

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)

**RECENT BUDGETARY REFORMS FOR BETTER FINANCIAL MANAGEMENT OF
GOVERNMENT EXPENDITURE**

COMMITTEE ON ESTIMATES
(2020-21)

NINTH REPORT

(SEVENTEENTH LOK SABHA)



LOK SABHA SECRETARIAT
NEW DELHI

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(Presented to Lok Sabha on 19 March, 2021)



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NEW DELHI

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COMPOSITION OF THE COMMITTEE ON ESTIMATES (2020-2021)

Shri Girish Bhalchandra Bapat - Chairperson

Members

2. Shri Kunwar Danish Ali
3. Shri Kalyan Banerjee
4. Shri Pradan Baruah
5. Shri Sudharshan Bhagat
6. Shri Ajay Bhatt
7. Shri P.P. Chaudhary
- *8. Vacant
9. Shri Nihal Chand Chauhan
10. Shri Parvatagouda Chandanagouda Gaddigoudar
11. Dr. Sanjay Jaiswal
12. Shri Dharmendra Kumar Kashyap
13. Shri Srinivas Kesineni
14. Shri Mohanbhai Kalyanji Kundariya
15. Thiru Dayanidhi Maran
16. Shri K. Muraleedharan
17. Shri S.S. Palanimanickam
18. Shri Kamlesh Paswan
19. Dr. K.C. Patel
20. Shri Pinaki Misra
21. Col. Rajyavardhan Singh Rathore
22. Shri Vinayak Bhaurao Raut
23. Shri Ashok Kumar Rawat
24. Shri Magunta Srinivasulu Reddy
25. Shri Rajiv Pratap Rudy
26. Shri Francisco Cosme Sardinha
27. Shri Jugal Kishore Sharma
28. Shri Prathap Simha
29. Smt. Sangeeta Kumari Singh Deo
30. Shri Parvesh Sahib Singh

*Consequent upon and sad demise of Shri Nand Kumar Singh Chauhan, MP on 02 March, 2021 vide Bulletin Part – II Para no. 2269 dated 04 March, 2021.

SECRETARIAT

1. Smt. B. Visala - Director
2. Shri R. S. Negi - Deputy Secretary

INTRODUCTION

I, The Chairperson of the Committee on Estimates, having been authorized by the Committee to submit the Report on their behalf, do present this Ninth Report of Estimates Committee (Seventeenth Lok Sabha) on the subject 'Recent budgetary reforms for better financial management of government expenditure' pertaining to the Ministry of Finance (Department of Economic Affairs).

The Ministry of Finance (Department of Economic Affairs) has taken up Budgetary Reforms viz. reduce the number of Demands for Grants, advancement of Budget cycle, merger of Plan and Non-Plan distinction and merger of Rail Budget with General Budget etc. in the past. In view of this the Committee have decided to see the progress and objectives so far obtained from these reforms in the Government Expenditure.

The Committee took oral evidence of the representatives of the Ministry of Finance (Department of Economic Affairs) on 21 September, 2020 and 03 November, 2020;. The Draft was considered and adopted by the Committee on Estimates (2020-21) at their sitting held on 23 February, 2021.

The Committee wish to express their thanks to the representatives of the Ministry of Finance (Department of Economic Affairs) for tendering evidence before them and for furnishing requisite material in connection with the examination of the subject.

For facility of reference and convenience, the observations/recommendations of the Committee have been printed in Bold in Part II of the Report.

New Delhi;
15 March, 2021
24 Phalguna, 1942 (Saka)

GIRISH BHALCHANDRA BAPAT
Chairperson,
Committee on Estimates.

REPORT

CHAPTER I

INTRODUCTORY

A. Advancement of Budget Cycle

Prior to fiscal 2017-18, Budget for the ensuing fiscal was presented to Parliament on the last working day of the month of February and the entire legislative process including scrutiny of Demands for Grants of various Ministries/Departments, general discussion on budget, detailed discussion on Detailed Demands for Grants of select Ministries/Departments, the process of guillotine, voting and passing of connected Appropriation Bill and Finance Bill continued till the first/second week of May. 'On account' approval of Parliament was also taken to defray the expenditure for the first two months of the financial year.

1.2 With the advancement of budget cycle, the Budget for the Union Governments gets presented on 1st day of February and the entire budget exercise, including legislative process, is completed before commencement of the financial year. This measure of budgetary reform helped early completion of budgetary process, availability of full budget to the Ministries/Departments from the commencement of financial year and thereby, accelerating the implementation of schemes/projects through the year. The advancement of the budget presentation also enabled all Ministries/Departments take advantage of the first working season of the year.

Benefits of advancement in budget cycle:

1.3 With the passing of Finance Bill before commencement of financial year, business and industry had clarity on the tax measures initiated in Budget, which go towards better tax and business planning in advance. The benefit of new taxation measures involving legislative changes in central excise and service tax also accrued to the Government from the commencement of the financial year.

1.4 On expenditure side, there has been spurt in expenditure pace.

1.5 Earlier, the State Governments, which used to present their budget in the month of February, would not have the details of Centre's support for implementation of schemes/projects when the Union Government was presenting its budget on the last working day of February. With the early completion of budget cycle and disclosure of details on State's share of Central taxes, budget support for Central schemes, external aided projects of State Governments in the Union Budget, this would help the State Governments plan their project financing, counter-part funding, implementation of central projects and borrowing requirements well in advance.

B. Merger of Plan and Non-Plan distinction:

1.6 Earlier the Budgetary allocations were categorised as Plan and Non-Plan; Plan denoting the allocations on programmes and schemes and Non-Plan referred to mostly establishment items. The distinction and perception for Plan and Non-Plan was not correct as Non-plan expenditure such as maintenance of Defence system, Social security related allocation (pension and insurance), subsidy for poor and underprivileged class, etc. cannot be termed as non-developmental and bad. Such perception was distorting the sectoral allocation of resources.

C. Merger of Rail Budget with General Budget :

1.7 The presentation of separate Railway budget started in the year 1924, and continued after independence as a convention rather than under Constitutional provisions. The presentation of a unified budget is to bring the affairs of the Railways to centre stage and present a holistic picture of the financial position of the Government. The merger is expected to reduce the procedural requirements and instead bring into focus, the aspects of delivery and good governance. Consequent to the merger, the appropriations for Railways are, now, part of the main Appropriation Bill.

Fiscal management:

1.8 **Amendments in Fiscal Legislation:** Considering the desirability of making the existing fiscal legislative framework more effective, amendments were made in the FRBM Act 2003. Debt to GDP ratio has been made one of the important yardstick to measure fiscal consolidation. This will ensure more focussed thrust on bringing inter-generational equity in fiscal management of Government. It has been decided to achieve the debt to GDP target of 40% for the Central Government as mentioned above by the end of 2024-25 in place of 2022-23 recommended by the Committee. The addition of Debt target to the Fiscal deficit target is expected to make FRBM framework more comprehensive and robust. Another hall mark of the amendment is well defined escape clause and buoyancy clause which will give sufficient flexibility for necessary deviations to enhance the credibility of fiscal rule while preventing violation of these rules.

1.9 The Committee during evidence held on 21.9.2020 asked the gross Debt to GDP ratio in 2019-20 and 2020-2021, a representative of the Department of Economic Affairs stated that "it will be close to about 51 %. Actually, what happened was that the COVID had hit us in the month of March. So, to that extent, in March the revenues had gone down. But on the other hand we have actually hit the figure of 4.6 per cent for fiscal deficit for 2019-20 which is available in the public domain. In 2020-21, actually if you notice, we have already increased our borrowing programme from Rs.7.8 lakh crore to Rs. 12 lakh crore. We have already announced that we are continuously monitoring the revenues. We will see it goes. So that will go up in the year 2020-2021."

CHAPTER II

REVIEW OF REFORMS

In view of Advancement of Budget cycle, the Committee in a written query desired to know the major changes made and the extent to which funds utilisation of Union and State Governments have improved, the schemes and projects under various Ministries Departments that are still not able to accelerate and also the corrective steps taken in such cases. The Department of Economic Affairs in a written reply stated as follows:

“After the date of presentation of Union Budget was advanced from Budget for 2017-18 and the connected Appropriation Bill was got approved from Parliament before commencement of the financial year, State Governments were able to know the kind of grants released by Union Government and to plan the budget accordingly.

Grants-in-aid are given by the Union Government to States for implementation of Central Schemes etc. which part of the State Revenue. Grants-in-aid represent assistance from the Government of India, and comprise, grant for State Schemes, Central Schemes and Centrally Sponsored Schemes and State Grants recommended by the Finance Commission

The following Table shows the improvement in receipt of Grant-in-aid in the books of all State and UT Governments combined during the last five years:

(₹ crore)

Year	Amount
2014-15	330804
2015-16	325896
2016-17	360652
2017-18	403501

Regarding implementation of the schemes/projects by the Ministries/Departments, Secretary being the Chief Accounting Authority of Ministry/Department is responsible for monitoring the progress and implementation of the schemes/projects and for keeping a close watch on proper and expeditious implementation of the scheme.

The expenditure of Department of Telecommunications, Capital Outlay on Defence Services, Ministry of Housing and Urban Development, Ministry of Railways and Ministry of Road Transport & Highways are infrastructure oriented and those Ministries registered significant expenditure in first quarter after advancement of budget cycle. The details are as follows:

Name of the Ministry/Grant	Expenditure (As % of BE) incurred upto		
	June, 2016 in 2016-17	June, 2017 in 2017-18	June, 2018 In 2018-19
Defence Capital	14%	35%	28%
Telecommunications	23%	12%	14%
Road Transport & Highways	24%	26%	35%
Housing and Urban Affairs	29%	59%	23%
Railways	10%	14%	33%

The overall expenditure position of the Government also shows that there has been a spurt in expenditure pace in 2017-18, as is evident from the following Table:

(₹ crore)

Details	2016-2017			2017-2018		
	April '16	May '16	June '16	April '17	May '17	June '17
Total Expenditure	1,61,985 (8.2%)	2,98,046 (15.1%)	5,11,832 (25.9%)	2,42,151 (11.3%)	4,59,026 (21.4%)	6,50,731 (30.3%)
Revenue Expenditure	1,41,150 (8.2%)	2,64,814 (15.3%)	4,62,836 (26.7%)	2,13,464 (11.6%)	4,06,490 (22.1%)	5,82,403 (31.7%)
Capital Expenditure	20,835 (8.4%)	33,232 (13.5%)	48,996 (19.8%)	28,687 (9.3%)	52,536 (17.0%)	68,328 (22.1%)

(₹ crore)

Details	2018-2019			2019-2020 [^]		
	April '18	May '18	June '18	April '19	May '19	June '19
Total Expenditure	2,23,417 (9.1%)	4,72,954 (19.4%)	7,07,647 (28.9%)	2,54,679 (9.1%)	5,12,987 (18.4%)	7,21,705 (25.9%)
Revenue Expenditure	1,76,714 (8.2%)	4,09,163 (19.1%)	6,20,659 (29.0%)	2,24,091 (9.2%)	4,65,284 (19.0%)	6,58,705 (26.9%)
Capital Expenditure	46,703 (15.6%)	63,791 (21.3%)	86,988 (29.0%)	30,588 (9.1%)	47,703 (14.2%)	63,000 (18.8%)

Note: Figures in the parenthesis are as % of BE.

[^] The low expenditure is attributable to 'vote on account' in the year 2019-2020 as Regular Budget for 2019-20 was presented on 5.7.2019.

Regarding the steps taken to accelerate the execution of projects, it may be submitted that projects involve one-time expenditure resulting in creation of capital asset. Projects may be approved on stand-alone basis or as individual projects within an approved scheme envelope. For example, a road or a bridge may be approved as a stand-alone project but may also be appraised and approved as a part of Border Infrastructure Management Scheme which

envisages construction of several integrated roads/bridges and check points from strategic stand point.

While appraising projects the Internal Rate of Return (IRR)/ Economic Rate of Return (ERR) are also kept in mind. These are not only based on the capital employed and the interest rates but also on its completion date from which it can serve as a public good. Delay in project completion lowers the ERR. All projects over ₹ 150 crore are monitored by Ministry of Statistics and Programme Implementation (MoSPI) on its Online Computerized Monitoring System (OCMS) for Projects and Infrastructure Monitoring. It facilitates the online capturing of information from project executing agencies and nodal ministries. To ensure timely completion of the on-going projects, adequate financial outlay is being made available.

However, the dynamic economic, health and strategic considerations also require that funds are made available for new projects as well. Consequently, for example, in the current financial year viz. 2020-2021, extra funds have been made available for projects in the health sector and for augmenting border infrastructure.

Department of Expenditure has issued O.M.to all Ministries/Departments, vide its O.M. dated 15.5.2019 (copy enclosed), to upload the details of projects of more than ₹ 150 crore and its progress, on OCMS portal for ensuring continuous monitoring and timely completion.”

2.2 With the passing of Finance Bill before commencement of financial year, business and industry had clarity on the tax measures initiated in Budget, which go towards better tax and business planning in advance. The benefit of new taxation measures involving legislative changes in central excise and service tax also accrued to the Government from the commencement of the financial year. Keeping in view of this, the Committee desired to know the details of targets of Gross Tax Collection and Net (to Central) Tax at BE and RE stage and its achievement, total expenditure with details of revenue and capital expenditure during the period 2016 – 2020, year-wise, the Ministry in their written reply stated :

The following Table brings out the Gross Tax Collection and Net (to Centre) at BE and RE stage, together with actuals during the period 2016-17 to 2019-20:

(₹ crore)

Year	Details	Budget	Revised	Actual	Actual as % of Revised
2016-17	Gross Tax	1630888	1703243	1715822	100.7%
	Net to Centre	1054101	1088792	1101372	101.2%
2017-18	Gross Tax	1911579	1946119	1919009	98.6%

	Net to Centre	1227014	1269454	1242488	97.9%
2018-19	Gross Tax	2271242	2248175	2080465	92.5%
	Net to Centre	1480649	1484406	1317211	88.7%
2019-20 [^]	Gross Tax	2461195	2163423	2009882	92.9%
	Net to Centre	1649582	1504587	1355886	90.1%

[^] Actuals for 2019-20 are provisional.

The Table given below brings out the total expenditure, with details of revenue and capital expenditure:

(₹ crore)

Year		Budget	Revised	Actual	%
2016-17	Total Expenditure	1978060	2014407	1975194	98%
	Revenue Expenditure	1731037	1734560	1690584	97.46%
	Capital Expenditure	247023	279847	284610	101.70%
2017-18	Total Expenditure	2146735	2217750	2069867	93.33%
	Revenue Expenditure	1836934	1944305	1878833	96.63%
	Capital Expenditure	309801	273445	191034	69.86%
2018-19	Total Expenditure	2442213	21727235	2315113	10.65%
	Revenue Expenditure	2141772	21410612	2007399	9.37%
	Capital Expenditure	300441	316623	307714	97.18
2019-20 [^]	Total Expenditure	2786349	2698552	2686362	99.54%
	Revenue Expenditure	2447780	2349645	2349618	99.99%
	Capital Expenditure	338569	348907	336744	96.51%

[^] Actuals for 2019-20 are provisional.

2.3 Earlier, the State Governments, which used to present their budget in the month of February, would not have the details of support of Centre for implementation of schemes/projects when the Union Government was presenting its budget on the last working day of February. With the early completion of budget cycle and disclosure of details about share of States in Central taxes, budget support for Central schemes, external aided projects of State Governments in the Union Budget, the State Governments can plan their project financing, counter-part funding, implementation of central projects and borrowing requirements well in advance.

2.4 Keeping in view of this, the Committee in a written query desired to know the comparative statement of the last four years in which State Government project financing, implementation of central projects and borrowing requirements have improved. The Committee further desired to know the details regarding the extent to which utilization of allocations to states have improved and also the details of funds allocated to States under various schemes and whether there is any specific time limit within which such funds are/were to be transferred to States. The Ministry of Finance (Department of Economic Affairs) in their written reply stated as follows:

“The Department of Expenditure mainly deals with the Grants recommended by various Finance Commissions. These are Post Devolution Revenue Deficit Grant, Local Bodies Grant and SDRF. Further, Department of Expenditure also releases Additional Central Assistance for Externally Aided Project (EAP), Assistance to States under NDRF and Special Assistance. These grants/ releases to States are transferred periodically on timely manner subject to meeting of eligibility conditions by States and availability of budget in the respective heads. This helps States in cash flow projection and proper expenditure management.

2.5 The advantages accrued to Government by advancement of Budget and passing in the same Financial year is also that Ministries/Departments can plan their allocations for the full year in a better manner. In view of this, the Committee desired to know the Ministries/Departments which have still been unable to plan their allocation in a better manner and surrendered their allocations and also details of funds surrendered and reappropriated after 2017-18 onwards. The Ministry in their written reply submitted as follows:

“During mid-year review, based on the progress of expenditure and the absorptive capacity, the revised expenditure ceiling are approved for that year. Ministries/Departments, whose expenditure ceilings have been reduced, are required to surrender the savings at the close of financial year.

It may also be submitted that information on surrender of actual savings are included in the Appropriation Accounts of each Ministry/Department/Grant/Appropriation and audited and certified by Comptroller & Auditor General of India. Based on the Audited Union Government Appropriation Accounts, submitted to Parliament, and the reasons submitted by Ministries/Departments, Public Accounts Committee of Parliament scrutinizes the Union Government Appropriation Accounts and Audit Report thereon and make suitable recommendations for remedial measures.”

2.6 The details of surrender/savings occurred in Demand-wise for the years 2017-18, 2018-19 and 2019-20 are as follows :-

Details of Demands/Appropriations where surrenders/savings occurred in 2017-2018				
(₹ crore)				
No. and Name of Demand		2017-2018		
		Budget	Revised	Surrender/Savings
1.	Department of Agriculture, Cooperation and Farmers'	52655.00	46105.00	655.00
10.	Ministry of Coal	1445.10	1442.61	2.49
14.	Department of Telecommunications	38578.65	31632.35	6946.30
15.	Department of Consumer Affairs	3744.45	3733.85	10.60
16.	Department of Food and Public Distribution	201475.69	196809.22	4666.47
18.	Ministry of Culture	2738.47	2666.94	71.53
23.	Ministry of Development of North Eastern Region	2792.45	2737.45	55.00
24.	Ministry of Drinking Water and Sanitation	32333.06	27411.18	4921.88
25.	Ministry of Earth Sciences	1723.44	1602.60	120.84
28.	Ministry of External Affairs	14798.55	13690.00	1108.55
30.	Department of Expenditure	480.00	304.49	175.51
32.	Department of Investment and Public Asset Management	44.00	42.50	1.50
40.	Transfers to States	157201.38	140417.18	16784.20
41.	Ministry of Food Processing Industries	800.00	715.18	84.82
44.	Department of Heavy Industry	2600.00	1107.26	1492.74
45.	Department of Public Enterprises	19.38	19.00	0.38
51.	Dadra and Nagar Haveli	1075.62	1018.38	57.24
53.	Lakshadweep	1248.91	1223.41	25.50
54.	Transfer to Delhi	758.00	757.99	0.01
55.	Transfers to Puducherry	1483.01	1483.00	0.01
56.	Ministry of Housing and Urban Affairs	43183.70	41719.70	1464.00
59.	Ministry of Information and Broadcasting	4409.00	3605.11	803.89
60.	Ministry of Labour and Employment	7378.38	6592.90	785.48
67.	Ministry of New and Renewable Energy	10814.54	8073.00	2741.54
68.	Ministry of Panchayati Raj	790.79	719.21	71.58
75.	Staff, Household and Allowances of the President	66.00	57.45	8.55
76.	Lok Sabha	664.26	655.96	8.30
77.	Rajya Sabha	387.40	384.11	3.29
80.	Ministry of Railways	430960.87	398305.54	32655.33
81.	Ministry of Road Transport and Technology	120369.14	118490.14	1879.00
83.	Department of Land Resources	2310.36	1831.89	478.47
84.	Department of Science and Technology	4837.37	4746.81	90.56

87.	Ministry of Shipping	2109.50	1944.71	164.79
88.	Ministry of Skill Development and Entrepreneurship	3016.14	2356.22	659.92
92.	Ministry of Statistics and Programme Implementation	4795.74	4783.00	12.74
95.	Ministry of Tourism	1840.77	1776.40	64.37
98.	Ministry of Women and Child Development	22594.67	21736.81	857.86
99.	Ministry of Youth Affairs and Sports	1943.21	1938.16	5.05

Details of Demands/Appropriations where surrenders/savings occurred in 2018-2019				
(₹ crore)				
No. and Name of Demand	2018-2019		Surrender/Savings	
	BE	RE		
6.	Department of Fertilisers	73485.39	73842.78	2.61
7.	Department of Pharmaceuticals	261.53	220.41	41.12
13.	Department of Telecommunications	38055.28	30487.23	7568.05
14.	Department of Consumer Affairs	1804.52	1799.37	5.15
17.	Ministry of Culture	2843.32	2800.00	43.32
21.	Defence Pensions	108853.30	106775.14	2078.16
22.	Ministry of Development of North Eastern Regions	3060.00	2689.48	370.52
23.	Ministry of Earth Sciences	1804.28	1804.15	0.13
28.	Department of Expenditure	413.33	341.02	72.31
31.	Department of Revenue	180949.70	119396.96	61552.74
33.	Indirect Taxes	7825.50	7625.66	199.84
38.	Transfers to States	161973.50	159844.62	2128.88
41.	Ministry of Food Processing Industries	1400.00	1000.00	400.00
43.	Department of Health Research	3216.00	3190.58	25.42
44.	Department of Heavy Industry	1125.73	1036.34	89.39
51.	Dadra and Nagar Haveli	1121.34	1087.04	34.30
52.	Daman and Diu	1675.49	1637.80	37.69
53.	Lakshadweep	1397.31	1286.62	110.69
58.	Department of Higher Education	49530.08	48816.22	713.86
60.	Department of Water Resources River Development and Ganga Rejuvenation	8920.39	7672.91	1247.48
64.	Election Commission	267.96	241.46	26.50
67.	Ministry of Mines	2069.52	1500.02	569.50
70.	Ministry of Panchayati Raj	825.17	716.26	108.91
71.	Ministry of Parliamentary Affairs	18.86	18.51	0.35
81.	Union Public Service Commission	297.61	280.75	16.86
82.	Ministry of Railways	446369.78	440946.49	5423.29

85.	Department of Land Resources	2511.40	1996.10	515.30
88.	Department of Scientific and Industrial Research	4795.97	4572.84	223.13
90.	Ministry of Skill Development and Entrepreneurship	3400.00	2820.06	579.94
96.	Ministry of Textiles	7147.73	6943.26	204.47
97.	Ministry of Tourism	2150.00	2113.48	36.52

Details of Demands/Appropriations where surrenders/savings occurred in 2019-2020				
(₹ crore)				
No. and name of Demand		2019-2020		
		Budget	Revised	Surrender/ Savings
1.	Department of Agriculture	130485.21	101904.00	28581.21
2.	Department of Agricultural Research	8078.76	7846.17	232.59
4.	Ministry of Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)	2445.76	1857.00	588.76
8.	Ministry of Civil Aviation	4500.00	3700.00	800.00
9.	Ministry of Coal	1159.05	933.60	225.45
13.	Department of Telecommunications	40413.36	31075.49	9337.87
14.	Department of Consumer Affairs	2291.82	2069.50	222.32
15.	Department of Food and Public	242240.39	151240.39	91000.00
16.	Ministry of Corporate Affairs	611.34	596.00	15.34
17.	Ministry of Culture	3042.35	2547.00	495.35
22.	Ministry of Development of North Eastern Region	3060.00	2710.00	350.00
23.	Ministry of Earth Sciences	1906.05	1814.11	91.94
24.	Ministry of Electronics and Information Technology	6654.00	5839.46	814.54
25.	Ministry of Environment, Forests and Climate Change	3062.72	2717.32	345.40
26.	Ministry of External Affairs	17884.78	17372.27	512.51
35.	Interest Payments	673470.60	663297.18	10173.42
39.	Department of Fisheries	804.75	700.00	104.75
40.	Department of Animal Husbandry	3342.65	3180.27	162.38
41.	Ministry of Food Processing	1196.60	1042.79	153.81
42.	Department of Health and Family Welfare	93035.45	71583.97	21451.48
43.	Department of Health Research	3374.65	1950.00	1424.65
44.	Department of Heavy Industry	1367.00	1308.61	58.39
57.	Ministry of Housing and Urban Affairs	55057.44	49291.99	5765.45
59.	Department of Higher Education	54178.84	47716.04	6462.80
60.	Ministry of Information and Broadcasting	4375.21	4064.76	310.45
61.	Department of Water Resources	8304.62	7608.73	695.89

62.	Department of Drinking Water and Sanitation	27766.70	26110.36	1656.34
68.	Ministry of Mines	1825.55	1638.22	187.33
70.	Ministry of New and Renewable Energy	5254.83	3891.74	1363.09
71.	Ministry of Panchayati Raj	871.37	500.00	371.37
73.	Ministry of Personnel, Public Grievances and Pensions	1726.59	1705.00	21.59
76.	Ministry of Planning	583.40	579.74	3.66
77.	Ministry of Power	22322.28	21861.74	460.54
78.	Staff, Household and Allowances of the President	76.33	74.42	1.91
79.	Lok Sabha	809.13	766.87	42.26
81.	Secretariat of the Vice-President	8.30	8.05	0.25
82.	Union Public Service Commission	298.45	298.16	0.29
83.	Ministry of Railways	500140.23	484225.00	15915.23
84.	Ministry of Road Transport and Highways	164448.98	164408.98	40.00
86.	Department of Land Resources	2227.24	1900.00	327.24
87.	Department of Science and Technology	5600.11	5501.03	99.08
88.	Department of Biotechnology	2580.34	2381.10	199.24
89.	Department of Scientific and Industrial Research	4895.89	4883.24	12.65
90.	Ministry of Shipping	2482.56	2136.40	346.16
91.	Ministry of Skill Development and Entrepreneurship	2989.21	2531.04	458.17
93.	Department of Empowerment of Persons with Disabilities	1204.90	1100.00	104.90
96.	Ministry of Steel	241.29	196.08	45.21
98.	Ministry of Tourism	2189.22	1416.00	773.22
100.	Ministry of Women and Child Development	29664.90	26684.50	2980.40

2.7 The Committee during evidence held on 21.9.2020 asked the procedure being followed for the allocation of funds to States since the State Governments use to blame the Union Government for non allocation of funds, a representative of the Ministry submitted as follows:

“in the process of devolution, the Finance Commission decides that how much we should transfer to the State every year from the pool of direct and indirect taxes together. For example, last year in 2019-20, we transferred to the State from the divisible pool Rs. 6.56 lakh crore.

xxx xxx , the amount of devolution is increasing every year as our tax accruals are increasing. This year because of some disruptions like COVID-19, there will be some lesser amount.”

Another representative of the Department further added :

“In some of the schemes, we have now actually started releasing the money directly to the beneficiaries through Direct Benefit Transfer. So, there is no stoppage of funds at any stage and that was one of the reasons. Also, it is because of the ways and means position of every State sometimes the money also lies in the treasury of the State for a long period of time before it goes even to the district and from the district down below. But my presumption is that once the money comes back, it comes back with the unreleased amount by the State Governments at whatever level.”

2.8 The Committee further desired to know as to how voluminous books for Budget documents can be gone through and understand for a public representatives who are not in a position to give that much time in public life that required to understand the Union Budget, the Department of Economic Affairs in their written submission stated as follows :

“The document 'Budget at a Glance' presented alongwith Union Government Budget brings out the various indicators of budget in a concise manner. The fiscal indicators and their trends are also brought out in this document. The documents reveals the total expenditure of the Government with break up on revenue and capital nature, tax/non-tax receipts and borrowing and other liabilities of the Government. This document contains largely numerical data on budget and trends.

Major tax announcements/benefits together with highlights of expenditure allocations and thrust on various sectors are also brought out in another document called 'Budget Highlights (key Features)'. These documents are also available on the website of this Ministry.

Key to Budget Documents, another document presented alongwith Union Government Budget, also explains the qualities of the different budget documents.” (Reply to LoP 13)

2.9 During evidence, the Committee asked about the central funds transfer for schemes to States are kept by them in banks and the scheme is not implemented and the States accrued some interest on that money. A representative of the Department of Economic Affairs stated as follows :

“In some of the schemes, we have now actually started releasing the money directly to the beneficiaries through Direct Benefit Transfer. So, there is no stoppage of funds at any stage and that was one of the reasons. Also, it is because of the ways and means position of every State sometimes the money also lies in the treasury of the State for a long period of time before it goes even to the district and from the district down below. But my presumption is that once the money comes back, it comes back not only with the unreleased amount by the State Governments at whatever level along with the interest.

An another representative of the Ministry further added that xxx xxx the moment the hon. MPs in Lok Sabha and Rajya Sabha approve the appropriation, then the expenditure starts and the money goes through a monthly expenditure plan and also a quarterly expenditure plan. When it reaches the States, it always goes through the RBI. RBI is our banker. The moment a particular transaction takes place from the Centre to the State, that money goes to the treasury of the State and that does not remain just like that. Instantly, that money is converted into a treasury bill and that Treasury bill gets a very fractional amount of interest from us because it is a kind of loan from the State to the Centre. But when they start spending, which they actually spend and they have to, they should spend according to a discipline which is well defined in their General Financial Rules and our GFR. But sometimes, as you rightly said, something does not get spent. So, what happens to that? If it is not spent, can they actually earn some interest over it? Sir, substantial amount actually remains in the treasury.

It is not really allowed to park the money in any bank unless it is mandated. For example, the labour cess is collected but it is not kept in the treasury because the Supreme Court has directed that the treasury takes time and maybe that money will get spent in some other way. So, it is actually kept in banks. But there are a very few cases where banks actually keep the money. It is only the transactional money, the short-term money in remote areas. They earn the interest but that does not belong to them. That should come back to us. GFR is very clear about it.

xxx xxx xxx we have started the process of actually observing how much they have earned in interest in terms of the unspent balance. Last year, we recovered substantial amount and this time we are going to review 29 Ministries/Departments which have huge unspent balances.”

2.10 The Committee further in a written queries regarding the schemes which allow states to park the funds/allocations in any bank, details of funds/allocation to such schemes and guidelines for utilisation of interest accrued by states. The Ministry in their written reply [point no.10] stated as follows:

“The Centrally Sponsored Schemes are implemented by the State/UT governments with the sharing pattern as approved by the Government, based on the recommendations of the sub-group of Chief Ministers. The central share for the schemes is routed through the State/UT treasuries as Grants under various object heads, except in the case of Direct Benefit Transfers where the functional heads could be used. The funds remain in State Treasuries till it is transferred to implementing Agencies.

Finance Commissions Grants, namely Post Devolution Revenue Deficit Grant and SDRF, released by Department of Expenditure are mostly untied in nature, where States are not mandated to submit Utilization Certificates (UC). Further, Local Bodies Grants are released on back to back basis to State Government, where these grants are released to local bodies through respective State Governments. The releases are done subject to submission of UC and fulfillment of other eligibility conditions and recommendations of the respective line ministry. Releases under Additional Central Assistance (ACA) for EAP are based on the

recommendation of Controller of Aid, Accounts and Audit (CAAA) and releases for capital projects under Special Assistance are monitored by NITI Aayog. Thus, under the current mechanism, it is ensured that releases to States are made only after receipt of UCs, wherever applicable.

Rule 239 of GFRs provide that State Government are required to submit Utilization Certificate for Grants-in-aid relating to Schemes. When Central Grants are given to State Governments for implementation of Central Scheme, Utilization Certificate may be submitted by the State Government in respect of the Scheme. The UC should be counter-signed by the Administrative Secretary of the Division regulating the Scheme/Finance Secretary. Also Rule 240 of GFRs stipulate that State Government to submit Utilization Certificate when expenditure incurred through local bodies. When Central Grants are given to State Governments for expenditure to be incurred by them through local bodies or private institutions, the Utilization Certificates should be furnished by the State Government concerned.

It may also be stated that tracking of expenditure is important as a monitoring tool. Hence, the Public Financial Management System (PFMS) has been suitably integrated with the State Treasuries for monitoring of expenditure. However, such integration is not a pre-condition for release of funds to States. It is also mentioned that State Governments are audited by Accountant General of the State under the Comptroller & Auditor General of India.

Rule 230 (8) of General Financial Rules provides that all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalization of the accounts. Such advances should not be allowed to be adjusted against future releases.

Rule 230 (7) of General Financial Rules provides that when recurring Grants-in-aid are sanctioned to the same Institution or Organisation for the same purpose, the unspent balance of the previous Grant should be taken into account in sanctioning the subsequent Grant. For this purpose, the Programme Division of Ministries/Department shall take help of PFMS Portal to know the bank balance of the recipients before making each release. The principles of 'just in time release', should be applied for releases in respect of all payments to the extent possible. The following broad principles shall be adhered to: (i) Cash balance at a time should preferably not be more than 3 months of requirements (ii) Funds should be released as per actual requirements and that sanction may precede the release of funds, though its validity may be limited to that financial year."

2.11 During evidence held on 3 November, 2020 the Committee desired to know the details of funds spent under the Atmanirbhar Bharat package of Rs.20 lakh crore, the Ministry of Finance in their written submission stated as follows:

"There are three (3) packages announced under 'Atmanirbhar Bharat'. Package details are as under:

Atmanirbhar Bharat Abhiyaan 1.0 – Progress on some key items

One Nation - One Ration Card:

- a. **Inter-State Portability: 28 States/UTs** have been brought under the **national portability** of ration cards with effect from September 1, 2020;
- b. Now covers **68.6 Crore** beneficiaries who now have an option to lift their food grains from any FPS of choice in any of these 28 States/UTs.
- c. **Intra-State portability** is also enabled in these 28 States/UTs, about **1.5 Crore** monthly transactions.

PM Street Vendor's AtmaNirbharNidhi (PM SVANidhi):

- a. 26.62 lakh loan applications received,
- b. 13.78 lakh loans totalling Rs 1373.33 cr sanctioned.

Work on Portal for migrant workers commenced.

- a. **Credit boost to 2.5 crore farmers through Kisan Credit Cards:** So far 183.14 lakh applications have been received; banks have issued KCC for 157.44 lakh eligible farmers and sanctioned a limit of Rs 1,43,262 crores in two phases
- b. **Pradhan Mantri Matsya Sampada Yojana (PMMSY):** Proposals from Twenty-one (21) States sanctioned at a total cost of Rs. **1681.32 crores**
- c. **Additional Emergency Working Capital Funding for farmers through NABARD:** Rs. 25,000 crore has been disbursed out of this special facility.

Emergency Credit Line Guarantee Scheme 1.0:

- a. ₹ 2.05 lakh crore sanctioned to 61 lakh borrowers
- b. ₹ 1.52 lakh crore disbursed

Partial Credit Guarantee Scheme 2.0: Public Sector Banks (PSBs) have approved purchase of portfolio of ₹ 26,889 crores.

Special Liquidity Scheme for NBFC/HFC: ₹ 7,227 crore has been disbursed.

Liquidity Injection for DISCOMs: ₹ 1,18,273 Cr worth of loans have been sanctioned to 17 states/UTs and ₹ 31,136 Cr has already been disbursed/ released to 11 States/UTs.

Atmanirbhar Bharat 2.0 – Progress

These announcements were made on 12th Oct 2020

- a. Festival advance launched- SBI Utsav Cards being distributed.
- b. LTC voucher schemes launched.
- c. Rs 25,000 crores provided as additional capital expenditure to Ministry of Road Transport and Ministry of Defence.
- d. 11 States have been sanctioned Rs. 3621 crores as interest free loan towards capital expenditure.

Atmanirbhar Bharat 3.0

1. Boost for Employment Atmanirbhar Bharat Rozgar Yojana

•The Prime Ministers Rozgar Protsahan Yojana (PMRPY) was implemented upto 31.3.2019 to incentivize formalization and creation of new employment.

•Total benefit of Rs. 8300 Crore has been given to 1,52,899 Establishments covering 1,21,69,960 Beneficiaries under PMRPY.

•**A new Scheme “Atmanirbhar Bharat Rozgar Yojana” is being launched** to incentivise creation of new employment opportunities during the COVID recovery phase.

•Beneficiaries (new employees) under Scheme:-

•Any new employee joining employment in EPFO registered establishments on monthly wages less than Rs.15000/-.

•EPF members drawing monthly wage of less than Rs.15000/- who made exit from employment during COVID Pandemic from 01.03.2020 to 30.09.2020 and is employed on or after 01.10.2020

2. Atmanirbhar Bharat Rozgar Yojana Eligibility criteria for Establishments

1. Establishments registered with EPFO if they add new employees compared to reference base of employees as in September, 2020 as under:

•**minimum of two new** employees if reference base is 50 employees or less.

•**minimum of five new** employees if reference base is more than 50 employees.

2. Establishments registering with EPFO after commencement of Scheme to get subsidy for all new employees

3. Scheme to be operational till 30th June 2021

3. Atmanirbhar Bharat Rozgar Yojana Subsidy support from Central Govt.

1. Central Govt. to provide subsidy for two years in respect of new eligible employees engaged on or after 01.10.2020 at following scale:

•**Establishments employing up to 1000 employees:** Employee’s contributions (12% of Wages) & Employer’s contributions (12% of wages) totalling 24% of wages

•**Establishments employing more than 1000 employees:** Only Employee’s EPF contributions (12% of EPF wages)

2. The subsidy support to get credited upfront in Aadhaar seeded EPFO Account (UAN) of eligible new employee

4. Rs. 3 lakh crore existing Emergency Credit Line Guarantee Scheme (ECLGS 1.0)

- Announced as part of the Aatmanirbhar Bharat Abhiyaan .
 - The scheme is **extended till 31st March, 2021**.
 - Fully guaranteed and collateral free.
 - Additional credit up to 20% of outstanding loans as on 29.2.2020 for entities with outstanding credit up to Rs. 50 crore as on 29.2.2020 and annual turnover up to Rs. 250 crore, which were up to 60 days past due as on 29.2.2020
 - Eligible entities - MSME units, business enterprises, individual loans for business purposes and MUDRA borrowers
 - Scheme update as on 12.11.2020
- §Rs. 2.05 lakh crore sanctioned to 61 lakh borrowers
§Rs. 1.52 lakh crore disbursal

4. Launch of Emergency Credit Line Guarantee Scheme (ECLGS 2.0)

Guaranteed credit for supporting stressed sectors

§ To be utilized for 100% guaranteed collateral free additional credit at capped interest rates to—

§ Entities in **26 stressed sectors** identified by **Kamath Committee plus health care sector** with credit outstanding of above **Rs. 50 crore and up to ₹ 500 Crore** as on 29.2.2020.

§ Entities with outstanding up to Rs. 50 crore previously covered under existing Scheme

§ No upper ceiling on annual turnover

§ Entities to be up to 30 days past due (**SMA 0**) as on 29.2.2020

§ Additional credit up to **20% of outstanding** as on 29.02.2020

§ Tenor of additional credit under ECLGS 2.0 to be **5 years**, including **one year moratorium on principal repayment**

§ Scheme available till 31.3.2021

§ ECLGS 2.0 to provide much needed relief to stressed sectors by helping entities sustain employment and meet liabilities. Will also benefit MSME sector which provides goods and services to eligible entities

5. Rs 1.46 lakh crore boost for Atmanirbhar Manufacturing Production-linked incentives for 10 Champion Sectors

• Government of India has already approved PLI schemes for 3 sectors at a cost of Rs 51,355 crores as below:

• Mobile Manufacturing and specified electronics components at a cost of Rs 40,995 crore ;

• Critical Key Starting Materials (KSM), Drug intermediates and Active Pharmaceuticals Ingredients (API) at a cost of Rs. 6,940 crore

• Manufacturing of Medical Devices at a cost of Rs Rs. 3,420 crore.

• 10 more Champion Sectors (next slide) will now be covered under the Production Linked Incentives Scheme to boost the competitiveness of domestic manufacturing.

• This is expected to give a significant boost to Economic Growth and domestic employment.

Government will launch Production Linked Incentive (PLI) Scheme in the following sectors

Sector	Estimated Expenditure on new PLIs (Rs. Crore)
Advance Cell Chemistry Battery	18,100
Electronic/Technology Products	5,000
Automobiles & Auto Components	57,042
Pharmaceuticals Drugs	15,000
Telecom & Networking Products	12,195
Textile Products	10,683
Food Products	10,900
High Efficiency Solar PV Modules	4,500
White Goods (ACs & LED)	6,238
Specialty Steel	6,322
Total	1,45,980

6. Rs 18,000 crores additional outlay for PM Awaas Yojana (PMAY) –Urban

- A number of measures have been taken in the past several months for revival of the Housing and Real Estate Sector. These measures have contributed to fair recovery in this sector. (SWAMIH- 135 projects approved with an outlay of Rs. 13,200 cr. This will result in completion of 87,000 stuck houses/Flats)
- However, there is need for further measures to enable the sector to generate more employment.
- Rs 18,000 crores will be provided over the Budget Estimates for 2020-21 for Prime Minister Awaas Yojana – Urban (PMAY-U) through additional allocation and Extra Budgetary Resources.**
- This is over and above Rs 8,000 crores already this year.**
- This will help 12 lakhs houses to be grounded and 18 lakhs to be completed
- Expected addl jobs – 78 lakhs, Steel – 25 LMT, Cement – 131 LMT

7. Support for Construction & Infrastructure – Relaxation of Earnest Money Deposit (EMD) & Performance Security on Government Tenders

- Performance security on contracts to be reduced to 3 %** instead of 5 to 10%
- Will be extended to ongoing contracts which are free of disputes
- Will also be extended to Public Sector Enterprises.
- States will be encouraged to adopt the same
- EMD will not be required for tenders** and will be replaced by Bid Security Declaration
- Relaxations will be given till 31.12.2021** under General Financial Rules
- Will give relief to contractors by reducing locking up of capital and cost of BG

8. Demand booster for Residential Real Estate Income Tax relief for Developers & Home Buyers

- Economic slowdown has led to decline in prices of residential unit
- Presently Section 43CA of IT Act restricts differential between circle rate & agreement value @ 10% - Prices may actually be lower than this.
- Decided to increase the differential from 10% to 20% (under section 43CA) for the period from the date of the announcement to 30th June 2021 for only primary sale of residential units of value up to Rs 2 crores.**

•**Consequential Relief up to 20% shall also be allowed to buyers of the these units under section 56(2)(x) of IT Act for the said period.**

•The necessary amendment to IT Act would be proposed in due course.

•This measure will reduce hardships faced by both home-buyers and developers and help in clearing the unsold inventory.

9. Rs 1.10 lakh crore Platform for Infra Debt Financing – Rs 6000 crores Equity infusion in NIIF Debt Platform

•Actual investments made by 3 NIIF funds in downstream funds, platforms and operating companies is Rs 19,676 cr

•NIIF Strategic Opportunities Fund has set up a **Debt Platform** comprising an NBFC Infra Debt Fund and an NBFC Infra Finance Company.

•The Platform has a Loan book - Rs 8000 cr & deal pipeline of Rs. 10,000 cr

•NIIF AIFL (AA rating) and IFL (AAA rating) will raise INR 95,000 crores debt from market, including project bonds.

•By 2025, will provide infra project financing of ~INR 110,000 crores

•NIIF has already invested nearly Rs 2000 cr. in equity of the Platform

•**Government will invest Rs 6000 cr as equity**

•Rest of equity will be raised from private investors.

10. Support for Agriculture Rs 65,000 crores for subsidised Fertilisers

•There is an estimated increase in fertiliser usage of 17.8% over the actual usage in 2019-20 of 571 lakh metric tonnes. The increase is on account of favourable monsoons and the resultant increase in sown area.

•Fertiliser consumption which was 499 lakh MT in 2016-17 is expected to increase to 673 lakh MT in 2020-21.

•Increased supply of fertilisers at subsidised rates will help 140 million farmers.

•Rs 65,000 crores being provided to ensure adequate availability of fertilisers to farmers to enable timely availability of fertilisers in the upcoming crop season.

11. Boost for Rural Employment – Enhanced outlays under PM Garib Kalyan Rozgar Yojana

•Prime Minister Garib Kalyan Rozgar Yojana is also in progress in 116 districts. Rs 37,543 crores spent till date.

•PMGKRY effectively dovetails various schemes including MGNREGA, PMGSY etc.

•MGNREGA was provided with Rs 61,500 crore in Budget for 2020-21.

•Rs.40,000 crore was additionally provided in Atma Nirbhar Bharat 1.0.

•As on date, Rs 73,504 crore has been released under MGNREGA and 251 crore person-days of employment have been generated.

•**Further additional outlay of Rs. 10,000 crores will be provided for PM Garib Kalyan Rozgar Yojana** in the current financial year.

•This will accelerate growth of the rural economy.

12. Boost for Project Exports - Rs 3000 crore to EXIM bank for Lines of Credit

•Exim Bank extends Lines of Credit (LOC) on behalf of the Government of India, as assistance to developing countries under IDEAS scheme.

- Promotes Indian export by mandating recipient countries to import 75% value of the LOC
- Supported projects cover Railways, power, transmission, road and transport, auto and auto components, sugar projects etc.
- As on date, 811 export contracts, aggregating USD 10.50 bn are being financed under LoCs.
- Rs. 3,000 crore will be released to EXIM Bank** for promotion of project exports through Lines of Credit under IDEAS scheme.

13. Capital and Industrial Stimulus

- Rs. 10,200 crore additional budget outlay will be provided towards Capital and industrial expenditure
- Domestic defence equipment
- Industrial incentives
- Industrial infrastructure
- Green energy

14. R&D grant for COVID Vaccine Development

- Rs. 900 crore provided for Covid Suraksha Mission for Research and Development of Indian Covid Vaccine to Department of Bio-technology

Additional Expenditure including Capital

Housing for All - PMAY-U	Rs. 18,000 crores
Boost for Rural Employment	Rs.10,000 crores
R&D Grant for Covid Suraksha – Indian vaccine development	Rs. 900 crores
Industrial Infrastructure, Industrial Incentives and Domestic Defence Equipment	Rs.10,200 crores
Boost for Project Exports – Support for EXIM Bank	Rs.3,000 crores
Boost for Atmanirbhar Manufacturing - Production Linked Incentives	Rs 1,45,980 crores
Support for Agriculture – Fertiliser Subsidy	Rs. 65,000 crores
Boost for Infrastructure – equity infusion in NIIF Debt PF	Rs 6000 crores
Atmanirbhar Bharat Rozgar Yojana (overall Rs 36,000 cr)	Rs 6,000 crores
Total	Rs 2,65,080 crores

Summary of Stimulus measures announced till date

(₹ crore)

Sl.No.	Item	Amount
1.	Pradhan Mantri Garib Kalyan Package (PMGKP)	1,92,800
2.	Atmanirbhar Bharat Abhiyan 1.0	11,02,650
3.	PMGKP Anna Yojana - extension of 5 months from Jul - Nov	82,911
4.	Atmanirbhar Bharat Abhiyan 2.0	73,000

5.	Atmanirbhar Bharat Abhiyan 3.0	2,65,080
6.	RBI measures announced till 31st October, 2020	12,71,200
	Total	29,87,641

2.12 During evidence, the Committee raised queries on release, dues, collection of GST, diversion of GST funds to CFI and using it in other schemes and CAG report thereon etc., the representatives of the Ministry of Finance (Department of Economic Affairs) during evidence stated as follows;

“In terms of whether the Government of India would not like to borrow and pay to the States, xxx, you would have noticed, yesterday also, the Government of India actually released Rs. 6,000 crore being the second tranche of the Rs. 1.1 lakh crore that the Government of India under option one and special window, has already agreed to provide to the States. These are basically in the nature of back to back loans that the Government of India is taking from the market, and then they are lending it to the States at the same interest at which the Government of India is raising it from the market. That is in terms of the special window that the Government of India has given to the States.

xxx xxxx Rs. 47,000 odd crores that the Government of India had taken into CFI. The hon. Minister of Finance, xxx xxx, xxx Budget Speech on February 1, 2020, had mentioned it and had promised to the House that this Rs. 47,000 crore would be released to the States in two installments of which the first installment of Rs. 25,000 crores plus have already been released to the States in the previous financial year. The remaining amount being R. 22,200 odd crore has already been provisioned in the Budget to be released to the States. During the years 2017-18 and 2018-19, there was no shortfall in terms of releases to the States.”

2.13 The Department of Economic Affairs further in their written reply stated as follows:

“CAG has given observation about short-transfer of amount of GST Compensation Cess into Compensation Fund in FY 2017-18 and 2018-19.

In this regard, it is stated that as per provisions in Section 7 & 8 of the GST (Compensation to States) Act, 2017, provisional bi-monthly GST compensation has been calculated and released to States/ UTs with legislature for period July, 2017 to March, 2018 and for FY 2018-19. Accordingly, to meet the requirement of provisional GST compensation, only provisional estimated proceeds of Compensation cess has been transferred to GST compensation fund during FY 2017-18 & 2018-19. Since the final requirement of GST compensation amount could not be estimated based on AG audited revenue collection figures of States/ UTs during FY 2017-18 & 2018-19 as per GST (Compensation to States) Act, 2017 pending non-receipt of AG certified figures from States, the part of the compensation cess collection during FY 2017-18 & 2018-19 were not transferred to Public Account Fund.”

2.14 Further, it is submitted that unutilized GST compensation cess in FY 2017-18 and FY 2018-19 totaling Rs.47000 crore approximately has been transferred in GST Compensation Fund in two instalments as announced in the budget speech of Hon'ble FM and accordingly, first instalment of Rs.23000 crore has been transferred in FY 2019-20 and Rs.24000 crore approximately in FY 2020-21 in Compensation Fund as per Section 10(1) of GST Compensation Act, 2017 and as such, there is no short transfer of Compensation Cess. GST Compensation Cess collected during FY 2020-21 is being regularly transferred to Compensation Fund and is being utilized toward payment of GST Compensation to States.

2.15 During transition period, the States' revenues are protected at 14% growth rate per annum over the base year revenue (2015-16). Accordingly, the States are required to be compensated on bimonthly basis for any shortfall against their protected revenue. To pay compensation to the States, compensation cess is being levied on certain luxury items and demerit goods and the cess so collected has been credited into a non-lapsable fund known as Compensation Fund.

2.16 Compensation cess collected during the FY 2017-18 & 2018-19 was sufficient to meet the compensation required to be paid to the States during the respective years. During the FY 2019-20, compensation cess collection has not been sufficient to meet GST Compensation liability of States during FY 2019-20. However, same has been met partly by utilizing unutilized cess which was kept in CFI during FY 2017-18 & 2018-19 and partly from the amount Rs. 33412 crores transferred from CFI to Compensation Fund arising on account of reversal of IGST devolved during 2017-18. Cess collection further decreased during current year due to covid-19 pandemic. Collection of Cess from April to October, 2020 is approximate Rs. 42787 Cr. against the GST Compensation due to States of about Rs. 2 Lakhs Crore for period April to September, 2020. Due to inadequate balance in the Compensation Fund during the current FY, admissible bi-monthly GST Compensation payable to states could not be released in a time bound manner.

2.17 Central Government has decided to borrow amount Rs. 1.10 Lakh Crore using a special window and pass on the same to States as back to back loan to help the States meet the resource gap due to non-release of compensation due to inadequate balance in the Compensation Fund during current FY.

2.18 During evidence, the Committee desired to know the details of budgetary restrictions put on various departments, their basis, the time for such restrictions the representatives of the Department submitted that

“the expenditure rationalisation strategy which the of Economic Affairs and the Ministry of Finance has imposed in the wake of the COVID Scenario. xxx xxx

The basis for the expenditure rationalisation measures that was introduced, was that the Government faced the extreme cash stress. So, the Ministry of Finance divided the Ministries/Departments into three categories, namely, Category A, Category B and Category C. Category A Ministries were those Ministries for which the expenditure would be as per the DDGs, the Detailed Demands for Grants presented to the Parliament. Category B Ministries were allowed quarterly expenditure of 20 per cent of their BE, and the Category C Ministries were allowed 15 per cent of their BE expenditure on a quarterly basis.

The main aim was the reduction in cash flow to the Government of India in terms of tax receipts and non-tax revenues. That was the main reason. As to how long, this particular rationalisation strategy will continue, we are in the process. As the Chairman has mentioned during the opening remarks, the Ministry of Finance is in the process of finalising a Budget for 2021-22 and revised estimates for 2020-21 for which the meetings are presently going on. So, as and when these ceilings are finalised, these expenditure guidelines will cease to exist.”

2.19 The Department of Economic Affairs in their written reply further elaborated that:

“Cash Management in Central government - Exchequer Control Based Expenditure Management System has been stipulated by Ministry of Finance, Department of Economic Affairs, which provides for inclusion of Monthly Expenditure Plan (MEP) as an annex in the Detailed Demands for Grants.

Ministries/Departments were advised that Monthly Expenditure Plan [MEP]/Quarterly Expenditure Plan (QEP) may be drawn up keeping in view the extant guidelines relating to release of funds. The Ministries/ Departments shall factor-in all possible eventualities while preparing their MEP/QEP. For instance if the Ministry/Department feels that there is a seasonality for a given expenditure, they shall take care to ensure that this is reflected in the MEP/QEP. This is important in the context of cash management of the Government of India. Deviations from MEP/QEP shall have to be approved by Secretary (Expenditure).

In the current financial year, considering the stress on resource position of the Government in view of the COVID-19 pandemic, Ministries/Departments are re-grouped into three categories viz. Category A, Category B and Category B. 17 Demands of different Ministries/Departments are placed in Category A, the expenditure of which are governed by their expenditure Plan indicated in the Detailed Demands for Grants. 31 Demands of Ministries/Departments placed in Category B, the expenditure of which will be restricted to 20% of BE in the first quarter. Monthly Expenditure will be restricted to 8% of BE in the first month and 6% for the remaining two months in the quarter. 52 Demands of Ministries/Departments are placed in Category C, the overall expenditure of which will be restricted to 15% of BE in the first quarter. The monthly expenditure under this category will be restricted to 5% of BE each month.

These instructions have been reiterated for Quarter 2 (Q2) and Quarter 3 (Q3). While regulating the expenditure under Cash Management Guidelines, expenditure on salaries, pensions, will be as per actual requirement.

The amounts that remained unspent in any quarter are not available for carry-forward to the next quarter. However, with the approval of Secretary, Department of Expenditure, requests of Ministries/Departments for carry-forward of the unspent amount from one quarter to another quarter are considered on case to case basis.”

PART II

OBSERVATIONS/RECOMMENDATIONS

1. The Committee are happy to note that the Government has advanced the Budget Cycle with the aim to complete the entire budget exercise including legislative process including scrutiny of Demands for Grants of various Ministries/Departments, general discussion on budget, detailed discussion on Detailed Demands for Grants of select Ministries/Departments, the process of guillotine, voting and passing of connected Appropriation Bill and Finance Bill, before commencement of the financial year and full budget is available to the Ministries/Departments from the commencement of financial year. Further, the business and industry had clarity on the tax measures initiated in Budget, which help them in better tax and business planning in advance for the financial year. The advancement of budget has also given sufficient time to States to plan and present their State Budget in accordance with the budget support in the Union Budget.

The Committee also agree that the perception about the Non-plan expenditure earlier incurred by the Government in the country was distorting and appreciate the intention of the government to continue with works such as maintenance of Defence system, Social security related allocation (pension and insurance), subsidy for poor and underprivileged class etc.

2. The Committee are glad to note that Debt to GDP ratio has been made one of the important yardsticks to measure fiscal consolidation and to make the existing fiscal legislative framework more effective, amendments were made by the Government in FRBM Act, 2003. The gross Debt-to-GDP ratio will be close to about 51% in the years 2019-20 and 2020-21 despite the COVID impact from March from where the revenues had gone down. The Committee appreciate that in the year 2020-2021, the government has increased their borrowing programme from Rs.7.8 lakh crore to Rs.12 lakh crore. The Committee therefore, recommend the Government to keep constant watch on the economy of the country and

initiate prompt action, if needed, to achieve the GDP targets of the Central Government expeditiously.

3. The Committee are happy to note that Union Budget cycle advancement was started from the year 2017-18 and the Parliament has approved the appropriation bill before commencement of the financial year. No doubt this has given sufficient time and details of kind of grants being released by the Union Government to States. The Committee note that though the total expenditure in the first three months of the year 2017-18 has shown spurt as compared to total expenditure of the period of 2016-17, however, this growth declined in the year 2018-19. The Committee therefore desire the Department to examine the factors responsible for such a decline in expenditure in the year 2018-19 and the corrective measures taken in this regard may be apprised to the Committee. The Committee also note that regarding implementation of the schemes/projects by the Ministries/Departments, Secretary being the Chief Accounting Authority of the concerned Ministry/Department, is responsible for monitoring the progress and implementation of the schemes/projects and for keeping a close watch on proper and expeditious implementation of the schemes. However, the Committee are of the view that the Secretary, Department of Economic Affairs being an overall controller of Government of India Accounting is also equally responsible for monitoring the progress and implementation of the schemes/projects of various Ministries/Departments, as per the schedule of Grants. The Committee further note that there may be cases where progress of projects on OCMS was not updated due to which the Department of Expenditure has asked all Ministries/Departments on 15.5.2019 to upload the details of projects of more than Rupees 150 crore and its progress on OCMS portal for ensuring continuous monitoring and timely completion of the projects. The Committee, therefore, desire to know the names of the Ministries/Departments found habitual defaulters and recommend that a system for tracking the portal updation of the schemes/projects may be evolved in the Department, so that Budget Grants/Revised Grants to Ministries/Departments are made accordingly and if any updation is not made by any Ministry/Department, they may be persuaded to do so with strict warning, so that such lapses do not occur in future.

4. The Committee note that with the passing of Finance Bill before commencement of financial year, business and industry had clarity on tax measures initiated in budget, which go towards better tax and business planning in advance and the benefit of new taxation measures involving legislative changes in central excise and service tax also accrue to the Government from the commencement of financial year. However, it has been observed by the Committee that the targets of Gross Tax collection and Net (to Centre) at BE and RE stage with Actual as percentage of Revised was 100.7% and 101.2% respectively in the year 2016-17, but these have declined to 98.6% and 97.9% respectively in 2017-18 and further reduced to 92.5% and 88.7% in the year 2018-19 and provisionally to 92.9% and 90.1% in the year 2019-20. The Committee, therefore, recommend the Government to conduct a study to find out and evaluate the reasons responsible for such decline of Gross Tax Collection and Net (to Centre) and apprise the outcome and corrective steps taken to the Committee.

5. The Committee are happy to note that with the advancement of Budget Cycle, the State Governments, which used to present their budget in the month of February, will now know the details about share of States in Central taxes, budget support for Central Schemes, external aided projects of State Government in the Union Budget and can plan their project financing, counter-part funding, implementation of central projects and borrowing requirements well in advance. The Committee note that the Department of Economic Affairs has not been able to furnish the comparative statement of the last four years in which State Government project financing, implementation of central projects and borrowing requirement have improved and the extent to which utilisation of allocations to States under various schemes have improved. The Committee therefore, desire the Department of Economic Affairs to furnish the details so that the Committee can analyse the advancement of Budget Cycle benefits to States.

6. The Ministries / Departments can plan their allocations for the full year by advancement of Budget and passing in the same Financial Year. The Committee note that the Department of Economic Affairs conduct mid-year review and based on the progress of expenditure and the absorptive capacity, the revised expenditure ceiling are approved for that year. The Committee observe that

during the years 2017-18, 2018-19 and 2019-20, there were total 99, 97 and 100 Ministries/Departments respectively where surrender/savings occurred. Though information on surrender of actual savings are included in the Appropriation Accounts of each Ministry/Department/Grant/Appropriation and audited and certified by Controller & Accounts, submitted to Parliament, the Committee is of the firm view that the objectives of advancement of Budget in this front needs to be reviewed so that the prevailing trend is discontinued and funds available with the Government in the Budget are optimally and fully utilised.

7. The Central share for the schemes is routed through the State/UT treasuries as Grants under various object heads, except in the case of Direct Benefit Transfers where the functional heads could be used. The funds remain in State Treasuries till they are transferred to implementing agencies. The Committee note that Finance Commission Grants, namely Post Devolution Revenue Deficit Grant and SDRF, released by Department of Expenditure are mostly untied in nature, where States are not mandated to submit Utilisation Certificates. Local Bodies Grants are released on back to back basis to State Government, where these grants are released to local bodies through respective State Governments. The Committee note that when States start spending, which they actually spend, they have to do in a well defined manner as per their General Financial Rules and the Central rules. But sometimes, the State Governments deposit the unspent balance of schemes/grants in banks and accrue some interest on such money. The Committee is of a firm view that the States earn substantial amount of interest on unspent balances. The Committee, therefore, desire to know the details of interest earning of various states through deposits of unspent balances of various schemes in banks and the details of guidelines, if any, for utilisation of such amount.

8. The Committee are happy that Budget Documents presented in the House provide detailed information in a book – Budget at a Glance, which contains outlay on major schemes by the Government of India. However, the funds allocated to the States and the money being provided for the States do not reflect in this document. Further, people are also desirous to know what States have got from the Centre. The Committee feel that a common man does not know what is happening with regard to the Budget, viz. how much money is being

provided by the Centre and how much is being provided by the State. The Committee are of the view that the details of funds allocation to States may also be incorporated in the Budget Documents which will bring transparency and avoid the complaints of States to their people that Centre has not allocated funds to States. The Committee also feel that the size of Union Budget is so voluminous that the common man and the public representatives do not have time to go through such a huge document and give that much time required to understand the document. The Committee therefore, desire that a briefing session highlighting the Budget Documents details for the Members may be organised by the Government immediately after the presentation of the Union Budget in the House.

9. The Committee appreciate that the Government has announced 'Atmanirbhar Bharat' Package to mitigate the impact of Covid-19 pandemic. The packages of Atmanirbhar Bharat have not only boost the economy and employment, but also built confidence among various section of the society.

Under One Nation – One Ration Card - now 68.6 crore beneficiaries have an option to lift their food grains from any FPS of their choice in any of the 28 States/UTs. In PM Street Vendor's AtmaNirbharNidhi, 26.62 lakh loan applications have been received and 13.78 lakh loans totalling Rs. 1373 cr. sanctioned. Work on Portal for migrant workers has commenced and 183.14 lakh applications for credit boost to 2.5 crore farmers through Kisan Credit Cards received and eligible farmers have been sanctioned Rs.1,43,262 crores in two phases. The Committee note that applications for KCC of 25.7 lakh farmers have not been issued. The Committee, therefore desire to know the reasons for not sanctioning KCC to these farmers and the details of steps taken by the Government to bring extensive awareness among farmers so that their applications are not rejected.

Under Partial Credit Guarantee Scheme 2.0, Public Sector Banks have approved purchase of portfolio of Rs. 26.889 crore, Under Special Liquidity Scheme, a sum of Rs. 7227 crore has been disbursed to NBFC/HFC and under Liquidity Injection for DISCOMS, a loan amounting to Rs. 1,18,273 crore sanctioned to 17 States/UTs, however only 26.32 % of loan i.e. Rs. 31,136 crore

has been disbursed/released to 11 States/UTs so far. The Committee note that only 11 States/UTs have so far availed the benefits of Liquidity Injection scheme for DISCOMS and 73.68 % of funds provisions are yet to be utilised by other DISCOMS. The Committee therefore desire to know the steps taken by the government to ensure that the funds provisions are utilised fully in a time bound manner so that the objectives are achieved.

The Committee note that to boost the Rural Employment, Pradhan Mantri Garib Kalyan Rozgar Yojana is in progress in 116 districts and a sum of Rs. 37,543 crores has been spent so far. The Committee appreciate that to accelerate growth of the rural economy, an additional outlay of Rs. 10,000 crores has been proposed for PM Garib Kalyan Rozgar Yojana in the current financial year. The Committee note that out of approx 718 districts in the country, the Yojana is in progress only in 116 districts. The Committee therefore, recommend the government to expand the base of PM Garib Kalyan Rozgar Yojana so that the funds earmark are utilised with its objectives.

10. The Committee note that there was no shortfall in terms of release of GST Compensation released to States during 2017-18 and 2018-19. The utilised GST compensation cess of approx 47,000 crore has been transferred to GST Compensation Fund in two instalments. GST Compensation Cess collected during Financial Year 2020-21 has been regularly transferred to Compensation Fund and was being utilized towards payment of GST Compensation to States. The Committee are happy to note that during transition period, the States' revenues are protected at 14% growth rate per annum over the base year revenue (2015-16). During the Financial Year 2019-20, compensation cess has not been sufficient to meet GST Compensation liability of States and therefore, the same has been met partly by utilising unutilised cess which was kept in CFI during 2017-18 and 2018-19 and partly from the amount of reversal of IGST devolved during 2017-18. The Cess collection from April to October, 2020 was approximately Rs. 42,787 crore against the GST Compensation due to States of about Rs. 2 lakhs crore for the period April to September, 2020 and due to this, GST Compensation payable to States could not be released in a time bound manner. The Committee appreciate that to meet the shortfall, the Union

Government has decided to borrow amount of Rs. 1.10 lakh crore using a special window and pass on the same to States as back to back loan to help the States to meet the resource gap due to non-release of compensation due to inadequate balance in the Compensation Fund during current Financial Year. The Committee is of the firm view that all the States should get sufficient funds to meet their requirement from the special window created by the Union Government and desire to know the outcome thereof.

11. The Committee note and appreciate that in the wake of the COVID-19 pandemic scenario, the expenditure rationalisation strategy has been implemented by the Government. Considering the gravity of stress on resource position of the Government, Ministries/Departments are re-grouped into three categories viz. Category A, Category B and Category C. 17 Demands of different Ministries/Departments are placed in Category A, the expenditure of which is governed by their expenditure Plan indicated in the Detailed Demands for Grants. 31 Demands of Ministries/Departments placed in Category B, the expenditure of which will be restricted to 20% of BE in the first quarter. Monthly Expenditure will be restricted to 8% of BE in the first month and 6% for the remaining two months in the quarter. 52 Demands of Ministries/Departments are placed in Category C, the overall expenditure of which will be restricted to 15% of BE in the first quarter. The monthly expenditure under this category will be restricted to 5% of BE each month. The instructions have continued further. The Committee are of the firm view that once the extreme cash stress position is normalised, the restrictions introduced by the Union Government will be withdrawn.

New Delhi;
15 March, 2021
24 Phalguna, 1942 (Saka)

GIRISH BHALCHANDRA BAPAT
Chairperson,
Committee on Estimates.

MINUTES OF 4th SITTING OF THE COMMITTEE ON ESTIMATES (2020-21)

The Committee sat on Monday, the 21st September, 2020 from 1200 hrs. to 1330 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Girish Bhalchandra Bapat - Chairperson

Members

2. Kunwar Danish Ali
3. Shri Sudharshan Bhagat
4. Shri Ajay Bhatt
5. Shri P.P. Chaudhary
6. Shri P.C. Gaddigoudar
7. Shri Nihal Chand Chauhan
8. Shri Dharmendra Kumar Kashyap
9. Shri Mohanbhai Kalyanji Kundariya
10. Shri Dayanidhi Maran
11. Shri K. Muraleedharan
12. Dr. K.C. Patel
13. Col. Rajyavardhan Singh Rathore
14. Shri Rajiv Pratap Rudy
15. Shri Francisco Sardinha
16. Shri Prathap Simha
17. Smt. Sangeeta Kumari Singh Deo

SECRETARIAT

- | | | | |
|----|--------------------|---|---------------------|
| 1. | Dr. Kavita Prasad | - | Joint Secretary |
| 2. | Smt. B. Visala | - | Director |
| 3. | Smt. A Jyothirmayi | - | Additional Director |
| 4. | Shri R.S. Negi | - | Deputy Secretary |

WITNESSES

1. Shri Tarun Bajaj - Secretary,
Ministry of Finance,
Deptt. of Economic Affairs
2. Shri Rajat Kumar Mishra - Joint Secretary,
Ministry of Finance,
Budget Division,
Deptt. of Economic Affairs
3. Ms. Anjana Vashishtha - Director,
Ministry of Finance,
Budget Division
Deptt. of Economic Affairs

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee and briefed them about the agenda of the sitting viz. xxx xxx xxx and (ii) Evidence of the representatives of the Ministry of Finance (Department of Economic Affairs) in connection with the examination of the subject 'Recent Budgetary Reforms for better financial management of government expenditure'. xxx xxx xxx.

3. xxx xxx xxx

4. xxx xxx xxx

5. Thereafter, the witnesses of Ministry of Finance (Department of Economic Affairs) were ushered in. The Chairperson then welcomed the representatives of the Ministry and drew their attention to Direction 55 (i) of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings of the Committee.

6. The Secretary, Ministry of Finance (Department of Economic Affairs), after introduction, gave a brief overview on the subject 'Recent Budgetary Reforms for better financial management of government expenditure' and made a comprehensive power point presentation on the subject giving details. He highlighted the merger of plan and non-plan provision distinction, advancement of Budget cycle and its benefits, Merger of Rail Budget with General Budget, etc.

7. The Members raised several queries and sought clarifications on the issues which inter-alia included the details of Gross debt to GDP, details of schemes including central and state share, utilization certificate, percentage of money that goes to States on time , schemes exempted with respect to utilization certificate, pre and post Covid-19 impact on economy of the country, sector-wise, schemes to states, transparency in their allocations of central share and documents relating to Budget which could be understood by common man.

8. The queries of the Members were duly responded to by the representatives of the Ministry. The Chairperson then thanked the witnesses for giving useful information and asked the Secretary to furnish detailed note on the points raised by the Members of the Committee.

9. The verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee, thereafter, adjourned.

MINUTES OF SIXTH SITTING OF THE COMMITTEE ON ESTIMATES (2020-21) ON THE SUBJECT 'RECENT BUDGETARY REFORMS FOR BETTER FINANCIAL MANAGEMENT OF GOVERNMENT EXPENDITURE'

The Committee sat on Tuesday, the 3rd November, 2020 from 1130 hrs. to 1235 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Girish Bhalchandra Bapat - Chairperson

MEMBERS

- 2 Shri Kunwar Danish Ali
- 3 Shri Sudharshan Bhagat
- 4 Shri P.P. Chaudhary
- 5 Shri Dharmendra Kumar Kashyap
- 6 Shri K. Muraleedharan
- 7 Shri Kamlesh Paswan
- 8 Col. Rajyavardhan Singh Rathore
- 9 Shri Vinayak Bhaurao Raut
- 10 Shri Magunta Srinivasulu Reddy
- 11 Shri Francisco Sardinha
- 12 Shri Pinaki Misra
- 13 Shri Kesineni Srinivas
- 14 Shri Ajay Bhatt

SECRETARIAT

1. Smt. B. Visala - Director
2. Shri R.S. Negi - Deputy Secretary

WITNESSES

1. Ms Anjana Vashishtha - Director, Ministry of Finance
Budget Division

2. At the outset, the Hon'ble Chairperson welcomed the Members to the Sitting of the Committee and briefed that today we will further hear the views of Department of Economic Affairs on the subject 'Recent Budgetary Reforms for better financial management of government expenditure'. He also informed the Members that today we will conclude the evidence on the subject so please raise your queries regarding the subject before the witnesses. He further informed the Members that Secretary, Department of Economic Affairs has requested for exemption as he is busy in finalization of mid-year review of expenditure with various Ministries/Departments upto 12th November, 2020 therefore, he has deputed Director of Budget Division.

3 Thereafter, the witnesses of Ministry of Finance (Department of Economic Affairs) were ushered in. The Chairperson then welcomed the representatives of the Department and drew their attention to Direction 55 (i) of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings of the Committee.

4. After a brief introduction by the representatives of the Department, the Members raised several queries and sought clarification on the issues which inter-alia included the details of public related schemes which has reduced allocation due to Covid-19, GST collection and release of backlog to states, Covid-19 mitigation funds to states, Atmanirbhar Bharat package funds so far spent, Budgetary restrictions on some departments, CGA report regarding diversion of funds to CFI, extension of GST loss compensation and states which have reformed their Budget process, etc.

5. The queries of the Members were duly responded to by the representatives of the Ministry. The Chairperson then thanked the witnesses for giving useful information and asked them to furnish detailed note on the points raised by the Members of the Committee.

6 The verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

**MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE ON
ESTIMATES (2020-21)**

The 15th Sitting of the Committee was held on Tuesday, the 23rd February, 2021 from 1130 hrs. to 1355 hrs. in Room No. '53', Parliament House, New Delhi.

PRESENT

Shri Girish Bhalchandra Bapat - Chairperson

MEMBERS

2. Shri Kunwar Danish Ali
3. Shri P.P. Chaudhary
4. Shri P.C. Gaddigoudar
5. Shri Dharmendra Kumar Kashyap
6. Col. Rajyavardhan Singh Rathore
7. Shri Ashok Kumar Rawat
8. Shri Magunta Sreenivasulu Reddy
9. Shri Rajiv Pratap Rudy
10. Shri Francisco Cosme Sardinha
11. Smt Sangeeta Kumari Singh Deo
12. Shri Ajay Bhatt
13. Shri Pravesh Sahib Singh

SECRETARIAT

1. Smt. B. Visala - Director
2. Smt. A. Jyothirmayi - Additional Director
3. Shri R.S. Negi - Deputy Secretary

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2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda of the sitting. The Committee thereafter discussed the draft Report on 'Recent Budgetary Reforms for Better Financial Management of Government Expenditure'. After some deliberations, Chairperson

requested the Members to give their suggestions, if any, in writing within a week's time. The Committee then authorised the Chairperson to finalise the Draft Report in the light of suggestions received from Members and also on the basis of factual verification from the Ministry.

3. xxx xxx xxx

4. xxx xxx xxx

5. xxx xxx xxx

6. A copy of the verbatim proceedings was kept on record.

The Committee then adjourned.