The recommendation may be given on the MP's letter head)

Place:

Date:

From

Name  
Member of Parliament (Lok Sabha/Rajya Sabha)  
Address

To

The District Authority  
(District Collector / Deputy Commissioner / District Magistrate/  
Commissioner of Municipal Corporation / CEO of District Planning Committee)

Subject: **Recommendation of works under MPLAD Scheme**

Sir,

I recommend that the following works may please be scrutinized and sanctioned, in the order of priority indicated below, from the MPLADS fund. The works in the Priority No.....and.....are meant for the development of areas inhabited by SCs /and STs population respectively.

Priority No.	Name and Nature of work*	Location	Approximate cost (Rs. in lakh)
1			
2			
3			
4			
5			
6			
7			
8			
9			

\* Please refer to Annex – IVE of the Guideline

(The priority list can be increased if the MP recommends more works up to the entitlement).

2. The above works may please be got scrutinized and technical, financial and administrative sanction issued within 45 days of receipt of this letter. The sanctioned works should be completed quickly as per the provisions of the MPLADS Guidelines. I may please be kept informed of the sanction and the progress of the works implementation. If any of the recommended work is found non eligible, and if the sanction is delayed beyond 45 days, reasons for the same may be intimated to me.

Yours faithfully,

(Signature of MP)

**MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME  
Input Format for the District Authority**

State :       Implementing District :

Whether LS/RS :        Nodal District :

Constituency:       MP:       Report for   
If LS      (MM/YYYY)

Block/Urban:       Ward /Gram Panchayat

1.	Work Identity No.	<input type="text"/>
2.	Work with Location	<input type="text"/>
3.	Sector	<input type="text"/>
4.	Scheme	<input type="text"/>
5.	No. of SC and ST population covered by this work (SC)      (ST)      (Total)	<input type="text"/> <input type="text"/> <input type="text"/>
		(dd)      (mm)      (yyyy)
6.	a) Date of Receipt of Proposal	<input type="text"/> <input type="text"/> <input type="text"/>
	b) Priority No. of Proposal as recommend by MP	<input type="text"/>
	c) Date of Sanction	<input type="text"/> <input type="text"/> <input type="text"/>
	d) Date of Work Commencement	<input type="text"/> <input type="text"/> <input type="text"/>
7.	Work Cost Sanctioned (Rs.)	<input type="text"/>
8.	Implementing Agency	<input type="text"/>
9.	Date of Completion	(dd) (mm) (yyyy)
	a) Original (as indicated on sanction order)	<input type="text"/> <input type="text"/> <input type="text"/>
	b) Anticipated (Actual if Completed)	<input type="text"/> <input type="text"/> <input type="text"/>
10.	Cumulative Expenditure (Rs.)	<input type="text"/>
11.	Present Status (N – Not yet started, O – On going, C – Completed, D – Discontinued)	<input type="text"/>
12.	Physical Progress (%)	<input type="text"/>
13.	Cumulative Amount Released (Rs.)	<input type="text"/>
		(dd) (mm) (yyyy)
14.	Date of last Release of Payment	<input type="text"/> <input type="text"/> <input type="text"/>
15.	If Completed, Amount of Saving (Rs.)	<input type="text"/>
16.	Date of Refund of Saving to the District Authority	(dd) (mm) (yyyy) <input type="text"/> <input type="text"/> <input type="text"/>
17.	If Completed, Date of handing over to the User Agency	<input type="text"/> <input type="text"/> <input type="text"/>
18.	If Completed, Date of submission of Completion Report by Implementing Agency	<input type="text"/> <input type="text"/> <input type="text"/>
19.	REMARKS IF ANY This space may be used to mention reasons for Discontinued Projects/Delay in execution/Non Completion, or any other remarks and steps taken for revival /early commencement and completion of the work.	<input type="text"/>

## Annex- IV B

### MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME Input Format for Master Data Entry

State :	<input style="width: 90%;" type="text"/>	Implementing District :	<input style="width: 90%;" type="text"/>
Whether LS/RS :	<input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/>	Nodal District :	<input style="width: 90%;" type="text"/>
Constituency : If LS	<input style="width: 90%;" type="text"/>	MP :	<input style="width: 90%;" type="text"/>
Block/Urban :	<input style="width: 90%;" type="text"/>	Report Month	<input style="width: 30px;" type="text"/> (mm/yyyy)
		Ward /Gram Panchyat	<input style="width: 90%;" type="text"/>

1. Work Identity No.	<input style="width: 90%;" type="text"/>						
2. Work with Location	<input style="width: 95%;" type="text"/>						
3. Sector	<input style="width: 30px;" type="text"/>						
4. Scheme	<input style="width: 30px;" type="text"/>						
5. No. of SC and ST population covered by this work	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 0 10px;">(SC)</td> <td style="padding: 0 10px;">(ST)</td> <td style="padding: 0 10px;">(Total)</td> </tr> <tr> <td style="text-align: center;"><input style="width: 30px;" type="text"/></td> <td style="text-align: center;"><input style="width: 30px;" type="text"/></td> <td style="text-align: center;"><input style="width: 30px;" type="text"/></td> </tr> </table>	(SC)	(ST)	(Total)	<input style="width: 30px;" type="text"/>	<input style="width: 30px;" type="text"/>	<input style="width: 30px;" type="text"/>
(SC)	(ST)	(Total)					
<input style="width: 30px;" type="text"/>	<input style="width: 30px;" type="text"/>	<input style="width: 30px;" type="text"/>					
6.	(dd) (mm) (yyyy)						
a) Date of Receipt of Proposal	<input style="width: 30px;" type="text"/> <input style="width: 30px;" type="text"/> <input style="width: 60px;" type="text"/>						
b) Priority No. of Proposal as recommend by MP	<input style="width: 40px;" type="text"/>						
c) Date of Sanction	<input style="width: 30px;" type="text"/> <input style="width: 30px;" type="text"/> <input style="width: 60px;" type="text"/>						
d) Date of Work Commencement	<input style="width: 30px;" type="text"/> <input style="width: 30px;" type="text"/> <input style="width: 60px;" type="text"/>						
7. Work Cost (Rs.)	<input style="width: 90%;" type="text"/>						
8. Implementing Agency	<input style="width: 90%;" type="text"/>						
9. Date of Completion	(dd) (mm) (yyyy)						
Original (as indicated on sanction order)	<input style="width: 30px;" type="text"/> <input style="width: 30px;" type="text"/> <input style="width: 60px;" type="text"/>						
10. Does the work benefit SC and ST population?	SC    Yes/ No						
( Indicate SC&ST population out of total population)	ST    Yes/No						

MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME

**Input Format for Monthly Data Entry**

State :       Implementing District :

Whether LS/RS :        Nodal District :

Constituency :       Name :       Report for the  
If LS      of MP      Month (MM/YYYY)

Block Name :       Village Name :

1. Date of Completion Anticipated now (Actual if Completed) (dd) (mm) (yyyy)  
           

2. Cumulative Expenditure (Rs.)

3. Present Status   
(N – Not yet started, O – On going, C – Completed, D – Discontinued)

4. Physical Progress (%)

5. Cumulative Amount Released (Rs.)

6. Date of last Release of Payment (dd) (mm) (yyyy)  
           

7. If Completed, Amount of Saving (Rs.)

8. Date of Refund of Saving to the District Authority (dd) (mm) (yyyy)  
           

9. If Completed, Date of handing over to the User Agency            

If Completed, Date of submission of Completion Certificate by Implementing Agency            

REMARKS IF ANY

This space may be used to mention reasons for Discontinued Projects/Delay in execution/Non Completion, or any other remarks and steps taken for revival /early commencement and completion of the work

**MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME  
Format for Entry of Data by Implementing Agency**

State :  District :

MP:

Whether LS/RS :   Nodal District :

Constituency:  Report for mm yyyy  
If LS the Month    
Implementing Agency

---

1. Work Identity No.   
(Should be same as given by the District)
2. Date of Completion  dd  mm  yyyy  
(Actual, if completed)
3. Cumulative Expenditure (Rs.)
4. Present Status   
(N – Not yet started, O – On going, C – Completed, D – Discontinued)
5. Physical Progress (%)
6. Cumulative Amount Received (Rs.)
7. Date of last release of payment  dd  mm  yyyy
8. If work completed, amount of savings refunded  
by the implementing agency to the District Authority
9. Date of Refund of saving to the District Authority  dd  mm  yyyy
10. If work completed, date of submission  
of completion Report  dd  mm  yyyy
11. REMARKS IF ANY   
This space may be used to mention reasons  
for discontinued Projects/ Delay in execution /  
Non Completion, or any other remarks and  
steps taken for Revival/early commencement  
and completion of the work.



## Annex – IVE

### LIST OF SECTOR AND SCHEMES CODES

(This is sector wise type of works under MPLADS and is subject to the provisions in the Guidelines)

	SECTOR	SCHEME
<b>I. DRINKING WATER FACILITY</b>		
1. Tube wells	01	001
2. Water tanks	01	002
3. Hand pumps	01	003
4. Water tankers	01	004
5. Piped Drinking Water Supply	01	005
6. Other works for providing drinking water	01	999
<b>II. EDUCATION</b>		
1. Building for Government educational institutions	02	001
2. Buildings for Government aided and unaided educational institutions	02	002
3. Computers for Govt. and Govt. aided educational institutions	02	003
4. Other projects for educational institutions	02	999
<b>III. ELECTRICITY FACILITY</b>		
1. Projects for lighting of public streets and places	03	001
2. Projects of Govt. Agencies for improvement of electricity distribution infrastructure	03	002
<b>IV. HEALTH AND FAMILY WELFARE</b>		
1. Buildings for hospitals, family welfare centers, public health care centers, ANM centers	04	001
2. Procurement of hospital equipments for Govt. hospitals and dispensaries.	04	002
3. Ambulances for Government	04	003
4. Mobile dispensaries	04	004
5. Crèches and Anganwadies	04	005
6. Other health and family welfare projects	04	999
<b>V. IRRIGATION FACILITIES</b>		
1. Construction of public irrigation facilities	05	001
2. Construction of flood control embankments	05	002
3. Public Lift irrigation projects	05	003
4. Public ground water recharging facilities	05	004
5. Other public irrigation projects	05	999

	SECTOR	SCHEME
<b>VI. NON-CONVENTIONAL ENERGY SOURCES</b>		
1. Community Gobar-gas plant	06	001
2. Non-conventional energy system/devices for Community use	06	002
<b>VII. OTHER PUBLIC FACILITIES</b>		
1. Construction of community centers	07	001
2. Construction of common shelters for old and handicapped	07	002
3. Construction of public libraries & reading rooms	07	003
4. Crematoriums and structures on burial/cremation ground	07	004
5. Common work sheds for artisans	07	005
6. Construction of bus-sheds/stops for public Transport passengers	07	006
7. Buildings for cultural activities	07	007
8. Purchase of motor boats for flood and cyclone prone areas (not for individuals)	07	008
9. Boundary walls for buildings permissible in the scheme	07	009
10. Public parks	07	010
11. Hearse Vans	07	011
12. Battery operated buses for Govt. agencies	07	012
13. Fire tenders for Government organisations	07	013
14. Other public works not covered elsewhere	07	999
<b>VIII. ROADS, PATHWAYS AND BRIDGES</b>		
1. Construction of roads, approach roads, link roads, pathways	08	001
2. Construction of foot paths	08	002
3. Construction of culverts and bridges	08	003
4. Level crossing at unmanned railway crossing	08	004
<b>IX. SANITATION AND PUBLIC HEALTH</b>		
1. Drains and gutters for public drainage	09	001
2. Public toilets and bathrooms	09	002
3. Garbage collection and night soil disposal Systems, earth movers including vehicles for local bodies	09	003
4. Other works for sanitation and public health	09	999
<b>X. SPORTS</b>		
1. Buildings for sports activities	10	001
2. Buildings for physical training institutions	10	002
3. Buildings for multi-gym	10	003
4. Fixed (immovable) sports equipment	10	004
5. Multi gym equipments	10	005
6. Other public works for sports activities	10	999

**SECTOR SCHEME**

**XI. ANIMAL CARE**

1. Building for veterinary aid centers, artificial insemination centers & breeding centers	11	001
2. Shelters for animals	11	002

**Agreement Form**

This Agreement is made on \_\_\_\_\_ between the Governor of \_\_\_\_\_ acting through .....  
 .....(Designation and Address) the District Authority hereinafter called the **“First Party” of the First Part;**

**And**

The Chief Executive of the (.....Name and address of Registered Society/Registered Trust), hereinafter called the **“Second Party” of the Second Part.**

**Whereas** the First Party as the District Authority is the authority to get the development works implemented in .....District, on the locally felt needs on the recommendation of the Member of Parliament, as per Guidelines on Member of Parliament Local Area Development Scheme (MPLADS).

**And**

**Whereas** the Second Party is a Society registered under the Societies Registration Act, 1860 or a Trust, registered under the Indian Trust Act, 1882 or any Registration Act of any State Government is engaged in social service and welfare activities since (Date, Month, Year) for more than \_\_\_\_\_ years and is well established and reputed one in the field of social service and welfare activities with non-profit operation and with sound financial position.

**Now therefore it is hereby agreed** between both the Parties to this Agreement and binds themselves to the following terms and conditions:-

1. The First Party shall undertake the construction of \_\_\_\_\_ on the recommendation of the Member of Parliament as per the Guidelines on Member of Parliament Local Area Development Scheme, as amended from time to time (hereinafter referred to as MPLADS) for implementation of the work under the aforesaid MPLADS.
2. The Second Party will be eligible to receive and manage the assets created out of the funds by the First Party from the Member of Parliament Local Area Development Scheme as per the Guidelines on the subject meant for the benefit and use by and/or for the public.
3. A work at (Name of the Place, District and Pin code) regarding the construction of (Name of the work) costing the value mutually agreed upon by the parties and that has been duly recommended by \_\_\_\_\_ (the name of concerned MP) under the MPLAD Scheme, shall be undertaken by the First Party, to be handed over to the Second Party after completion of the construction.

4. The First Party shall call for the necessary records from the Society/Trust such as the Memorandum of Association of the Society with special reference to Section 13 of the Societies Registration Act, 1860 and the trust deed of the trust with special reference to Section 77 and Section 78 of the Trust Act and be satisfied with the existence and reputation of the organization, and its functioning as non-profit operations, transparency of performance, its sound financial position and its overall public reputation.
5. The Second Party shall give a declaration to the First Party, to the effect that the Society/Trust it represents is a live organization continuously functioning at least for the last three years engaging itself in social service and/or welfare activities.
6. The Second Party shall also give a declaration to the First Party, that the land and immovable property offered by the Second Party to the First Party for executing the developmental work is free from any encumbrances, free from pending litigation and not affected by the Urban Land (Ceiling and Regulation) Act, 1976.
7. The Second Party shall also give a declaration to the First Party, that the assets created out of MPLADS funds for the society \_\_\_\_\_ or trust, is free from any encumbrances except advance taken for the purpose of this work/project.
8. The Second Party shall ensure that durable assets, created out of MPLADS funds in the properties offered by the Second Party, must be always be available for the use of or by the general public. In case it is found that the Second Party is not using the asset so created under MPLADS, for the purpose that was meant and/ the public do not have access to the said infrastructure, the First Party will issue necessary notice to the Second Party and after considering the views of the Second Party, if the First Party consider necessary will take over such asset and may recover the cost to the extent of investment made under MPLADS along with interest at the rate of 18%.
9. The Central/State Government shall always and at all time be the absolute owner of the durable asset created out of the MPLADS funds.
10. The Second Party shall not sell/transfer/otherwise dispose of any interest in or of such asset created out of MPLAD without the prior written approval of the State Government. After the written approval of the Government, the sale proceeds of the assets shall always vest and belong to the first party in all circumstances to the extent of investment made under MPLADS including the interest at the rate of 18%.

11. The Second Party herein undertakes the full responsibility to ensure operation, maintenance and upkeep of the asset which will be subject to periodical audit and inspection by the First Party or any of its representative/nominee duly authorized in this behalf.

12. The Second Party shall submit to the First Party, annual report and its audited accounts on regular basis and within 90 days of the end of the Financial Year.

13. Since this indenture creates a future interest in the immovable property of the value of more than Rs.100/- this Agreement be registered under Registration Act in the respective district.

14. In this indenture, wherever such an interpretation would be required to give the fullest possible scope and effect to the terms of the Agreement herein contained, the expressions District Authority and the Society or Trust shall include their respective successors or permitted assignees (Assignees).

IN WITNESS WHEREOF the parties here-to-have through their duly authorized representative executed this Agreement on day and year here-in-above-written.

Executed for and on behalf of  
the Governor of  
(State) \_\_\_\_\_,  
by the District Authority

Executed for and on behalf of the  
Society/Trust/Second Party by  
\_\_\_\_\_ having authority to  
sign and execute this Agreement  
vide resolution dated \_\_\_\_\_ of  
\_\_\_\_\_.

By  
In presence of following  
witness:

1. \_\_\_\_\_
2. \_\_\_\_\_

In presence of following witnesses:

1. \_\_\_\_\_
2. \_\_\_\_\_

**MONTHLY PROGRESS REPORT UNDER  
MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (MPLADS)  
(Separate form for each Sitting/former Rajya Sabha /Lok Sabha Member)**

STATEMENT OF INFORMATION UNDER MPLADS FOR THE MONTH OF

Y

DD MM YYY

--	--	--	--	--	--	--	--

**I PARTICULARS :**

<b>STATE :</b>	<b>CONSTITUENCY/NODAL DISTRICT:</b>												
<b>Nodal District</b>  <b>Address</b> ..... ..... ..... Pin: <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>							<b>TELEPHONE NUMBERS:</b> <b>STD CODE</b> <b>OFFICE:</b> <b>RESIDENCE:</b> <b>FAX:</b>  <b>MOBILE:</b> <b>e-mail</b>						
<b>NAME OF MEMBER OF PARLIAMENT Shri//Smt</b> .....  <b>MP's Tenure</b> <b>From</b> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table> <b>To</b> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>													
<b>Address</b> ..... ..... ..... Pin: <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>													

**II. PHYSICAL PERFORMANCE**

(Cost in Rupees in Lakh)

YEAR	WORKS RECOMMENDED		WORKS SANCTIONED		WORKS COMPLETED		WORKS NOT COMPLETED		
	Number	Estimated Cost	Number	Estimated Cost	Number	Actual Cost	Number	Expenditure incurred	Expenditure to be incurred
<b>TOTAL</b>									

### III. FUNDS RECEIVED AND UTILISED

(Rs. In Lakh)

YEAR	FUNDS RECEIVED FROM GOI	INTEREST ACCRUED	FUNDS RECEIVED ON DISTRIBUTION	TOTAL FUNDS	FUNDS UTILISED			BALANCE FUNDS
					SC& ST area	Others	Total	
<b>Total</b>								
<b>(a) Funds received from the Government of India</b>								
<b>(b) Amount of interest accrued on the funds</b>								
<b>(c) Funds received on distribution</b>								
<b>(d) TOTAL (a + b+c)</b>								
<b>(e) Total cost of works sanctioned</b>								
<b>(f) Total Unsanctioned Balance available with the Constituency (d - e)</b>								
<b>(g) Actual Expenditure incurred by the Implementing Agencies</b>								
<b>(h) Total funds available with the Constituency (d –h)</b>								
<b>(i) Funds required to completes the sanctioned works</b>								
<b>(j) Savings for Distribution to Successor MPs</b>								
<b>(k) Number of works inspected by District Authority</b>								
<b>(a) During the month</b>								
<b>(b) Cumulative</b>								

### IV. PHYSICAL AND FINANCIAL DETAILS OF WORKS IN SCHEDULED CASTE AREAS

Year 1	Physical (Number of Works) 2			Financial (Cost of Works)(Rs. In lakh) 3		
	Recommended 2(a)	Sanctioned 2(b)	Completed 2(c)	Recommended 3(a)	Sanctioned 3(b)	Completed 3(c)

### V. PHYSICAL AND FINANCIAL DETAILS OF WORKS IN SCHEDULED TRIBE AREAS

Year 1	Physical (Number of Works) 2			Financial (Cost of Works)(Rs. In lakh) 3		
	Recommended 2(a)	Sanctioned 2(b)	Completed 2(c)	Recommended 3(a)	Sanctioned 3(b)	Completed 3(c)



**Bank and Branch Name and Address** \_\_\_\_\_

**Details:**      **Saving Bank Account Number** \_\_\_\_\_  
                  **Branch Code** \_\_\_\_\_

**Place**  
**Dated:**

**Signature of District Authority**  
**Name in Capital Letters**  
**Designation**

**Seal**

**Copy to Shri/Smt..... Member of Parliament**  
**(Address)**

**Note :** (i) The District Authority of the Nodal District is required to furnish a consolidated report including the information pertaining to other Districts falling in the constituency where funds were transferred for MPLADS work execution on recommendation of the MP.

(ii) Sanctioned amount is the cost of such schemes only for which financial sanctions have already been issued after finalizing plans and estimates. Cost of schemes which have got only administrative approval, and not financial sanction, should not be reported.

**MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME  
(MPLADS)**

**WORK COMPLETION REPORT  
(To be furnished by the Implementing Agency to the District  
Authorities)**

It is certified that work No....., (description of work) sanctioned vide order No..... dated.../...../..... to be executed under MPLADS at a cost of Rs.....(in figures and words) at .....(place) has been completed at a cost of Rs..... and has been handed over to the User Agency.....(Name and address) under intimation to the District Authority for use on.....(date).

The amount of savings i.e Rs.....(in figures and words) has been remitted to the MPLADS Account of the District Authority vide Cheque No.....dated.....drawn on..... (Bank with address). Details of the work are in the enclosed format.

Signature of the Implementing Agency

Date:

Place:

District:

**MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME  
(MPLADS)**

**Form of Utilization Certificate for funds received under MPLADS for the  
year .....and for the .....MP constituency**

S.No	Letter No. and date	Amount	Certified that out of Rs..... of grants-in-aid sanctioned during the year.....in favour of ..... under the Ministry of Statistics and Programme Implementation, Government of India letter given on the margin and Rs.....on account of unspent balance of the previous year, a sum of Rs.....has been utilized for the purpose of execution of works, recommended by MP concerned and as permissible under the Guidelines on MPLADS for which it was sanctioned and that the balance of Rs.... .....remaining unutilized at the end of the year will be carried forward to the next year.....
	Total	_____	

2. Having been fully satisfied I certify that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned. The following kinds of checks were exercised by me while furnishing this Utilisation Certificate:-

- 1.
- 2.
- 3.
- 4.
- 5.

Place

Seal

Date

Signature of District Authority  
Name (capital letters)  
Designation  
Telephone

**Annex –IX**

**MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME  
(MPLADS)**

**AUDIT CERTIFICATE**

It is certified that we have audited the annual Balance Sheet and accounts as on 31st March.....(year) and Receipt and Payment and Income and Expenditure Accounts for the year ending on that date of Member of Parliament Local Area Development Scheme (MPLADS) from the books of accounts, records and other documents produced to us by the District Authority and the executing agencies.

In our opinion and to the best of our knowledge and according to the explanations given to us and subject to our observations as detailed below we report that:-

- (a) The Balance Sheet read together with notes thereon gives a true and correct view of the state and affairs of the MPLADS as on 31<sup>st</sup> March .....(year).
- (b) The Income and Expenditure Accounts gives a true and correct view of the surplus of funds over expenditure of Rs.....for the year ending 31<sup>st</sup> March..... (year)
- (c) The Receipt and Payment Accounts give a true and correct view of the transaction of the Scheme for the year ending 31<sup>st</sup> March..... (year).
- (d) Not more than one Bank Account is operated for the Scheme.
- (e) No funds are kept in the form of Fixed Deposits.
- (f) Interest accrued in Saving Bank Account has been taken as receipt for use on the MPLAD Scheme.
- (g) Bank Reconciliation Statement is being prepared regularly every month.
- (h) Cash Book is being written on real accrued basis.
- (i) Expenditure shown in the Income and Expenditure Account is properly reflected in the Utilization Certificates.
- (j) There is no case of diversion of funds.
- (k) The following Reports certified by the Competent Authority of the District Administration form part of the Audit Certificate:-
  - (i) Physical and Financial Progress Report for the year ending 31<sup>st</sup> March..... (year).
  - (ii) Cumulative Physical and Financial Progress Report up to 31<sup>st</sup> March.....(year). (In case of Lok Sabha, MPs right from the inception and for Rajya Sabha MP for the period of individual MP's tenure).
  - (iii) MPLADS fund Utilization Certificate.
- (l) There is no audit objection in so far as the said accounts audited by us. (In case there is any pending audit objection and objections raised during the present audit, please furnish the details. In case of the Audit objections indicated by the Chartered Accountant, the same shall be attached to this Certificate with seal and signature).

**(The certificate shall be on the auditing firm's letter head clearly indicating Signature, Name, address, telephone, fax, and email of the auditor(s) with seal.)**

APPENDIX-II

LIST OF PROJECT **REJECTED** WHICH WAS RECOMMENDED BY HON'BLE MP(LS)  
as on 05-02-2008

<b>s. No.</b>	<b>Name of the Project</b>	<b>Date of Recommendation</b>	<b>Amount Approved by MP</b>	<b>Remarks</b>	<b>Date of intimation to Hon'ble MP</b>
1.	Construction of New School Building of Mustifund Saustha Panaji.	31-07-2003	15,00,000	Rejected. Building already constructed with some other fund of the institution & claims for return.	10-03-2006
2.	Construction of Community Hall to Shri Dev Vathadev Devasthan at Vathadeve San/an Bicholim Goa.	12-01-2004	8,45,450	Rejected due to lands belong to Devasthan	12-10-2004
3. 4.	Construction of Community Hall at Khetoba Temple at Vainguinim Mayem Bicholim Goa.	26-08-2004	Estimated cost	Rejected due to lands belong to Devasthan.	28-09-2004
	Supply of 4 Computers alongwith Printer & allied Equipment to Swami Vivekanand Smruti Sangh Education Society Keri Sattari Goa.	04-02-2005	1,05,000	Rejected. Unaided School.	13-02-2007
5.	Construction of Pond at Barros Waddo Sangolda Bardez Goa.	23-02-2005	Estimated cost	Proposal is rejected due to tenanted land letter 21-03-2006 according to writ petition No. 71/2000 & 168/2000 at Bombay High Court.	19-04-2005

6.	Soiling and asphaltting of road in vicinity of building in Navelkar Estate Bainguinim by V.P. Se-Old Goa.	23-02-2005	9,57,350	Rejected. Due to Pvt. Cooperative Land.	20-11-2007
7.	Mobile Medical Van to Rotary Club of Panaji.	23-02-2005		Rejected due to said organization / beneficiary does not belong to local self Govt. / State / Central / UT and as per guidelines Ambulance can be provided to Govt. only.	30-06-2005
8.	Proposed Community Hall at Keri Parsekar Wada V.P. Keri Sattari Goa.	23-08-2005	10,74,600	Rejected due to lands belong to Devasthan letter to Sarpanch Keri Sattari on 30-01-2006.	30-01-2006
9.	Construction of Sabha Mandap of Shri Devi Bhagawati Sankhaleshwar Quitla Aldona Goa.	23-02-2005	7,76,300	Rejected on 08-02-2006 due to religious place.	08-02-2006
10.	Construction of Community Hall at V.P. Alorna Talarna Pernem Goa.	14-09-2005	Nil	Proposal is rejected due to tenanted land dated 31-01-2006 according to writ petition No.71/2000 & 168/2000 at Bombay High Court.	31-01-2006
11.	Proposed Construction of Community Hall near Shri Mahadev Devasthan at Sal, Bicholim Goa.	24-10-2005	20,71,700	Rejected due to lands belong to Devasthan, letter to Sarpanch Sal on 31-01-2006.	31-01-2006

12.	Construction of multipurpose hall for Vivekanand Vidya Mandir Keri Sattari Goa.	28-02-2005	9,97,735	Rejected since Tenanted Land according to writ petition No. 71/2000 & 168/2000 at Bombay High Court.	30-06-2005
13.	Construction of Community Hall in Plot No. bearing Sy. No. 40/2 at Kumbharjua Tiswadi - Goa.	16-02-2006	15,00,000	Rejected due to Pvt. Society.	20-12-2006
14.	Construction of Steps and Platform for Ganapati Visarjan at Cotachi Tar at Menourem	23-02-2006	2,00,000	Proposal is rejected due to Tenanted land according to writ petition No. 71/2000 & 168/2000 at Bombay High Court.	21-03-2006
15.	Construction Steps and Platform for Ganapati Visarjan at Pipalachi Tar at Mencure, Bicholim Goa.	23-02-2006	2,00,000	Proposal is rejected due to Tenanted land letter dated 21-03-2006 according to writ petition No. 71/2000 & 168/2000 at Bombay High Court.	10-04-2006
16.	Providing Ambulance to Primary Health Centre Cansarvarnem Pernem Goa.	26-09-2006	3,50,000	Rejected. Previous Ambulance provided from MP fund to be repair & maintain first.	12-11-2007
17.	Providing Ambulance to V.P.. Azossim Mandur Tiswadi Goa.	26-09-2006	3,50,000	Rejected. Proposal to be moved from Director of Health Service due to Upkeep & Maintenance.	05-12-2006

18.	Providing Ambulance to St. Jude's Helping Hand Homes St. Estevam Bellavista (Fora) Goa, under MPLAD Scheme.	20-02-2007	3,50,000	Rejected due to said organization / beneficiary does not belong to local self Govt. ; State / Central / UT and as per guidelines Ambulance can be provided to Govt. only.	06-11-2007
19.	Soiling and Asphalting of Road at Thapanwada to Pattar in V.P. Cumbharjua Tiswadi Goa.	16-07-2007	As per Estimate	Rejected. Works belonging to Pvt. Organisation.	25-01-2008
20.	Construction of community hall for Village Panchyat Nadora Bardez-Goa, under MPLAD Scheme.	02-03-2007	18,00,000	Rejected lands belongs to Devasthan.	26-03-2007
21.	Supply of Ambulance to Sai Life Care Kothambi Pale in Bicholim Taluka, under MPLAD Scheme.	13-10-2007	2,86,932	Rejected due to said organization / beneficiary does not belong to local self Govt. / State / Central / UT and as per guidelines Ambulance can be provided to Govt. only.	25-10-2007



**DEFINITION OF FAMILY IN VARIOUS STATUTES**

**The Merchant Shipping Act. 1958**

"Family" means :-

- (i) In the case of male, his wife, his children whether married or unmarried, his dependent parents and his deceased son's widow and children.

Provided that if a person proves that his wife has ceased under the personal law governing him or the customary law of the community to which the spouses belong, to be entitled to maintenance she shall no longer be deemed to be part of such person's family for the purpose of this Act, unless such persons subsequently intimate by express notice in writing, to the Central Government that she shall continue to be so regarded ; and

- (ii) IN the case of female, her husband, her children, whether married or unmarried, her dependent parents, her husband's dependent parents and her deceased son's widow and children'

Provided that if a person by notice in writing to the Central Government expresses her desire to exclude her husband from the family, the husband and his dependent parents shall no longer be deemed to be a part of such, person's family for the purpose of this Act, unless such person subsequently cancels in writing any such notice.

Explanation: In either of the above two cases, if the child, or, as the case may be, the child of a deceased son, of a person has been adopted by another person and if under the personal law of the adopter adoption is legally recognized, such a child shall be considered as excluded from the family of the first mentioned person.

## **Employees' State Insurance Act, 1948**

"Family" means all or any of the following relatives of an insured person, namely :-

- (i) a spouse'
- (ii) a minor legitimate or adopted child dependant upon the insured person;
- (iii) a child who is wholly dependant on the earnings of the insured person and who is –
  - (a) receiving education, till he or she attains the age of twenty-one years
  - (b) an unmarried daughter;
- (iv) a child who is inform by reason of any physical or mental abnormality or injury and is wholly dependant on the earnings of the insured person, so long as the infirmity continues'

### **(The) Carriage by Air Act, 1972**

explanation provided to sub-sec. (2) of Sec. 5 of the Act ibid says that in this sub-section, the expression "member of family" means wife or husband, parent, step-parent, grant-parent, brother, sister, half-brother, half-sister, child, step-child and grand-child;

provided that in deducing any such relationship as aforesaid any illegitimate person and any adopted person shall be treated as being or as having been, the legitimate child of his mother and reputed father or, as the case may be, of his adopters.

### **(The) Payment of Gratuity Act, 1972**

"Family", in relation to an employee, shall be deemed to consist of -

- (i) in the case of a male employee himself, his wife, his children, whether married or umarried, his dependent.

parents [and the dependent parents of his wife and the widow] and children of his predeceased son, if any,

- (ii) in the case of female employee, herself, her husband, her children, whether married or unmarried, her dependent parents and the dependent parents of her husband and the widow and children of her predeceased son, if any.

fThe Plantations Labour Act, 1951

[(ee) "family", when used in relation to a worker, means -(i) his or her spouse, and

- (ii) the legitimate and adopted children of the worker dependent upon him or her, who have not completed their eighteenth year, and includes, where the worker is a male, his parents dependent upon him;]

CCS (Pension) Rules

'family' in relation to a Government servant means -

- (i) wife in the case of a male Government servant, or husband in the case of a female Government servant.
- (ia) a Judicially separated wife or husband, such separation not being granted on the ground of adultery and the person surviving was not held guilty of committing adultery.
- (ii) Son who has not attained the age of twenty five years and unmarried daughter who has not attained the age of years, including such son and daughter adopted legally.



Slate/UT	Whether Monitoring Committee constituted or not	No. and Dates of the meeting held	Minutes received or not	Whether MP was invited or not and No. of MPs attended meeting	No. of District following para 6.4(vi)	District wise No. of meeting held at District level	Whether MP was invited or not and No. of MPs attended meeting	Action taken against defaulting District Authorities not following para 6.4(vi)
	(Pont 1)	(Pont 2)	(Pont 3)	(Pont 4)	(Pont 5A)	(Pont 5B)	(Pont 5C)	(Pont 6)
Nagaland	Yes	26.09.2007	Yes					
Orissa	Yes	17.12.2007 17.01.2008	Yes				1	
Punjab	Yes	28-12-2007	Yes	Yes/3				
Rajasthan	Yes	17.09.2007 09.10.2007	Yes					
Sikkim	Yes	16-07-2007 30.11.2007	Yes	Yes/Nil				
Tamil Nadu	Yes							
Tripura	Yes							
Uttar Pradesh	Yes				8*	Meerut-12, Bapat-3, Chazabad-3, Bulandsher-1, Gautambudh Nagar, Farukhabad-12, Chandauli- once in every month, Raibareilly-6	Yes/Disfi. MPs are attending the meetings regularly	
Uttaranchal	Yes							
West Bengal	Yes	07.03.2008	Yes	No		No	1	
AN Islands	Yes	22.02.2007 17.08.2007 26.02.2008	Yes Yes Yes	No		No		
Chandigarh	No							
D&N Haveli	No							
Daman & Diu	No							
Delhi	Yes, but under the chairmanship of Fin.&Planning Minister of Govt. of Delhi being single District State	No	No			N/A	N/A	N/A
Lakshadweep	Yes	24.05.2005 09.02.2007 08.05.2007	Yes Yes Yes					
Puducherry	Yes	06-02-2007 26.02.2008	No Yes	No		No		

CONFIDENTIAL

MINUTES OF FIFTH SITTING OF COMMITTEE ON MEMBERS OF  
PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (LOK SARAS)

The Committee sat on Wednesday, 8<sup>th</sup> February, 2006 from 1100 hours  
to 1230 hours. **PRESENT**

Chairman

Shri Prasanna Acharya

**MEMBERS PRESENT 2**

Shri Surendra Prakash Goyal 3. Shri

Chandrakant Bhaurao Khaire 4 Shri

Punnulal Mchale 5. Shri A.F.

GulamOsmani 6. Shri Asaduddin

Owaisi

7 Shri Basangouda R. Patil (Yatnal)

8 Shri P. Rajendran

9 Shri Narsingrao H. Suryawanshi

**SECRETARIAT**

1 Shri AK Singh,

Joint Secretary

2 Shri R S Kambo

Deputy Secretary

3 Shri Kusal Sarkar

Assistant Director

2 At the outset, the Hon'ble Chairman welcomed the Members to the sitting  
of the Committee on MPLADS. Thereafter, the Committee took up for  
consideration Memoranda Nos. 19 to 21. The decisions / recommendations

- (iii) Memorandum No 21 regarding, "Selector! of subjects) for examination by Committee *en* Members or *Parliament* Local Area Development Scheme"-

The Committee were apprised that unlike other Parliamentary Committees, Committee on MPLADS were yet to take up specific subjects for examination / study. Hitherto, the Committee had been doing the routine jobs mainly giving recommendation on various proposals under MPLADS. A major chunk of the job was to give relaxation in the ceiling limit of Rs.25 lakh. With the introduction of the new MPLADS Guidelines this job had also been reduced substantially. Also the Committee was monitoring and reviewing periodically the performance and Droblems in the implementation of the Scheme in piecemeal. The scheme as such was not seen in totality. As such the actual benefit of the sceme reairsd, the deficiencies and pitfalls encountered in the implementation of the scheme and the corrective ' measures, which could be taken for smooth implementation of the scheme, hsG not been addressed by *Ths ComrritLes so fer :r. -< >e ,r^ . i ~^~■ : \* \* >L.*

in ihs background of the recent developments and unsavoury incidents "" concerning MPLADS, as reported in the media, a need was felt to further strengthening the monitoring mechanism of the scheme, in order to make the scheme more effective and maintain credibility in publiic eyes. It was felt that it would be appropriate to undertake a detailed horizontal study on the issue and, therefore, decided to take up the following subject for examination

**'Members of Parliament Local Area Development Scheme - A Review'**

Towards this end, the Committee decided to insert in print and electronic media, public notice, inviting the views of public at large about the perception of the scheme, the achievements obtained and suggestions for improvement, if any, in the working / implementation of the scheme.

It was also proposed to have the feedback from Political Parties, Members of Parliament, general masses, implementing agencies, State

Governments *sr>.d* various Central Ministries on the suggestions for improvement in the Scheme so that the abjective for which the Scheme was conceptualized, achieved. In order to broaden the scope for utilization of funds under iviPLADS, suggestions / views from various Central Ministries Government of India were also suggested.

The Committee then proceeded to discuss the Constitution of sub-Committees for examining in detail the subject on state to state basis. The Committee decided in principle to constitute sub-Ccmmiitses t- examine the subject in detail. Ths Committee directed the Secretariat to submit a detailed proposal in this regard for their consideration in its next sitting.

The **Committee** then adjourned.



**CONFIDENTIAL**

**MINUTES OF THE FIRST SITTING OF THE COMMITTEE ON MEMBERS OF  
PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (LOK SABHA)**

The Committee sat on Monday, 18<sup>th</sup> September, 2006 from 1100 hours to 1215 hours.

**PRESENT**

Shri Prasanna Acharya

Chairman

**MEMBERS**

2. Shri Ilyas Azmi
3. Shri Pankaj Choudhary
4. Shri Surendra Prakash Goyal
5. Shri Raghuvir Singh Kaushal
6. Shri Sajjan Kumar
7. Sardar Sukhdev Singh Libra
8. Shri Punnulal Mohale
9. Shri Shripad Yesso Naik,
10. Shri A.F.G. Osmani
11. Shri P. Rajendran
12. Shri Toofani Saroj
13. Prof. Mahadeorao Shiwankar
14. ' Kunwar Manvendra Singh
15. Shri Chahdramani Tripathi

**SECRETARIAT**

- 
- |                       |                  |
|-----------------------|------------------|
| 1. Shri J.P. Sharma,  | Joint Secretary  |
| 2. Shri R.S. Kambo,   | Deputy Secretary |
| 3. Shri P.D. Mahawar, | Under Secretary  |

2. At the outset, the Hon'ble Chairman welcomed the Members to the first sitting of the Committee and also congratulated them on their being nominated to the Committee on MPLADS. He then apprised them with the main functions of the Committee and sought their cooperation in conducting the business of the Committee smoothly . The Members thereafter, introduced themselves to the Committee.

3. Thereafter, the Committee took up for consideration **Memorandum No.1 regarding selection of subject(s) for examination by Committee on Members of Parliament Local Area Development Scheme (MPLADS).**

4. After some discussion, the Committee decided to continue with the examination of the subject 'Members of Parliament Local Area Development Scheme - A Review' which was selected by the previous Committee for detailed examination as the study and the work remained inconclusive. Taking note of the details of the suggestions/representations/memoranda received from Members of Parliament, General Public, State Governments and Central Ministries, the Committee was of the opinion that the suggestions received from general public numbering 68 is insufficient and decided that a fresh Press Release may be issued by the Secretariat to obtain more views/suggestions from general public. The Committee also desired that on the basis of the Memoranda submitted to the Committee, they would like to call the witnesses for formal discussion to ascertain their considered views/suggestions on the scheme.

5. Some Members made the following suggestions in the MPLADS Guidelines in order to streamline the implementation of the Scheme :-

- (i) The provision stated in Para 3.21 of the Guidelines that not more than Rs.25 lakh can be spent from MPLADS funds for one or more works of a particular society/trust should not be made applicable to a trust when the same is registered separately in different states.
- (ii) The definition of 'family' that family members would include MP and MPs spouse which would comprise of their parents, brothers and sisters, children, grandchildren and their spouses and their th-taws as provided in Para 3.21 of the Guidelines is too broad and should be reviewed.
- (iii) The provision (Para 3.22) that the works executed under MPLADS, should carry the inscription 'MPLADS work<sup>1</sup> (plaque) indicating the

cost involved, name of the MP, completion and inauguration date is not being adhered to by some District Collectors/Authorities. Instructions be issued by the Nodal Central Ministry to District Authorities for following this provision strictly.

- (iv) Implementing Agencies should furnish an affidavit specifying the time limit within which the work is proposed to be completed and any major deviation from the specified time limit should be dealt severely.
- (v) Any violation of Guidelines by District Authorities/Implementing Agencies be taken note of and suitable action be taken against the responsible persons.
- (vi) The condition stipulated in Para 4.3(iii) of the Guidelines on MPLADS that the second installment of the MPLADS funds will be released only on furnishing the Utilisation Certificates by the District Authorities be waived as it is creating some operational problems. For want of timely Utilisation Certificate from District Authorities, Members of Parliament are made to suffer.
- (vii) Para 4.15 of the Guidelines provides that District Authority may release advance upto 50% of the estimated amount of a sanctioned work to an implementing agency and further on the basis of physical and financial report furnished by the Implementing Agency, the District Authority will release the remaining funds when 60% of the advance has been utilized.

Hon'ble Members suggested that amendment be made in this provision and the District Authorities should release an advance upto 75% of the estimated cost in one go.

- (viii) The Guidelines on MPLADS prohibits works within the places of religious worship and on land belonging to or owned by religious faith/group. However, the members suggested that if religious group is willing to gift the land to the State Government, through gift

deed, MPLADS funds be allowed to be used for construction of durable assets.

6. The Committee desired that the aforesaid suggestions be forwarded to Ministry of Statistics and Programme Implementation for obtaining their comments and thereafter the representatives of the Ministry be called before the Committee for seeking clarifications.

**The Committee then adjourned.**

CONFIDENTIAL

MINUTES OF THE FIFTH SITTING OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME, LOK SABHA (2006-07) HELD ON MONDAY, 4 JUNE, 2007 IN COMMITTEE ROOM '3', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat on Monday, 4 June, 2007 from 1100 hours to 1200 hours-

PRESENT

Shri Prasanna Acharya Chairman

MEMBERS

2. Shri Ilyas Azmi
3. Shri Hiten Barman
4. Shri Surendra Prakash Goyal
5. Shri Raghuvveer Singh Kaushal
6. Shri Sajjan Kumar
7. Sardar Sukhdev Singh Libra
8. Shri A.F.Golam Osmani
9. Shri Toofani Saroj
10. Kunwar Manvendra Singh
11. Shri Sita Ram Singh
12. Shri Narsingrao H. Suryawanshi
13. Shri Chandramani Tripathi
14. Shri Chandrapal Singh Yadav

SECRETARIAT

1. Shri Ashok Sarin Joint Secretary
2. Shri Hardev Singh Director
3. Shri Rajesh Ranjan Kumar Deputy Secretary
4. Shri Arvind Sharma Under Secretary

2. At the outset, the Chairman welcomed the members of the Committee on MPLADS to the sitting of the Committee.

5. The Chairman then briefed the Committee on the background of the subject "**Members of Parliament Local Area Development Scheme (MPLADS) — A Review**" which was selected by the previous Committee (1J2005-06). The Chairman informed the Committee that suggestions in this regard had been received from various quarters including Ministers, Ministries, MPs, Organisations, NGOs and Individuals. The comments of the Ministry of Statistics and Programme Implementation on these suggestions were also sought and placed before the Committee for consideration. The Committee deliberated upon the comments furnished by the Ministry and the Members expressed varied opinions. Most of the members were of the view that the amount of MPLADS funds for each Member should be increased. The Chairman desired that the Members should submit their written suggestions at the earliest.

6. Apart from the above, the Committee also took the following decisions :-
- i(i) The details of the funds released by the Ministry of Statistics and Programme Implementation (Installment wise) for each MP (Lok Sabha) might be obtained from the Ministry.
  - (ii) Comments of the Ministry of Statistics and Programme Implementation might be sought on the issue of levying heavy supervision charges by Electricity Departments in various States which was against the provisions of the Guidelines on MPLADS.

**The Committee then adjourned.**

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\* Does not pertain to this Report.

**CONFIDENTIAL**

**MINUTES OF THE FIRST SITTING OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME, LOK SABHA (2007-08) HELD ON THURSDAY, 30 AUGUST, 2007 IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat on Thursday, 30 August, 2007 from 1500 hours to 1600 hours.

**PRESENT**

Shri Prasanna Acharya Chairman

**MEMBERS**

- 
2. Shri Hiten Barman
  3. Shri Raghuvir Singh Kaushal
  4. Shri Chandrakant Bhaurao Khaire
  5. Shri Punnulal Mohale
  6. Shri Shripad Yesso Naik
  7. Shri M. Sreenivasulu Reddy
  8. Shri Sita Ram Singh
  9. Shri Narsingrao H. Suryawanshi
  10. Shri Chandra Pal Singh Yadav

**SECRETARIAT**

- 
1. Shri Ashok Sarin Joint Secretary
  2. Shri Hardev Singh Director
  3. Shri Rajesh Ranjan Kumar Deputy Secretary-
  4. Shri Arvind Sharma Under Secretary

2. At the outset, the Hon'ble Chairman welcomed the Members to the first sitting of the Committee on WIPLADS (2007-08) and also congratulated them on their being re-nominated to the Committee. He then apprised them about the main functions of the Committee and sought their cooperation in conducting the business of the Committee smoothly

3 Thereafter, the Committee took up for consideration Memorandum No.1 regarding selection of subject(s) for examination by Committee on Members of Parliament Local Area Development Scheme (MPLADS).

4. In this regard, the Hon'ble Chairman apprised the Members that Committee on MPLADS (2005-06) took up the subject 'Members of Parliament Local Area Development Scheme - A Review' for detailed examination. As decided by the Committee (2005-06), a Press note was inserted in the print and electronic media, inviting the views of public at large about the perception of the scheme, the achievements and suggestions for improvement, if any, in the working/implementation of the scheme. More than two hundred memoranda / suggestions / representations were received from Members of Parliament (including Ministers), State Governments, Union Ministries as well as individuals / organisations. These were forwarded to the Ministry of Statistics and Programme Implementation for their comments. However, the study remained inconclusive during the term of the previous Committees.

5. After some discussion, the Committee decided to continue with the examination of the subject 'Members of Parliament Local Area Development Scheme - A Review' which was selected by the previous Committees for detailed examination as the work had remained inconclusive. The Committee also decided that on the basis of the Memoranda submitted to the Committee, they would call the witnesses for formal discussion to ascertain their considered views/suggestions on the Scheme after obtaining the comments of the Ministry of Statistics and Programme Implementation.

6. Some Members made the following suggestions with regard to the MPLADS Guidelines in order to streamline the implementation of the Scheme :-

- (i) The Ministry of Statistics and Programme Implementation should take necessary steps to ensure timely issue of Utilisation and Audit Certificates by District Authorities so that second installment of the MPLAD Scheme is released in time.
- (ii) Accountability should be fixed on the Implementing Agencies for delayed sanction and implementation of works under MPLADS. Any violation of the Guidelines by the District Authorities/Implementing Agencies be taken note of and suitable action be taken against the responsible persons.
- (iii) Details of funds released by the Ministry of Statistics and Programme Implementation for all the Members of Lok Sabha, particularly the Members who are complaining of delay in release and the reasons for delay, if any might be obtained.

The Committee desired that the aforesaid suggestions be forwarded to the Ministry of Statistics and Programme Implementation for necessary action.



7 The Committee also decided to undertake a Study Tour in connection with the examination of the subject "Members of Parliament Local Area Development Scheme - A Review" in the last week of October, 2007.

**The Committee then adjourned.**

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MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME, LOK SABHA (2007-08) HELD ON WEDNESDAY, 21 MAY, 2008 IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat on Wednesday, 21 May, 2008 from 1100 hours to 1230 hours.

## PRESENT

Shri Prasanna Acharya - Chairman

## MEMBERS

- 
2. Shri Ilyas Azmi
  3. Shri Pankaj Choudhary
  4. Shri Surendra Prakash Goyal
  5. Shri Raghuvir Singh Kaushal
  6. Shri Chandrakant Bhaurao Khaire
  7. Shri A. Krishnaswamy
  8. Shri Sajjarf Kumar
  9. Sardar Sukhdev Singh Libra
  10. Dr. Chinta Mohan
  11. Shri Shripad Yesso Naik
  12. Shri A.F.G. Osmani
  13. Shri P. Rajendran
  14. Shri Toofani Sarof
  15. Prof. Mah'adeorao Shiwankar
  16. Kunwar Manvendra Singh
  17. Shri Sita Ram Singh
  18. Shri Chandramani Tripathi
  19. Shri Chandra Pal Singh Yadav

**SECRETARIAT**

1. Shri D.S. Malha - Deputy Secretary
  2. Shri Rajesh Ranjan Kumar - Deputy Secretary-II
  3. Dr. Satya Prakash - Under Secretary
2. At the outset, the Hon'ble Chairman welcomed the members and briefed them about the background of the subject "MPLAD Scheme - A Review" under examination of the Committee. Hon'ble Chairman requested the members of the Committee to give their opinion on the MPLAD Scheme and problems, if any, in its implementation and monitoring. He also sought the suggestions of the members regarding changes required in the Guidelines on MPLADS issued by the Ministry of Statistics and Programme Implementation in November, 2005 presently in vogue, for improvement in the implementation and monitoring of the MPLAD Scheme.
3. Thereafter, Hon'ble members expressed different opinions and gave various suggestions for improvement in the MPLAD Scheme. All the members were of the view that the Scheme as a whole has proved to be beneficial to the people and has met local / public-felt needs in every nook and corner of the Country. The members, therefore, opined that not only the Scheme should continue, but the amount allocated to each member/constituency per year should also be increased substantially.
4. Hon'ble Chairman informed the members about the study tour to be undertaken by the Committee to Lucknow, Allahabad and Darjeeling from 5 to 9 June, 2008 in connection with the assessment of MPLAD works and implementation and monitoring of the Scheme and also in connection with examination of the subject "MPLAD Scheme - A Review". A meeting would thereafter be conducted with the Secretaries of the Ministry of -Personnel, Public Grievances and Pension (Department of Personnel and Training) and the Ministry of Statistics and Programme Implementation on 20 June, 2008.

The Committee then adjourned.

**MINUTES OF THE FOURTH SITTING OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME, \ LOK SABHA (2007-08) HELD ON FRIDAY, 20 JUNE, 2008 IN ^ COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat on Friday, 20 June, 2008 from 1100 hours to 1300 hours.

**PRESENT**

Shri Prasanna Acharya — Chairman

**MEMBERS**

2. Shri Ilyas Azmi
  
3. Shri Hiten Barman
4. Shri Surendra Prakash Goyal
5. Shri Sajjan Kumar
6. Sardar Sukhdev Singh Libra
7. Prof. Mahadeorao Shiwankar
8. Shri Sita Ram Singh
9. Shri Narsingrao H. Suryawanshi

**REPRESENTATIVES OF THE MINISTRY OF STATISTICS AND PROGRAMME**

**IMPLEMENTATION**

1. Dr. Pronab Sen
  
  2. Smt. Lalitha Kumar
  
  3. Shri A.K. Mehra
  
  4. Shri S.K.Jain
  
  5. Shri A.K. Choudhary
- Secret
- ary  
« Additional Secretary Deputy Director General Senior  
Technical Director (NIC)  
- Director (MPLADS)

REPRESENTATIVE OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES & PENSION (DEPTT. OF PERSONNEL & TRAINING)

1. .Shri Satyananda Mishra - Secretary

SECRETARIAT

1. Shri N.K. Sapra - Additional Secretary
- 2- Shri D.S. Malha - Deputy Secretary
3. Shri Rajesh Ranjan Kumar - Deputy Secretary-N
4. Dr. Satya Prakash — Under Secretary

2. At the outset, the Hon'ble Chairman welcomed the Members and the representatives of the Ministry of Statistics and Programme Implementation and the Ministry of Personnel, Public Grievances and Pension (Department of Personnel and Training) to the sitting of the Committee and briefed them on the background of the subject "Members of Parliament Local Area Development Scheme (MPLADS) - A Review". The Chairman informed that the present Committee are continuing with examination of the subject as the exercise remained inconclusive earlier. The Chairman further informed that the suggestions on this subject had been obtained from various quarters including Union Ministries, State Governments, Hon'ble Ministers, MPs, Organizations and individuals. The Ministry of Statistics and Programme Implementation had furnished comments on these suggestions which were circulated to the Members of the Committee for their perusal. The Committee had also conducted study visits to seek the opinion of the State Authorities in this regard. The Chairman observed that while the Committee undertook the task of reviewing the scheme, several problems and loopholes in the implementation as well as the monitoring of the scheme came to their notice. A general view has emerged during the course of the study that certain provisions in the guidelines still need revision with rational and practical approach.

3. The Chairman then invited the opinion of the Secretary to the Department of Personnel and Training about the remedial measures in case of failures/lapses on the part of implementing authorities at State level and District level in the proper implementation of MPLAD Scheme as per the provisions of the guidelines. He extended the considered views and opinion of the Department of Personnel and Training with regard to resolving the difficulties arising in the implementation of the Scheme.

4. The Committee, therefore, took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on the above subject.

5. The Members asked clarificatory questions which were replied to by the representatives of both the Ministries. The Chairman directed the representatives of the Ministry of Statistics and Programme Implementation that the information with regard to queries of the Members which was not readily available with them might be furnished to the Committee in writing later on.

6. A verbatim record of the proceedings has been kept.

**The witnesses then withdrew.**

**The Committee then adjourned.**

CONFIDENTIAL

MINUTES OF THE FIFTH SITTING OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME, LOK SABHA (2007-08) HELD ON MONDAY, 14 JULY, 2008 IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat on Monday, 14 July, 2008. from 1100 hours to 1300 hours.

PRESENT

Shri Prasanna Acharya - Chairman

MEMBERS

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2. Shri Hiten Barman
  - 3.4 Shri Surendra Prakash Goyal
- 
5. Shii Sajjan Kumar
  6. Sardar Sukhdev Singh Libra
  7. Shri Punnulal Mohale
  8. Dr. Chinta Mohan
  9. Shri Shripad Yesso Naik
  10. Shri P. Rajendran
  11. Shri Toofani Saroj
  12. Prof. Mahadeorao Shiwankar
  13. Kunwar Manvendra Singh
  14. Shri Narsingrao H. Suryawanshi
  15. Shri Chandra Pal Singh Yadav

REPRESENTATIVES OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

1. Dr. Pronab Sen — Secretary
2. Smt. Lalitha Kumar - Additional Secretary
3. Shri A.K. Mehra — Deputy Director General
4. Shri A.K. Choudhary - Director (MPLADS)

REPRESENTATIVES OF THE MINISTRY OF LAW AND JUSTICE (DEPTT. OF LEGAL AFFAIRS)

1. Shri T.K. Viswanathan -- Secretary
2. Shri Satish Chandra — Additional Govt. Counsel

1. Shri N.K. Sapra - Additional Secretary
2. Shri D.S. Malha - Deputy Secretary
3. Shri Rajesh Ranjan Kumar - Deputy Secretary-II
4. Dr. Satya Prakash - Under Secretary

2. At the outset, the Hon'ble Chairman welcomed the Members and the representatives of the Ministry of Statistics and Programme Implementation and the Ministry of Law and Justice (Department of Legal Affairs) to the sitting of the Committee and briefed them about the background of the subject "Members of Parliament Local Area Development Scheme (MPLADS) - A Review". The Chairman informed that the oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on the above subject remained inconclusive during the last sitting of the Committee held on 20 June, 2008. The Chairman also informed that the views of the Department of Personnel and Training were taken on the above subject matter during the last sitting and the representatives of the Department of Legal Affairs have been associated this time to give their opinion on various aspects of the Scheme.

3. The Chairman then invited the Secretary, Department of Legal Affairs to give his opinion on the issues of constitutional validity of the Scheme, definition of the word 'Family' used in the Guidelines and proposal for incorporating penal provisions in Guidelines in case of failures/lapses on the part of implementing authorities at State/District levels in the proper implementation of MPLAD Scheme as per the provisions of the Guidelines. The Secretary, Department of Legal Affairs informed the Committee that though the issue relating to the constitutional validity of the Scheme is pending before the Constitution Bench of the Supreme Court, the Court has not given any stay in the matter.

4. The Committee, thereafter, continued with the oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on the above subject. The Secretary to the Ministry commented on various issues relating to review of the existing Guidelines on MPLADS. After deliberating over various issues in detail, the Committee made the following decisions / observations :-

- (i) Definition of word 'family' - After considering the views of Ministry of Statistics and Programme Implementation and the Ministry of Law and Justice, the Committee drew inference that there was no legal bar on changing the definition of the word 'family' by restricting its scope.
- (ii) Provision for action against erring officials - The Committee was informed that there was no legal basis for the Central



Government to take action against erring officials including Officers from All India Services within the present framework for violation of the Guidelines, as the administrative control of the officers is with the State Governments. Several Members of the Committee felt that there should be a provision for punishing such erring officers.

(iii) Scrutiny of eligible works - Several Members expressed their anguish at the non-sanction of eligible works within 45 days from the date of recommendation, as provided for in the Guidelines and desired that the provision be strictly followed and the Members informed accordingly.

(iv) Execution of works through Gram Panchayat - On the issue raised by Member regarding the MPLAD works to be implemented by Panchayats under the existing Guidelines, it was clarified by the Ministry that works under the present Guidelines could be executed through Panchayats. The Hon'ble Chairman observed that the Ministry should clarify this to the respective State Governments.

5. The Chairman directed the representatives of the Ministry of Statistics and Programme Implementation that the information with regard to queries of the Members which was not readily available with them might be furnished to the Committee in writing later on. The Committee decided to associate the representatives of the Ministry of Finance in the next sitting in order to have their views on the Accounting Procedure, Fund Release and Financial Discipline and Management in MPLAD Scheme.

6. The witnesses then withdrew. The oral evidence on the subject remained inconclusive.

7. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE FIRST SITTING OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME, LOK SABHA (2008-09) HELD ON MONDAY, 18 AUGUST, 2008 IN COMMITTEE ROOM (B) PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat on Monday, 18 August, 2008 from 1100 hours to 1215 hours.

**PRESENT**

Shri P. Rajendran - In the Chair

**MEMBERS**

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2. Shri Ilyas Azmi
  
  3. Shri Hiten Barman
  4. Shri Surendra Prakash Goyal
  5. Shri Raghuvir Singh Kaushal
  6. Shri Chandrakant Bhaurao Khaire
  7. Shri Sajjan Kumar
  8. Sardar Sukhdev Singh Libra
  9. Shri A.F.G. Osmani
  10. Shri Toofani Saroj
  11. Kunwar Manvendra Singh
  12. Shri Sita Ram Singh
  13. Shri Narsingrao H. Suryawanshi
  14. Shri Chandramani Tripathi

**SECRETARIAT**

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1. Shri N.K. Sapra ~ Additional Secretary

- |                             |          |                  |
|-----------------------------|----------|------------------|
| 2. Shri Hardev Singh        | - i<br>— | Director         |
| 3. Shri D.S. Malha          | —        | Deputy Secretary |
| 4. Shri Rajesh Ranjan Kumar | ~        | Deputy Secretary |
| 5. Dr. Satya Prakash        | —        | Under Secretary  |

2. Since the Chairman of the Committee (Shri Prasanna Acharya) could not attend the sitting of the Committee due to unavoidable reasons, the Committee chose Shri P. Rajendran, Member of the Committee to act as Chairman for the meeting under Rule 258(3) of the Rules of Procedure & Conduct of Business in Lok Sabha. The acting Chairman welcomed the Members to the first sitting of the Committee on MPLADS (2008-09) and also congratulated them on their being re-nominated to the Committee. He then apprised them about the main functions of the Committee and sought their cooperation in conducting the business of the Committee smoothly.

3. Thereafter, the Committee took up for consideration **Memorandum No.1 regarding selection of subject(s) for examination by Committee on Members of Parliament Local Area Development Scheme (MPLADS).**

4. In this regard, the acting Chairman apprised the Members that the Committee on MPLADS (2005-06) had taken up the subject 'Members of Parliament Local Area Development Scheme - A Review<sup>1</sup> for detailed examination. As decided by the Committee (2005-06), a Press note was inserted in the print and electronic media, inviting the views of public at large about the perception of the scheme, the achievements and suggestions for improvement, if any, in the working/implementation of the scheme. More than two

hundred memoranda / suggestions / representations were received from Members of Parliament (including Ministers), State Governments, Union Ministries as well as individuals / organisations. These were forwarded to the Ministry of Statistics and Programme Implementation for their comments.

5. During its previous tenure, the Committee had also called Ministry of Statistics and Programme Implementation; Ministry of Personnel, Public Grievance & Pensions and Law & Justice for the oral evidence on the subject 'MPLAD Scheme - A Review'. However, the study remained inconclusive during the term of the previous Committees. The Committee is in the stage of finalisation of the draft report on the above subject. But before placing the same for adoption, the Committee decided to call the representative of the Ministry of Statistics and Programme Implementation and Ministry of Finance for further evidence.

6. Some Members made the following suggestions with regard to the MPLADS Guidelines in order to streamline the implementation of the Scheme :-

- (i) The Ministry of Statistics and Programme Implementation should take necessary steps to ensure timely issue of Utilisation and Audit Certificates by District Authorities so that second instalment of the MPLAD Scheme is released in time.
- (ii) Accountability should be fixed on the Implementing Agencies for delayed sanction and implementation of works under MPLADS. Any violation of the Guidelines by the District Authorities/Implementing Agencies should be

taken note of and suitable action taken against the responsible persons.

- (iii) The second Instalment of MPLADS funds for the year 2008-09 should be released by relaxing the requirement of submission of UCs and ACs.
- (iv) As provisions of Guidelines regarding sanction of work by District Authorities within 45 days and completion of work by implementing agencies within a year were not being adhered to in a number of cases, many members suggested that complete information might be sought from District Authorities including details regarding date of receipt of proposals by them from MPs, date of sanction of works, date of completion of works for the term of 14<sup>th</sup> Lok Sabha in respect of all members.
- (v) The present limit for allocation of funds per MP per annum under this Scheme should be raised immediately.
- (vi) The limit of funds to be released initially to implementing agencies should be raised to 75% of the estimated amount in place of 50% being released at present.

**The Committee then adjourned.**

CONFIDENTIALMINUTES OF THE SECOND SITTING OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (LAK SASHA) HELD ON FRIDAY, 24 OCTOBER 2008 IN COMMITTEE ROOM \*B\* PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat on Friday, 24 October 2008 from 1500 hours to 1530 hours.

**PRESENT**

Shri Prasanna Acharya - Chairman

**MEMBERS**

2. Shri Ilyas Azmi
3. Shri Surendra Prakash Goyal
4. Shri Shripad Yesso Naik
5. Shri P. Rajendran
6. Shri M. Sreenivasulu Reddy
7. Shri Toofani Saroj
8. Kunwar Manvendra Singh
9. Shri Narsingrao H. Suryawanshi

**SECRETARIAT**

1. Shri N.K. Sapra. Additional Secretary
2. Shri Hardev Singh Director
3. Shri D.S. Malha Deputy Secretary
4. Dr. Satya Prakash Under Secretary

The Committee considered the draft Fourteenth Report on the Action Taken on the recommendations contained in the Thirteenth Report of the Committee on MPLADS and adopted the same without any modification.

2. The Committee authorised the Chairman to finalise the Fourteenth Report and also to make consequential changes, if required besides presenting the same to Lok Sabha.

3. The Committee also decided to have the next sitting of the Committee on 30 October, 2008 to consider and adopt the draft Fifteenth Report on the Subject "MPLADS-A Review".

***The Committee then adjourned.***

CONFIDENTIAL

MINUTES OF THE MEETING OF THE COMMITTEE ON  
 PARLIAMNTARY AFFAIRS AND LOCAL GOVERNMENTS  
 ON 30 OCTOBER, 2008 AT 1500 HOURS  
 PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat on Thursday, 30 October 2008 from 1500 hours to 1600 hours.

**PRESENT**

Chairman

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 Shri Prasanna Acharya
**MEMBER**

2. Shri Surendra Prakash Goyal
3. Shri Raghuvir Singh Kaushaf
4. Shri Sajjan Kumar
5. Dr. Chinta Mohan
6. Shri P. Rajendran
7. Shri Toofani Saroj
8. Kunwar Manvendra Singh
9. Shri Narsingrao H. Suryawanshi

**SECRETARIAT**

- |    |                   |   |                      |
|----|-------------------|---|----------------------|
| 1. | Shri N.K. Sapro.  | - | Additional Secretary |
| 2. | Shri Hardev Singh | - | Director             |
| 3. | Shri D.S. Malha   | - | Deputy Secretary     |
| 4. | Dr. Satya Prakash | - | Under Secretary      |

The Committee considered the draft Fifteenth Report on the subject "MPLADS - A Review" with detailed discussion on various issues including increasing the limit of amount from Rs. 2 Crore to Rs. 10 Crore per year and adopted the same unanimously.

2. The Committee authorised the Chairman to finalise the Fifteenth Report and also to make consequential changes, if required, besides presenting the same to Lok Sabha.
3. The Committee also decided to have the next sitting of the Committee on

7 November 2008.

*The Committee then adjourned.*