

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5117
ANSWERED ON:25.04.2003
COMMITTEE ON INVESTMENT APPROVAL
RAMESH CHENNITHALA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether a committee on reforming investment approvals, implementation procedures has been set up;
- (b) if so, the details thereof;
- (c) whether the committee has submitted the report; and
- (d) if so, the main recommendations made by the committee and the action taken by the Government thereon?

Answer

Minister of State in the Ministry of Finance (Shri Anandrao V. Adsul)

(a): A committee was set up to examine the existing procedures for investment approval and implementation of projects and to suggest measures to simplify and expedite the process for investments for public and private projects.

(b),(c) & (d): The committee has submitted its report to the Government in two volumes. Part-I of the Report presented in May, 2002, covers upstream issues relating to Government and Public Sector projects i.e. the issues that arise from the conceptualization of the project to the stage of investment approval. Part II of the report covers down stream issues i.e. from the stage of investment approval till the implementation of the projects and their operational phase. Part II of the report was presented in November, 2002.

The Committee in Part-I of its report has, inter-alia, madewide-ranging recommendations for re-engineering the project cycle for public investments, aiming at greater professionalisation of project preparation, appraisal and post evaluation stages of the cycle. The Committee in Part-II of its report has, inter-alia, recommended re-engineering of regulatory processes at the Central and State level for simplification of the procedures relating to the grant of various approvals and rationalisation of the inspection, record keeping and reporting requirements. The recommendations also envisage greater use of information technology tools in the administration of approvals.

Action on the implementation of recommendations contained in the report has been initiated in the concerned Ministries/ Departments of the Government of India.