14

STANDING COMMITTEE ON ENERGY
(2001)
THIRTEENTH LOK SABHA

DEPARTMENT OF ATOMIC ENERGY

DEMANDS FOR GRANTS
(2001-2002)

FOURTEENTH REPORT

Presented to Lok Sabha on 19.4.2001
Laid in Rajya Sabha on 19.4.2001

LOK SABHA SECRETARIAT
NEW DELHI
April, 2001 / Chaitra, 1923 (Saka)

CONTENTS

COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2001)

Shri Sontosh Mohan Dev - Chairman

MEMBERS
Lok Sabha

2. Shri Basudeb Acharia
3. Shri Prasanna Acharya
4. Shri Prakash Yashwant Ambedkar
5. Shri Rajbhar Babban
6. Shri Vijayendra Pal Singh Badnore
7. Shri Girdhari Lal Bhargava
8. Shri Jagmeet Singh Brar
9. Shri Lal Muni Chaubey
10. Shri A.B.A. Ghani Khan Choudhury
11. Shri Bikash Chowdhury
12. Shri M.Durai
13. Kumari Bhavana Pundlikarao Gawali
14. Shri Trilochan Kanungo
15. Shri P.R. Khunte
16. Shri Sanat Kumar Mandal
17. Shri K. Muraleedharan
18. Shri Amar Roy Pradhan
19. Shri Ravindra Kumar Pandey
20. Shri Dalpat Singh Parste
21. Shri B.V.N. Reddy
22. Shri Chada Suresh Reddy
23. Shri B.Satyanarayana
24. Shri Harpal Singh Sathi
25. Shri C.K.Jaffer Sharief
26. Shri Chandra Pratap Singh
27. Shri Tilakdhari Prasad Singh
28. Shri Manoj Sinha
29. Shri Ramji Lal Suman
30. Prof. Ummareddy Venkateswarlu

Rajya Sabha

31. Shri Lakhiram Agarwal
32. Shri Gandhi Azad
33. Shri Santosh Bagrodia
34. Shri Brahamakumar Bhatt
35. Shri Dara Singh Chauhan
36. Shri Manohar Kant Dhyani
37. Shri Aimaduddin Ahmed Khan (Durru)
38. Shri Vedprakash P.Goyal
39. Shri Rama Shanker Kaushik
40. Shri R.P.Goenka
41. Shri B.J. Panda
42. Shri V.V.Raghavan
43. Dr. Akhtar Hasan Rizvi
44. Shri Ramamuni Reddy Sirigireddy
45. Ven'ble Dhamma Viriyo

SECRETARIAT

1.	Shri John Joseph	-	Joint Secretary
2.	Shri P.K. Bhandari	-	Deputy Secretary
3.	Shri R.S. Kambo	-	Under Secretary
4.	Shri P.C. Tripathy	-	Committee Officer

INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorised by the Committee to present the Report on their behalf, present this Fourteenth Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) relating to the Department of Atomic Energy.

2. The Committee took evidence of the representatives of the Department Atomic Energy on 30th March , 2001.

3. The Committee wish to thank the representatives of the Department of Atomic Energy who appeared before the Committee and placed their considered views. They also wish to thank the Department for furnishing the replies on the points raised by the Committee.

4. The Report was considered and adopted by the Committee at their sitting held on 12th April, 2001.

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

NEW DELHI;
April 16, 2001
Chaitra 26, 1923 (Saka)

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on Energy.

PART I

REPORT
CHAPTER I

Introductory

Mandate of the Department of Atomic Energy (DAE)

The Department of Atomic Energy (DAE) have been entrusted with the responsibility of harnessing atomic energy for electricity generation, with the emphasis on self-reliance, indigenous research and development covering all aspects of the nuclear fuel cycle and also developing its applications in the areas of medicine, agriculture, industry and research. The DAE's mandate is to produce safe and economic nuclear power, utilising indigenous uranium and thorium resources and to create an R&D infrastructure for the development of appropriate technologies. Towards this end, the Department are involved in developing, in stages, pressurised heavy water reactors, fast breeder reactors and advanced thorium reactors and their associated fuel cycle systems.

1.2 The Department build research reactors and utilise the radioisotopes produced there for applications in medicine, agriculture and industry.

1.3 They develop advanced technology such as accelerators, lasers, control & instrumentation, computers, bio-technology, information technology, materials technology and others.

1.4 The Department support basic research in nuclear energy and related frontier areas of science. They interact with universities and academic institutions and support development of their S&T programmes having a bearing on DAE's programme for mutual benefit.

1.5 The atomic energy programmes comprise three sectors, namely, Nuclear Power Sector, Industries & Minerals Sector and Research & Development Sector.

1.6 The Nuclear Power Sector of the Department deals with design, construction and operation of commercial power reactors with associated safety in all its phases. This comprises building of Pressurised Heavy Water Reactors and Development of Fast Breeder Test Reactors and Thorium Reactors on commercial scale. Associated waste management and environment monitoring and technology development relating to operation and maintenance of the reactors also form part of the programme.

1.7 Industries & Minerals Sector is involved in industrial application of technologies developed in the R&D facilities and includes (a) programmes related

to nuclear fuel cycle covering design, construction and operation of industrial plants for refining ores, fabrication of fuel, production of heavy water, instrumentation and control, etc. needed for sustained operation of the power reactors; and (b) applications of radioisotope, radiation, laser and accelerator technology for development in industry, medicine, agriculture and food preservation.

1.8 Research & Development Sector Provides R&D support to the Nuclear Power Programme of the Department. The R&D efforts of DAE are in multidisciplinary high technology areas. Significant achievements have been made in building technical capabilities in the design, construction and operation of Pressurised Heavy Water Reactors (PHWR); exploration, mining extraction, purification and conversion of nuclear materials; production of fuel element for nuclear reactors; production of heavy water; health and safety research; development and application of lasers and accelerators; development of Fast Breeder Test Reactors and related instrumentation; reprocessing of spent fuels; waste management and production and use of radioisotopes, besides basic research in frontier areas of S&T, particularly radio-astronomy, molecular biology, condensed matter physics, computer science, etc. The Department of Atomic Energy also work in fields related to National Security.

1.9 The observations of the Committee on the basis of the Scrutiny of Demands for Grants for the year 2001-2002 are brought out in the succeeding Chapter.

CHAPTER II

ANALYSIS OF DEMANDS FOR GRANTS AND PLAN BUDGET OF THE DEPARTMENT OF ATOMIC ENERGY

The following two Demands for Grants have been submitted to Parliament by the Department of Atomic Energy (DAE) for the year 2001-2002:-

Demand No. 87 -Atomic Energy

Relating to Revenue and Capital Expenditure on Atomic Energy Research and Development, Industrial Projects and the Secretariat of the Department — Rs.2593.95 crore

Demand No. 88-Nuelear Power Schemes

Relating to Revenue and Capital Expenditure on Nuclear Power Generation and Ancillary Schemes — Rs. 2596.28 crore

2.2 The two Demands aggregating to Rs. 5190.23 crore comprise Rs. 1892.00 crore for Plan schemes and Rs. 3298.23 crore for Non-Plan expenditure. In addition, Plan schemes to the extent of Rs. 175.50 crore are to be met from Internal and Extra Budgetary Resources (IEBR).

2.3 The following are the budgetary allocations made to the Department of Atomic Energy during 1999-2000, 2000-2001 and 2001-2002 and the percentage of increase over the previous year's allocation:-

(Rs.in crores)

Year	B.E.	Increase
1999-2000	4538.38	13.57%
2000-2001	4942.99	8.91%
2001-200	5190.23	5%

2.4 The details of actual revenue and capital expenditure for the year 1999-2000, the Budget and Revised Estimates for 2000-2001 and Budget Estimates for 2001-2002 of the Department are given in the Appendix.

A. Budgetary Allocation

2.5 The Budget Estimates (BE) and Actuals for the year 1999-2000, Budget Estimates (BE) and Revised Estimates (RE) for the year 2000-01 and BE for the year 2001-02 in respect of the three Sectors *viz.* Power, Industries & Minerals (I&M) and Research & Development (R&D) Sectors of the Department of Atomic Energy are as under:

Sector-wise Distribution of Funds

(Rs. in crores)

Sector	BE 1999-2000			Actuals 1999-2000			BE 2000-2001			RE 2000-2001			BE 2001-2002		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Power															
Budgetary Support	950.00	1435.37	2385.37	885.02	1432.60	2317.62	894.00	1636.34	2530.34	805.00	1562.20	2367.20	1093.00	1503.28	2596.28
I.E.B.R.	384.00	-	384.00	73.52	-	73.52	438.00	0.00	438.00	393.50	0.00	393.50	149.00	0.00	149.00
I&M															
Budgetary Support	225.00	987.59	1212.59	125.13	978.12	1103.25	240.00	1095.15	1335.15	184.73	1163.25	1347.98	340.00	112.64	1452.64
I.E.B.R.	67.00	-	67.00	10.75	-	10.75	55.06	-	55.06	22.00	0.00	22.00	26.50	0.00	26.50
R&:D	325.00	595.42	920.42	320.99	61286	933.85	420.00	657.50	1077.50	415.27	658.89	1074.16	459.00	682.31	1141.31
Total Budgetary Support	1500.00	3018.38	4518.38	1331.14	3023.58	4354.72	1554.00	3388.99	4942.99	1405.00	3384.34	4789.34	1892.00	3298.23	5190.23
I.E.B.R.	451.00	0.00	451.00	84.17	0.00	84.27	493.06	0.00	493.06	415.50	0.00	415.50	175.50	0.00	175.50
Grand Total	1951.00	3018.38	4969.38	1415.41	3023.58	4438.99	2047.06	3388.99	5436.05	1820.50	3384.34	5204.84	2067.50	3298.23	5365.73

BS - Budgetary support

IEBR -Internal and Extra Budgetary Resources
I & M-Industries &: Minerals

R&D-Research &: Development

2.6 From the data, it may be seen that the actual expenditure incurred during 1999-2000 by the Department of Atomic Energy out of the budgetary support component was Rs. 4354.72 crore as against the budgetary allocation of Rs. 4518.38 crore. Thus, there has been a shortfall in expenditure amounting to Rs. 163.66 crore.

2.7 Shortfalls have been registered in the Plan expenditure in all the three Sectors of the Department during 1999-2000. While the shortfall has been negligible in the R&D Sector with Rs. 4.01 crore, the same in the Power and I&M Sectors has been as much as Rs. 64.98 crore and Rs. 99.87 crore respectively. The details are as under:-

Power Sector : Rs. 64.98 crore (Rs. 950.00 crore--Rs 885.02 crore)

I&M Sector : Rs. 99.87 crore (Rs. 225.00 crore--Rs. 125.13 crore)

R&D Sector : Rs. 4.01 crore (Rs. 325.00 crore--Rs. 320.99 crore)

2.8 When asked about the reasons for shortfall in Plan expenditure in the three Sectors during 1999-2000, the Department have stated in a written reply as below..-

R&D Sector:

> "The delay in concluding M.O.U., with the Government of Tamil Nadu for the Project for supply of additional 3 mgd water supply scheme, delay in finalising the contract for Steam Water System and Building Design and rescheduling of some electrical works resulting in shortfall in expenditure by the Indira Gandhi Centre for Atomic Research (IGCAR) and delay in getting clearance from Mumbai Municipal Corporation and the Fire Service clearance for construction of houses in Trombay Township Projects have resulted in shortfall in Plan expenditure in the R&D Sector".

I&M Sector:

> "The shortfall under I&M Sector was due to non-release of equity for the Uranium Corporation of India Ltd. due to difficulties in the import of a strategic equipment 'Winder' for the project – 'III Stage Shaft Sinking', non-release of funds to IREL for the joint venture project for which Government approval was not received, rescheduling of projects in respect of BRIT & NFC schemes.There was also a delay in finalizing Engineering Services Consultancy Contract for New Technology Development Project (BARC) as the bids received were non-responsive and hence to be re-tendered".

Power Sector:

> "Delay in preparation of Detailed Project Report and other preparatory works for the Kudankulam Power Project Rescheduling of procurement of sub-station electrical works of Waste Management Project,

Delay in finalizing of overall plan and Infrastructural facilities,

Delay in consultancy contracts of PFBR Phase-II,

Postponement of delivery schedule of equipment, engineering, design and development and

Anticipated delay in the delivery of Helium Refrigeration Unit for the materials and chemical technology and delay in concluding M.0.U. between Hindustan Machines Tool and BARC for procurement of major equipments have led to shortfall in Plan expenditure in the Power Sector".

2.9 Regarding shortfall in the expenditure in the I&M Sector and delay in procurement of equipments, the Secretary, Department of Atomic Energy stated during evidence as under:-

"…..there are different projects under the I&M Sector. But one of the major things is the new technology development which visualises the setting up of reprocessing plants. This was sanctioned, not at the beginning of the Plan but a little later. To reduce the overall time, we changed the management style of this. The departmental work content used to be very high. We also used to do small packages. But now we are going into big contracts and this is a composite contract that visualises the design, procurement and construction. This is a composite arrangement. Because it is a new technology for the contractors; it did take us some time before evolving it. We had to do a lot of explaining to the vendors and others. would say that a good part of the delay is on account of this. But at the same time, the same method would give us dividends in the years to come. Once you start on large packages, the rate of implementation will pick up and this initial delay will get compensated as we go along in the project ... we are self-sufficient in terms of technology and we are self-reliant. We build our plants and we make our raw materials that are required for our plants. But sometimes it is not cost-effective commercially to carry out every activity although the capability is there. We thus still source small fractions from outside. That does get hit by this embargo issue. What really happens is that whether something will be supplied by a particular vendor or not, this aspect comes to us, many times, at a very late stage in the sense that when we raise a query, you get quotation, in fact, if you place a purchase order it goes on. When they apply for export clearance in their respective countries, they do not get it. Initially, they all want it. They are very optimistic that they would be able to get it. Then it comes to the kind of a situation that they are not able to get it. In the process we lose a few years and we have to start the cycle all over again. So, I quite agree that there is a difficulty. So, we are now making some conscious efforts. We must be definitive in regard to purchase orders. But we have brought in some kind of a concurrent working in parallel approaches. In fact, we are putting more efforts in procurement and we are doing it in two paths. We stop one when the other is realised. But I agree that there is some

difficulty. I can very definitely assure you that we would overcome all these problems. We would complete our projects."

2.10 Elucidating further, the Secretary, DAE also added the following during oral evidence:-

"…....what we have been doing is that we have been working the design to the last detail and we tell them (vendors) to fabricate like this. That was very simple to implement, though it required a lot of efforts. That used to contribute to the delay because it became an individual efforts on our part. Right now, we are 1osing time because we are educating the vendors and are trying to make them understand. It helps in two ways. First, once it becomes a big package, their rate of implementation would be higher. Second, in some cases it helps in building up the capability. It has happened in case of nuclear power. We used to do this in nuclear power also long time back. But today they talk about big packages. There are competent people who do this. They go through qualified procedure and among the qualified people they go through competitive bidding. The important thing is that we must be competitive amongst the competent people. So, we have to create those competent people. There. are some of the reasons for the delay. But I am sure we will overcome this."

2.11 Plan Budget Estimates (BE) for R&D and I&M) Sectors were Rs. 420.00 crore and Rs.240.00 crore respectively during 2000-01 which were reduced to Rs. 415.27 crore and Rs. 184.73 crore respectively at Revised Estimates (RE) Stage.

2.12 When asked to specify the reasons for reduction of Plan BE at RE stage during 2000-01 in the R&D and I&M Sectors, the Department replied as under:-

R&D Sector:

"The reduction was under "Housing schemes" wherein the proposal for purchase of ready built flats from Air India was deferred pending finalisation of modalities."

I&M Sector:

"Under I & M Sector the reduction is attributable for the following reasons:

(i) New Technology Development Project of BARC-Reduction based on status of major orders in pipeline and progress of Consultancy contract.

(ii) Non-finalisation of Joint Venture project of Indian Rare Earths Limited thereby resulting withholding of investment.

(iii) The Plan schemes of Nuclear Fuel Complex, (i) Dovetailing of 37 element bundle for TAPP 3/4, (ii) advance material processing and characterisation facility, (iii) special material and alloys development project, along with projects of Heavy Water Board for major

modification to Heavy Water Plant, Baroda were reduced substantially keeping in view the progress of the Projects. There was a delay in procurement of equipment from the overseas source and hence efforts on indigenisation had to be made which is a time taking process. In case of Heavy Water Project the re-tendering for procurement has been already resorted."

2.13 Plan Budget Estimates (BE) for the Power Sector was Rs. 894.00 crore during 2000-01 which was reduced to Rs. 805.00 crore at Revised Estimates (RE) stage.

2.14 As regards the reduction of BE at RE stage during 2000-01 in the Power Sector, the Department cited the following reasons:

"The overall reduction was of Rs.89 crore under Power Sector The equity component for Nuclear Power Corporation of India Ltd., amounting to Rs.85 crore was reduced during Revised Estimate stage due to economy measures. The amount of Rs. 4 crore was reduced considering the slow progress of the PFBR project of Indira Gandhi Centre for Atomic Research during the financial year."

2.15 The shortfall in the utilisation of Internal and Extra Budgetary Resources (IEBR) by the Department during 1999-2000 was to the tune of Rs. 366.73 crore (Rs. 451.00 crore-Rs. 84.27 crore). While the shortfall in utilisation of IEBR in the Power Sector was Rs. 310.48 crore (Rs. 384.00 crore-Rs. 73.52 crore) and the shortfall in the I&M Sector was Rs. 56.25 crore (Rs. 67.00 crore-Rs. 10.75 crore).

2.16 The Ninth Plan IEBR outlay for the I&M Sector was Rs. 368.50 crore out of which Rs. 16.33 crore, Rs. 10.75 crore and Rs. 19.61 crore have been utilized during 1997-98, 1998-99 and 1999-2000 respectively. Thus, the total utilization of IEBR during these three years has totalled a meager Rs. 46.69 crore.

2.17 When asked give reasons for shortfall in utilisation of IEBR during the Ninth Plan in the I&M Sector, the Department gave the following reasons:

"The IEBR component of Rs. 368.50 crore was to be generated by the three Public Sector Undertakings as under:

IREL	Rs. 168.50 crore
ECIL	Rs. 150.00 crore
UCIL	Rs. 50.00 crore

The total generation of IEBR of IREL is expected to be of the order of Rs. 93.19 crore during the IX Plan. Pending restructuring, no new projects could be taken up for utilization of the surplus generated. Though a provision of Rs. 150 crore was projected by ECIL, in view of the poor financial performance of. the company during the years 1997-98, 1998-99 and 1999-2000 (the company had

incurred losses of a total amount of Rs. 71.03 crore during the three years) the company was not in a position to generate IEBR. In view of the accumulated losses of these years, it may also not be possible for the company to generate any IEBR during the years 2000-2001 and 2001-2002.

In view of the reasons explained above, the utilisation of IEBR in 200-2001 and 2001-2002 is expected to be only Rs. 48.50 crore as against the balance of Rs. 321.81 crore."

2.18 The Ninth Plan outlay for IEBR for Power Sector was Rs. 2148.50 crore out of which Rs. 285.90 crore, Rs. 59.13 crore and Rs. 73.52 crore have been utilised during 1997-98, 1998-99 and 1999- 2000 respectively. Thus, the total utilisation of IEBR during these three years has been Rs. 418.55 crore.

2.19 Citing reasons for shortfall in the utilisation of IEBR during Ninth Plan in the Power Sector, the Department have stated as under:-

'The Ninth Plan outlay for IEBR of Rs. 2148.50 crore includes Rs. 273.16 crore of Russian Credit. Hence, the actual IEBR outlay for IX Plan without considering Russian Credit as part of IEBR (as is being done now since Russian Credit is actually being released through budget) is Rs. 1875.34 crore. With the expected utilisation of IEBR of Rs. 179.33 crore and Rs. 149.00 crore during the years 2000-2001 and 2001-2002, the total utilisation of IEBR during the Ninth Plan period is expected to be about Rs. 746.88 crore. The main reasons for short-fall in utilisation of IEBR during Ninth Plan period (Rs. 1128.46 crore) are the following:

The approved outlay for TAPP-3&4 project for IX plan period is not expected to be fully utilised for the reasons mentioned in reply to question No. 19 above. Because of the need to fund TAPP-3&4 Project with a debt-equity ratio of 1:1 with equity being deployed first, the entire expenditure on this project is being met with equity. Utilisation of IEBR for meeting project expenditure would be shifted to the Tenth Plan due to under utilisation of the approved outlay in the IX Plan.

Kaiga-3&4 Project, which was planned for commencement during the year 1999-2000 was to be funded partly with IEBR due to cut in budgetary support proposed for Ninth Plan. The proposal for project financial sanction is presently under consideration of the Government of India and hence the proposed expenditure could not materialise.

Deferment of taking up the coolant channel replacement and upgradation work of MAPS-1 unit in view of the permission given by AERB for running MAPS-1 unit up to May 2002."

2.20 The Committee note with concern that out of a budgetary support component of Rs. 4518.38 crore during the year 1999-2000, the actual expenditure by the Department has been to the tune of Rs. 4354.72 crore only, thereby registering a shortfall of Rs. 163.66 crore. They express their unhappiness over the fact that two of the three Sectors of the Department viz Power and Industries & Minerals (I&M) Sectors have registered shortfalls in incurring expenditure out of the budgetary support component by Rs. 67.75 crore and Rs. 109.34 crore respectively. The Committee are more worried by the fact that the Plan expenditure in the budgetary support component during the year 1999-2000 has fallen short of the Plan budgetary allocation by Rs. 168.86 crore. Shortfalls have been registered in the Plan expenditure by all the three Sectors of the Department viz. Power, I&M and Research & Development (R&D) Sectors during 1999-2000. While the R&D Sector has done well to restrict this shortfall to a negligible Rs. 4.01 crore, the I&M and Power Sectors have unwisely registered shortfalls to the extent of Rs. 99.87 crore and Rs. 64.98 crore respectively. While the shortfall in the Plan expenditure in the I&M Sector has been attributed to non-release of equity for the Uranium Corporation of India Limited (UCIL) due to difficulties in the import of a strategic equipment, non-release of funds to the Indian Rare Earths Limited (IRE) for the joint venture project, re- scheduling of projects in respect of the Board of Radiation and Isotope Technology (BRM and the Nuclear Fuel Complex (NFC) schemes, etc., the same in the Power Sector has been ascribed to the delay in preparation of Detailed Project Reports and other preparatory works for the Kudankulam Power Project, rescheduling of procurement of equipment, delay in finalising of overall plan and infrastructural facilities, delay in consultancy contracts of the Prototype Fast Breeder Reactor (PFBR) Phase-II, postponement of delivery schedule of equipment, engineering design and development, etc. The reasons cited by the Department are not such which the Department could not have visualised in advance. The Committee take a serious note of the failure of the Department to fully utilize the budgetary allocations year after year and recommend that while framing their financial and physical targets, the Department should make a realistic estimate after evaluating each and every scheme meticulously so as to avoid setbacks to their Plan activities.

2.21 The Committee are unhappy to note that there are huge variations between the Budget Estimates (BE) and the Revised Estimates (RE) in respect of the Department for the year 2000-2001. The total BE amount of Rs. 5436.05 crore has been reduced to Rs. 5204.84 crore at RE stage during 2000-2001. The Committee are more concerned over the fact that the Plan BE in the budgetary support component of all the three Sectors has been reduced at RE stage during 2000-2001. While the reduction has been negligible in the R&D Sector with Rs. 4.73 crore, the same in the I&M and Power Sectors has been as much as Rs. 55.27 crore and Rs. 89.00 crore respectively. The reduction in the I&M Sector has been stated to be owing to reduction in respect of the New Technology Development Project of the Bhabha Atomic Research Centre (BARC), non- finalisation of joint Venture Project of the Indian Rare Earths Limited, reduction in the Plan schemes

of the Nuclear Fuel Complex, etc. As regards the reduction in the Power Sector, the Department have stated that the equity component for the Nuclear Power Corporation of India Limited amounting to Rs. 85.00 crore was reduced during the Revised Estimates stage due to economy measures and that the amount of Rs. 4.00 crore was reduced considering the slow progress of the Prototype Fast Breeder Reactor (PFBR) Project of the Indira Gandhi Centre for Atomic Research during the financial year. In view of the fact that the reduction in Plan expenditure is bound to have a deleterious impact on the nuclear power programmes in the country, the Committee direct the Department to strengthen their budgetary mechanism and avoid mis-match of plans and expenditure thereon.

2.22 The Committee are concerned to note that the actual utilisation of Internal and Extra Budgetary Resources (IEBR) during the year 1999-2000 has been less than 20 per cent of the target set in this regard. The utilisation of IEBR during the year has been a meagre Rs. 84.27 crore as against a target of Rs. 451.00 crore-the shortfall being Rs. 366.73 crore. The share of the Power and I&M Sectors in the shortfall has been to the tune of Rs. 310.48 crore and Rs. 56.25 crore respectively. The Committee further note that the Ninth Plan Outlay for IEBR in respect of the I&M Sector is Rs. 368.50 crore out of which IEBR amounting to Rs. 46.69 crore has been utilised during the first three years of the Plan. The expected utilisation of IEBR during the last two years of the Plan being Rs. 48.50 crore, the total IEBR utilisation in the I&M Sector during the Ninth Plan would be Rs. 95.19 crore only which is around 25 per cent of the envisaged amount of Rs. 368.50 crore. Similarly, in the Power Sector, the target of IEBR for the Ninth Plan is Rs. 2148.50 crore. As against this target, a total IEBR amount of Rs. 418.55 crore has been utilised during the first three years of the Plan. With the expected utilisation of a further Rs. 328.33 crore during the final two years of the Plan, the total utilisation of IEBR in the Power Sector during the Plan is likely to he Rs. 746.88 crore only which is substantially lower than the target fixed in this regard. The variations between targeted and actual utilisation of IEBR are indicative of two things viz. (i) projection of unrealistic targets and the inability of the organisations to achieve those because of their poor financial health and / or (ii) the failure of the Department to utilise the projected amount due to non-achievement of physical targets. Both these factors indicate poor performance of the organisations. The Committee desire that whatever be the reasons for variations in the projected IEBR targets and achievements, the Department should take immediate steps to set those right.

2.23 While acknowledging the difficulties faced by the Department due to international sanctions, the Committee feel that there is a need for more concerted efforts to adhere to the financial and physical targets set by the Department for themselves . They should ensure that administrative slackness and indecisiveness on the part of various wings/agencies of the Department are not passed off under the veil of international sanctions.

B. Atomic Power Projects

Gestation Period

2.24 As regards the gestation period of Atomic Power Projects in the country, the Department stated in a written reply as under:-

> "The gestation period from the first pour of reactor concrete to commercial operation for the projects completed in the recent past namely RAPP-3&4 and Kaiga-1&2 has been 114 to 134 months. Considering that about 44 to 48 months were lost in all the four Units on account of de-lamination of Kaiga dome and the needed investigations to restart the work, a period of 78 months is to be considered as effective for the above projects.
>
> NPCIL has taken several steps to reduce the completion times for the next project, TAPP-3&4-2X500 MWe Pressurised Heavy Water Reactors (PHWRs) at Tarapur, Maharashtra. These include advance action on pre-project and infrastructural activities, clearance from statutory authorities, priority ordering of long delivery equipment and components, completion of engineering and issue of construction drawings along with contracts, pre qualification of bidders, greater involvement of the industry, project execution on the basis of large packages ordered to a single agency and finally use of modem project management aids. The project is scheduled for completion in 2006-2007.
>
> The experience gained at TAPP-3&4 will be used to further reduce the project gestation period."

Selection of Sites for Atomic Power Projects

2.25 The Department of Atomic Energy in a written reply have stated that the Site Selection Committee (SSC) of the Department of Atomic Energy (DAE) is also examining various sites for ascertaining their suitability for setting up nuclear power plants. The potential for setting up additional units at sites like Narora UP, Kakarpara Gujarat, where 2x220 MWe units at each site are operating, has also been examined by the SSC consistent with the programme needs. The potential for setting up of additional units at Kudankulam, Tamil Nadu has also been examined. After site clearance from safety and environmental angles a clear position on the additional potential at these sites will emerge. Work on exploration for additional sites is also in progress.

2.26 Amplifying further, the Secretary, Department of Atomic Energy during oral evidence stated as under:-

> "...Basically what we are trying to do is, at each location, we have to go through a very rigorous site-evaluation and there is a lot of safety considerations in that. For example, you said about population density. It is a very important parameter. So, we have some sites which are approved, approved for a given capacity. Some sites are approved for 2000 MW installed capacity. The

Rajasthan site is approved for four 'units of 500 MW plus four units currently operating thus coming to a total of roughly 3,000 MW capacity and like that. We want to make use of this capacity at a site because the investment already made can be utilised and then we are also looking at new sites. While seeing the sites we take into account the full safety requirements. While Rajasthan is good site, I would like to assure the Committee that in fact, we have now come to think of nuclear power stations as location-neutral facilities-in the sense we are trying to improve the safety to a level where there should be no impact. Although as a matter of abundant caution we also do a lot in terms of exclusion radius, emergency preparedness plans, we taken into account everything. I think this is an important thing that we have this precautionary measure in place."

2.27 The Secretary, DAE also stated during evidence as under:

"...we have spread our plants to various regions. At this moment, we are locating power stations away from the coalfield so that we get the relative benefit because coal, as you have to haul it up for longer distance, it becomes expensive. Nuclear Power Corporation, of course, is working towards reduction of capital cost of these units and as that happens, we will be able to move closer and closer to the coalfields. At this moment, as I mentioned earlier, we have only one project under construction-two 500 MW units at Tarapur. Although we have several projects in the planning, we are looking forward to early start of several new projects so that we can effect the capacity additions in the years to come."

2.28 The Chairman and Managing Director (CMD), NPCIL added during evidence the following:-

"...About sites, today all the sites have got potential for 1,000 MW or more. Sometime back we had all the infrastructural facilities to start plants immediately. All these sites have got the clearance from the Ministry of Forests, etc. We have already acquired the land. There is no rehabilitation of persons required. So, the first phase is for 10,000 MW. Today, up to 9,500 MW we have the sites. That is why we are thinking that Rajasthan is one site where we can have four unit. Even in Kudankulam, we can have four units of 1,000 MW. Like that, we are thinking. Simultaneously, we are going ahead in various sites. We are examining other sites because this programme is not going to be limited to 10,000 MW. It is going to be expanded. Mr. Chairman said that the potential is up to 300,000 MW. So, at the same site, series of reactors will be there. That is the type of concept we are having. So, we are thinking that up to October or November this year, we will finish the work of detailed examination and see that whether the site meets all those criteria. There are certain international criteria also, and we have to see that we meet those criteria. So, we are doing the detailed investigations at four sites. On that basis, we want that at least for next 10,000 MW the site should be chosen

Private Sector Participation

2.29 As regards private participation in the Nuclear Power Sector, the Department gave the following information in a written reply:-

> "The Department is open to consider the private participation in the Nuclear Power Sector if any concrete proposals from private companies are received for setting up nuclear power plants in the country. Such offers, when received, have to be considered on the basis of technical suitability, economic attractiveness, regulatory requirements of our country and the conditions attached to the offers. To enable private sector participation, some amendments to Atomic Energy Act 1962 will be necessary. Department of Atomic Energy is taking necessary action in this regard.
>
> The position prevalent in other countries is varying from country to country. While Nuclear Power Generation in France is mostly State owned, the same is largely in private hands in the USA. In the U.K., deregulation / privatisation has been achieved in varying degrees.
>
> NPCIL is examining the possibility of joint venture formation for setting up 220 MWe PHWR units considering the significant experience of standardisation achieved in these units. A Letter of Intent (LOI) for a Management Consultancy contract has already been issued for identifying the various steps necessary in this regard. At this stage, a clear picture on private participation on nuclear power has not emerged to give any firm target".

2.30 During oral evidence, CMD, NPCIL deposed as under:-

> "……we have the Atomic Industrial Forum where all the main manufacturers are involved. As in the last Plan, we did not have any new project; it remained a dead organisation. Now, we have tried to work out component-wise as to who, presently, are the manufacturers who have got the potential. We are also working on the cost development factor. So, the whole exercise is going on. I think, we should be in a position to go maximum up to 2,000 MW per year. This is our concept."

2.31 Regarding joint venture formation, CMD, NPCIL stated during evidence as under:-

> "...you have correctly mentioned the point on joint ventures and we have started doing work. As a first case, we thought that we will go to the public sector companies like BHEL, NTPC and other such giants. They can take the conventional portion and we can take the nuclear portion and something like that. We can share some equities also. One of the Electricity Boards which is in a much better condition is also ready to share some of the equities. So, the

work is going on. We want amendment to the Atomic Energy Act also so that we can go for private equity also for these plants. In case that becomes successful in the next four- five years of time, or if we do one or two projects successfully, this 1,000 MW per year programme will increase to may be 2,000 MW per year. So, in the joint venture we will start it with fifty per cent of our own money."

2.32 The Committee are pleased to note that the gestation period of Atomic Power Projects in the country from the first pour of concrete to commercial operation has been considerably reduced and the latest Atomic Power Projects viz. Rajasthan Atomic Power Project-3&4 and Kaiga Atomic Power Project-1&2 have been effectively completed in six and a half years. The Committee have been informed that the Nuclear Power Corporation of India Limited has taken several steps like advance action on pre-project and infrastructural activities, clearance from statutory authorities, priority ordering of long delivery equipments, project execution on the basis of large packages ordered to a singe agency, use of modem project management aids, etc. to reduce the gestation period of such projects. However, the Committee would like to see that the gestation period in case of future Atomic Power Projects in the country is reduced to about five years. The Committee firmly believe that the scientists working in the Department have the capability to make it happen and that they will leave no stone unturned to achieve this feat before long.

2.33 The Committee note that at present the Department have only one Atomic Power Project under construction-two 500 MWe units at Tarapur. The Department have informed that they have several projects at the planning stage which are likely to make capacity additions in the coming years. The Committee have also been informed that a number of sites have got the potential for 1,000 MWe capacity projects and that the Department are considering sites in various States for setting up projects for additional 10,000 MWe capacity addition in the first phase. The Committee recommend that the Department should expedite the process of selection of sites so that additional nuclear power generation capacity can be added at the earliest. While selecting the sites, the Department would surely examine various aspects such as safety, environmental protection, etc.; the Committee feel that the availability of other sources of power viz. coal and water, as also the extent of their exploitation in that region, may also be kept in mind.

2.34 The Committee are of the view that the Department of Atomic Energy should explore the possibility of participation of private companies in the Nuclear Power Sector. Towards this end, they should initiate the process of amendments to the Atomic Energy Act, 1962 as early as possible. The Committee have been informed that the Nuclear Power Corporation of India Limited (NPCIL) is examining the possibility of joint venture formation for setting up 220 MWe Pressurised Heavy Water Reactor units. The Committee appreciate this idea and are of the opinion that such a move will ensure flow of money and help in

expanding the nuclear power programme in the country. They would like the Department/NPCIL to proceed in the matter expeditiously.

C. Uranium Corporation of India Limited (UCIL)

2.35 The Uranium Corporation of India Limited (UCIL), incorporated in 1967, operates Uranium Mines at Jaduguda, Bhatin and Narwapahar in the State of Jharkhand and a Uranium Mill at Jaduguda. The Company also operates a By-products Recovery Plant at Jaduguda and Uranium Recovery Plants (from Copper Trailings) at Rakha and Mosabani (both in Jharkhand). The Company mines Uranium Ore and manufacture yellow cake (MDU) for fabrication of Uranium fuel by Nuclear Fuel Complex, Hyderabad (NFC).

2.36 The targeted and actual gross earning, gross profit and net profit of (UCIL) during 1998-99 and 1999-2000 and the targeted and anticipated figures for the year 2000-2001 are as under

(Rs. in crores)

	1998-99		1999-2000		2000-2001	
	Target	Actual	Target	Actual	Target	Actual
Gross Earning	127.75	134.18	140.18	145.33	145.71	143.28
Gross Profit	3.30	4.10	3.65	13.01	7.60	4.27
Net Profit	2.95	3.67	3.19	11.51	6.97	3.95

2.37 As regards shortfall in anticipated gross profit and net profit during 2000-2001, the Department in a post-evidence reply have stated as under:-

> "While estimating the expenditure for the year 2000-2001 the existing electricity tariff was considered. Subsequently, in the month of September, 2000 Bihar State Electricity Board (BSEB) has revised the electricity tariff w.e.f. 1st April, 1999. This has resulted in an increase in expenditure by Rs. 1.4 crore over and above the estimated one and hence the gross and net profit is reduced than the targets fixed".

2.38 The Budget Estimates (BE) and actual expenditure during 1998- 99 and 1999-2000, BE and RE in 2000-2001 and BE in 2001-2002 in respect of UCIL are as under:-

	1998-99		1999-2000		2000-2001	
	BE	Actual	BE	Actual	RE	Actual
Budgetary Allocation	39.10	26.60@	13.00	0.00*	5.00	3.00

@ The provision was reduced at the RE stage after taking a detailed review on the progress of ongoing projects.

* The provision made in BE 1999-2000 was for the IH stage shaft sinking project. Due to difficulties in procurement of a major imported equipment (Winder), the amount could not be utilised.

2.39 As regards the on-going schemes of UCIL, the Department have furnished the following information:-

(Rs. in crores)

Name of the Scheme	Initial estimated cost	Present cost	Original completion date	Present completion date	Reason for Slippage
III Stage Shaft sinking project at Jaduguda	7.61	61.07	October 1991	April 2003	The Third Stage Shaft Sinking Project was initially approved Rs.7.61 crore in the year 1985. In the latter period due to change in scope of work and inflation the project cost was revised to Rs.61 crore which was approved in December 1998. On the basis revised approval the completion date of the project was December Originally it assumed that winder would purchased during 1999-2000, but due sanction imposed on India, the original purchase plan could not material Subsequently company has placed the order for winder with M/s BHEL on July 2000 a the same is under execution.

2.40 Regarding completion schedule of the project, CMD, UCIL stated during oral evidence as under:

> "...Regarding your queries about Jaduguda, I hope that the who will be finished by the end of 2002."

2.41 The Committee are happy to note that the actual gross earning, gross profit and net profit of the Uranium Corporation of India Limited (UCIL) during 1998-

99 and 1999-2000 have exceeded the targets set in this regard. The Committee appreciate the efforts put in by the Corporation in achieving a good financial performance during these years. At the same time, they are perturbed to note that the anticipated gross earning, gross profit and net profit during 2000-2001 are going to fall short of the targets fixed in this regard. While the anticipated gross earning of the Corporation during 2000-2001 is marginally short of the target, the anticipated gross and net profits are substantially lower than the fixed targets. The Committee would like to know the reasons for not making advance planning for its on-going scheme-III Stage Shaft Sinking Project which has been badly delayed in view of the fact that the Corporation has been considering the implementation of the project since 1985. The Committee desire that the Corporation should take all necessary steps to ensure that this project is not delayed any further.

D. Indian Rare Earths Limited (IREL)

2.42 The Indian Rare Earths Limited (IREL) is engaged in mining and production of quality beach sand minerals and rare earths compounds. Some of the minerals produced by IREL find use in the Nuclear Power Programme while the others have wide-ranging industrial use. The main minerals produced by IRE from the beach sands at its three Units at Chavara (Kerala), Manavalakurichi (Tamil Nadu) and Chhatrapur (Orissa) are Ilmenite, Ruite, Zirconium and Monazite. It also produces Rare earths Chloride from the Monazite at its plant at Alwaye (Kerala). This synthetic futile plant in Orissa is under-going process modification.

2.43 The budgetary allocation and the amount released to IRE during 1997-98, 1998-99 and 1999-2000 alongwith reasons for variation and BE and RE for the year 2000-2001 and BE for 2001-2002 are as under:

(Rs. in crores)

Year	B.E.	R.E.	Amount Released	Reasons for Variations
1	2	3	4	5
1997-98				
IRE	1.00	1.00	-	Due to delay in implementation of projects, amount not released.
IRE/DAE	2.00	1.30	0.25	Due to delay in implementation of projects, allocation was scaled down and amount released was lower.

1	2	3	4	5
1998-99				
IRE	5.00	5.00	5.00	
IRE/DAE	2.20	2.20	2.20	
1999-2000				
IRE	1.00	1.00	-	Due to delay in finalisation of JV agreement and getting Government clearance, amount was not released.
IRE/DAE	6.25	2.51	2.51	The budgetary support for IRE-DAI projects for the year 1999-2000 was Rs. 6.25 crore Monazite and Thorium Hydroxide being radioactive minerals, approval of Atomic Energy Regulatory Board is required at various stages especially as regards location or design as it requires radiation monitoring. In view of the delay in getting clearance, project schedule undergone changes and hence RE was scaled down.
2000-01				
IRE	5.0	0.00		
IRE/DAE	3.50	1.90		
2001-02				
IRE	0.50			
IRE/DAE	1.00			

2.44 As regards the reduction of BE of IRE during 2000-01 at RE stage, the Department in a post-evidence reply have stated as under:-

> "Provision of Rs. 5.00 crore included in BE 2000-2001 for equity assistance to Indian Rare Earths Limited (IREL) was for financing the joint venture project of IREL with M/s. Austpac Resources NL, Australia for establishment of a plant for production of 10,000 MT per annum of synthetic rutile with a new process developed by the Australian company Austpac Resources. IREL will have 26% equity participation in the new JV which is to be set up. The proposal of IREL for equity participation in the JV was cleared by the Atomic Energy Commission in November, 1999. The proposal has also been cleared by the Planning Commission (February 2000). However, clearance of the Finance Ministry to the proposal is awaited for placing the same before the Cabinet. The proposal from the foreign collaborator for clearance of the FIPB for the establishment of the JV was submitted in March, 2000. The proposal was recommended by the FIPB in the meeting held on 17.4.2000 for approval by the Minister for Commerce & Industry. Approval of the Minister for Commerce

and Industry is still awaited. As the requisite approvals are yet to be received, the JV company could not be formed and IREL could not participate in the equity. Accordingly, the funds provided in BE 2000-2001 could not be released to IREL and was surrendered at RE stage".

2.45 The Committee note with concern that against a budgetary allocation of Rs.1.00 crore during 1997-98 in respect of the Indian Rare Earths Limited (IRE), the actual expenditure was nil. It is also observed that during 1997-98, a budgetary support of Rs. 2.00 crore was provided for IRE/DAE projects out of which an amount of only Rs. 0.25 crore was expended. Delay in implementation of projects has been cited as reason for nil/less expenditure. Similarly, during the year 1999-2000, a budgetary allocation of Rs. 1.00 crore was made for IRE. The organisation again failed to utilise any amount out of the said allocation. As regards the IRE / DAE projects, a provision of Rs. 6.25 crore was made during 1999-2000 out of which an amount of Rs. 2.51 crore only was utilised. The nil / less expenditure during the year has been attributed to delay in finalisation of joint Venture agreement and getting Government/Atomic Energy Regulatory Board (AERB) clearance. The Committee are not convinced by the reasons attributed to shortfall in expenditure as these reasons appear to be mostly administrative in nature and show slackness on the part of the Department. The Committee also find that BE amounts of Rs.5.00 crore in respect of IRE and Rs. 3.50 crore in respect of IRE/DAE have been scaled down to nil and R.%. 1.90 crore respectively at RE stage during 2000-01. This clearly illustrates the poor budgeting on the part of IRE. Taking a serious view of the matter, they direct the organisation to take remedial measures so as to strengthen its budgetary mechanism.

E. Heavy Water Board

2.46 Eight Heavy Water Plants are installed in the country to meet the heavy water requirements of Indian nuclear power and research reactors. The Heavy Water Board (HWB) manages the operation and maintenance of seven of these plants. Production capacity of heavy water in the country is sufficient to meet the present domestic demand.

2.47 The BE and RE in respect of the Heavy Water Board (HWB) during 1998-99 and the actual expenditure incurred by the organisation are as under:-

(Rs.in crores)

	BE 1998-99	RE 1998-99	Actual	Variations
Plan	8.00	6.65	6.47	(-) 1.53
Non-Plan	409.06	431.29	431.36	22.30

2.48 The shortfall in Plan expenditure amounting to Rs. 1.53 crore has been attributed by the Department to the following reasons:-

"For supply and commissioning of 40 MVA Transformer and Switchyard at HWP (Kota) the placement of orders got delayed for ascertaining the financial viability of M/s. TELK (Transformer manufacturer) which was under BIFR. The tender for switchyard work had to he retendered on account of initial poor response.

For construction of Ash Pond at HWP (Manuguru) in competitive bidding rates obtained were much below the estimated cost resulting in savings in the total expenditure"

2.49 The BE and RE in respect of the Heavy Water Board (HWB) during 1999-2000 and the actual expenditure incurred by the organisation are as under:-

	BE 1998-99	RE 1998-99	Actual	Variations
Plan	9.30	10.30	10.31	1.01
Non-Plan	439.31	440.42	426.26	-13.05

2.50 The excess expenditure under Plan Schemes over approved BE was mainly on account of the following:

"Minor Modifications in operating HWPs-For enhancing the performance of Heavy Water Plant, Thai, procurement action with reference to capital replacement of catalyst for the cracker had to be taken on urgent basis resulting in increase in expenditure than the BE provision.'

2.51 The BE and RE for the year 2000-2001 and BE for 2001-2002 in respect of HWB are given below:-

	BE 2000-01	RE 2000-01	BE 2001-02
Plan	12.28	9.13	21.00
Non-Plan	472.27	445.28	426.40

2.52 As regards the reduction of BE amount of Rs. 12.28 crore to Rs. 9.13 crore at RE stage during 2000-01, the Department in a post- evidence reply stated as under:-

'The reduction in provision at RE stage in the Project 'Major Modifications of HWP, Baroda (Phase I & II). Difficulties in procurement of equipment as the foreign supplier did not accept the purchase order due to restriction in export resulting in necessity to make alternative arrangements."

2.53 The Committee are concerned to note that out of the Plan budgetary allocation of Rs. 8.00 crore in respect of the Heavy Water Board during 1998-99, an amount of Rs. 6.47 crore only was spent by the Board. The shortfall in

expenditure has been attributed to delay in placement of orders for certain equipments and lower competitive bidding rates for construction of Ash Pond at the Heavy Water Plant, Manuguru than the estimated cost of the project, resulting in savings. The Committee also note that during 1999-2000, the Plan expenditure has exceeded the Plan budgetary allocation by Rs. 1.01 crore. The excess expenditure has been stated to be due to minor modifications in the operating Heavy Water Plants. It is also observed that the Plan BE of Rs. 12.28 crore has been reduced to Rs. 9.13 crore during 2000-01. Thus, the Committee find that budget estimates in respect of the Heavy Water Board have not been made accurately in any of these three years. The Committee direct the organisation to take utmost care in carrying out the budgetary exercise and make accurate estimates, especially those relating to Plan schemes. Plan Non-Plan.

F. Nuclear Fuel Complex (NFC)

2.54 The Nuclear Fuel Complex (NFC) at Hyderabad has been established to provide fuel and zirealoy products required for generation of nuclear power by various Power reactors in the country.. Fabrication of enriched uranium fuel for the Boiling Water Reactor (BWRS) at Tarapur and the thorium oxide bankets for the Fast Breeder Test Reactor (FBTR) at Kalpakkam is also carried out at NFC. The operating plants of NFC include production of ceramic grade uranium oxide, zircaloy components, sintered pellets and fuel assemblies.

2.55 Budgetary allocation made to the NFC and the actual expenditure made during 1999-2000 alongwith reasons for variations are given below:

(Rs. in crores)

	BE	Actual expenditure	Variation	
	1	2	3	4
Revenue Section	402.9	398.84	-4.09	Savings on account *of:* (1) (1) Lower quantity *of* raw material MDD received during the year. (2) (2) Procurement *of* electrical power at lower rate from APGPCL. (3) Deferment *of* procurement *of* replacement vehicles. (4)(4) Reduction in travel expenses (both domestic and foreign) and office expenses on account *of* economy measures.
Capital Section	15.00	4.33	-10.67	Lower expenditure on (Plan Schemes) account *of* the

	following: (1) Savings on account *of* items being custom designed locally in view *of* import restrictions.
	(2) Non-materialisation of procurement of certain equipment. (3) Delay in receipt of certain equipment. (4) Time taken for formulation of project proposals and securing financial sanction for the same.

BE & RE 2000-2001 and BE 2001-2002 in respect of NFC are as under:

S(Rs. in crores)

	BE 2000-2001	RE 2000-2001	BE 2001-2002
Revenue Section	453.53	451.40	461.10
Capital Section	473.53	9.40	12.0
Total	473.53	460.80	473.10

2.56 The Department, in a post-evidence reply, have attributed the following reasons for the reduction of Plan BE of Nuclear Fuel Complex (NFC) during 2000-2001 at RE stage:

> "The provision has bee_ reduced at RE stage in respect of (a) Project '37 element PHWR Fuel Project' due to delay in procurement of items like Tube Degreasing equipment, SS Containers, PLC Units, Sintering Furnaces, Material Movement System, etc. and the resultant delay in taking civil works, (b) "Special materials and Alloys Development Project-Replacement and Augmentation of ZSP Plant". Due to difficulties in procurement of imported items and indigenisation of the same, resultant delay in Major Works due to delay in obtaining clearance from AERB and (c) "Advanced Materials Processing and Characterization Facilities" -delay in obtaining export license for major items such as Scanning Electron Microscope, High Temperature Dilatometer and shifting of delivery of some of the items to next year."

2.57 The Committee note with concern that as against a Plan budgetary allocation of Rs. 15.00 crore during 1999-2000 in respect of the Nuclear Fuel Complex (NFC), the actual expenditure was a paltry Rs. 4.33 crore. The shortfall in expenditure has been attributed to non-materialisation / delay in procurement of certain equipments, delay in formulation of project proposals and savings on account of local custom designing of items owing to import restrictions. The

Committee desire that the Department should endeavour to avoid delays in formulation of project proposals, procurement of equipments, etc. as far as possible. The Committee are also pained to find that the Plan BE of NFC has been reduced by over 50 per cent from Rs. 20.00 crore to Rs. 9.40 crore at RE stage during 2000-01. The Committee advise the organisation to analyse each and every scheme meticulously prior to making budget estimates. In all such cases where the various programmes of the Department of Atomic Energy are being delayed due to international sanctions, the Committee would reiterate their earlier observation that due care should be taken to ensure that indecisiveness and inefficiency at implementation level may not be passed off under the veil of sanctions. In all these cases, the Department should continue with their efforts to indigenise the various processes.

G. Board of Radiation and Isotope Technology (BRIT)

2.58 The Board of Radiation and Isotope Technology (BRIT), a constituent unit of the Department of Atomic Energy, regularly produces and supplies a variety of radio isotope products including radio-pharmaceuticals, radio-chemicals, radiation sources, Carbon 14 and Tritium labelled compounds and radio labelled bio-molecules and radiation technology equipment to about 1300 user institutions. Radio-isotopes except Co-60 are produced in the research reactors at BARC, Trombay, while Co-60 is produced in Power Reactors. The radio-isotopes are formulated into a variety of radio-isotopes products and supplied to various users for applications in Healthcare, Industry, Agriculture and Research. During the year 2000, over 45,000 consignments of various radio-isotopes and allied products were supplied to various user institutions.

2.59 BRIT has contributed significantly for the establishment of radiation technology as an economically viable and superior method for sterilization of medical disposables. ISOMED plant, the facility for sterilization of medical products, being operated by BRIT has been providing sterilization services to medical industries in and around Mumbai with over 90% availability factor and capacity utilisation factor. The total volume of the products processed in ISOMED plant is about 13,000 cubic metres.

2.60 The BE and actual expenditure during 1998-99 in respect of BRIT along with reasons for variations are as under:

(Rs. in crores)

BE 1998-99	Actual	Variation (+) Excess (-) Savings	Reasons for variation
Revenue Head: (Non-Plan)	1998-99		
18.14	21.30	(+) 3.16	Procurement of higher activity CO-60 (metal) from abroad, purchase of absorber rods from NPCIL

			and increase in price- of various imported items of machinery and equipment.
Capital Projects: (Plan)	1998-99		
4.60	3.10	(-) 1.50	Grant-in-aid envisaged to be given under the project extension of nuclear medicine facilities could not be released due to non-fulfilment of commit-ments by various organisations dealing with Nuclear Medicines/State Governments.

2.61 The BE and actual expenditure during 1999-2000 in respect of BRIT along with reasons for variations are as under:

(Rs. in crores)

BE 1998-99	Actual	Variation (+) Excess (-) Savings	Reasons for variation
Revenue Head: (Non-Plan)	1999-2000		
24.30	22.89	(+) 1.41	(1) Delay in receipt of machinery and equipment. (2) Reduction in the number of Co-60 rods received from NPCIL.

(Rs. in crores)

BE 1998-99	Actual	Variation (+) Excess (-) Savings	Reasons for variation
Capital Projects: (Plan)	1999-2000		
15.93	6.87	(-) 9.06	(1) Delay in receipt of materials and supplies. (2) Reduction in the number of Co-60 rods received from NPCIL. (3) Delay in finalisation of

architectural drawings.

(4) Decision to defer establishment of National Medical Cyclotron Facility at Hyderabad on account of certain new developments.

(5) Delay in receipt of imported machinery and equipment.

2.62 Budget Estimates & Revised Estimates for 2000-2001 and Budget Estimates for 2001-2002 in respect of BRIT are given below:

(Rs. in crores)

	BE 2000-2001	RE 2000-2001	BE 2001-2002
Non-Plan (Revenue)	25.00	28.45	25.93
Plan (Capital)	18.00	10.11	8.50

2.63 Regarding reduction of BE of BRIT during 2000-2001 at RE stage, the Department stated in a post-evidence reply as under:

> "The RE of BRIT had been reduced to Rs. 10.11 crore from BE of Rs. 18.00 crore. The reduction of Rs. 7.89 crore covers five Plan Schemes of BRIT. Of these the reduction in demand provision of 'National Medical Cyclotron Facility' and 'Dai Kits Sterilisation Plants' was on account of the fact that the cases could not be processed for financial sanction pending tie-up of arrangements with other nodal agencies involved in implementation of the Schemes. The major reduction of Rs. 3.98 crore was in respect of 'Augmentation of Co-60 Handling Facility' which plant is temporarily non-operational to implement recommendations of Regulatory Authorities. The plant is ready to resume operations now. Similarly, the reduction of Rs. 0.76 crore in the Scheme 'Augmentation of Radiochemical Lab' is owing to slower progress of expenditure since the new facility is to be set up at the same location after dismantling the old one without disturbing the production schedule. The reduction of Rs. 2.66 crore in 'Design & Development of Radiation Equipment and Test Facility' was on account of change in location and consequently the time taken up in finalisation of architectural drawings."

2.64 As regards the supply'" of 'Dai' kits, DAE have given the following information in a written reply:

> "BRIT has supplied sterilized 'Dai' kits to Uranium Corporation, Jaduguda, for

distribution to nearby rural public."

2.65 The following organisations get their 'Dai' Kits sterilized at ISOMED for supply on a large scale.

M/s. Tribhuvandas Foundation, Anand
M/s. Sterilook Pharma, Yijayawada
M/s. Plasti Surge Industries, Amravati
M/s. S.M.B. Corporation, Mumbai

> "As an incentive for entrepreneurs involved in manufacturing and supply of 'Dai' kits, the sterilization charge for such kits have been placed at the lowest slab i.e.. 125/- per standard carton".

2.66 The Department have also informed that the charitable organisation currently availing sterilization services from ISOMED for 'Dai' kits is M/s. Tribhuvandas Foundation at Anand. Details of the rural areas covered by distribution of sterilized 'Dai' kits are not known to BRIT as the distribution is not done by BRIT.

2.67 Regarding public awareness programmes launched by BRIT to popularise medical products, the following information has been furnished to the Committee:-

> "A public awareness programme on radiation sterilization of medical products was conducted in the month of November, 2000 on the occasion of ISO-9002 certificate (ISOMED plant) handing over ceremony at the Multi-purpose hall, Training School Hostel, Anushakti Nagar, Mumbai-400094. Further, BRIT participated in a few exhibitions being held at various medical conferences, including the recently held International Hospi Medica Exhibition at World Trade Centre, Mumbai. In collaboration with professional bodies such as NAARRI, INS, IANCAS etc., BRIT participates in public awareness programmes aimed at spreading the message of peaceful applications of radiation and radioisotopes in medicine, industry, agriculture and research".

2.68 As regards providing technical support to the Ministry of Health and Family Welfare for establishing sterilization facilities for 'Dal' kits, the Department in a written reply have stated as under:-

> "A presentation was made at a meeting held in Yojana Bhavan, New Delhi in April 2000 chaired by Dy. Chairman, Planning Commission by BRIT in this regard. Officers from the Ministry of Health & Family Welfare were present in the above meeting in addition to officers from the State Governments of Madhya Pradesh, Uttar Pradesh and Bihar. In the above meeting, Department's willingness to set up such plants in the concerned States was emphasized. It was suggested by the Planning Commission that a Pilot Project may be taken up in one district

each in Bihar and Uttar Pradesh to study the acceptability of these kits. A Group was also to be set up to look into various aspects of setting up the Pilot Projects. The Department of Family Welfare was to examine the feasibility of funding the Pilot Plant. The issue is being pursued with the agencies concerned.

The State Government of Madhya Pradesh had shown keen interest in setting up such a facility at Bhopal. The former Chief Executive, BRIT had a few meetings in this regard with health authorities' of the State. Further response from their side is awaited".

2.69 Amplifying further, the Secretary, DAE told during evidence as under:-

"...I would like to inform you about 'Dai' kit. Even today our plant is there in Mumbai. The distribution system of 'Dai' kit is continuing in rural areas. This work is being run through three organisations ... a meeting was held under the Chairmanship of the Deputy Chairman, Planning Commission. Talks have been held with the Health Ministry of the States of Madhya Pradesh, Uttar Pradesh and Bihar regarding distribution of 'Dai' kit in these States. I came to know only yesterday that the Planning Commission is ready to provide money go give shape to our proposal. We have got the technology and we wish too, that the arrangements of distribution should be made through the Ministry of Health. Management of this project should be complete after having talks with them. It may take a little time but I came to know about it only yesterday. We too are pursuing it vigorously and hope that the work would start soon.

2.70 The Committee are constrained to note that the Board of Radiation and Isotope Technology (BRIT) has failed to utilise the Plan budgetary allocation during 1998-99 and 1999-2000. While the shortfall in 1998-99 has been Rs. 1.49 crore out of a total Plan BE of Rs. 4.60 crore, the same in the year 1999-2000 has been as much as Rs. 9.06 crore from a total Plan BE of Rs. 15.93 crore. The shortfall in Plan expenditure during 1998-99 has been attributed to non-release of grant-in-aid under the project extension of nuclear medicine facilities due to non-fulfilment of commitments by various organisations dealing with Nuclear Medicines/State Governments. Delay in receipt of materials and equipments, delay in finalisation of architectural drawings, reduction in the number of Co-60 rods received from the Nuclear Power Corporation of India Limited (NPCIL) and decision to defer the establishment of the National Medical Cyclotron Facility at Hyderabad owing to some new developments have been cited as reasons for shortfall in Plan expenditure during 1999-2000. The Committee also note with concern that the Plan BE amount of Rs.18.00 crore during 2000-2001 has been reduced to Rs.10.11 crore at RE stage. The reasons ascribed for this reduction are more or less similar to those attributed to the shortfall in Plan expenditure during 1998-99 and 1999-2000 which are hardly convincing as these are nothing but administrative delays. The Committee would like the organization to carefully analyse its programmes in advance and make accurate and realistic budget estimates.

2.71 The Committee are happy to learn that the Board of Radiation and Isotope Technology (BRIT) is operating the ISOMED Plant which is providing sterilization services to medical industries in and around Mumbai with over 90% availability and capacity utilization factors. The Committee are also pleased to note that a number of private organizations are getting their 'Dai' kits sterilized at this plant for which the Department have set the sterilization charge at the lowest slab of Rs.125/- per standard carton. The Committee recommend that the Department should tie up with various Non-Government Organisations (NGOs) so as to promote this service in the remote areas of the country. The Committee have been informed that BRIT has supplied sterilized 'Dai' kits to the Uranium Corporation of India Limited, Jaduguda. Assuming that the same have already been distributed by UCIL, the Committee would like to know the response of the rural populace to the product. The Committee have further been informed that a meeting was held in April, 2000 in which the Department impressed upon the State Governments of Madhya Pradesh, Bihar and Uttar Pradesh to set up such plants in their respective States. The Committee have also been informed that the Government of Madhya Pradesh have shown keen interest in setting up the facility at Bhopal. The Committee desire that the Department should tie up with Government of Madhya Pradesh and render all possible assistance to them in setting up the plant. The Committee also recommend that the Department should convene a meeting of all States / Union Territories and impress upon them to set up such plants. The Committee are glad to learn that the Department have launched a few public awareness programmes in the recent past to popularize such products. The Department should distribute pamphlets in local languages and conduct periodic seminars in rural areas for dissemination of the relevant information concerning 'Dai' kits.

NEW DELHI;
16 April, 2001
26 Chaitra, 1923 (Saka)

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on Energy.

STATEMENT OF CONCLUSIONS / RECOMMENDATIONS
OF THE STANDING COMMITTEE ON ENERGY
CONTAINED IN THE REPORT

Sl.No.	Reference Para No. of the Report	Conclusions / Recommendations
1	2	3
1.	2.20	The Committee note with concern that out of a budgetary

		support component of Rs. 4518.38 crore during the year 1999-2000, the actual expenditure by the Department has been to the tune of Rs. 4354.72 crore only, thereby registering a shortfall of Rs. 163.66 crore. They express their unhappiness over the fact that two of the three Sectors of the Department viz Power and Industries & Minerals (I&M) Sectors have registered shortfalls in incurring expenditure out of the budgetary support component by Rs. 67.75 crore and Rs. 109.34 crore respectively. The Committee are more worried by the fact that the Plan expenditure in the budgetary support component during the year 1999-2000 has fallen short of the Plan budgetary allocation by Rs. 168.86 crore. Shortfalls have been registered in the Plan expenditure by all the three Sectors of the Department viz. Power, I&M and Research & Development (R&D) Sectors during 1999-2000. While the R&D Sector has done well to restrict this shortfall to a negligible Rs. 4.01 crore, the I&M and Power Sectors have unwisely registered shortfalls to the extent of Rs. 99.87 crore and Rs. 64.98 crore respectively. While the shortfall in the Plan expenditure in the I&M Sector has been attributed to non-release of equity for the Uranium Corporation of India Limited (UCIL) due to difficulties in the import of a strategic equipment, non-release of funds to the Indian Rare Earths Limited (IRE) for the joint venture project, re-scheduling of projects in respect of the Board of Radiation and Isotope Technology (BRM and the Nuclear Fuel Complex (NFC) schemes, etc., the same in the Power Sector has been ascribed to the delay in preparation of Detailed Project Reports and other preparatory works for the Kudankulam Power Project, rescheduling of procurement of equipment, delay in finalising of overall plan and infrastructural facilities, delay in consultancy contracts of the Prototype Fast Breeder Reactor (PFBR) Phase-II, postponement of delivery schedule of equipment, engineering design and development, etc. The reasons cited by the Department are not such which the Department could not have visualised in advance. The Committee take a serious note of the failure of the Department to fully utilise the budgetary allocations year after year and recommend that while framing their financial and physical targets, the Department should make a realistic estimate after evaluating each and every scheme meticulously so as to avoid setbacks to their Plan activities.
2.	2.21	The Committee are unhappy to note that there are huge variations between the Budget Estimates (BE) and the Revised Estimates (RE) in respect of the Department for the year 2000-2001. The total BE amount of Rs. 5436.05 crore has been reduced to

1	2	3
		Rs. 5204.84 crore at RE stage during 2000-2001. The Committee are more concerned over the fact that the Plan BE in the budgetary support component of all the three Sectors has been reduced at RE stage during 2000-2001. While the reduction has been negligible in the R&D Sector with Rs. 4.73 crore, the same in the I&M and Power Sectors has been as much as Rs. 55.27 crore and Rs. 89.00 crore respectively. The reduction in the I&M Sector has been stated to be owing to reduction in respect of the New Technology Development Project of the Bhabha Atomic Research Centre (BARC), non-finalisation of joint Venture Project of the Indian Rare Earths Limited, reduction in the Plan schemes of the Nuclear Fuel Complex, etc. As regards the reduction in the Power Sector, the Department have stated that the equity component for the Nuclear Power Corporation of India Limited amounting to Rs. 85.00 crore was reduced during the Revised Estimates stage due to economy measures and that the amount of Rs. 4.00 crore was reduced considering the slow progress of the Prototype Fast Breeder Reactor (PFBR) Project of the Indira Gandhi Centre for Atomic Research during the financial year. In view of the fact that the reduction in Plan expenditure is bound to have a deleterious impact on the nuclear power programmes in the country, the Committee direct the Department to strengthen their budgetary mechanism and avoid mis-match of plans and expenditure thereon.
3.	2.22	The Committee are concerned to note that the actual

		utilisation of Internal and Extra Budgetary Resources (IEBR) during the year 1999-2000 has been less than 20 per cent of the target set in this regard. The utilisation of IEBR during the year has been a meagre Rs. 84.27 crore as against a target of Rs. 451.00 crore-the shortfall being Rs. 366.73 crore. The share of the Power and I&M Sectors in the shortfall has been to the tune of Rs. 310.48 crore and Rs. 56.25 crore respectively. The Committee further note that the Ninth Plan Outlay for IEBR in respect of the I&M Sector is Rs. 368.50 crore out of which IEBR amounting to Rs. 46.69 crore has been utilised during the first three years of the Plan. The expected utilisation of IEBR during the last two years of the Plan being Rs. 48.50 crore, the total IEBR utilisation in the I&M Sector during the Ninth Plan would be Rs. 95.19 crore only which is around 25 per cent of the envisaged amount of Rs. 368.50 crore. Similarly, in the Power Sector, the target of IEBR for the Ninth Plan is Rs. 2148.50 crore. As against this target, a total IEBR amount of Rs. 418.55 crore has been utilised during the first three years of the Plan. With the expected utilisation of a further Rs. 328.33 crore during the final two years of the Plan, the total utilisation of IEBR in the Power Sector during the Plan is likely to he Rs. 746.88 crore only which is substantially lower than the target fixed in this regard. The variations between targeted and actual utilisation of IEBR are indicative of two things viz. (i) projection of unrealistic targets and the inability of the organisations to achieve those because of their poor financial health and / or (ii) the failure of the Department to utilise the projected amount due to non- achievement of physical targets. Both these factors indicate poor performance of the organisations. The Committee desire that whatever be the reasons for variations in the projected IEBR targets and achievements, the Department should take immediate steps to set those right.
4.	2.23	While acknowledging the difficulties faced by the Department due to international sanctions, the Committee feel that there is a need for more concerted efforts to adhere to the financial and physical targets set by the Department for themselves . They should ensure that administrative slackness and indecisiveness on the part of various wings/agencies of the Department are not passed off under the veil of international sanctions.

5.	2.32	The Committee are pleased to note that the gestation period of Atomic Power Projects in the country from the first pour of concrete to commercial operation has been considerably reduced and the latest Atomic Power Projects viz. Rajasthan Atomic Power Project-3&4 and Kaiga Atomic Power Project-1&2 have been effectively completed in six and a half years. The Committee have been informed that the Nuclear Power Corporation of India Limited has taken several steps like advance action on pre-project and infrastructural activities, clearance from statutory authorities, priority ordering of long delivery equipments, project execution on the basis of large packages ordered to a singe agency, use of modem project management aids, etc. to reduce the gestation period of such projects. However, the Committee would like to see that the gestation period in case of future Atomic Power Projects in the country is reduced to about five years. The Committee firmly believe that the scientists working in the Department have the capability to make it happen and that they will leave no stone unturned to achieve this feat before long.
6	2.33	The Committee note that at present the Department have only one Atomic Power Project under construction-two 500 MWe units at Tarapur. The Department have informed that they have several projects at the planning stage which are likely to make capacity additions in the coming years. The Committee have also been informed that a number of sites have got the potential for 1,000 MWe capacity projects and that the Department are considering sites in various States for setting up projects for additional 10,000 MWe capacity addition in the first phase. The Committee recommend that the Department should expedite the process of selection of sites so that additional nuclear power generation capacity can be added at the earliest. While selecting the sites, the Department would surely examine various aspects such as safety, environmental protection, etc.; the Committee feel that the availability of other sources of power viz. coal and water, as also the extent of their exploitation in that region, may also be kept in mind.
7.	2.34	The Committee are of the view that the Department of

		Atomic Energy should explore the possibility of participation of private companies in the Nuclear Power Sector. Towards this end, they should initiate the process of amendments to the Atomic Energy Act, 1962 as early as possible. The Committee have been informed that the Nuclear Power Corporation of India Limited (NPCIL) is examining the possibility of joint venture formation for setting up 220 MWe Pressurised Heavy Water Reactor units. The Committee appreciate this idea and are of the opinion that such a move will ensure flow of money and help in expanding the nuclear power programme in the country. They would like the Department/NPCIL to proceed in the matter expeditiously.
8.	2.41	The Committee are happy to note that the actual gross earning, gross profit and net profit of the Uranium Corporation of India Limited (UCIL) during 1998-99 and 1999-2000 have exceed! the targets set in this regard. The Committee appreciate the efforts put in by the Corporation in achieving a good financial performance during these years. At the same time, they are perturbed to note that the anticipated gross earning, gross profit and net profit during 2000-2001 are going to fall short of the targets fixed in this regard. While the anticipated gross earning of the Corporation during 2000-2001 is marginally short of the target, the anticipated gross and net profits are substantially lower than the fixed targets. The Committee would like to know the reasons for not making advance planning for its on-going scheme-III Stage Shaft Sinking Project which has been badly delayed in view of the fact that the Corporation has been considering the implementation of the project since 1985. The Committee desire that the Corporation should take all necessary steps to ensure that this project is not delayed any further.
9.	2.45	The Committee note with concern that against a budgetary allocation of Rs.1.00 crore during 1997-98 in respect of the Indian Rare Earths Limited (IRE), the actual expenditure was nil. It is also observed that during 1997-98, a budgetary support of Rs. 2.00 crore was provided for IRE/DAE projects out of which an amount of only Rs. 0.25 crore was expended. Delay in implementation of projects has been cited as reason for nil/less expenditure. Similarly, during the year 1999-2000, a budgetary allocation of Rs. 1.00 crore was made for IRE. The organisation again failed to utilise any amount out of the

		said allocation. As regards the IRE/DAE projects, a provision of Rs. 6.25 crore was made during 1999-2000 out of which an amount of Rs. 2.51 crore only was utilised. The nil / less expenditure during the year has been attributed to delay in finalisation of joint Venture agreement and getting Government/Atomic Energy Regulatory Board (AERB) clearance. The Committee are not convinced by the reasons attributed to shortfall in expenditure as these reasons appear to be mostly administrative in nature and show slackness on the part of the Department. The Committee also find that BE amounts of Rs.5.00 crore in respect of IRE and Rs. 3.50 crore in respect of IRE/DAE have been scaled down to nil and R.%. 1.90 crore respectively at RE stage during 2000-01. This clearly illustrates the poor budgeting on the part of IRE. Taking a serious view of the matter, they direct the organisation to take remedial measures so as to strengthen its budgetary mechanism.
10.	2.53	The Committee are concerned to note that out of the Plan budgetary allocation of Rs. 8.00 crore in respect of the Heavy Water Board during 1998-99, an amount of Rs. 6.47 crore only was spent by the Board. The shortfall in expenditure has been attributed to delay in placement of orders for certain equipments and lower competitive bidding rates for construction of Ash Pond at the Heavy Water Plant, Manuguru than the estimated cost of the project, resulting in savings. The Committee also note that during 1999-2000, the Plan expenditure has exceeded the Plan budgetary allocation by Rs. 1.01 crore. The excess expenditure has been stated to be due to minor modifications in the operating Heavy Water Plants. It is also observed that the Plan BE of Rs. 12.28 crore has been reduced to Rs. 9.13 crore during 2000-01. Thus, the Committee find that budget estimates in respect of the Heavy Water Board have not been made accurately in any of these three years. The Committee direct the organisation to take utmost care in carrying out the budgetary exercise and make accurate estimates, especially those relating to Plan schemes.
11.	2.57	The Committee note with concern that as against a Plan

		budgetary allocation of Rs. 15.00 crore during 1999-2000 in respect of the Nuclear Fuel Complex (NFC), the actual expenditure was a paltry Rs. 4.33 crore. The shortfall in expenditure has been attributed to non-materialisation / delay in procurement of certain equipments, delay in formulation of project proposals and savings on account of local custom designing of items owing to import restrictions. The Committee desire that the Department should endeavour to avoid delays in formulation of project proposals, procurement of equipments, etc. as far as possible. The Committee are also pained to find that the Plan BE of NFC has been reduced by over 50 per cent from Rs. 20.00 crore to Rs. 9.40 crore at RE stage during 2000-01. The Committee advise the organisation to analyse each and every scheme meticulously prior to making budget estimates. In all such cases where the various programmes of the Department of Atomic Energy are being delayed due to international sanctions, the Committee would reiterate their earlier observation that due care should be taken to ensure that indecisiveness and inefficiency at implementation level may not be passed off under the veil of sanctions. In all these cases, the Department should continue with their efforts to indigenise the various processes.
12.	2.70	The Committee are constrained to note that the Board of

		Radiation and Isotope Technology (BRIT) has failed to utilise the Plan budgetary allocation during 1998-99 and 1999-2000. While the shortfall in 1998-99 has been Rs. 1.49 crore out of a total Plan BE of Rs. 4.60 crore, the same in the year 1999-2000 has been as much as Rs. 9.06 crore from a total Plan BE of Rs. 15.93 crore. The shortfall in Plan expenditure during 1998-99 has been attributed to non-release of grant-in-aid under the project extension of nuclear medicine facilities due to non-fulfilment of commitments by various organisations dealing with Nuclear Medicines/State Governments. Delay in receipt of materials and equipments, delay in finalisation of architectural drawings, reduction in the number of Co-60 rods received from the Nuclear Power Corporation of India Limited (NPCIL) and decision to defer the establishment of the National Medical Cyclotron Facility at Hyderabad owing to some new developments have been cited as reasons for shortfall in Plan expenditure during 1999-2000. The Committee also note with concern that the Plan BE amount of Rs.18.00 crore during 2000-2001 has been reduced to Rs.10.11 crore at RE stage. The reasons ascribed for this reduction are more or less similar to those attributed to the shortfall in Plan expenditure during 1998-99 and 1999-2000 which are hardly convincing as these are nothing but administrative delays. The Committee would like the organization to carefully analyse its programmes in advance and make accurate and realistic budget estimates.
13.	2.71	The Committee are happy to learn that the Board of Radiation and Isotope Technology (BRIT) is operating the ISOMED Plant which is providing sterilization services to medical industries in and around Mumbai with over 90% availability and capacity utilization factors. The Committee are also pleased to note that a number of private organizations are getting their 'Dai' kits sterilized at this plant for which the Department have set the sterilization charge at the lowest slab of Rs.125/- per standard carton. The Committee recommend that the Department should tie up with various Non-Government Organisations (NGOs) so as to promote this

	service in the remote areas of the country. The Committee have been informed that BRIT has supplied sterilized 'Dai' kits to the Uranium Corporation of India Limited, Jaduguda. Assuming that the same have already been distributed by UCIL, the Committee would like to know the response of the rural populace to the product. The Committee have further been informed that a meeting was held in April, 2000 in which the Department impressed upon the State Governments of Madhya Pradesh, Bihar and Uttar Pradesh to set up such plants in their respective States. The Committee have also been informed that the Government of Madhya Pradesh have shown keen interest in setting up the facility at Bhopal. The Committee desire that the Department should tie up with Government of Madhya Pradesh and render all possible assistance to them in setting up the plant. The Committee also recommend that the Department should convene a meeting of all States / Union Territories and impress upon them to set up such plants. The Committee are glad to learn that the Department have launched a few public awareness programmes in the recent past to popularize such products. The Department should distribute pamphlets in local languages and conduct periodic seminars in rural areas for dissemination of the relevant information concerning 'Dai' kits.

PART II

APPENDIX

[Vide para 2.4 of the Report]

Sl. No.	Major Heads	1999-2000 Actuals		2000-2001 BE		200-2001 RE		2001-2002 BE		
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
1	2	3	4	5	6	7	8	9	10	11
	Demand No.87 Revenue Section									
1.	3451	-	7.63	-	8.98	-	9.00	-	9.35	This head comprises items like salaries, etc. of the Sectt. And Atomic Energy Commission
2.	2852	-	551.72	9.30	625.17	7.51	720.46	45.98	632.96	This head comprises items like R&D expenditure of Bhabha Atomic Research Centre, Nuclear Fuel Complex, Fuel Reprocessing Plants, Industry and Extension Programme and Support

1	2	3	4	5	6	7	8	9	10	11
3.	3401	127.29	605.23	149.10	648.52	150.97	649.89	177.95	672.96	This head comprises items like R&D expenditure of BARC, Aided Institutions, IGCAR, CAT and contribution to International Atomic Energy Agency.
	Capital									
4.	4859	11.00	-	0.01	-	0.01	-	0.01	-	This head comprises items like investment in Electronics Corporation of India Limited.
5.	4861	107.14	426.38	230.68	469.68	177.20	442.79	294.67	-	This comprises items like BARC, NFC, Heavy Water Board, Fuel Reprocessing Industry and Extension Programme.
6.	5401	193.51	-	270.90	-	264.30	-	281.05	-	This head comprises items like BARC, IGCAR VECC. CAT, etc.
7.	6859	6.97	-	0.01	-	0.01	-	0.01	20.01	This head comprises items like loans to ECIL.

1	2	3	4	5	6	7	8	9	10	
	Demand No.88									
	Revenue Section									
8.	2801	-	1432.60	-	1676.34	-	1562.20	-	1503.28	This head comprises items like Power Project Fuel Inventory and Waste Management.
	Capital									
9.	4801	826.01	-	731.00	-	642.00	-	850.79	-	This head comprises items like Investments in Power Projects and FBTR.
10.	6801	59.00	-	163.00	-	163.00	-	242.21	-	This head comprises items like loans to Power Projects.
	Demand No.87									
	Adjustment of Recoveries as reduction of expenditure									
	Revenue Section									
11.	2852	-	(-)3.81	-	(-)2.00	-	(-)2.00	(-)2.22	-	
12.	3401	-	(-)7.75	-	(-)8.03	-	(-)8.38	-	(-)8.74	
13.	4861	-	(-)86.40	-	(-)163.11	-	(-)140.11	-	(-)168.33	

ANNEXURE I

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2001) HELD ON 30TH MARCH, 2001 IN COMMITTEE ROOM '62' PARLIAMENT HOUSE NEW DELHI

The Committee met from 15.00 hours to 17.00 hours.

PRESENT

Shri Sontosh Mohan Dev - Chairman

Lok Sabha

2. Shri Vijayendra Pal Singh Badnore
3. Shri Girdhari Lal Bhargava
4.. Shri Ravindra Kumar Pandey
5. Shri Chandra Pratap Singh
6. Shri Tilakdhari Prasad Singh
7.. Shri Gandhi Azad
8. Shri Santosh Bagrodia
9. Shri Vedprakash P.Goyal
10. Shri V.V.Raghavan
11. Ven'ble Dhamma Viriyo

SECRETARIAT

1.	Shri John Joseph	-	Joint Secretary
2.	Shri P.K. Bhandari	-	Deputy Secretary
3.	Shri R.S. Kambo	-	Under Secretary

WITNESSES

1.	Dr. Anil Kakodkar	-	Secretary, DAE
2.	Prof. S.P.Sukhatme	-	Chairman, AERB
3.	Shri V.K.Chaturvedi	-	CMD, NPCIL
4.	Dr. T.K.Mukherjee	-	CMD, IREL
5.	Shri R.Gupta	-	CMD, UCIL
6.	Shri V.H.Ron	-	CMD, ECIL

7.	Shri K.R.Sivaraman	-	Financial Adviser, ECIL
8.	Dr. C.Ganguly	-	CE, NFC
9.	Shri H.S.Kamath	-	CE, HWB
10.	Dr. N.Ramamoorthy	-	CE, BRIT
11.	Shri R.D.Kale	-	Director, IGCAR
12.	Shri K.Balu	-	Director, NRG, BARC
13.	Shri R.M.Prem Kumar	-	Addl. Secretary, DAE
14.	Smt. Sudha Bhave	-	Jt. Secretary (R&D)
15.	Shri V.P.Raja	-	Jt. Secretary (I&M), DAE
16.	Shri A.R.Kale	-	Chief Controller of Accounts, DAE
17.	Shri R.B.Grover	-	Director, SPG, DAE
18.	Shri R.Srivastava	-	SO/F, DAE

2. At the outset, the Chairman, Standing Committee on Energy welcomed the representatives of the Department of Atomic Energy to the sitting of the Committee and apprised them of the provision of Direction 58 of the Directions by the Speaker.

3. Thereafter, the Secretary of the Department of Atomic of Energy gave a visual presentation before the Committee covering various activities of the Department.

4. The following important points were discussed by the Committee:-

(i) Cost of per megawatt generation of nuclear power,

(ii) Selection of sites for setting up of Atomic Power Projects,

(iii) Status of Kudankulam Project,

(iv) Private Sector participation in the Nuclear Power Sector,

(v) Share of Nuclear Power in the total electricity generation in the country,

(vi) Enhancement of capacity of Atomic Power Projects,

(vii) Exploitation of rare earth products by the Indian Rare Earths Limited,

(viii) Position regarding recovery of outstanding dues from power utilities by the Nuclear Power Corporation of India Limited (NPCIL).

5. A copy of the verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

ANNEXURE II

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2001) HELD ON 12TH APRIL, 2001 IN COMMITTEE ROOM 'E' PARLIAMENT HOUSE ANNEXE NEW DELHI

The Committee met from 11.00 hours to 13.00 hours.

PRESENT

Shri Sontosh Mohan Dev - Chairman

Lok Sabha

2. Shri Prasanna Acharya
3. Shri Prakash Yashwant Ambedkar
4. Shri Vijayendra Pal Singh Badnore
5. Shri Girdhari Lal Bhargava
6. Shri Lal Muni Chaubey
7. Shri Sanat Kumar Mandal
8. Shri Amar Roy Pradhan
9. Shri Chada Suresh Reddy
10. Shri Chandra Pratap Singh
11. Shri Ramji Lal Suman
12. Shri Santosh Bagrodia
13. Shri Manohar Kant Dhyani
14. Shri Vedprakash P.Goyal
15. Shri Aimaduddin Ahmad Khan (Durru)
16. Shri B.J.Panda
17. Shri V.V.Raghavan
18. Ven'ble Dhamma Viriyo

SECRETARIAT

1.	Shri John Joseph	-	Joint Secretary
2.	Shri P.K. Bhandari	-	Deputy Secretary
3.	Shri R.S. Kambo	-	Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.

3. The Committee then considered and adopted the following Draft Reports with some additions / deletions / modifications.

(i) Draft Report on Demands for Grants (2001-2002) of the Ministry of Power.

(ii) Draft Report on Demands for Grants (2001-2002) of the Ministry of Non-Conventional Energy Sources.

(iii) Draft Report on Demands for Grants (2001-2002) of the Ministry of Coal.

(iv) Draft Report on Demands for Grants (2001-2002) of the Department of Atomic Energy.

4. The Committee authorized the Chairman to finalise the Reports after making consequential changes arising out of factual verification by the concerned Ministries / Department and to present these Reports to both the Houses of Parliament during the current Session.

The Committee then adjourned.