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**STANDING COMMITTEE ON FINANCE
(2020-21)**

SEVENTEENTH LOK SABHA

**MINISTRY OF STATISTICS AND
PROGRAMME IMPLEMENTATION**

**DEMANDS FOR GRANTS
(2021-22)**

TWENTY NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2021 / Phalguna, 1942 (Saka)

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MINISTRY OF STATISTICS AND
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Presented to Lok Sabha on 16 March, 2021

Laid in Rajya Sabha on 16 March, 2021



LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF STANDING COMMITTEE ON FINANCE (2020-21)

Shri Jayant Sinha - Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Sukhbir Singh Badal
4. Shri Subhash Chandra Baheria
5. Shri Vallabhaneni Balashowry
6. Shri Shrirang Appa Barne
7. Dr. Subhash Ramrao Bhamre
8. Smt. Sunita Duggal
9. Shri Gaurav Gogoi
10. Shri Sudheer Gupta
11. Smt. Darshana Vikram Jardosh
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14. Shri P.V Midhun Reddy
15. Prof. Saugata Roy
16. Shri Gopal Chinayya Shetty
17. Dr. (Prof.) Kirit Premjibhai Solanki
18. Shri Manish Tewari
19. Shri Parvesh Sahib Singh Verma
20. Shri Rajesh Verma
21. Shri Giridhari Yadav

RAJYA SABHA

22. Shri Rajeev Chandrasekhar
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24. Shri Praful Patel
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26. Shri Mahesh Poddar
27. Shri C.M. Ramesh
28. Shri Bikash Ranjan
29. Shri G.V.L Narasimha Rao
30. Dr. Manmohan Singh
31. Smt. Ambika Soni

SECRETARIAT

1. Shri Vinod Kumar Tripathi - Joint Secretary
2. Shri Ramkumar Suryanarayanan - Director
3. Shri Kulmohan Singh Arora - Additional Director
4. Shri Kh. Ginlal Chung - Under Secretary

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorised by the Committee, present this Twenty-Ninth Report (Seventeenth Lok Sabha) on 'Demands for Grants (2021-22)' of the Ministry of Statistics and Programme Implementation.

2. The Demands for Grants (2021-22) of the Ministry of Statistics and Programme Implementation were laid on the Table of the House on 10th February, 2021 under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha.
3. The Committee took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on 23 February, 2021. The Committee wish to express their thanks to the representatives of the Ministry of Statistics and Programme Implementation for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2020-21).
4. The Committee considered and adopted this Report at their Sitting held on 10 March, 2021.
5. For facility of reference, the Observations / Recommendations of the Committee have been printed in bold at the end of the Report.

**New Delhi;
10 March, 2021
19 Phalguna, 1942 (Saka)**

**SHRI JAYANT SINHA,
Chairperson
Standing Committee on Finance**

REPORT

PART-I

CHAPTER - I

INTRODUCTORY-BRIEF PROFILE OF THE MINISTRY

ORGANISATION AND ITS FUNCTIONS:

The Ministry of Statistics and Programme Implementation (MoSPI) is the nodal agency for planning and facilitating the integrated development of the national statistical system. The MoSPI has two Wings viz. Statistics Wing, called National Statistical Office (NSO), and Programme Implementation (PI) Wing. NSO is responsible for all statistical activities of the Ministry. The PI Wing monitors high value Central Sector Infrastructure Projects (costing Rs. 150 crore and above) with respect to time and cost overrun and monitors the Members of Parliament Local Area Development Scheme (MPLADS). Besides, there is a National Statistical Commission (NSC) established through a Resolution of Government of India and one autonomous institute viz. Indian Statistical Institute (ISI) declared as an institute of national importance by an Act of Parliament (ISI Act, 1959). The Ministry also functions as the cadre controlling authority for two services namely, Indian Statistical Service (ISS) (Group-A) and Subordinate Statistical Service (SSS) (Group-B).

The activities of these two wings are given as under:

National Statistical Office (NSO)

1.2 The NSO brings out important economic indicators such as Gross Domestic Product (GDP), Index of Industrial Production (IIP) and Consumer Price Index (CPI) and other official statistics to support government decision making and framing of appropriate socio-economic policies/programmes. These statistical products/ outcomes are consistent with the relevant international standards. The GDP estimates are released quarterly and annually as per an advance release calendar. The methodology used in the process is consistent with the United Nations guidelines contained in System of National Accounts-2008. The monthly Index of Industrial Production (IIP) is released with a lag of 42 days, as per the methodology adopted from international

standards. It is used as a short term indicator by planners and policy makers for assessing industrial growth. The monthly Consumer Price Index (CPI) is released with a lag of 12 days, as per the methodology adopted from international standards/ best practices. It is used as a short term indicator by planners and policy makers for assessing levels of living. It is also used as a measure of retail inflation by the Reserve Bank of India in regulating its monetary policy.

1.3 The NSO also has a vast network of field offices spread across the length and breadth of the country for conducting nationwide large scale socio-economic surveys on a regular basis for providing insight into various facets of economy and society at large. Being the nodal agency in the country for official Statistics, the Ministry coordinates statistical activities amongst Ministries /Departments of the Government of India as well as with the State/UT Governments.

1.4 Broadly, the NSO is mandated with the following responsibilities:

- i. To act as the nodal agency for planned development of the statistical system in the country
- ii. To formulate and maintain norms and standards related to statistics
- iii. To coordinate the statistical work in respect of the Central Ministries/Departments and State Directorate of Economics & Statistics (DESS)
- iv. To prepare and publish National Accounts Statistics, namely, Gross Domestic Product (GDP), Private Final Consumption Expenditure (PFCE), Capital Formation, Savings, etc
- v. To compile and release Consumer Price Index (CPI) Numbers and Annual Inflation rates based on these CPI numbers
- vi. To compile and release the Index of Industrial Production (IIP) every month;
- vii. To conduct large scale all-India socio-economic sample surveys
- viii. To conduct the Annual Survey of Industries (ASI)
- ix. To conduct Periodic Labour Force Survey (PLFS)
- x. To conduct other surveys like price collection surveys, agriculture area enumeration and crop cutting experiments, urban frame surveys, etc.
- xi. To conduct periodic all-India Economic Censuses and related activities
- xii. To maintain liaison with international Statistical Organizations, such as the United Nations Statistical Division (UNSD), Economic and Social Commission for Asia and the Pacific (ESCAP), the Statistical Institute for Asia and the Pacific (SIAP), International Monetary Fund (IMF), Asian Development Bank (ADB), International Labour Organisation (ILO), Organisation for Economic Co-operation and Development (OECD), etc.

- xiii. To bring out reports as per the international/regional commitments such as Sustainable Development Goals (SDGs) India Country Report and SAARC Development Goals India Country Report.

The Programme Implementation (PI) Wing

- 1.5 The Programme Implementation Wing has the following responsibilities:
- i. Monitoring the performance of the country's eleven key infrastructure sectors, viz., Power, Coal, Steel, Railways, Telecommunications, Ports, Fertilizers, Cement, Petroleum & Natural Gas, Roads and Civil Aviation
 - ii. Monitoring of all Central Sector Projects costing Rs.150 crores and above
 - iii. Implementation of Members of Parliament Local Area Development Scheme (MPLADS).

National Statistical Commission (NSC)

1.6 The Government of India, through a MoSPI resolution dated 1st June, 2005, decided to set up the National Statistical Commission (NSC). The NSC is, *inter-alia*, mandated to evolve policies, priorities and standards in statistical matters and provides technical advice to monitor / enforce statistical priorities and standards pertaining to the national statistical system.

1.7 The NSC has four part-time Members besides a part-time Chairperson, each having specialization and experience in specified statistical fields. CEO, NITI Aayog is an ex-officio Member of the Commission. The Chief Statistician of India is the Secretary to NSC. NSC has a permanent secretariat headed by a SAG Level Officer, assisted by supporting staff, from MoSPI.

1.8 The main functions of the Commission are to evolve strategies for improving the statistical system of the country, besides serving as a nodal and empowered body for all core statistical activities of the country and evolving, monitoring and enforcing statistical priorities and standards.

Indian Statistical Institute (ISI)

1.9 Indian Statistical Institute (ISI) is an autonomous institution under MoSPI and is devoted to research, teaching in Statistics and its applications in related subjects,

natural sciences and social sciences. The Institute was established on 17th December in the year 1931 by Prof. P.C. Mahalanobis, at Kolkata, West Bengal. In addition to the headquarters located at Kolkata, the ISI has Centres at Delhi, Bengaluru, Chennai, Tezpur, (North-East Centre) and five outlying Units and branches located at Mumbai, Pune, Coimbatore, Hyderabad and Giridih. The institute gained the status of an Institution of National Importance through Indian Statistical Institute Act, 1959, known as "Indian Statistical Institute Act No. 057 of 1959". MoSPI provides Grants-in-Aid to ISI for its functioning, academic activities and infrastructure creation and maintenance.

1.10 The ISI conducts various courses (bachelor, post-graduate diploma, masters and PhD degree programs) in various subjects with prime focus on statistics mathematic, quantitative economics, computer science and such other subject related to statistics as may be determined by the Institute from time to time. Over the years, the institute has developed a set of unique research and academic programme, which are cross-disciplinary in nature. These programmes cater the unique need of statistical analysis of large scale data collected at different government and non-government sectors.

1.11 The RC Bose Centre for Cryptology and Security has been established at ISI Kolkata promotes interdisciplinary research in Mathematics, Computer Science and Statistics towards furtherance of teaching, research as well as training and development in Cryptology and Cyber Security. It acts as a national hub for cryptographic requirements, cutting-edge research activities and indigenous capacity building to fulfill the growing demands at the national level. The Centre is funded by MoSPI as a part of the Grant-in-Aid to the Indian Statistical Institute, under a separate line in the budget.

1.12 Apart from contributing to knowledge dissemination and talent development, ISI continues to work on innovative multidisciplinary application to address issues of national importance. The recent examples include contributions of ISI made in the areas of currency management, understanding extinction risk of wildlife, accurate assessment of consumer confidence, development as well as assessment of encryption methodologies, assessment of risk from counterfeit currencies, improvement of defense production systems, understanding level of cleanliness of towns and cities calibrated by

their inherent complexity, development of national coal index. Several notable contributions have also been made in the field of Artificial Intelligence, Cryptology & Cyber Security, Data Science, Pattern Recognition, Computational Intelligence, Bioinformatics and Statistical Quality Control etc. The studies undertaken by the institute has also been recognized by several awards at National / International level.

1.13 The institute take initiatives to widen its reach by encouraging the multi-disciplinary studies as also promoting research programmes and courses in statistics; mathematics; computer science; quantitative economics; quality, reliability and operations research; quality management science; cryptology & security; library & information science; statistical methods and analytics and various fields of physics & natural sciences and social sciences in the emerging areas and to benefit public at large.

CHAPTER II

Implementation of the Ministry's mandated objectives.

To implement the mandate given to the Ministry, and to fulfill its objectives, the Ministry has been operating two central sector schemes namely Capacity Development Scheme and Member of Parliament Local Area Development Scheme (MPLADS).

2.2 The Ministry has also initiated the National Program for Improving Quality of Statistics in India (NPIQSI), a Central Sector Scheme, being implemented with the fund envisaged from World Bank Assistance with counterpart funding from Government of India.

I. Capacity Development (CD) Scheme:

2.3 The CD Scheme is an ongoing Central Sector Scheme of the Ministry of Statistics and Programme Implementation. The overall objective of this Scheme is to augment infrastructural, technical as well as manpower resources for making available credible and timely official statistics for policy-makers and public at large. The major ongoing activities under the Capacity Development Scheme, *inter-alia*, include augmenting resources for bringing out important statistical products, such as Gross Domestic Product (GDP) estimates, Consumer Price Indices (CPI), Index of Industrial Production (IIP), Statistical classifications, etc.; conducting various socio-economic surveys, capacity building in official statistics, strengthening statistical coordination between MoSPI and other Ministries/ Departments as well as States/ UTs, and improving IT infrastructure. The major components of the Scheme are as under:

- i. Improvement of National Accounts Statistics
- ii. Improvements in Price Statistics and International Comparison Programme (ICP)
- iii. Improvements in Social, Environment and Allied Statistics
- iv. Improvements in Economic Sector Statistics
- v. Training / Capacity Building of Statistical Personnel in Official Statistics and also to promote Official Statistics and research in Statistics through Internship Programme, Grant-in-Aid to Institutions, International/National Awards in Statistics, on the spot essay completion etc.
- vi. Strengthening of Coordination with Central and State Statistical Organizations

- vii. Addition / alteration and modernization of office buildings, including procurement/ hiring of new premises
- viii. Strengthening of Computer Centre of MoSPI
- ix. Strengthening of Survey Capabilities of the NSO and undertaking new surveys
- x. To facilitate project monitoring of the projects under Infrastructure Project Monitoring Division of this Ministry.

2.4 The CD Scheme has two sub-schemes, viz., Economic Census and Support for Statistical Strengthening (SSS):

a. **Economic Census (EC):** EC is an ongoing sub scheme under Capacity Development Scheme of MoSPI. EC is the complete count of all non-farm economic establishments located within the geographical boundary of India. It provides disaggregated information on various operational and structural variables of all such establishments of the country. Economic Census also provides valuable insight into geographical spread/clusters of economic activities, ownership pattern, persons engaged, etc. of all economic establishments in the country.

b. **Support for Statistical Strengthening (SSS) sub-scheme:** The objective of the SSS is to improve the statistical capacity and operations of State Statistical Systems for collecting, compiling and disseminating reliable official statistics for policy planning at the State and Sub-State levels. The scheme is being implemented through the State Directorates/ Bureau of Economics & Statistics, as per the approved activities detailed in Memorandum of Understandings (MOUs) signed between Government of India and the respective States/UTs.

2.5 The CD Scheme was approved for its continuation for the period 2017-18 to 2019-20 by the Cabinet Committee on Economic Affairs (CCEA) with an outlay of Rs. 2250 crore in August, 2018. Department of Expenditure, MoF vide its O.M dated 10th January, 2020 has provided an interim extension, beyond 31st March, 2020 or the date till which the Schemes are already approved, for a period till 31st March, 2021 or till the date the recommendations of 15th Finance Commission (FC) come into effect, whichever is earlier subject to certain exemptions. The third party evaluation of the Scheme has been conducted by Vinod Gupta School of Management, IIT Kharagpur during January, 2020 to March, 2020. In the draft report, IIT Kharagpur inter-alia, recommended for the continuation of CD Scheme with all its components in future to

further strengthen and to augment infrastructural, technical as well as manpower resources for making available credible and timely official statistics for policy makers and public at large.

II. Members of Parliament Local Area Development (MPLAD) Scheme

2.6 The Members of Parliament Local Area Development (MPLAD) Scheme is an ongoing Central Sector Scheme implemented by the Programme Implementation wing of the MoSPI. The scheme is governed by a set of Guidelines issued by the Ministry which have been revised from time to time. The basic objective of the MPLAD Scheme is to enable the Hon'ble Members of Parliament to recommend creation of durable community assets. This scheme is Grants-in-Aid from the Government of India, as Special Central Assistance to States for expenditure to be incurred for the creation of developmental community works recommended by Hon'ble Members of Parliament. The allocation of funds under the scheme is made on annual basis. The MPLADS has a fixed yearly allocation of amount of Rs. 3950.00 Crore as per the entitlement of Rs. 5 Crore per MP (per Annum) for 790 Hon'ble MPs of both Lok Sabha and Rajya Sabha. Under this scheme, the Members of Parliament (LS&RS both) have a choice to recommend to the concerned District Collectors(s) for works of capital nature to the tune of Rs. 5 crore per year to be taken up in their respective constituencies/States for creation of durable assets based on local needs. The amount of annual entitlement is released by MPLAD Division in two installments. Funds released to the district authority by the Government of India are non lapsable. Funds left in the district can be carried forward for utilization in the subsequent years. Further, the funds not released by the Government of India in year will be carried forward for making releases in the subsequent years subject to the fulfillment of criteria stipulated. The District Authorities execute development works on the recommendation of Member of Parliament in accordance with the extant guidelines prescribed by the respective State Government. The MPLAD Scheme is non-operational for 2020-21 and 2021-22.

III. National Program for Improving Quality of Statistics in India (NPIQSI)

2.7 The National Program for Improving Quality of Statistics in India (NPIQSI) is a Central Sector Scheme of the Ministry being implemented with the World Bank Assistance. The NPIQSI aims to improve the quality, efficiency and user relevance of statistics produced by MoSPI and optimizing use of existing data for increased evidence-based decision making. The project has following components:

Component [i]: Improving Survey Data Quality

Component [ii]: Making Most of Existing Data

Component [iii]: Enhanced User Relevance of Published Statistics

2.8 The Scheme is designed as an Investment Project Finance (IPF) operation that disburses against eligible expenditures upon achievement of Disbursement Linked Indicators (DLIs). The estimated cost of the Scheme is Rs. 426 crore with 50% (Rs.213 crore; US \$30 million) funding assistance (in the form of credit) from World Bank. The remaining 50% (Rs.213 crore) would be borne by Government of India. The Standing Finance Committee (SFC) has approved the Scheme for a period of five years starting from 1st April, 2020 to 31st March, 2025. The budgetary requirement of Rs.28.52 crore has been proposed for the FY 2021-22.

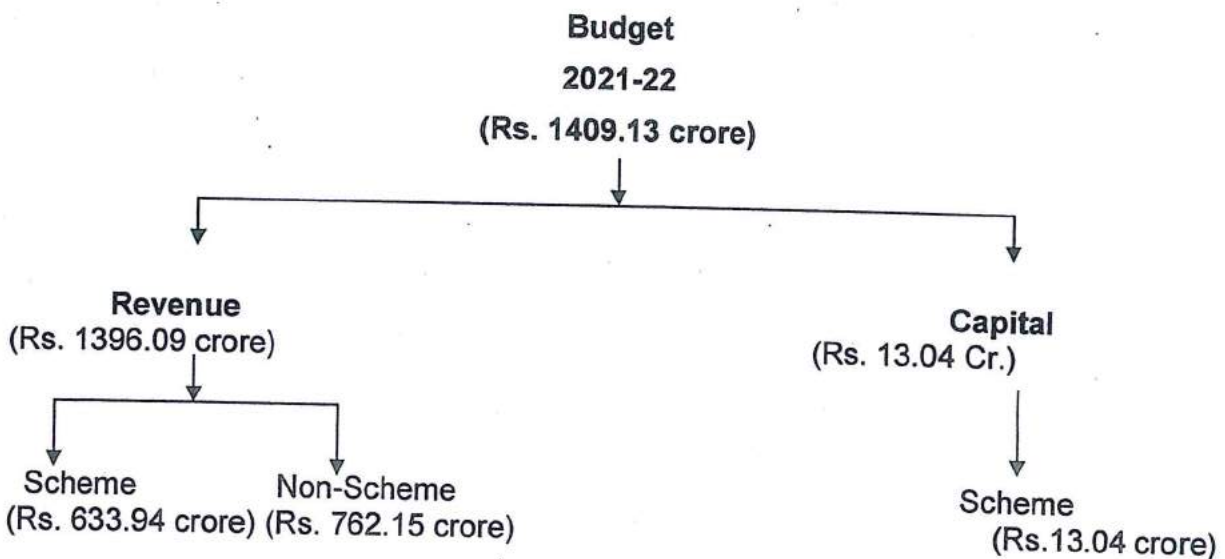
CHAPTER III

BUDGETARY ALLOCATION

BUDGET 2021-22

The Demands for Grants under Demand No. 95 for the Ministry includes a budget proposal of Rs. 1409.13 crore for the year 2021-22. The demand under Revenue is Rs. 1396.09 crore and under Capital is Rs. 13.04 crore. The Ministry proposes to undertake two Schemes namely, (i) Capacity Development (CD) Scheme and (ii) National Program for Improving Quality of Statistics in India (NPIQSI).

3.2 The Union Cabinet in its meeting held on 6th April 2020 had decided not to operate the Member of Parliament Local Area Development Scheme (MPLADS) and place the funds at the disposal of the Ministry of Finance for two years, i.e., FY 2020-21 and 2021-22 for managing the adverse impacts of covid pandemic. Consequently, there shall be no further release of installments of MPLADS for two years, that is, during FY 2020-21 and FY 2021-22. As a result, there is no budgetary proposal (Grants in Aid) for the year 2021-22, under MPLADS.



NON-SCHEME 2021-22

3.3 The Ministry's Non-Scheme budget of Rs. 762.15 crore in 2021-22 is primarily salary oriented as the major function of the Statistics Wing (NSO) is to conduct census /

surveys, collect, analyses and disseminate data, which is a staff intensive function. The major components of the Non-Scheme budget for the Ministry during 2021-22 are given below:

| Object Head | Budget (Rs. In lakh) | % of total Non-Scheme Budget |
|-------------------------------|-------------------------|---------------------------------|
| Salaries | 41138 | 53.98% |
| Domestic Travels | 903.77 | 1.19% |
| Foreign Travel | 15.66 | 0.02% |
| Office Expenses | 1050.09 | 1.38% |
| Rent Rates & Taxes | 310.04 | 0.41% |
| Publications | 48.98 | 0.06% |
| OAE | 178.98 | 0.23% |
| Grants-in-aid to ISI, Kolkata | 32001.00 | 41.99% |
| Others | 568.48 | 0.75% |
| Total | 76215.00 | |

3.4 The Ministry provides Grants-in-Aid to Indian Statistical Institute (ISI) for its functioning, academic activities and infrastructure creation and its maintenance as part of the Non-Scheme component of the budget. ISI is devoted to the research, teaching and application of statistics, natural sciences and social sciences. The institute gained the status of an Institution of National Importance through Indian Statistical Institute Act, 1959. Section 4 of the ISI Act, empowers ISI, *inter-alia*, to grant degrees and diplomas in statistics, mathematics, quantitative economics, computer science and such other subjects related to statistics. From the budget of the Ministry, an amount of Rs. 32001.00 lakh has been kept as grants-in-aid to the Institute, as Non Scheme allocation during 2021-22.

3.5 National Statistical Commission Non Scheme budget for the year 2021-22 has been pegged at Rs. 1.37 crore.

3.6 Trend of Non-Scheme expenditure indicates an increase in expenditure from Rs. 678.04 crore in 2020-21 (RE) to Rs. 762.15 crore (BE) during 2021-22.

SCHEME 2021-22

3.7 The Ministry has been implementing three Central Sector schemes namely, Capacity Development (CD) Scheme, National Program for Improving Quality of Statistics in India (NPIQSI) and Member of Parliament Local Area Development Scheme (MPLADS). The total Scheme budget proposal in 2021-22 for the Ministry is Rs. 646.98 crore.

3.8 Out total Scheme budget of Rs. 646.98 crore, Rs. 598.36 crore is earmarked for Capacity Development (CD) Scheme. The major components of expenditure of CD Scheme are as follows:

| Object Head | Budget (Rs. In lakh) | % of total Scheme Budget |
|----------------------------------|----------------------|--------------------------|
| Salaries | 887.00 | 1.48% |
| Domestic Travel | 2754.42 | 4.60% |
| Foreign Travels | 134.52 | 0.22% |
| Office Expenses | 2578.00 | 4.31% |
| Rent Rates & Taxes | 279.15 | 0.47% |
| Publications | 171.15 | 0.29% |
| Other Admn. Expenses | 1699.25 | 2.84% |
| Advertising & Publicity | 4816.61 | 8.05% |
| Professional Services | 30914.72 | 51.67% |
| Information Technology | 1598.92 | 2.67% |
| Machinery & Equipment | 395.15 | 0.66% |
| Major Works | 908.85 | 1.52% |
| Lump sum provision for NE States | 4010.00 | 6.70% |
| Others | 8688.26 | 14.52% |
| Total | 59836.00 | |

3.9 The allocation for 'Professional Services' is Rs 309.14 crore which is 34 times more than the allocation for 'Salaries' by Rs 8.87 crore. On being asked to specify whether this has entails lack of officers/staff, the following written reply as stated below:-

"The allocation of Rs. 309.14 crore under Professional Services under Capacity Development Scheme is proposed for Strengthening of survey capabilities, activities related to national accounts, economic sector, price, social, environment and allied statistics, strengthening of Computer Centre, consultancy projects /studies etc. and field activities related 7th Economic Census such as field level collection of data of

individual economic establishments and supervision, etc. It is stated that Economic Census in the country which is a massive exercise involving survey of economic establishments within the geographical boundary of India, is organized after a gap of three years; and for this purpose, *a specialized agency is engaged during specific period of field activities instead of having a costly permanent establishment in the Ministry.*

For 7th Economic Census, the tasks of collection of data, supervision etc. have been assigned to Common Services Center (CSC) e-Governance Services India Limited under Ministry of Electronics & Information Technology, Government of India. The bulk of the payments to CSC are made from 'Professional Services' head.

Besides, the National Sample Survey (NSS) of NSO, MoSPI has undertaken 4-5 additional Annual Surveys. The additional posts regular manpower for these Annual Surveys though were recommended by the Expenditure Finance Committee (EFC) during (2017-20), these posts are not yet created and thus are not operational. These Surveys are therefore, taken up through the contractual manpower engaged through agencies. The payments to contractual staff of National Sample Survey engaged through contracting agencies for field activities are also made from the Professional Services Head.

Further, the IT solutions of the Ministry such as National Integrated Information Platform (NIIP) and Generalised Survey Solution are being developed by engaging System Integrator (SI) and Project Management Units and the payments to the System Integrator (SI) is also provisioned from Professional Services' head. Once these IT Solutions will be developed and operational, the System Integrator (SI) will be responsible for Operation and Maintenance (O&M) of solutions.

The expenditure on account of the above activities is occasional in nature requiring skilled and technical expertise are best made from the Professional Services Head rather than creating permanent establishment in the Ministry. While significant portion of the salaries to the regular staff of the Ministry and field offices are made from the salaries head of Non-Scheme, the payment of salaries to some of the staff of National Sample Survey continued against the Plan Scheme is made from the salaries head of Capacity Development (CD) Scheme. Therefore, the allocation under salaries head of CD scheme is comparatively less than that of the allocation for Professional Services head."

3.10 Rs. 28.52 crore is earmarked for National Program for Improving Quality of Statistics in India (NPIQSI), during 2021-22. The major components of expenditure of NPIQSI Scheme are as follows:

| Object Head | Budget (Rs. In lakh) | % of total Scheme Budget |
|-------------------------|-------------------------|--------------------------|
| Domestic Travel Exp. | 0.50 | 0.02 |
| Foreign Travel Exp. | 0.50 | 0.02 |
| Office Expenses | 50.00 | 1.75 |
| Publication | 1.00 | 0.04 |
| Other Admn. Exp. | 150.00 | 5.26 |
| Professional Services | 1500.00 | 52.59 |
| Advertising & Publicity | 50.00 | 1.75 |
| Information Technology | 1050.00 | 36.82 |
| Grants-in-aid | 50.00 | 1.75 |
| Total | 2852.00 | |

3.11 An amount of Rs. 20.10 crore has been provided in BE 2021-22 (professional services) under MPLADS.

3.12 **Grants-in-aid (under Scheme):** The proposed outlay under grants-in-aid during 2021-22 is Rs.82.89 crore which includes i) Rs. 82.39 crore for Capacity Development scheme and ii) Rs. 0.50 crore for NPIQSI Scheme.

Demands for Grants 2021-22 and recommendations of the Committee as contained in the 22nd report of the Committee on Demands for Grants 2020-21.

3.13 Based on the recommendations of the Committee, budget requirements for meeting additional demands for activities of the Ministry has been provisioned through the Demands for Grants 2021-22.

Statement on Output-Outcome Indicators

3.14 Under the scheme of MPLADS, an aggregate amount of Rs. 54102.25 Crore have been released by the Ministry till 31.12.2020. During the same period, the District Authorities are reported to have issued the sanctions for different items of work costing Rs. 55833.79 Crore and against this; the expenditure of Rs. 52810.43 Crore has been achieved. Since, the budgetary outlay of Rs. 3950 crores of MPLADS for 2020-21 has been placed at the disposal of the Ministry of Finance; there is no release of installments during the current year 2020-21.

3.15 System of Monitoring of Performance of Capacity Development Scheme

- The Ministry has prepared a Monthly Expenditure Plan (MEP) with the objective of reviewing monthly as well as quarterly progress of utilisation of the budget and initiate timely corrective action. The expenditure is being closely monitored wherever required; so as to avoid large scale unspent budget provisions.
- Due to COVID-19 pandemic, Ministry of Finance has been issuing guidelines/instructions from time to time to incur and monitor the expenditure. MoSPI is adhering to the guidelines/instructions.
- For each component of the CD Scheme, the physical targets are linked to the MEP and the progress is closely monitored through regular meetings.
- Monthly Expenditure Review meetings are being held to ensure proper utilisation of funds under the scheme.

3.16 System of monitoring of the implementation of MPLAD Scheme: -

- Annual All India Review Meeting with the Nodal Secretaries of the States/UTs is organized to discuss the implementation of the scheme.
- The provisions of guidelines are amended from time to time on the recommendations/suggestions of various stakeholders if found feasible as per the objective of the scheme.
- The Physical and Financial progress of the scheme can be seen and monitored by the various Stakeholders with the help of MPLADS portal.
- Training is provided to district officials to submit the online requisite eligible documents in order to enable the Ministry for timely release of funds.
- The officers of the Ministry visit various states/districts from time to time to review the implementation of the scheme.

3.17 Monitoring mechanism of NPIQSI: -

- A Project Monitoring Unit (PMU) has been created in MoSPI which is responsible for oversight over the day-to-day implementation of the Project. The PMU for the project is supported by a Project Management Consultant (PMC). The PMU, supported by the PMC, is responsible for carrying out project monitoring activities. These include: (a) periodic project progress reviews, (b) preparing and disseminating project progress

reports (including reporting on the fiduciary and safeguards requirements of the project), (c) reporting on Disbursement Linked Indicators (DLI) achievements, and (d) other studies, evaluations and reports.

- Verification of Disbursement Linked Indicator (DLI) achievements will be carried out in a timely manner, according to agreed protocols and in alignment with the disbursement cycle. An independent Verification Agent (IVA) will be appointed to verify the data and other evidence supporting the achievement of one or more selected DLIs and recommend corresponding payments to be made.

3.18 Total Budgetary outlay for the MOSPI for the last three years

| Year | Rs. In Crore | | | Remarks |
|---------|--------------|---------|---------|---------|
| | Revenue | Capital | Total | |
| 2019-20 | 5216.33 | 14.73 | 5231.06 | |
| 2020-21 | 5426.00 | 17.95 | 5444.00 | |
| 2021-22 | 1396.09 | 13.04 | 1409.13 | |

3.19 The total budgetary outlay BE for FY 2021-22 is Rs. 1409.13 crore whereas Rs. 5444.00 crore was the BE for FY 2020-21. The allocation for FY 2021-22 is 74.1% less as compared to the allocation made for FY 2020-21. On being asked to explain the reasons for huge reduction in the Budgetary allocation for 2021-22, the Ministry of Statistics and Programme Implementation made the following reply as below:

“The Union Cabinet in its meeting held on 6th April 2020 decided not to operate Member of Parliament Local Area Development Scheme (MPLADS) for the FY 2020-21 and FY 2021-22; and decided to place the MPLADS for these two years (2020-21 & 2021-22), at the disposal of the Ministry of Finance for managing the adverse impacts of covid – 19 pandemic. Accordingly, the budgetary allocation of Rs. 3950 crore in the BE of 2020-21 has been placed at the disposal of the Ministry of Finance vide this Ministry’s OM dated 8th April 2020. As a result of the placement of Rs. 3950 crore at the disposal of Ministry of Finance, the BE allocation for the FY 2020-21 of the Ministry was reduced to Rs. 1494.00 crore. Further, the budgetary outlays of the BE for FY 2021-22 of the Ministry in the Demands for Grants didn’t have budgetary allocation for MPLADS, as the Government has decided not to operate in the FY 2021-22 also due to covid-19. Therefore, the reduction in the Budgetary allocation for 2021-22 is mainly due to non-allocation of MPLADS funds in the BE of 2021-22. Also, the data collection activity of the 7th Economic Census which is a component of Capacity Development Scheme is getting over by 31.03.2021 and therefore, the BE outlay for Economic Census is kept at Rs. 280 crore in 2021-22 as against Rs. 400.00 crore in BE and Rs. 488.32 crore in RE of 2020-21.”

3.20 The allocation for FY 2021-22 under the Capital head of accounts is Rs. 13.04 crore whereas Rs. 1396.09 crore is allocated under Revenue head. Please explain the reasons for allocating dismally for Capital expenditure *vis-à-vis* the allocation for Revenue. When asked to state whether the low capital expenditure indicates slow pace of upgradation and progress for the Ministry, the Ministry *inter alia* gave the following reply:

“As per the Ministry of Finance OM No. 2(17)-B(P&A)/2020 dated 04-01-2021, Ministry is required to allocate a minimum of 0.33% of the total allocation under the Capital Head. However, the Ministry has allocated Rs. 13.04 crore under Capital head of accounts against the minimum requirement of Rs. 4.65 crore (0.33% of Rs. 1409.13 crore), keeping in view the functional requirements during 2021-22 and the capital expenditure during the last three years. However, the Ministry will gradually increase capital expenditure as a percent of total expenditure of the Ministry to generate durable assets to ensure upgradation and progress of the Ministry. Ministry will allocate more funds under Capital Head in the subsequent years.”

3.21 Major Head 2552 – North Eastern Area

| | 2018-2019 | | | 2019-2020 | | | 2020-2021 | | | 2021-2022 |
|--------------|-----------|-------|---------|-----------|----------|---------|-----------|-------|--|-----------|
| | B.E | R.E | Actuals | B.E | R.E | Actuals | B.E | R.E | (*)Expenditure (based on e-lekha as on 31.12.20) | B.E |
| Scheme | 20.80 | 20.80 | - | 27.00 | 27.00 | - | 32.00 | 20.57 | - | 40.10 |
| %ge increase | | | - | (29.8%) | (29.8%) | - | (18.5%) | - | (23.8%) | (25.3%) |
| Non-Scheme | 4.10 | 4.10 | - | 22.42 | 22.42 | - | - | - | - | - |
| %ge increase | | | - | (446.8%) | (446.8%) | - | (100.0%) | - | (100.0%) | - |

3.22 Under Major Head 2552 – North Eastern Area, Rs. 20.80 crore for Scheme and Rs. 4.10 crore for Non-Scheme have been allocated for FY 2018-19; Rs. 27.00 crore for Scheme and Rs. 22.42 crore for Non-Scheme for FY 2019-20; Rs. 32.00 crore for scheme and Rs. 'Nil', for FY 2020-21; and Rs. 40.10 crore for scheme and Rs. 'Nil' for Non-Scheme for FY 2021-22 whereas the allocated funds were never utilized since 2018-19 to 2020-21. On being asked to state the reasons for 'Nil' utilization of fund despite making fund allocation under this Head of account every year, the Ministry *inter alia* made the following reply as below:

"It is true that budgetary allocations have been made for North East Area both under scheme and Non-Scheme, however there is 'nil' utilization despite fund allocations were made in the Major Head 2552 during 2018-19, 2019-20, 2020-21 and 2021-22. This is primarily due to fact that Major Head 2552 is a non-functional head specially designed to mandatorily allocate fund exclusively for North East Area during annual budgetary exercise. Since, this is a non-functional head no expenditure can be incurred under this head and this is why the utilization under Major Head 2552 has been shown as 'nil'. However, for utilization of fund from Major Head 2552, funds are appropriated to functional head such as 3454 and from there funds are utilized."

3.23 On the steps that are being taken to ensure that the Rs. 40.10 crore allocated for FY 2021-22 is utilized in the ensuing fiscal, the Ministry submitted the following written reply:-

"An allocation of Rs. 40.10 crore has been provided for FY 2021-22. An amount of Rs. 22.00 crore under Capacity Development Scheme and Rs. 18.10 crore under Support for Statistical Strengthening Sub-Scheme have been provided for utilization in North Eastern Area. The funds would be utilized on receipt of proposal during 2021-22 also by re-appropriating the funds to the functional Heads. Ministry has already prepared a roadmap for utilization of Rs. 40.10 crore allocated in BE of FY 2021-22 North East Area under Capacity Development Scheme and Support for Statistical Strengthening Sub-Scheme. Funds will be allocated to North East Area under Support for Statistical Strengthening Sub-Scheme.

Under Support for Statistical Strengthening Sub-Scheme, MoUs have already been signed up with Arunachal Pradesh, Assam and Meghalaya. The Ministry will be transferring first installment of Rs. 0.85 crore to Arunachal Pradesh, second installment of Rs. 11.79 crore to Assam and Rs. 5.46 crore to Meghalaya in the FY 2021-22."

CHAPTER IV

MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME

The salient features of the MPLAD Scheme:

The Members of Parliament Local Area Development Scheme (MPLADS) was launched by the Govt. of India on 23rd December 1993 to provide a mechanism for Members of Parliament to recommend works of developmental nature for creation of durable community assets and for provision of basic facilities including community infrastructure, based on locally felt needs to be taken up in their Constituencies/States. Initially, the MPLADS was under the control of Ministry of Rural Development. The subject relating to the MPLADS was transferred to the Ministry of Statistics and Programme Implementation in October 1994. The scheme is governed by a set of Guidelines, which have been comprehensively revised from time to time. In the Annual Report of 2020-21 of Ministry of Statistics and Programme Implementation the following was stated as below.

4.2 The present Guidelines were issued in June 2016.

- (a) MPLADS is a Central Scheme fully funded by the Government of India under which funds are released in the form of Grants-in-aid directly to the District Authorities.
- (b) The funds released under the Scheme are non-lapsable, i.e. the entitlement of funds not released in a particular year is carried forward to the subsequent years, subject to eligibility. At present, the annual entitlement per MP/Constituency is Rs 5crore.
- (c) Under MPLADS, the role of the Members of Parliament is limited to recommend works. Thereafter, it is the responsibility of the District Authority to sanction, execute and complete the works recommended by Members of Parliament within the stipulated time period.
- (d) The elected Lok Sabha Members can recommend works in their respective constituencies. The elected members of the Rajya Sabha can recommend works

anywhere in the State from which they are elected. Nominated Members of the Lok Sabha and Rajya Sabha can recommend works, anywhere in the country.

(e) There is no limit for works to be executed for the Government. However, for the works meant for trust/society there is a ceiling of Rs 50 lakh for the lifetime of each trust/society. An MP can recommend funds only upto Rs 100 lakh in all in a financial year, from MPLADS funds for works to trusts/societies.

(f) MPLADS works can be implemented in areas affected by natural calamities like flood, cyclone, hailstorm, avalanche, cloudburst, pest attack, landslides, tornado, earthquake, drought, tsunami, fire and biological, chemical, radiological hazards, etc. MPs from the nonaffected areas of the State/UT can also recommend permissible works upto a maximum of Rs 25 lakh per annum in the affected area(s) in that State/UT.

(g) In the event of "Calamity of severe nature" (which is decided and declared by the Government of India) in any part of the country, an MP can recommend works up to a maximum of Rs 1 crore for the affected district. The funds in this regard will be released by the Nodal District Authority of the MP concerned to the State Nodal Department of the affected State to execute permissible works as the procedure to this effect was amended vide this Ministry's O.M. No. C-19/2017-MPLADS dated 26.10.2018.

(h) In order to accord special attention to the development of areas inhabited by Scheduled Castes (SCs) and Scheduled Tribes (STs), 15% of MPLADS funds are to be utilized for areas inhabited by SC population and 7.5% for areas inhabited by ST population. In case the constituency of a Lok Sabha Member has insufficient ST population, such funds may be utilized in SC inhabited areas and vice-versa. Further, in case the constituency of a Lok Sabha Member has insufficient SC and ST population (both put together) in the area, they may recommend works for the creation of community assets in SC/ST areas outside their Constituency but within their State of election.

(i) If an elected Member of Parliament finds the need to contribute MPLADS funds to a place outside that State/UT or outside the constituency within the State or both, the MP can recommend eligible works, under these Guidelines upto a maximum of

Rs 25 lakh in a financial year. Such a gesture on the part of an MP will promote national unity, harmony, and fraternity among the people, at the grass roots level.

(j) The MP may recommend maximum of Rs 20 lakh per year for giving assistance to Differently Abled Citizens for purchase of tri-cycles (including motorized tri-cycles), battery operated motorized wheel chair and artificial limbs; and aids for visually and hearing impaired.

(k) MPs may recommend their MPLADS funds to aided educational institutions which are receiving financial assistance from state government and are recognized by a State /UT /Central Board of Secondary Education in case of schools and by State/Central University in case of colleges and are not charging commercial fee from students. Such aided educational institutions are eligible for receiving MPLADS funds for all permissible items under the Guidelines with no ceiling. Both aided and un-aided educational institutions which are recognized by a Board of Secondary Education/University and are run by trusts/societies are eligible for receiving MPLADS funds for all permissible items under the Guidelines; the particular trust/society which runs the concerned educational institution will be governed by the maximum ceiling i.e. Rs 50 lakh imposed on trusts/societies under the Guidelines (para3.21).

(l) Energy efficient Community Gobar Gas plants, Crematoria and structures on burial/ cremation grounds and Non-conventional energy systems/ devices for Community use are interalia included in sector VI & VII of Annexure-IV(E) of the Guidelines. Purchase of Stubble Clearing and Super Seeder machines subject to fulfillment of certain conditions is also permissible under MPLADS.

(m) MPs may recommend MPLADS Funds for augmentation of funds for Scheme such as 'Swachh Bharat Abhiyan' which provides for construction of individual toilets, subject to provisions contained in para 3.17 and 3.18 of the Guidelines on MPLADS.

(n) MPs may recommend MPLADS Funds for the installation of Wi-Fi system in educational institution, village and selected location. Purchase of laptops subject to

certain conditions is also permissible for Government and Government-aided educational institutions.

(o) Funds released by the Government of India are deposited by the District Administrations in Nationalized Banks (including IDBI Banks)/Regional Rural Banks (Gramin Banks) which are on Core Banking Platform with the Nationalized Bank as their sponsor, for each MP for the purpose of MPLAD Scheme.

(p) The roles of Central Government, State Government, District Authorities and Implementing Agencies have been clearly defined in the Guidelines on MPLADS for implementation of MPLAD Scheme.

Impact

4.3 Since inception, *the Scheme has benefited the local community by meeting various developmental needs such as drinking water facility, education, electricity, health and family welfare, irrigation, non-conventional energy, community centers, public libraries, bus stands/stops, roads, pathways and bridges, sports, etc.* These works are sanctioned, executed and monitored as per the provisions of the MPLADS Guidelines.

Scheme Performance

4.4 Physical Performance

As compiled from reports received from the Districts, since inception of the scheme as on 30.11.2020: -

- 24,26,295 works have been recommended since inception of the Scheme.
- 21,55,509 works have been sanctioned since inception of the Scheme.
- 19,41,631 works have been completed since inception of the Scheme.

4.5 The percentage of works completed over sanctioned is 90.07 since inception of the Scheme.

4.6 In the current financial year 26603 works have been recommended, 24993 works have been sanctioned (including works recommended during previous

years) and 29167 works have been completed (including works sanctioned during previous years).

Financial Performance

- Rs 54102.25 crore has been released since inception of the Scheme.
- Expenditure of Rs 52561.10 crore has been incurred since inception of the Scheme
- The percentage of expenditure over release is 97.15 as on 30.11.2020 since inception of the Scheme.
- Vide this Ministry's O.M. No. E-4/2020-MPLADS (Pt) dated 08.04.2020 to Department of Expenditure, Ministry of Finance, the budgetary outlay for FY 2020-21 in respect of MPLAD Scheme has been placed at the disposal of Ministry of Finance for managing the economic and health impacts of COVID-19 outbreak pursuant to the Government's decision not to operate the MPLAD Scheme for FY 2020-21 and FY 2021-22.

4.7 The funds released year-wise under the scheme, since inception is furnished below:

| Year | Funds Released (In Rs Crore) | Cumulative Release (In Rs Crore) |
|-------------|---|---|
| 1993-1994 | 37.80 | 37.80 |
| 1994-1995 | 771.00 | 808.80 |
| 1995-1996 | 763.00 | 1571.80 |
| 1996-1997 | 778.00 | 2349.80 |
| 1997-1998 | 488.00 | 2837.80 |
| 1998-1999 | 789.50 | 3627.30 |
| 1999-2000 | 1390.50 | 5017.80 |
| 2000-2001 | 2080.00 | 7097.80 |
| 2001-2002 | 1800.00 | 8897.80 |
| 2002-2003 | 1600.00 | 10497.80 |
| 2003-2004 | 1682.00 | 12179.80 |
| 2004-2005 | 1310.00 | 13489.80 |
| 2005-2006 | 1433.90 | 14923.70 |
| 2006-2007 | 1451.50 | 16375.20 |
| 2007-2008 | 1470.55 | 17845.75 |
| 2008-2009 | 1580.00 | 19425.75 |
| 2009-2010 | 1531.50 | 20957.25 |

| | | |
|-----------|---------|----------|
| 2010-2011 | 1533.32 | 22490.57 |
| 2011-2012 | 2507.68 | 24998.25 |
| 2012-2013 | 3722.00 | 28720.25 |
| 2013-2014 | 3937.00 | 32657.25 |

| Year | Funds Released (In ` Crore) | Cumulative Release (In Rs Crore) |
|-----------|--------------------------------|-------------------------------------|
| 2014-2015 | 3350.00 | 36007.25 |
| 2015-2016 | 3502.00 | 39509.25 |
| 2016-2017 | 3499.50 | 43008.75 |
| 2017-2018 | 3504.00 | 46512.75 |
| 2018-2019 | 3949.50 | 50462.25 |
| 2019-2020 | 3640.00 | 54102.25 |

Comparative performance of the Scheme

4.8 The comparative position at different time periods is given as under:-

| Year | 2018-19 | 2019-20 |
|---|----------------|----------------|
| Fund released during the period (In Rs crore) | 3949.50 | 3640.00 |
| Fund expenditure during period (In Rs crore) | 5012.13 | 2491.45 |
| Utilization of funds over release (In %) | 126.90 | 68.44 |
| Sanction of works (In numbers) | 127740 | 53365 |
| Completion of works (In numbers) | 105167 | 62236 |

Non-operation of MPLAD Scheme for FY 2020-21 and 2021-22.

4.9 Pursuant to the decision of the Union Cabinet not to operate MPLADS for FY 2020-21 and FY 2021-22, the annual budgetary outlay for FY 2020-21 was placed at the disposal of D/o Expenditure, M/o Finance for managing the adverse economic and health impacts of COVID-19.

4.10 While deposing before the Committee on 23 February 2021 in connection with examination of the Demands for Grants 2021-22 of the Ministry of Statistics and

Programme Implementation, the Secretary made submission (PPT) on MPLADS which include the following as shown below:

4.11 On 6th April 2020, the Union Cabinet decided

1. *Not to operate MPLADS during 2020-21 & 2021-22*
2. *Place the funds at the disposal of MoF for fighting against the adverse impacts of COVID 19*

- Financial outlay of Rs. 3950 crores (BE of 2020-21) placed at the disposal of DoE on 8th April 2020 for managing covid pandemic
- Consequent upon the Cabinet decision and placing Rs. 3950 crores allotted in BE at the disposal of Ministry of Finance, there shall be no further release of instalments of MPLADS for 2 years. This includes the unreleased instalments for any Hon'ble MP as on 31.03.2020.
- MoSPI left with no fund for release of pending instalments in this FY 2020-21

4.12 MoSPI issued Circular dated 8th April 2020 detailing steps to handle the situation post the decision not to operate MPLADS for two years

- No further release of instalments of MPLADS during FY 2020-21 and FY 2021-22
- Already sanctioned for which funds are available may be completed, *within the existing available funds, as no more funds will be released.*
- Hon MPs are requested not to recommend any new work if funds are not available.
- Hon MPs can change the priority of their earlier recommendations, if feasible.
- Hon MPs can recommend work to strengthen efforts in managing the COVID-19 by re-prioritising or cancelling the earlier recommended works.
- District Authorities are advised not to sanction / award any recommended work for which funds are not available.

Circular dated 12th May 2020 clarifying the followings

- The release of MPLADS funds in a year is governed by the budget allocation by Ministry of Finance for MPLADS.
- The unreleased funds at the end of Financial year goes back to Consolidated Fund of India
- Ministry has placed Rs. 3950 crores allotted in BE at the disposal of Department of Expenditure and consequently there shall be no further release of instalments for 2 years. This includes the unreleased instalments for any Hon'ble MP as on 31.03.2020.
- Expenditure for completing any recommended works or for making payments towards completed works to be met from within the funds available.

4.13 Furthermore, replying certain queries on the same, MPLADS, he made the following oral submission as stated below:

"The decision was that for two years, it is kept under suspension. Number two, no further release of funds in these two years will take place and the unutilised funds to be utilised for the purpose. I will come further to unutilised funds, as to which one is unutilised fund. There is distinction between the two 'unutilised'. One is the entitlement and the other is the fund. Let me explain it deeply. Hopefully, I would be explain it. As per the Budget principle 31st March of that particular fiscal year, whatever funds remain unutilised in the exchequer will lapse on that Budget head. So, even if there was an unutilised amount, not only on MPLADS but also on any other head, and if it had not been released till the 12 o'clock midnight of 31st March, it lapsed. But if the fund had been released and is pending for utilisation, which is called unutilised amount in the hand of the District authority or wherever, will continue to be utilised; and that is available."

CHAPTER V

MANPOWER PLANNING AND FORECASTING

Manpower shortage has been a prolonged challenge for the Ministry. The following figures/data on manpower status have been culled from the Detailed Demands for Grants document.

Programme Implementation Wing

| Year | No. of position | No. of Employees in position | Estimated sanctioned strength |
|---------|-----------------|------------------------------|--------------------------------|
| 2019-20 | 84 | 59 | For 2019 - 84 For 2020 - 84 |
| 2020-21 | 84 | 59 | For 2021 - 84 |
| 2021-22 | 84 | 58 | For 2022 - 84 |

Department proper & Central Statistical Office (CSO)

| Year | No. of position | No. of Employees in position | Estimated sanctioned strength |
|---------|-----------------|------------------------------|----------------------------------|
| 2019-20 | 544 | 398 | For 2019 - 544 For 2020 - 544 |
| 2020-21 | 544 | 398 | For 2021 - 544 |
| 2021-22 | 523 | 348 | For 2022 - 532 |

Field Operation Division

| Year | No. of position | No. of Employees in position | Estimated sanctioned strength |
|---------|-----------------|------------------------------|------------------------------------|
| 2019-20 | 4389 | 3121 | For 2019 - 4389 For 2020 - 4389 |
| 2020-21 | 4385 | 3453 | For 2021 - 4385 |
| 2021-22 | 4336 | 3256 | For 2022 - 4336 |

5.2 The number of employees in position in the Programme Implementation Wing have been 59 in 2019-20 & 2020-21 and 58 in 2021-22 and estimated sanctioned strength for each year since 2019 is 84. On being asked to state whether there has been no effort to recruit and fill personnel as per the sanctioned strength in the Programme Implementation Wing, also on the reasons why the estimated sanctioned strength were never filled, the Ministry inter alia furnished the following written reply:

"MoSPI is a sub-cadre of Ministry of Home Affairs (MHA) and therefore, the Officers/Staff of Central Secretariat Service (CSS) (Section Officer and Assistant), Central Secretariat Stenographers' Service (CSSS) (all level) & Central Secretariat Clerical Service (CSCS) Senior Secretariat Assistant (SSA) & Junior Secretariat Assistant (JSA) cadre are posted by MHA. In past two years, many Officers of these Cadres have retired/voluntary retired, as a result many of these posts are lying vacant and have not been filled by MHA through Department of Personnel & Training (DoPT). The differences are primarily on account of the large number of vacancies to be filled up by DoPT. The Ministry has been continuously taking up the matter with DoPT / MHA to expedite the requisite manpower to be posted in the Ministry. In addition, the Ministry has already taken up DoPT to create a separate cadre for CSS / CSSS / CSCS in MoSPI so that direct recruits can be posted in MoSPI to address the manpower shortage.

Further, there are at present, 30 vacancies at the level of Multi Tasking Staff (MTS) posts for which this Ministry has already taken up this matter with Staff Selection Commission

In so far as the reduction of posts in position for the year 2019-20 to 2021-22 is concerned, the difference is basically due to reduction in Co-terminus staff sanctioned in Minister's staff. As on 01.03.2019, there were two Ministers for Ministry of Statistics and Programme Implementation (MoSPI) viz. Minister (S & PI) and MoS (S & PI). For both these Ministers, the total entitlement of Personal Staff was 24 posts. As on 01.03.2020, there is only one MoS (I/C) for this Ministry, whose entitlement for personal staff is only 06 posts."

5.3 In the Field Operation Division there have been shortage of manpower (employees in position) in 2019-20 for 1268; in 2020-21 for 932; and in 2021-22, for 1080. The Ministry when asked to specify the extent of impediments suffered by the Division due to the huge manpower shortage, gave the following written reply:-

"The shortage of manpower is mainly on account of administrative posts including Group 'A' services, Ministerial & Secretarial posts and Junior Statistical Officers (JSOs).

In so far as administrative posts including Group 'A' services, Ministerial & Secretarial posts are concerned, these posts are recruited by UPSC /SSC as per Recruitment Rules. Efforts are underway to have this posts filled up on priority to address the manpower issues of FOD.

The JSOs are recruited by Staff Selection Commission (SSC) through Combined Graduate Level Examination (CGLE). The result for CGLE for 2018, 2019 and 2020 are awaited. Once these results are available the issues of vacancies at the level JSO would be addressed to a great extent.

However, no significant impact due to this gap is noticed as wherever required, Ministerial & Secretarial and Field Investigators are hired on contractual basis and provided adequate field training before being deployed in the field.”

CHAPTER – VI

GROSS DOMESTIC PRODUCT (GDP)

When the Ministry were asked to furnish steps taken to improve GDP data collection including the coverage of wide / comprehensive spectrum economic activities, be it within the formal or informal sectors, they *inter alia* submitted the following written reply as stated below:-

“Ministry compiles GDP and related aggregates of National Accounts with respect to a certain Base Year, which is revised from time to time to incorporate structural & methodological changes and to include availability of new set of information which was not available earlier. In order to maintain comparability, it is desirable to include aforementioned changes at the time of Base Year Revision. Accordingly, a new data source, named as MCA 21 from Ministry of Corporate Affairs, was included in place of Annual Survey of Industries (ASI) to improve the coverage of private corporate sector. Further, the Ministry has utilized MGT 7 data of Ministry of Corporate Affairs in its recent release for better classification of industrial activities. For compilation of quarterly and Advance estimates of GDP, frequent interaction and discussions are held with line Ministries to ensure timely availability of data in desired manner. In addition to the usual efforts made in collecting data from the regular source agencies, inputs from professional bodies like National Restaurant Association of India, Indian Truckers Association etc. are also taken to improve the coverage and quality of national accounts estimates. Repeated requests to Ministry of Finance ensured availability of Goods and Service Tax (GST) data for the organized segment for the first two quarters of FY 2020-21.

For the next Base Year revision efforts are underway to include GST data, Annual Survey of Service Sector Enterprises (ASSSE), Periodic Labour Force Survey (PLFS), and Public Finance Management System (PFMS) etc.”

6.2 The Committee wanted to know the efforts taken by the Ministry to affirm the credibility/authenticity of GDP figures compiled by the Ministry of Statistics and Programme Implementation. The Ministry *inter alia* submitted the following as below:

“The Ministry has a release calendar which is based on the requirements of users for various purposes. India being a vast country, different estimates of national accounts are released for the same year at different points of time depending on the availability of data. For instance, the advance estimates are released before completion of the year, essentially based on indicators only, while the provisional

estimates are brought out just after completion of the year with some more detailed data. Subsequently, first revised estimates are released with a lot of data becoming actual. All the estimates are authentic and reliable at that point of time and are based on an accepted methodology. The estimates are revised based on the availability of more and more actual data obtained with the passage of time. These estimates are frozen after the third revision.

The Ministry has taken various initiatives after Base Year Revision to create awareness among users about changes taken place in the revised series of GDP. Such efforts include holding user conference, intermittent press conferences and clarifications by senior officers on various issues raised in media. It may kindly be noted that the Ministry followed the scheduled calendar of release for bringing out GDP and related estimates even during the COVID-19 pandemic. This reflects the commitment on the part of the Ministry to maintain the credibility of the macro-economic indicators/estimates produced.

In addition, the Ministry has uploaded interactive training manuals on YouTube on methodology for compilation of National Accounts for consumption of public at large. The methods and concepts & definitions followed in the compilation of macro-economic aggregates are placed in the public domain. The Ministry subscribes to International Monetary Funds's (IMF's) Special Data Dissemination Standards (SDDS). The SDDS is a global benchmark for disseminating macroeconomic statistics to the public. Subscription to SDDS indicates that we meet the test of good statistical citizenship. The National Accounts Division (NAD) of Ministry is also IS/ISO 9001: 2015 certified organization. National Integrated Information Portal (NIIP) is being developed as an overall architecture, including the activities of NAD, to cater to the needs of data users as well as a platform for data producers."

Part-II

OBSERVATIONS/RECOMMENDATIONS

Higher Budget Allocation for Capital Expenditure

1. For FY 2019-20 of the Ministry of Statistics & Programme Implementation (MoSPI) total allocation for Revenue Expenditure was Rs 5216.33 crore whereas allocation for Capital Expenditure was Rs 14.73 crore; for FY 2020-21 allocation for Revenue Expenditure was Rs 5426.00 crore whereas the Capital Expenditure was Rs 17.95 crore; and for FY 2021-22 the Revenue budget is Rs 1396.09 crore whereas for Capital Expenditure it is Rs 13.04 crore. The Committee note that Budget allocations for Capital expenditure have been consistently low as compared to the budget outlay for Revenue expenditure. The Committee would like the Ministry to review the structure of its administrative set up and adequately equip itself in terms of manpower resources and other areas of administrative establishment in order to fulfill its mandate.

Allocation of Budget for 'Professional Services'

2. Out of total scheme budget of Rs 646.96 crore, Rs 593.36 crore is earmarked for Capacity Development (CD) Scheme. And out of Rs 593.36 crore allocated for CD Scheme, Rs 8.87 crore is earmarked under 'Salaries' expenditure and Rs 309.14 crore for expenditure on 'Professional Services' respectively. The budget allocation for Professional Services is 34 times higher than that the budgeted for 'Salaries'. The Ministry in this regard has submitted that additional Annual Surveys have been taken up through contractual staff, and that regular manpower recruitment as recommended by Expenditure Finance Committee

(EFC) 2017-20, has not yet been expedited. The contractual staff were paid from 'Professional Services' Head. The Ministry further submitted that activities under this Head are occasional in nature requiring skilled and technical expertise. The requirements are, therefore best met from the Professional Services Head rather than permanent establishment in the Ministry which, according to them, is incurring less expenditure. The Committee hope such engagement of contractual staff on casual basis will not lead to any compromise in the reliability and quality of data collected and disseminated. Available professional expertise should be utilized gainfully for this purpose.

Allocation for Major Head 2552-North Eastern Area

3. Under Major Head 2552 – North Eastern Area the allocation for FY 2018-19 was Rs 20.80 crore for Scheme and Rs 4.10 crore for non scheme; for FY 2019-20, Rs 27.00 crore for Scheme and Rs 22.42 crore for non-scheme; for FY 2020-21, Rs 32.00 crore for scheme; and the BE for FY 2021-22 is Rs 40.10 crore for scheme. It has been observed that Actuals for 2018-19, 2019-20 and 2020-21 have been 'nil' despite making allocation at BE stage for all the years consecutively since FY 2018-19. On being asked to state the reasons for 'nil' utilization despite the budget allocations, the Ministry stated that *'Major Head 2552 is a non-functional head and no expenditure can be incurred under this head. The Ministry further added that to utilize the funds allocated under this Head, funds are appropriated from other functional head such as Major Head 3435'*. The Committee find the submission of the Ministry ambiguous. The Committee desire that the Ministry should take appropriate steps to make Major Head 2552

functional like any other Head of accounts and avoid any kind of ambiguity in their budgetary exercise.

Members of Parliament Local Area Development Scheme (MPLADS)

4. The Committee understand that the Members of Parliament Local Area Development Scheme (MPLADS) is an ongoing Central Sector Scheme implemented by the Programme Implementation Wing of the Ministry of Statistics and Programme Implementation (MOSPI). The MPLADS has a fixed yearly allocation of amount of Rs 3950.00 crore as per the entitlement of Rs 5 crore per MP (per Annum) for 790 Hon'ble MPs of both of the Lok Sabha and Rajya Sabha. In the Summary and Analysis of Demands for Grants (2021-22) by MOSPI it has been stated that Funds released to the District Authority by the Government of India are non lapsable and thus funds left in the district can be carried forward for utilization in the subsequent years. Further, funds not released by the Government will be carried forward for making release in the subsequent years subject to the fulfillment of criteria stipulated. The Committee also observe that fund expenditure during 2018-19 was Rs 5012.13 crore as compared to Rs 2491.45 crore in 2019-20 i.e. fund expenditure in 2019-20 is only 49.70% of fund expenditure in 2018-19. The Committee also understand that pursuant to the Union Cabinet decision on 6th April, 2020 operation of MPLADS has been suspended for 2 financial years i.e. 2020-21 and 2021-22 and the financial outlay of Rs 3950 crores (BE of 2020-21) has been placed at the disposal of Department of Expenditure on 8th April, 2020 for managing Covid pandemic. While acknowledging the rationale for placing MPLADS funds at the disposal of

Department of Expenditure to manage the COVID-19 pandemic, the Committee would like to highlight that there are many MPLADS projects in 2019-20 and earlier fiscal, which were left unfinished midway despite the sanction letters being issued and funds for the same were withheld citing the Cabinet decision on April 6, 2020. The Ministry may therefore consider releasing these funds which were duly sanctioned for the previous financial years, while also ensuring that the funds already released are fully utilized without delay. Such an expenditure is expected to bring positive impact to people who have been adversely affected by the pandemic across the country. The Committee would point out in this regard that MPLADS projects have, since its inception, as stated in the Annual Report, 2020-21 of MOSPI, *“benefitted the local community by meeting various developmental needs such as drinking water facility, education, electricity, health and family welfare, irrigation, non-conventional energy, community centres, public libraries, bus stands/stops, roads, pathways and bridges, sports etc”*. The Committee feel that MPLADS projects definitely can help in giving relief to the local community affected by the Covid-19 pandemic. The Committee would therefore urge the Ministry to pursue actively with the implementing agencies so that the funds already sanctioned for previous years are effectively utilized during the coming fiscal. The pending funds are linked to projects that have been committed by Hon’ble MPs to the public and should therefore be released to fulfill these promises.

Manpower Planning and Forecasting

5. The Committee are concerned about the manpower shortage that appears to be persisting for a prolonged period of time. For instance in the Field Operation Division (FOD), the number of employees in position in 2019-20 was 3121 as against 4389 sanctioned strength; in 2020-21 it was 3453 against the sanctioned strength of 4385 and in 2021-22, it is 3256 against the sanctioned strength of 4336. The manpower situation in other departments/wings of the Ministry is quite similar. As for the reasons for such manpower shortage, the Ministry have stated that many officers have retired in the past two years and the Department of Personnel and Training (DoPT) are yet to fill the vacant posts and some posts are to be recruited by UPSC/SSC as per recruitment rules.

Though the Ministry have put forth many reasons for the manpower shortage in the Ministry, the Committee are of the opinion that the Ministry has not done enough in human resource planning and development. The Committee therefore desire that MOSPI must pay greater attention to its manpower policy and avoid leaving vacant posts to remain unfilled in the Ministry for several years.

Gross Domestic Product (GDP)

6. The Committee are happy to note that MOSPI is taking several initiatives/steps to improve the coverage and quality of GDP compilation. A new data source, named MCA 21 was included in place of Annual Survey of Industries (ASI) to improve the coverage of private sector. The Ministry also further submitted that for the next Base Year revision, efforts are underway to include GST data, Annual Survey of Service Sector Enterprises (ASSSE), Periodic Labour

Force Survey (PLFS), and Public Finance Management System (PFMS) etc. The Committee hope that wider and diverse range of economic activities and services will be comprehensively reflected in the forthcoming GDP data bringing greater authenticity to the whole process. The Committee would also expect better coordination and linkage in this regard with NITI Aayog to facilitate vital policy inputs.

New Delhi;
10 March, 2020
19 Phalguna, 1942 (Saka)

SHRI JAYANT SINHA,
Chairperson
Standing Committee on Finance

Minutes of the Seventh sitting of the Standing Committee on Finance (2020-21)The Committee sat on Tuesday, the 23rd February, 2021 from 1100hrs. to 1700 hrs in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Jayant Sinha – Chairperson

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri Manoj Kishorbhai Kotak
4. Shri Pinaki Misra
5. Prof. Saugata Roy
6. Shri Gopal Chinayya Shetty
7. Shri Manish Tewari
8. Shri Parvesh Sahib Singh Verma
9. Shri Rajesh Verma
10. Shri Giridhari Yadav

RAJYA SABHA

11. Shri Praful Patel
12. Dr. Amar Patnaik
13. Shri G.V.L Narasimha Rao
14. Smt. Ambika Soni

SECRETARIAT

- | | | |
|---------------------------------|---|---------------------|
| 1. Shri V.K Tripathi | - | Joint Secretary |
| 2. Shri Ramkumar Suryanarayanan | - | Director |
| 3. Shri Kulmohan Singh Arora | - | Additional Director |
| 4. Shri Kh. Ginlal Chung | - | Under Secretary |

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| | <u>PART I</u> | | | | | |
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| | <u>PART II</u> | | | | | |
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PART III
(1530 hrs onwards)

WITNESSES

Ministry of Statistics and Programme Implementation

1. Dr. Kshatrapati Shivaji, Secretary
2. Ms. Mamta Saxena, DG (C&A)
3. Dr. Shailja Sharma, DG (Statistics)
4. Shri M. Peter Johnson, DG (NSS)
5. Ms. T. Rajeshwari, AS (PI)
6. Shri Madan Mohan Hasija, ADG (CAP)
7. Shri Tanweer Qamar Mohammad, JS (MPLADS)
8. Shri S.V. Ramana Murthy, ADG (NAD)
9. Ms. Sanghmitra Bandyopadhyay, Director (ISI)
10. Shri K.S.Rejimon, DDG (Admin.)

4. At the outset, the Chairperson welcomed the Witnesses to the sitting of the Committee. After the customary introduction of the Witnesses and their introductory remarks, the Secretary, Ministry of Statistics and Programme Implementation made a Power Point Presentation (PPT) before the Committee in connection with the examination of Demands for Grants (2021-22) of the Ministry and issues connected therewith. The major issues discussed included overview of the Ministry of Statistics and Programme Implementation, reasons for variation in BE for 2021-22 *vis-à-vis* the BE for the previous years, Central Sector Schemes of MoSPI, counting / compiling of all non-farm economic establishments of India through an IT based platform under 7th

Economic Census, MPLADS and related issues such as release of pending installments etc. The witnesses responded to the queries raised by the Members on the subjects. The Committee directed the witnesses to furnish written replies to the queries which could not be readily replied by them during the sitting.

The witnesses then withdrew.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

Minutes of the Ninth sitting of the Standing Committee on Finance (2020-21)
The Committee sat on Wednesday, the 10th March, 2021 from 1530hrs. to 1745 hrs.
in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Jayant Sinha – Chairperson

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Subhash Chandra Baheria
4. Dr. Subhash Ramrao Bhamre
5. Smt. Sunita Duggal
6. Smt. Darshana Vikram Jardosh
7. Shri Manoj Kishorbhai Kotak
8. Shri P.V Midhun Reddy
9. Shri Manish Tewari
10. Shri Rajesh Verma

RAJYA SABHA

11. Shri A. Navaneethakrishnan
12. Shri Praful Patel
13. Dr. Amar Patnaik
14. Shri Mahesh Poddar
15. Shri Bikash Ranjan
16. Shri G.V.L Narasimha Rao

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Shri Vinod Kumar Tripathi | - | Joint Secretary |
| 2. | Shri Ramkumar Suryanarayanan | - | Director |
| 3. | Shri Kulmohan Singh Arora | - | Additional Director |
| 4. | Shri Kh. Ginlal Chung | - | Under Secretary |

PART I

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(The witnesses then withdrew)

PART II

3. The Committee, thereafter, took up the following draft Reports for consideration and adoption :

- (i) Twenty-Fifth Report on Demands for Grants (2021-22) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Investment & Public Asset Management).
- (ii) Twenty-Sixth Report on Demands for Grants (2021-22) of the Ministry of Finance (Department of Revenue).
- (iii) Twenty-Seventh Report on Demands for Grants (2021-22) of the Ministry of Corporate Affairs.
- (iv) Twenty-Eighth Report on Demands for Grants (2021-22) of the Ministry of Planning.
- (v) Twenty-Ninth Report on Demands for Grants (2021-22) of the Ministry of Statistics and Programme Implementation.
- (vi) Thirtieth Report on Action taken by the Government on the recommendations contained in Seventy-First Report (16th Lok Sabha) on the subject 'Central Assistance for Disaster Management and Relief'.
- (vii) Thirty-First Report on Action taken by the Government on the recommendations contained in Seventy-Second Report (16th Lok Sabha) on the subject 'Strengthening of the Credit Rating Framework in the Country'.

After some deliberations, the Committee adopted the above draft Reports and authorised the Chairperson to finalise them and present the Report to Parliament.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.