

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1419
ANSWERED ON:03.03.2000
IMPLEMENTATIONS OF PUBLIC SECTOR UNDERTAKINGS PROJECTS
VILAS BABURAO MUTTEMWAR

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government propose to set up a Committee to consider the reasons for slow down of public spending and the delayed implementation of PSU projects;
- (b) if so, the details thereof;
- (c) the details of main points referred to the Committee by the Government; and
- (d) the time by which the Committee is likely to submit its report?

Answer

THE MINISTER OF STATE (HI&PE) DR. VALLABHBHAI KATHIRIA

(a) to (c): A Standing Committee has been set up in each Ministry/Department headed by Additional Secretary/Joint Secretary with representatives of the Planning Commission, Department of Expenditure and Ministry of Statistics and Programme Implementation to monitor the time and cost overruns in projects costing Rs. 50 crores and above relating to Infrastructure Sectors. The guidelines on the subject were issued by the Planning Commission on 19th August, 1998 and 18th November, 1998. These Committees would examine all the proposals on the Revised Cost Estimates (RCE) of Projects costing Rs. 50 crores and above, irrespective of percentage of cost overrun and/or time overrun, except cases where the administrative Ministries/Departments are themselves competent to sanction the increase in the cost before the proposal for RCE is submitted for approval by the Cabinet Committee on Economic Affairs (CCEA). For projects costing Rs. 200 crores and above which do not fall under the purview of the Public Investment Board (PIB), the Standing Committee would examine proposals for revised cost estimates as and when it is submitted for approval by the Public Investment Board/Expenditure Finance Committee (PIB/EFC). This is a continuous process and the time limit for submission of a report would be governed by the PIB/EFC procedures.