

**GOVERNMENT OF INDIA
ATOMIC ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:1651
ANSWERED ON:02.08.2000
UTILISATION OF FUNDS SMT. SHYAMA SINGH
ADHIR RANJAN CHOWDHURY

Will the Minister of ATOMIC ENERGY be pleased to state:

- (a) whether his department has not utilised its budgetary allocation fully during the last few years;
- (b) if so, the reasons therefor;
- (c) whether the department has not been adhering to the time schedule of the various projects and this led to huge time and cost overrun;
- (d) if so, the facts thereof; and
- (e) the corrective steps taken/proposed to be taken by the Government in this regards?

Answer

THE MINISTER OF STATE IN THE DEPARTMENT OF ATOMIC ENERGY (SMT. VASUNDHARA RAJE)

(a) & (b) The utilisation of Budgetary allocation during the last three years and the brief reasons for shortfall is as under:

Year	Budgetary Allocation	Actuals	Excess/ Shortage	Reasons for shortfall
1997-98	2540.82	2907.29	(+)366.47	Fully utilised.
1998-99	3992.87	3793-42	(-)199.35	The shortfall is
1999-2000	4518.38	4355.47	(-)162.91	mainly on account of
technical procedure in the release of payment of Russian Credit which relates to preparation of DPR for construction of 2x1000 MWe VVER Type Nuclear Power Station proposed to be set up at Kudankulam in Tamil Nadu. In addition, the difficulties encountered on the procurement activities due to sanctions imposed and making alternate arrangements for indigenisation, time taken for formulating and sanctioning new IX Plan Projects, suspension of operation of Heavy Water Plant (HWP), Baroda owing to change of operating technology at the fertilizer plant to which the HWP is linked, etc. has also attributed to the shortfall.				

(c) There had been delays in completion of nuclear power projects in the past due to significant efforts required in the indigenous development of technology, learning process in acquiring indigenous manufacturing capability and unforeseen technological problems. Also, Nuclear Power Plants are being set up indigenously in the global environment of restrictive control regimes in this field. The estimates of R&D projects did not provide for escalation in prices during the period of execution. As such revision of cost estimates becomes inevitable in some cases because of the inflationary pressures. Similarly, wherever imports of machinery and equipment are involved (mainly restricted to special materials and proprietary components not in the manufacturing range of Indian industry due to economical reasons) fluctuations in foreign exchange rates have to be factored in.

(e) Significant experience in setting up of nuclear power projects has been gained. With the experience gained, there is a progressive trend of reduction in construction period. Measures as given below are being progressively adopted in the construction of Tarapur Atomic power Project-3&4 (TAPP-3&4) to complete the project on schedule :

- Completion of adequate design and engineering before commencing the construction of the project.

- Timely manufacture of components/equipment in the context of the experience gained in the field.
- Adopting the concept of large supply-cum-erection/EPC packages to the extent feasible.
- Strengthening project management techniques and monitoring mechanism for controlling schedule.

In respect of the Projects under R&D Sector, project implementation committees and steering committees for the larger projects have been constituted. Project co-ordinators for all projects have also been nominated. The physical and financial progress are also regularly monitored at the level of the Head of Unit. Enhanced delegation of financial powers has also been given recently to speed up procurement action, award of tenders etc.