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**STANDING COMMITTEE
ON FINANCE
(1998-99)**

TWELFTH LOK SABHA

**MINISTRY OF FINANCE
(DEPARTMENTS OF ECONOMIC
AFFAIRS AND EXPENDITURE)**

**DEMANDS FOR GRANTS
(1999-2000)**

TWENTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1999/Chaitra, 1921 (Saka)

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MINISTRY OF FINANCE
(DEPARTMENTS OF ECONOMIC
AFFAIRS AND EXPENDITURE)

DEMANDS FOR GRANTS
(1999-2000)

Presented to Lok Sabha on 22.4.1999
Laid in Rajya Sabha on 19.4.1999



LOK SABHA SECRETARIAT
NEW DELHI

April, 1999/Chaitra, 1921 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE
ON FINANCE (1998-99)

Shri Murli Deora — *Chairman*

MEMBERS

Lok Sabha

2. Shri Dharendra Agarwal
3. Shri Mohanbhai Sanjibhai Delkar
4. Shri Haribhai Parathibhai Chaudhary
5. Shri Uttam Singh Pawar
6. Shri Girdhari Lal Bhargava
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8. Shri Bhagwan Shankar Rawat
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11. Shri Kavuru Sambasiva Rao
12. Shri Sandipan Bhagwan Thorat
13. Shri Praful Manoharbai Patel
14. Shri Prithviraj D. Chavan
15. Shri R. L. Jalappa
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17. Shri Rupchand Pal
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20. Shri S. Murugesan
21. Shri M. Sahabuddin
22. Dr. S. Venugopalachary
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27. Shri Joachim Baxla
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Rajya Sabha

31. Dr. Manmohan Singh
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41. Shri Prem Chand Gupta
42. Shri R. K. Kumar
43. Shri Gurudas Das Gupta
44. Shri Satishchandra Sitaram Pradhan
45. Shri Suresh A. Keswani

SECRETARIAT

1. Dr. A. K. Pandey — *Additional Secretary*
2. Dr. (Smt.) P. K. Sandhu — *Director*
3. Shri S.B. Arora — *Under Secretary*
4. Shri Srinivasulu Gunda — *Executive Officer*

INTRODUCTION

I, the Chairman of the Standing Committee on Finance (1998-99), having been authorised by the Committee to submit the Report on their behalf present this Twentieth Report on Demands for Grants (1999-2000) of the Ministry of Finance (Departments of Economic Affairs and Expenditure).

2. The Demands for Grants of the Ministry of Finance were laid on the Table of the House on 12 March, 1999. Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha provides that the Standing Committee shall consider the Demands for Grants of the concerned Ministries/Departments and make a Report on the same to the Houses.

3. The Committee took oral evidence of the representatives of Ministry of Finance (Departments of Economic Affairs and Expenditure) at their sittings held on 22 March and 9 April, 1999 in connection with the examination of Demands for Grants (1999-2000) of Ministry of Finance (Departments of Economic Affairs and Expenditure).

4. The Committee considered and adopted the Report at their sitting held on 9 April, 1999.

5. The Committee wish to express their thanks to the Officers of the Ministry of Finance for cooperation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

NEW DELHI;
15 April, 1999

25 Chaitra, 1921 (Saka)

MURLI DEORA,
Chairman,
Standing Committee on Finance.

REPORT

Demand No. 25 Department of Economic Affairs

Major Head: 2070
Minor Head: 00.800
Detailed Head: 22.00.13

Debt Recovery Tribunals

Office Expenses

1. Under the provisions of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Government have established Debt Recovery Tribunals (DRTs) at Calcutta, Delhi, Jaipur, Bangalore, Ahmedabad, Chennai, Guwahati, Patna, Jabalpur and Appellate Tribunal at Mumbai having jurisdiction over all the DRTs.

2. The data on the Office Expenses incurred in setting up of the above mentioned DRTs since 1994-95 are as follows:—

Year	Budget Estimates	Revised Estimates	Actuals
1994-95	1,51,20,000	1,13,40,000	73,52,000*
1995-96	1,35,00,000	1,30,20,000	47,72,000
1996-97	1,20,30,000	47,00,000	49,19,000
1997-98	62,80,000	81,95,000	64,47,000
1998-99	75,00,000	70,09,000	67,74,000*
1999-2000	80,10,000		

*(Approx.)

3. On the reasons for under-utilisation of budgeted amounts even compared to reduced Revised Estimates during 1994-95, 1995-96 and

1998-99, Ministry of Finance (Department of Economic Affairs—Banking Division) in a written reply furnished to the Committee stated as under:—

“Government had approved the establishment of 10 DRTs and one DRAT in 1993. During the year 1994-95, five DRTs one each at Delhi, Calcutta, Jaipur, Bangalore, Ahmedabad, and one DRAT at Mumbai could be established while during the year 1995-96, no DRT could be established. During the year 1996-97, Government was able to set up three DRTs one each at Chennai, Guwahati & Patna. These three DRTs could only be established at the end of the year 1996-97. During the year 1997-98 only one DRT at Jabalpur could be established. We have not been able to establish DRT at Mumbai so far. The provision made under sub-head O.E. to be incurred on the establishment of new DRTs and provide them infrastructure during the years 1995-96, 1996-97, 1997-98 could not therefore, be utilised. The provision made for DRT, Mumbai during the year 1997-98 and 1998-99 had to be surrendered.”

4. With regard to reasons for higher budgetary allocations for 1996-97 and 1998-99 despite lower actuals for 1995-96 and 1997-98, Ministry of Finance (Department of Economic Affairs—Banking Division) in a written reply to the Committee submitted as follows:—

“It was expected that Government would be able to set up DRTs during the specified financial years and thus provisions were made in the Budget for all these years to provide infrastructure to DRTs. It may, however, be stated that no DRT could be established during 1995-96 and those established in the year 1996-97 (3 DRTs) were at the end of the financial year. It was, thus, not possible to utilise the budgetary allocation meant for providing infrastructure to DRTs. The provisions made for setting up of DRT at Mumbai during the years 1995-96 to 1998-99 had to be surrendered as DRT at Mumbai is yet to be established.”

5. The Committee are astonished to find that though budgetary allocations had been provided since 1995-96 for establishing DRT at Mumbai, which possibly accounts for major chunk of sticky loans, the Government had failed to establish the same and had to surrender the funds for the last four years. The Committee deplore the inordinate delay in the matter and recommend that immediate steps should be taken to establish the same. The Committee would like to be apprised of the specific reasons for not establishing DRT at Mumbai.

Demand No. 26
Department of Economic Affairs

Major Head: 2046
Minor Head: 00.103
Detailed Head: 02.00.21

Security Paper Mill

Supplies and Material

6. The Security Paper Mill, Hoshangabad manufactures paper for making currency notes and other security paper required by Bank Note Press, Currency Note Press as well as India Security Press. The budgetary allocation, revised estimates and actual expenditure incurred for procuring supplies and material since 1994-95 are as follows:—

Year	Budget Estimates	Revised Estimates	Actuals
1994-95	33,19,60,000	30,92,00,000	22,47,11,000
1995-96	40,00,00,000	37,00,00,000	37,67,84,000
1996-97	44,00,00,000	30,00,00,000	24,94,68,000
1997-98	48,00,00,000	23,28,00,000	22,35,85,000
1998-99	46,00,00,000	38,59,45,000	22,21,69,000*
1999-2000	49,00,00,000		

* upto 20 March, 1999.

7. When asked as to the reasons for under-utilisation of budgetary allocations even compared to reduced revised estimates and the basis for allocating higher amounts for 1997-98 and 1998-99 despite less than 60% utilisation of the budgeted amounts in 1996-97 and 1997-98,

the Ministry of Finance (Department of Economic Affairs) in a written reply submitted as under:—

“B.E. 1996–97 for Rs. 44,00,10,000/– was based on a targetted production of 4,000 Mts of Security paper. Since the paper making Machines had to be modified for taking up production of the New Family of Notes and the implementation of this programme was delayed, it was anticipated at the R.E. stage that the achievable production during 1996–97 would be around 3,600 Mts only and accordingly provisions were reduced to Rs. 30,00,00,000/– in Revised Estimates 1996–97. However, the Mill could achieve a final production of 3170 Mts of Security paper only. Therefore, the actual expenditure could be to the tune of Rs. 24,94,70,000/– only.

B.E. 1997–98 was framed on the basis of anticipated production of 4,000 Mts of paper. However, at the time of framing Revised Estimates 1997–98, it was assessed that procurement of 14 MTs of Security Thread, 2.1 Mts of Security Fibre and 800 Mts of Hardwaste may not materialise during the year as such Revised Estimates 1997–98 has been reduced to Rs. 30.00 crores only. Though we expected a finished production of 4,000 Mts of Security paper, the actual production achieved is only 3,281 Mts. Hence corresponding saving in procurement of raw materials. The anticipated savings were however surrendered at the Revised Estimates (final) 1997–98 stage itself.”

8. The Committee are at a loss to find that ‘Actuals’ during the years from 1994–95 to 1998–99 have all along been far below the ‘Estimates’ except during the year 1995–96 despite revising the allocation downwards sharply at RE stage.

9. Lower utilisation of funds, attributed to low production of Security Paper which in turn is attributed to delay in modifying the paper making machine resulting in savings in procurement of raw materials such as Security Thread, Security Fibre, Hardwaste, etc. is far from satisfactory.

10. The Committee recommend that to the maximum extent possible the budgetary exercise should be done in such a way so that allocated resources are spent during that year itself.

Demand No. 26
Department of Economic Affairs

Major Head : 4046
Minor Head : 00.101
Detailed Head : 02.00.52

Currency Note Press

Machinery and Equipment

11. Currency Note Press (CNP) prints notes in denomination of Rs. 10/-, Rs. 50/- and Rs. 100/-. The Budget estimates, revised estimates and actuals incurred in procurement of Machinery and Equipment by CNP are as follows:—

Year	Budget Estimates	Revised Estimates	Actuals
1994-95	18,00,00,000	2,00,00,000	1,00,98,000
1995-96	1,00,00,000	3,00,00,000	1,68,31,000
1996-97	6,97,00,000	1,80,00,000	1,14,95,000
1997-98	1,80,00,000	1,80,00,000	14,68,000
1998-99	8,41,00,000	48,00,000	47,35,000*
1999-2000	4,00,00,000		

* upto 20 March, 1999

12. On the reasons for under utilisation to a large extent of budgeted amounts during 1994-95, 1996-97 and 1997-98 and the basis for higher allocations for 1997-98 and 1998-99 despite under utilisation during the preceding years, the Ministry of Finance (Department of Economic Affairs) in a written reply *inter-alia* stated as follows:—

“During the year 1996-97 CNP had made provision towards payment for procurement of Treasure Wagons, but in this year

Treasure Wagons were not received from BEML, Bangalore and hence the saving has occurred.

During the year 1997-98 & 1998-99, provision was made for payment of Treasure Wagons and token provision for payment towards cost of new Machineries being procured by RBI for Currency Note Press under modernisation, hence higher amount was allotted.

While preparing the Budget Estimates for the year 1998-99 CNP had made provision for Treasure Wagons & payment towards Cost of Machineries to RBI. But the Treasure Wagons have not been received during this year and also terms of payment to RBI were still under finalisation and therefore these amounts were surrendered in Revised Estimates resulting into steep downward revision of budgetary allocation in Revised Estimates stage during 1998-99."

13. The Committee in their Third Report on Demands for Grants (1998-99) of Ministry of Finance (Departments of Economic Affairs and Expenditure) on the issue of under utilisation of budgetary allocations meant for procurement of machinery and equipment by CNP *inter-alia* recommended as under:—

"The Committee note with grave concern that substantial amount of budgetary allocation made during 1993-94, 1995-96, 1996-97 and 1997-98 could not be utilized by currency note press mainly due to non-receipt of Treasure Wagons from Bharat Earth Movers Ltd. (BEML). The Committee, therefore, desire that in future at least more caution should be taken while framing the budget estimates so that the same do not result in unnecessary savings and the budgetary exercise could become much more meaningful. The Committee should also be apprised of the year in which the currency note Press entered into contract with Bharat Earth Movers Ltd., the cost escalation due to delay in supply of the Treasure Wagons, the reasons for non-procurement of the equipment together with the concrete steps taken to procure the machinery during the current year."

14. In their action taken reply to the above mentioned recommendation Ministry of Finance (Department of Economic Affairs) *inter-alia* stated as under:—

“Provisions were kept in BE 1993–94 in anticipation of Govt.’s sanction and placement of order on M/s Bharat Earth Movers Ltd., Bangalore. However, the Technical Evaluation Committee of BNP, Dewas could finalise their recommendation on the placement of order on BEML for supply of 30 wagons only on 8.10.94. Accordingly, provisions in BE 1994–95 were kept in anticipation of advance payment and supply of wagons. Sanction could, however, be issued by the Ministry on 18.5.95. Supply order was placed by BNP, Dewas on 15.12.95. to supply 30 wagons, 15 each for BNP and CNP on M/s BEML, Bangalore, at a cost of Rs. 16.38 crores.

As per the supply order conditions, the first prototype wagon was to be ready by 31.01.97 or earlier and the bulk supply of the remaining wagons was to be commenced after two months from the date of clearance of the prototype wagon and the remaining were to be supplied @ 4 to 6 wagons per month. Thus the entire supply of the wagons was to be completed during the year 1997–98. However, the supplier i.e. M/s BEML, Bangalore (a Govt. undertaking) could not supply the prototype wagon on the scheduled date i.e. upto 31.01.97, but sought for extension of time for delivery. The delivery period of the prototype wagon was first extended upto 31.07.97 and secondly upto 31.12.97. As the prototype wagon was not ready for delivery even upto the extended date of 31.12.97, M/s BEML has again sought for extension but the same has not been granted so far.

The first prototype wagon despatched by BEML on 26th November, 1998, has been received at BNP siding, Dewas on 9.1.1999. Now the matter is being taken up with the Railway authorities to sort out the operational matters. The actual trial of the above wagon with the Express train with full load would start soon. It is expected that once the user trial is conducted and necessary certificates are issued to the BEML by the railway

authorities, the remaining 29 wagons will be supplied by them during the financial year 1999-2000.

It is further stated that there is no condition for cost escalation due to delay in supply of the treasury wagons. As per our supply order terms liquidated damages will be imposed on the supplier for delayed supply of these wagons as the delay has been on the part of the supplier and not on the purchaser. Regarding firm date for supply of these wagons it is stated that M/s BEML have committed to supply all the treasury wagons by 31.03.2000."

15. The Committee are concerned to note that it took more than seven months for the Ministry to issue the sanction for purchase of Treasure Wagons as a result of which the allocated amount during 1994-95 had to be surrendered. They further note that Bank Note Press (BNP), Dewas, took about another seven months since the date of obtaining sanction from the Government for placing orders on M/s BEML. The Committee feel that long period of about 14 months for both sanctioning and placing the order on BEML is unwarranted and could have been avoided. Moreover, during the years 1996-97, 1997-98 and 1998-99 the budgeted provision remained under-utilised due to non-supply of wagons by the supplier which is also not a healthy proposition.

16. The Committee would like to be apprised of whether in the supply order conditions any provision was inserted for imposing penalties on the supplier in case of their failure to adhere to delivery schedule and if so whether such a clause was invoked against BEML for their failure to do so.

17. The Committee are deeply constrained to note that the Ministry could not finalise the terms of payment to RBI for payment towards cost of new mahineries procured by RBI for currency note press and consequently had to surrender the funds for two consecutive years i.e. 1997-98 and 1998-99. The Committee would like the Ministry to apprise them as to why terms of payment could not be finalised for two years. The Committee also want the Ministry to finalise the same and pay the required amount to RBI without any further delay.

Demand No. 26
Department of Economic Affairs

Major Head : 4046
Minor Head : 00.102
Detailed Head : 01.00.53

Bank Note Press

Major Works

18. Bank Note Press (BNP), Dewas, Prints Bank Notes of Rs. 20/-, Rs. 50/-, Rs. 100/- and Rs. 500/-. This Press also manufactures ink for its own use as well as for the use of Currency Note Press, India Security Press and Security Printing Press. The BE, RE and actuals incurred on 'Major Works' are as follows :—

Year	Budget Estimates	Revised Estimates	Actuals
1994-95	4,00,00,000	2,76,35,000	1,50,13,000
1995-96	3,00,00,000	3,00,00,000	1,67,65,000
1996-97	10,00,00,000	5,88,00,000	3,77,05,000
1997-98	5,88,00,000	8,44,00,000	5,26,65,000
1998-99	9,00,00,000	6,44,00,000	4,74,00,000*
1999-2000	5,00,00,000		

* upto 21 March, 1999

19. In written reply to a query as to the reasons for continued under-utilisation of the allocated resources and also as to why higher amounts were allocated despite poor utilisation of earmarked amounts for the purpose in the preceeding years, Ministry of Finance (Department of Economic Affairs) informed as follows:—

“Since 1994–95 onward BNP has been keeping a provision for augmentation of water supply scheme to be sanctioned by Government of Madhya Pradesh in anticipation of their approval. As the water supply scheme was not approved by the M.P. Government, the fund asked for under this head could not be utilised. Further some of the civil works to be executed by the CPWD would not be taken up for want of finalisation of tenders, due to non-receipt of approved plans by them.

20. The Committee regret to find that the funds earmarked in the successive Budgets during the years 1994–95 to 1998–99 meant for augmentation of water supply and execution of some civil works, had to be surrendered for want of sanction from the Government of Madhya Pradesh and plan approval from CPWD respectively for which no specific reasons have been given. Desiring to know the specific reasons for not getting both the works executed, the Committee recommend that the matter may be taken up with the Government of Madhya Pradesh and CPWD authorities at appropriately higher level so that necessary sanction from M.P. Government and approved plan from CPWD could be obtained expeditiously.

21. The Committee would like to be apprised of the latest position in this regard.

Demand No. 26
Department of Economic Affairs

Major Head: 4046
Minor Head: 00.103
Detailed Head : 02.00.52

Security Paper Mill

Machinery and Equipment

22. The budgetary allocations, Revised Estimates and actuals incurred by security paper mill, Hoshangabad, for purchasing machinery and equipment since 1994-95 are as under:—

Year	Budget Estimates	Revised Estimates	Actuals
1994-95	2,90,00,000	2,59,00,000	87,56,000
1995-96	10,00,00,000	10,00,00,000	2,19,72,000
1996-97	12,00,00,000	9,28,00,000	8,75,24,000
1997-98	9,28,00,000	4,44,00,000	1,93,60,000
1998-99	12,00,00,000	1,53,00,000	1,10,00,000*
1999-2000	9,00,00,000		

* upto 20 March, 1999

23. The Ministry of Finance (Department of Economic Affairs) in their action taken reply to the Committee's recommendation on the under utilisation of allocated amounts under the Head as contained in their Second Report on Demands For Grants of (1996-97) of Ministry of Finance *inter-alia* stated as under:—

Mould Cylinder

This is an important item for which SPM placed order on the overseas supplier on 19.07.1995. However, the despatch documents were received only during 1996-97 and hence the payment was not possible in 1995-96 which resulted in saving.

24. On the reasons for lower actuals *vis-a-vis* Budget Estimates as well as Revised Estimates and the basis for allocating higher amounts despite meagre utilisation of budgetary allocations during the preceding years since 1995-96, in a written note, Ministry of Finance (Department of Economic Affairs) *inter-alia* informed as under:—

Mould Cylinder

Though provision was available during 1997-98, procurement could not materialise in that year. SPM had initiated the procurement action as early as in March, 1997 by issue of Global Tender Notice. Two-bid Tenders were issued on 30.06.1997 against which 3 quotations were received. However, prolonged correspondence with the firm and with Ministry were necessitated as the firm did not furnish EMD. As a result the contract could not be finalised during 1997-98 and as a result there were savings.

25. The Committee are not happy to find that even though the Budget estimates were downsized sharply while revising them, the actual expenditure incurred since 1994-95 did not match the Revised Estimates. This shows lack of prudent managerial planning. The Committee would like to be informed of the anticipated and actual expenditure (itemwise) incurred under the head Machinery and Equipment of Security Paper Mill since 1996-97.

26. It is also seen that the above mentioned replies received from the Ministry of Finance are conflicting with each other in so far as the time and/or method by which the order/tender for procurement was placed/initiated. The Committee would like to seek clarification as to whether the order placed on the overseas supplier on 19.07.1995 for procuring the cylinder was cancelled and subsequently open tender route was followed for procuring the same. The Committee would also like to be apprised of as to why there was such a shift in the method of procurement and the delay of about one year and a half for selecting and implementing the alternative course of procuring the said Cylinder.

27. The Committee would also like to be apprised of whether there is any cost escalation due to delay in choosing alternative course for procuring the same.

Demand No : 26
Department of Economic Affairs

Major Head : 4046
Minor Head : 00.107
Detailed Head : 02.00.52

Mints

Machinery and Equipment

28. To eliminate coin shortage and to have total coinage upto Rs. 5, Government of India approved the project for modernisation of mints located at Mumbai, Calcutta and Hyderabad in March, 1989 with the date of completion as March, 1992 and with an estimated cost of Rs. 118.20 crore. However, the project could not be completed as envisaged in the original as well revised schedule and the funds had to be surrendered provided for in the subsequent years as shown in the table:—

Year	BE		RE		Actuals	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1994-95	92,10,00,000	4,52,00,000	51,11,00,000	1,60,00,000	18,42,12,000	66,87,000
1995-96	76,68,00,000	2,28,00,000	55,86,00,000	1,13,00,000	53,88,65,000	39,50,000
1996-97	91,34,00,000	2,26,00,000	46,46,00,000	1,92,00,000	40,27,25,000	23,77,000
1997-98	28,42,00,000	2,02,00,000	16,00,00,000	1,97,00,000	14,57,48,000	55,89,000
1998-99	3,17,60,000	3,85,00,000	14,09,00,000	2,87,00,000	14,02,00,000	104,00,000*
1999-2000	25,70,00,000	9,40,00,000				

*Provisional

29. On the completion of the project, the Ministry of Finance (Department of Economic Affairs) in a written reply dated 8 August, 1996 have stated as under:—

“The project is scheduled for completion by November, 1996. Every effort is being made to adhere to the target. It is expected that the project will be completed as scheduled and the new Plant and Machinery will be fully operational by June 1997.”

30. However, the Annual Report (1995–96) of Ministry of Planning and Programme Implementation (Department of Programme Implementation) on the progress in the implementation of the project *inter-alia* have stated as under:—

“The present rate of progress is not commensurate for completing the project by November, 1996 and project activities at Bombay and Calcutta are far behind the schedule as compared to Hyderabad Mint. The civil works in Bombay and Calcutta Mints are very much behind the schedule.

31. The Committee in their recommendation as contained in their Second Report on Demands for Grants (1996–97) of Ministry of Finance *inter-alia* observed as follows:—

“However, in the light of the observations of the monitoring agency Department of Programme Implementation in their Annual Reports, the Committee have the apprehension that this project might not be completed as per the revised schedule *i.e.* November, 1996. The Committee, therefore, again urge the Ministry of Finance to take adequate steps and other measures required to ensure the completion of the project by November, 1996 as envisaged in the revised schedule.”

32. In their action taken reply to the above mentioned recommendation, the Ministry of Finance have *inter-alia* stated as under:—

“It is submitted that every effort is being made to ensure that the project is completed as per the revised schedule. It is pertinent to record here that Civil agencies like CPWD, NBCC and HSCL are constantly being persuaded to complete the civil works on Top priority basis. It is expected that by June, 1997 even the CN stream envisaged in the modernisation will be completed and trial runs made to achieve the targets of modernisation.”

33. With regard to the remedial measures taken/proposed to be taken to complete the project without any further delay during the examination of Demands for Grants (1997-98), the Ministry of Finance have *inter-alia* stated as under:—

“To overcome procedural delays, General Managers of the Mints have been delegated financial powers upto Rs. 25 lakhs for purchase of machinery and for execution of civil works through CPWD. The performance of the civil construction agencies has been reviewed and reallocation of works has been done by enlisting the services of other agencies.”

34. However, the Department of Programme Implementation which monitors the implementation of the project in their Annual Report (1996-97) have *inter-alia* stated as follows:—

“The present rate of progress is not commensurate for completing the project by November, 1996 and project activities at Bombay and Calcutta are far behind the schedule as compared to Hyderabad Mint.”

35. In their recommendation, the Committee apprehended that the project might not be completed even by November, 1997 *i.e.* with another one year delay from the required date of commissioning and desired that the project should be monitored at an appropriately higher level to ensure that completion of the project even as per revised schedule.

36. In their action taken reply to the above mentioned recommendation, Ministry of Finance have *inter-alia* furnished as under:—

“With a view to ensure that there is no further delay in completion of the project, implementation of various components of project was being regularly monitored. Remedial measures were being promptly taken wherever necessary to sort out difficulties. The progress had been speeded up. The projects at Mumbai and Calcutta were expected to be completed at the end of 1997.”

37. However, during the examination of Demands for Grants (1998–99) of Ministry of Finance (Department of Economic Affairs and Expenditure) *inter-alia* have submitted as under:—

“The projects at Mumbai and Calcutta are expected to be completed by March, 1999. The Government is monitoring the project regularly to ensure timely completion.”

38. The above mentioned commitment was also given by the Government to the Committee during the examination of Demands for Grants (1998–99) of Ministry of Finance.

39. However, the Committee in their Third Report on Demands for Grants (1998–99) of Ministry of Finance (Departments of Economic Affairs and Expenditure) the Committee *inter-alia* recommended as under:—

“The Committee take a serious note of the fact that despite repeated assurances given by the Ministry of Finance, the project has not been completed even as on date. The very fact that the stipulated date of completion which was originally fixed as March, 1992 with an estimated cost of Rs. 118.28 crore, had to be subsequently revised to 30 November, 1996 together with revised cost estimates of Rs. 348.80 crore and expected date of completion being shifted first to June, 1997 then to December, 1997 and now to March, 1999 is in itself indicative of casual

approach adopted by the Ministry and lack of proper monitoring on their part. It is disheartening to note that repeated recommendations of the Committee for completing the project within the revised targets (both cost and time) have made little impact on the dithering attitude of the Ministry..... It is also beyond comprehension as to how the Ministry kept on assuring the Committee that the project would be completed within the revised schedule even when the monitoring agency *i.e.* Department of Programme Implementation had in their successive Annual Reports clearly cautioned about the slow pace of progress of the project and had expressed apprehensions for its timely completion.....”

40. In their action taken reply to the above mentioned recommendation the Ministry of Finance have *inter-alia* stated that the Ministry accepts the fact that the project has been delayed. But at the same time, it is submitted that the Ministry has been closely monitoring the progress and taking remedial steps.

41. When asked as to the completion of the project, the Ministry in their latest reply stated as under:—

“Every effort has been made to complete the project at Calcutta and Mumbai by 31.03.1999. Despite difficulties caused by discovery of unexpected drainage system and concrete structure in excavation works and space constraints in the existing premises where modernisation work is being done, 90% of major works at Calcutta and 100% at Mumbai are complete. Substantial number of new machines have been added to existing ones both in Calcutta & Mumbai Mints. As such, it is to be understood that while work is going on, several machines have been installed and additional production started. Both the Mints are expected to achieve optimum production, after modernisation, during 1999–2000.”

42. With regard to the total value of coins as well as currency notes imported and the amount of money spent on importing the

currency notes the Ministry of Finance furnished the following data:—

	Coins	Notes
Value	Rs. 3319 crore	Rs. 1,62,361 crore
Quantity	35000 million pieces (approx.)	34000 million pieces (approx.)
Expenditure incurred on import of Notes and Coins (year-wise)		
(Rs. in crores)		
Year	Notes	Coins
1997-98	196.34	75.49
1998-99	188.15	53.80

43. The above mentioned recommendations of the Committee in their reports on Demand for Grants of Ministry of Finance since 1996-97 and the subsequent action taken replies reveal that every time the Ministry assures the Committee of the completion of the project as per schedule/revised schedule, but exactly opposite had happened which is reflected in frequently changing schedules of completion of the project, *i.e.* from March, 1992 to 30 November, 1996 then to June, 1997, further to December, 1997 still further to March, 1999 and finally to 1999-2000. The Committee observe that such assurances/commitments smack of cover-up to keep the Committee in dark about the real progress achieved in the completion of the said project. This is especially so in the light of the fact that successive annual Reports of Department of Programme Implementation (DPI) since 1995-96 maintained a position which ran contrary to that of the commitments made by the Ministry to the Parliamentary Committee. The Committee are of the opinion that such vague commitments do not inspire much confidence in the working of Ministry of Finance.

44. The Committee feel that had the project been completed even as per the revised schedule, it would have obviated the necessity of importing coins and substantial amount spent on Import of coins and notes could have been saved. The Committee, therefore, urge that atleast from now onwards earnest efforts should be made to ensure the completion of the project during 1999-2000.

Demand No. 27
Department of Economic Affairs

Major Head : 5465

Minor Head : 190

Priority Sector Lending to Agriculture

45. As per the extant RBI guidelines Indian public sector as well as private sector commercial banks have to lend 18 per cent of their Net Bank Credit (NBC) to Agriculture sector. In a written reply on the disbursal of credit to agriculture as a percentage of NBC by private sector commercial banks (both old and new) since 1995-96 the Ministry have furnished the data as follows:—

**PRIORITY SECTOR LENDING OF PRIVATE SECTOR
BANKS—MARCH, 1995**

(Amount in Rs. Lakhs)

Sl.No.	Name of the Bank	Total Advances (Net Bank Credit) (Balance Outstanding)	Agricultural Advances (Balance Outstanding)	% age of Agricultural Advances to Total Advances (NBC) (Target 18%)
1	2	3	4	5
1.	Jammu & Kashmir Bank Ltd.	129575.00	2982.00	2.30
2.	Bank of Rajasthan Ltd.	103694.00	5654.00	5.45
3.	Karnataka Bank Ltd.	81229.00	6763.00	8.33
4.	Vysya Bank Ltd.	273625.00	15768.00	5.76
5.	Catholic Syrian Bank Ltd.	64523.00	3283.00	5.09
6.	Dhanalakshmi Bank Ltd.	29159.50	324.73	1.11
7.	Federal Bank Ltd.	130117.00	11029.00	8.48
8.	Lord Krishna Bank Ltd.	15008.74	225.91	1.50

1	2	3	4	5
9.	Nedungadi Bank Ltd.	17891.49	647.92	3.62
10.	South Indian Bank Ltd.	62538.00	2132.00	3.41
11.	Ratnakar Bank Ltd.	9083.31	973.01	11.77
12.	Sangli Bank Ltd.	39187.22	4338.24	11.07
13.	United Western Bank Ltd.	76287.60	7051.00	9.24
14.	Ganesh Bank of Kurunwad Ltd.	2270.05	637.96	25.06
15.	Bank of Madura Ltd.	65332.00	2956.62	4.52
16.	Bharat Overseas Bank Ltd.	19667.00	5605.00	2.85
17.	Karur Vysya Bank Ltd.	65336.00	4143.00	6.20
18.	Lakshmi Vilas Bank Ltd.	46168.21	3300.51	8.23
19.	City Union Bank Ltd.	28200.85	2004.77	7.11
20.	Tamilnad Mer. Bank Ltd.	63458.71	4537.82	7.15
21.	Bareilly Corpn. Bank Ltd.	7213.28	577.17	8.00
22.	Benares State Bank Ltd.	14136.00	233.40	1.60
23.	Nainital Bank Ltd.	6365.85	716.91	11.26
24.	Kashi Seth Bank Ltd.	4661.78	379.45	8.14
25.	Bari Doab Bank Ltd.	83.06	11.17	13.45
26.	Punjab Co-operative Bank Ltd.	1004.39	1.21	0.12
Total		1355815.46	81594.90	6.02

**PRIORITY SECTOR LENDING OF PRIVATE SECTOR
BANKS - MARCH, 1996**

(Amount in Rs. Lakhs)

Sl.No.	Name of the Bank	Total Advances (Net Bank Credit) (Balance Outstanding)	Agricultural Advances (Balance Outstanding)	% of Agricultural Advances to Total Advances (NBC) (Target 18%)
1	2	3	4	5
OLD PRIVATE SECTOR BANKS				
1.	Jammu & Kashmir Bank Ltd.	91630.00	6371.00	6.95
2.	Bank of Rajasthan Ltd.	130064.00	8900.00	6.84
3.	Karnataka Bank Ltd.	107652.54	9876.99	9.17
4.	Vysya Bank Ltd.	223982.00	24886.00	11.11
5.	Catholic Syrian Bank Ltd.	63059.00	2950.00	4.68
6.	Dhanalakshmi Bank Ltd.	41058.00	527.45	1.28
7.	Federal Bank Ltd.	131767.00	14986.00	11.37
8.	Lord Krishna Bank Ltd.	22621.35	618.02	2.73
9.	Nedungadi Bank Ltd.	22036.00	902.55	4.10
10.	South Indian Bank Ltd.	75193.00	2580.00	3.43
11.	Ratnakar Bank Ltd.	9670.98	968.38	10.01
12.	Sangli Bank Ltd.	39037.53	4914.33	12.59
13.	United Western Bank Ltd.	87648.00	6366.00	7.26

1	2	3	4	5
14.	Ganesh Bank of Kurunwad Ltd.	3113.46	828.41	26.61
15.	Bank of Madura Ltd.	75013.00	4328.00	5.77
16.	Bharat Overseas Bank Ltd.	19568.00	2439.67	12.47
17.	Karur Vysya Bank Ltd.	79234.00	5900.38	7.45
18.	Lakshmi Vilas Bank Ltd.	46589.61	5262.33	11.30
19.	City Union Bank Ltd.	36498.00	2373.00	6.50
20.	Tamilnad Mer. Bank Ltd.	70622.30	5433.09	7.69
21.	Bareilly Corpn. Bank Ltd.	8100.00	587.00	7.25
22.	Benares State Bank Ltd.	15279.72	244.70	1.60
23.	Nainital Bank Ltd.	7517.35	716.39	9.53
24.	Sikkim Bank Ltd.	830.85	0.45	0.05
25.	Bari Doab Bank Ltd.	73.95	12.80	17.31
26.	Punjab Co-operative Bank Ltd.	1498.53	4.59	0.31
Total		1409358.17	112977.48	8.02

NEW PRIVATE SECTOR BANKS

1.	UTI Bank	45858.00	1122.36	2.03
2.	IndusInd Bank Ltd.	63302.22	2938.28	4.64
3.	ICICI Banking Corpn. Ltd.	61472.00	845.00	1.37

1	2	3	4	5
4.	Global Trust Bank Ltd.	113716.00	803.20	0.70
5.	HDFC Bank Ltd.	27957.00	3500.00	12.50
6.	Centurion Bank Ltd.	18092.55	75.54	0.42
7.	Bank of Punjab Ltd.	22129.70	40.91	0.18
8.	Times Bank Ltd.	33046.00	NA	NA
9.	Dev Credit Bank Ltd.	41181.45	977.56	2.37
10.	SBI Comm. & Intl. Bank Ltd.	7474.00	NA	NA
11.	IDBI Bank Ltd.	5465.43	NA	NA
Total		439694.35	10302.85	2.20

NA : Not available.

PRIORITY SECTOR LENDING OF PRIVATE SECTOR BANKS—MARCH, 1997

(Amount in Rs. Lakhs)

Sl.No.	Name of the Bank	Total Advances (Net Bank Credit) (Balance Outstanding)	Agricultural Advances (Balance Outstanding)	% of Agricultural Advances to Total Advances (NBC) (Target 18%)
1	2	3	4	5
OLD PRIVATE SECTOR BANKS				
1.	Jammu & Kashmir Bank Ltd.	116785.00	9612.00	8.23
2.	Bank of Rajasthan Ltd.	1518.00	188.00	12.38

1	2	3	4	5
3.	Karnataka Bank Ltd.	126018.00	17238.00	13.68
4.	Vysya Bank Ltd.	237300.00	31028.00	13.08
5.	Catholic Syrian Bank Ltd.	95656.00	3306.00	3.46
6.	Dhanalakshmi Bank Ltd.	49599.00	2937.97	5.92
7.	Federal Bank Ltd.	145654.00	22405.00	15.38
8.	Lord Krishna Bank Ltd.	28891.09	1994.55	6.90
9.	Nedungadi Bank Ltd.	28424.77	1955.48	6.88
10.	South Indian Bank Ltd.	66239.00	4589.00	6.93
11.	Ratnakar Bank Ltd.	13004.63	1049.52	8.07
12.	Sangli Bank Ltd.	43375.00	6125.00	14.12
13.	United Western Bank Ltd.	103456.00	9963.00	9.63
14.	Ganesh Bank of Kurunwad Ltd.	4560.75	1240.49	27.20
15.	Bank of Madura Ltd.	72337.00	6843.00	9.46
16.	Bharat Overseas Bank Ltd.	22163.58	1709.72	7.71
17.	Karur Vysya Bank Ltd.	85194.00	9507.00	11.16
18.	Lakshmi Vilas Bank Ltd.	55929.52	8266.58	14.78
19.	City Union Bank Ltd.	42378.23	2450.28	5.78
20.	Tamilnad Mer. Bank Ltd.	76518.01	6467.73	8.45

1	2	3	4	5
21.	Bareilly Corpn. Bank Ltd.	9091.00	901.00	9.91
22.	Benares State Bank Ltd.	20800.60	281.83	1.35
23.	Nainital Bank Ltd.	8130.36	779.08	9.58
24.	Sikkim Bank Ltd.	2687.10	0.37	0.01
25.	Bari Doab Bank Ltd.	94.31	13.64	14.46
26.	Punjab Co-operative Bank Ltd.	1518.18	3.35	0.22
Total		1457323.11	150855.59	10.35

NEW PRIVATE SECTOR BANKS

1.	UTI Bank	56875.00	1377.00	2.42
2.	IndusInd Bank Ltd.	133625.74	10944.69	8.19
3.	ICICI Banking Corpn. Ltd.	73231.00	8357.00	11.41
4.	Global Trust Bank Ltd.	114322.00	2524.90	2.21
5.	HDFC Bank Ltd.	45922.30	8857.40	19.29
6.	Centurion Bank Ltd.	68748.35	3807.60	5.54
7.	Bank of Punjab Ltd.	28776.00	3509.80	12.20
8.	Times Bank Ltd.	71222.00	1900.00	2.67
9.	Dev Credit Bank Ltd.	62236.83	1776.15	2.85
10.	SBI Comm. & Intl. Bank Ltd.	1343.00	0.00	0.00
11.	IDBI Bank Ltd.	28930.68	1348.77	4.66
Total		685232.90	44403.31	6.48

**PRIORITY SECTOR LENDING OF PRIVATE
SECTOR BANKS – MARCH, 1998**

(BOTH OLD AND NEW)

(Amount in Rs. Lakhs)

Sl.No.	Name of the Bank	Total Advances (Net Bank Credit) (Balance Outstanding)	Agricultural Advances (Balance Outstanding)	% of Agricultural Advances to Total Advances (NBC) (Target 18%)
1	2	3	4	5
1.	Jammu & Kashmir Bank Ltd.	131929.00	9717.00	7.37
2.	Bank of Rajasthan Ltd.	163466.00	23148.00	14.16
3.	Karnataka Bank Ltd.	154699.00	20631.00	13.34
4.	Vysya Bank Ltd.	243000.00	38191.00	15.72
5.	Catholic Syrian Bank Ltd.	58996.00	3696.00	6.26
6.	Dhanalakshmi Bank Ltd.	48191.98	4249.36	8.82
7.	Federal Bank Ltd.	232875.00	29991.00	12.88
8.	Lord Krishna Bank Ltd.	28134.15	3855.87	13.71
9.	Nedungadi Bank Ltd.	34048.40	2633.18	7.13
10.	South Indian Bank Ltd.	83651.00	4480.00	5.36
11.	Ratnakar Bank Ltd.	15627.76	1004.58	6.43
12.	Sangli Bank Ltd.	42493.00	5725.00	13.47
13.	United Western Bank Ltd.	127435.00	11111.00	8.72
14.	Ganesh Bank of Kurunwad Ltd.	5422.32	1430.29	26.38

1	2	3	4	5
15.	Bank of Madura Ltd.	82833.00	7343.00	8.86
16.	Bharat Overseas Bank Ltd.	30751.98	2503.95	8.14
17.	Karur Vysya Bank Ltd.	106030.00	11029.00	10.40
18.	Lakshmi Vilas Bank Ltd.	68786.75	11512.43	16.74
19.	City Union Bank Ltd.	50206.00	3884.67	7.74
20.	Tamilnad Mer. Bank Ltd.	66295.43	7749.87	8.98
21.	Bareilly Corpn. Bank Ltd.	10788.00	536.00	6.79
22.	Benares State Bank Ltd.	26390.00	479.00	1.91
23.	Nainital Bank Ltd.	8179.00	818.52	10.01
24.	Sikkim Bank Ltd.	6051.80	0.36	0.01
25.	SBI Comm. & Intl. Bank Ltd.	10797.00	Nil	0.00
26.	UTI Bank Ltd.	138180.00	4335.00	3.14
27.	IndusInd Bank Ltd.	178798.03	15700.75	8.78
28.	ICICI Banking Corpn. Ltd.	100434.00	4968.00	4.95
29.	Global Trust Bank Ltd.	163640.00	6126.09	3.74
30.	HFDC Bank Ltd.	51589.35	9630.23	18.67
31.	Centurion Bank Ltd.	73571.39	3905.56	5.31

1	2	3	4	5
32.	Bank of Punjab Ltd.	48514.24	5847.01	12.05
33.	Times Bank Ltd.	85469.00	3946.00	4.62
34.	Dev Credit Bank Ltd.	77838.00	6999.00	8.99
35.	IDBI Bank Ltd.	65302.04	7405.02	11.34
Total		2840413.62	274582.74	9.67

46. The above data reveal that attainment of targets for lending to agriculture under priority sector lending obligations by private sector commercial banks is nowhere near the prescribed percentage even after taking into account their contribution—maximum of 1.5 per cent of NBC – to Rural Infrastructure Development Fund which was started in 1995–96 for extending loans to state governments for development of agricultural related infrastructure.

47. The Committee would like to be apprised as to why the lending to agriculture by these banks is too low *vis-a-vis* their counterparts in public sector banks. The Committee would also like to be apprised of whether any punishment is meted out to those banks which have been continuously lending to agriculture at a far lower percentage as compared to stipulated percentage.

48. The Committee are of the view that lack of adequate institutional credit to small and marginal farmers drives them to borrow funds at very high rates from usuries which inturn results in debt trap for such small farmers. Hence, the Committee desire that RBI/Government should ensure that the private sector banks lend to agriculture as per the stipulated percentage.

Demand No. 27
Department of Economic Affairs

Major Head : 5465

Minor Head : 190

Credit Deposit (CD) Ratio of Public Sector Commercial Banks

49. The Credit Deposit (CD) Ratio is often considered to be an important indicator, among others, of the extent of contribution made by the banks to developmental activities in the concerned States. The C.D. Ratio of the public sector commercial banks (bank-wise) for the last three years is as under:—

(Per cent)

S.No.	Name of Bank	As on		
		March 29, 1996	March 28, 1997	March 27, 1998
1	2	3	4	5
1.	State Bank of India	62.9	59.7	57.2
2.	State Bank of B & J	59.9	60.5	59.0
3.	State Bank of Hyderabad	74.6	68.5	62.5
4.	State Bank of Indore	66.3	63.4	61.9
5.	State Bank of Mysore	64.3	66.8	64.2
6.	State Bank of Patiala	60.2	56.2	62.0
7.	State Bank of Saurashtra	64.2	58.9	63.2
8.	State Bank of Travancore	70.6	64.4	60.4
9.	Allahabad Bank	51.4	47.6	46.9
10.	Andhra Bank	46.7	44.3	43.5
11.	Bank of Baroda	61.3	56.7	56.6

1	2	3	4	5
12.	Bank of India	58.8	57.8	56.1
13.	Bank of Maharashtra	52.0	48.6	46.3
14.	Canara Bank	56.9	50.4	50.9
15.	Central Bank of India	50.4	44.3	45.8
16.	Corporation Bank	43.5	46.9	45.3
17.	Dena Bank	58.4	57.1	58.2
18.	Indian Bank	64.5	54.1	51.6
19.	Indian Overseas Bank	44.9	42.8	42.2
20.	Oriental Bank of Commerce	57.5	49.8	48.5
21.	Punjab National Bank	49.1	47.8	47.7
22.	Punjab & Sind Bank	58.3	50.6	46.6
23.	Syndicate Bank	45.6	42.6	43.7
24.	Union Bank of India	48.6	47.1	46.9
25.	United Bank of India	43.0	38.7	36.7
26.	UCO Bank	49.6	44.7	43.9
27.	Vijaya Bank	45.5	41.3	43.2

50. The Committee express their concern at the continuously declining C.D. Ratio of majority of the public sector commercial banks and urge the Government to reverse the trend by taking suitable steps. The Committee also desire that they should be apprised of the specific reasons for such a declining tendency of CD Ratio.

Demand No. 27
Department of Economic Affairs

Assured Return Schemes

51. The data on the amount of funds given to mutual fund subsidiaries of public sector commercial banks and insurance companies *i.e.* LIC and GIC to enable them to redeem the units at the rate agreed upon by the mutual funds as there is shortfall in revenue to repurchase/redeem the units at a price agreed upon earlier is as follows:

Name of the Fund	Name of the Scheme	Amount of Shortfall Made Good by the Sponsors
1	2	3
BOI Mutual Fund		
	Festival Boinanza Growth Scheme	Rs. 1.38 crores
	Double Square Plus Scheme	Rs. 27.96 crores
Canbank Mutual Fund		
	Canstar	Rs. 972 crores
GIC Mutual Fund		
	GIC Big Value	Rs. 46.88 crores
PNB Mutual Fund		
	Premium Plus 91	Rs. 2.8 crores
Indian Bank Mutual Fund		
	Ind Jyothi	Rs. 23.18 crores

1	2	3
SBI Mutual Fund	MMIS 91	Rs. 34.25 crores
	Magnum Bond Fund	Rs. 12.29 crores
LIC Mutual Fund	Dhanvarsha (3)	Rs. 12.4 crores
	Dhanvarsha (4)	Rs. 136.92 crores
	Dhanvarsha (5)	Rs. 53.34 crores
	Dhanshree 89	Rs. 7.5 crores
Total		Rs. 1330.9 crores

52. The Committee believe that the assured return schemes floated by mutual funds which are sponsored by public sector commercial banks and insurance companies were run by fund managers in such a way that they failed to generate the expected returns to redeem the units at a prefixed price resulting in bailing out of such funds by the sponsor of the mutual funds. Hence, the Committee recommend that the mutual funds sponsored by public sector commercial banks and insurance companies if their investment strategies are not in tune with the objective of the scheme, should not be allowed to operate assured return schemes.

Demand No. 32
Department of Expenditure

Expenditure Reforms Commission

53. To address the issue of Fiscal Discipline, the then Finance Minister while presenting the Budget for 1996-97 *inter-alia* proposed the following:—

“Without a credible public expenditure management policy, no programme of fiscal deficit reduction will be sustained. I accept the position that sound expenditure management is not a mere technocratic exercise but involves issues of equity, fairness and non-discrimination. In order to work out a reasonable policy in this regard, I propose to appoint a High-Level Expenditure Management and Reforms Commission comprising distinguished political leaders, economists and administrators. This Commission will be given four months—and I hope no more to submit its recommendations on public expenditure management and control as far as the Central Government is concerned. The report will be made public immediately so that we can generate an informed public debate on an issue that has a vital bearing on our economic future.”

54. When asked about the specific reasons during the examination of Demands for Grants (1998-99) of Ministry of Finance for not constituting Expenditure Management and Reforms Commission (EMRC), the Ministry of Finance in a written note submitted as under:—

“The High Level Expenditure Management & Reforms Commission has not yet been set up. The terms of reference of the Commission were to relate to all aspects of public expenditure management & control in Central Government. The Constitution of the proposed Commission is dependent on getting the consent of appropriate members. These have not yet been settled/obtained.”

55. Replying to a query on the proposed Commission as announced by the former Finance Minister, Secretary (Department of Expenditure), during the course of evidence held on 16 June, 1998 stated as under:—

“So when the Expenditure Management Commission was considered by the former Finance Minister, the understanding that we got was that he wanted it to be manned through

appropriate political personalities so that consensus can emerge which will be accepted in the country and decisions can come. But he came back later. I think, there was an announcement made by him saying that he could not constitute it because he could not get the agreement from the appropriate personnel to be nominated into this Commission."

56. When asked whether the Department feel the need for such a commission, Secretary (Department of Expenditure), during the course of evidence held on 16 June, 1998 stated as under:—

"It was considered because in a commission which is involving different political parties and well-known personalities in the country, consensus can come up."

57. The Committee in their Third Report on Demands for Grants (1998-99) of Ministry of Finance (Departments of Economic Affairs and Expenditure) *inter-alia* recommended as under:—

"As such, expenditure patterns may force the Government to increasingly resort to borrowings from the markets to repay the old debt incurred on account of revenue expenditure. The Committee, therefore, recommend that urgent steps should be taken to constitute Expenditure Management and Reforms Commission consisting of distinguished personalities in all walks of life and leaders from national political parties to have consensus approach in the policies and strategies which need to be evolved for revamping the expenditure patterns of the Central Government without any further delay."

58. The Ministry of Finance (Department of Expenditure) in their Action Taken reply to the above mentioned recommendation submitted as under:—

"The appointment of a High-Level Expenditure Management and Reforms Commission as envisaged has not been possible because of genuine difficulties experienced in securing the consent of distinguished Members of Parliament, who had been identified, to serve on the commission. The involvement of representatives of political parties of diverse views and philosophies had been considered desirable so as to evolve a consensus on the crucial and important issues involved.

Efforts in this direction having been unsuccessful, the Parliamentary Standing Committee, being an Expert Body, may itself like to deliberate on the reforms necessary and make suitable recommendation in the matter. Such recommendations as are made by the Committee will receive the serious consideration of the Government."

59. However, the Finance Minister while presenting the budget for the year 1999-2000 has *inter-alia* announced constitution of Expenditure Reforms Commission with the objectives of austerity and economy in non-developmental expenditure, reduction in the non-essential activities of the Government and downsizing the organisations in a progressive manner, ensuring expenditure efficiency through convergence of schemes and programmes to optimise the use of the existing infrastructure at various levels, etc.

60. On the composition and terms of reference of ERC, the Ministry of Finance (Department of Expenditure) submitted as under:—

“The composition and the Terms of Reference of the Expenditure Reforms Commission are presently under consideration of the Government.”

61. The Committee believe that sincere efforts could not be made by the Government in roping in the distinguished Members of Parliament representing different political parties having diverse views and philosophies in the proposed Expenditure Management and Reforms Commission. This is especially so in the light of the fact that the Finance Minister while presenting the Budget for the current year proposed the formation of Expenditure Reforms Commission with the similar objectives as that of the earlier commission proposed by his predecessor which inturn implies that the Government is confident of involving the representatives of various political parties of different ideologies without which the Committee believe the desired purpose will not be served. Hence, the Committee feel that had the Government taken sincere steps to constitute the commission as proposed earlier, substantial work could have been done in this regard by now. They therefore recommend that suitable steps should be initiated immediately to constitute the recently announced Expenditure Reforms Commission. The committee also suggest that undue importance should not be given to nomenclature and waste precious time in only changing the names of such bodies by relegating the important objectives and functions for which these are proposed to be constituted.

Demand No. 32
Department of Expenditure

Utilisation of Plan Funds

62. Budget Estimates, Revised Estimates and actuals of Plan expenditure both Revenue and Capital of Central Government since 1991-92 are as follows:—

		(Rs. crore)		
Year		Budget Estimate	Revised Estimate	Actual Exp.
1		2	3	4
1991-92	Revenue	17068	16934	15074
	Capital	16657	16098	15887
	Total	33725	33032	30961
1992-93	Revenue	18337	20518	19777
	Capital	16275	16455	16883
	Total	34612	36973	36660
1993-94	Revenue	24185	26354	24848
	Capital	17066	19672	18814
	Total	41251	46026	43662
1994-95	Revenue	28062	28937	28265
	Capital	18520	19824	19113
	Total	46582	48761	47378

1		2	3	4
1995-96	Revenue	29330	30423	29021
	Capital	19170	18261	17353
	Total	48500	48684	46374
1996-97	Revenue	33467	32364	31635
	Capital	21218	22530	21899
	Total	54685	54894	53534
1997-98	Revenue	37554	36120	35174
	Capital	25398	28535	23903
	Total	62582	60630	59077
1998-99	Revenue	43761	41448	NA
	Capital	28241	29923	NA
	Total	72002	68371	NA

63. The above data reveal that the actual revenue expenditure under plan had fallen short of Revised Estimates every year from 1991-92 to 1997-98. The Capital expenditure which is incurred predominantly for creation of productive assets had also shown under utilisation to the extent of Rs. 211, 858, 711, 908, 631 and 607 crore even compared to Revised Estimates in 1991-92, 1993-94, 1994-95, 1995-96, 1996-97 and 1997-98 respectively.

64. On the reasons for under utilisation of the plan funds, the Ministry of Finance (Department of Expenditure) in a written reply furnished to the Committee stated as under:—

“There are several reasons for shortfalls in the utilisation of Plan funds in Central Ministries/Departments. These include

delays in the formulation, appraisal and approval of schemes and inadequacies in implementation. In addition, in the case of some Centrally Sponsored Schemes which require counterpart funds being provided by the States, there have been delays in implementing the schemes on account of the States not being able to provide funds as per the prescribed pattern. Finally, funds under Central and Centrally Sponsored Schemes are released to them. There have been delays on the part of the implementing agencies in furnishing utilisation certificates on time. In the case of many Centrally Sponsored Schemes, there have also been shortfalls in the utilisation of funds on account of the States not being able to fill up the posts created for these schemes."

65. With regard to the specific steps taken or proposed to be taken to ensure full utilisation of plan funds, the Ministry of Finance (Department of Expenditure) in a written reply submitted to the Committee stated as under:—

"With a view to maximise utilisation of Plan allocations, the Ministry of Finance and Planning Commission have been making efforts to expedite the process of appraisal and approval of Plan Schemes. In addition, special efforts are being made to remove the existing bottlenecks listed above through close monitoring of the various schemes by the concerned Ministries/Departments. As far as possible, the Ministries/Departments are being encouraged to include only such Plan scheme in the Budget, as have been cleared at all levels."

66. It is saddening to note that the Government have miserably failed to take suitable steps to quicken the process of formal action, appraisal and approval of schemes, which is reflected in underutilisation of huge amounts of the Plan allocations not only for revenue expenditure but also in case of the expenditure meant for creation of productive assets resulting in surrenders all these years. The Committee therefore, recommend that the Government should impress upon the concerned agencies/State Governments the need to provide counterpart funds and to create posts for implementation of

various schemes in time thereby obviating the need for surrendering the allocated amounts. In this context the Committee concur with the views of the Ministry that only those schemes which are cleared at all levels should be included in the Budget enabling the utilisation of budgeted amount fully and recommend that it should be strictly adhered to.

67. The Committee are of the view that a part of the reduction in fiscal deficit could be attributed to underutilisation of the funds during the above mentioned years. Hence, they recommend that surrendering of funds due to various reasons should not be resorted to in a bid to show the reduction in fiscal deficit.

NEW DELHI;
15 April, 1999

25 Chaitra, 1921 (Saka)

MURLI DEORA,
Chairman,
Standing Committee on Finance.

STATEMENT OF CONCLUSIONS/RECOMMENDATIONS
OF THE COMMITTEE

Sl. No.	Para No(s).	Conclusions/Recommendations
1	2	3
1.	5	<p>The Committee are astonished to find that though budgetary allocations had been provided since 1995-96 for establishing DRT at Mumbai, which possibly accounts for major chunk of sticky loans, the Government had failed to establish the same and had to surrender the funds for the last four years. The Committee deplore the inordinate delay in the matter and recommend that immediate steps should be taken to establish the same. The Committee would like to be apprised of the specific reasons for not establishing DRT at Mumbai.</p>
2.	8, 9 & 10	<p>The Committee are at a loss to find that 'Actuals' during the years from 1994-95 to 1998-99 have all along been far below the 'Estimates' except during the year 1995-96 despite revising the allocation downwards sharply at RE stage.</p> <p>Lower utilisation of funds, attributed to low production of Security Paper which in turn is attributed to delay in modifying the paper making machine resulting in savings in procurement of raw materials such as Security Thread, Security Fibre, Hardwaste, etc., is far from satisfactory.</p>

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The Committee recommend that to the maximum extent possible the budgetary exercise should be done in such a way so that allocated resources are spent during that year itself.

3. 15, 16 & 17

The Committee are concerned to note that it took more than seven months for the Ministry to issue the sanction for purchase of Treasure Wagons as a result of which the allocated amount during 1994-95 had to be surrendered. They further note that Bank Note Press (BNP), Dewas, took about another seven months since the date of obtaining sanction from the Government for placing orders on M/s BEML. The Committee feel that long period of about 14 months for both sanctioning and placing the order on BEML is unwarranted and could have been avoided. Moreover, during the years 1996-97, 1997-98 and 1998-99 the budgeted provisions remained under-utilised due non-supply of wagons by the supplier which is also not a healthy proposition.

The Committee would like to be apprised of whether in the supply order conditions any provision was inserted for imposing penalties on the supplier in case of their failure to adhere to delivery schedule and if so whether such a clause was invoked against BEML for their failure to do so.

The Committee are deeply constrained to note that the Ministry could not finalise the terms of payment to RBI for payment towards cost of new machineries procured

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by RBI for currency note press and consequently had to surrender the funds for two consecutive years *i.e.* 1997-98 and 1998-99. The Committee would like the Ministry to apprise them as to why terms of payment could not be finalised for two years. The Committee also want the Ministry to finalise the same and pay the required amount to RBI without any further delay.

4. 20 & 21

The Committee regret to find that the funds earmarked in the successive Budgets during the years 1994-95 to 1998-99 meant for augmentation of water supply and execution of some civil works, had to be surrendered for want of sanction from the Government of Madhya Pradesh and plan approval from CPWD respectively for which no specific reasons have been given. Desiring to know the specific reasons for not getting both the works executed, the Committee recommend that the matter may be taken up with the Government of Madhya Pradesh and CPWD authorities at appropriately higher level so that necessary sanction from M.P. Government and approved plan from CPWD could be obtained expeditiously.

The Committee would like to be apprised of the latest position in this regard.

5. 25, 26 & 27

The Committee are not happy to find that even though the Budget estimates were downsized sharply while revising them, the actual expenditure incurred since 1994-95 did not match the Revised Estimates. This

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shows lack of prudent managerial planning. The Committee would like to be informed of the anticipated and actual expenditure (itemwise) incurred under the head Machinery and Equipment of Security Paper Mill since 1996-97.

It is also seen that the above mentioned replies received from the Ministry of Finance are conflicting with each other in so far as the time and/or method by which the order/tender for procurement was placed/initiated. The Committee would like to seek clarification as to whether the order placed on the overseas supplier on 19.07.1995 for procuring the cylinder was cancelled and subsequently open tender route was followed for procuring the same. The Committee would also like to be apprised of as to why there was such a shift in the method of procurement and the delay of about one year and a half for selecting and implementing the alternative course of procuring the said Cylinder.

The Committee would also like to be apprised of whether there is any cost escalation due to delay in choosing alternative course for procuring the same.

6. 43 & 44

The above mentioned recommendations of the Committee in their reports on Demands for Grants of Ministry of Finance since 1996-97 and the subsequent action taken replies reveal that every time the Ministry assures the Committee of the completion of the project as per schedule/revised

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schedule, but exactly opposite had happened which is reflected in frequently changing schedules of completion of the project, *i.e.* from March, 1992 to 30 November, 1996 then to June, 1997, further to December, 1997 still further to March, 1999 and finally to 1999–2000. The Committee observe that such assurances/commitments smack of cover-up to keep the Committee in dark about the real progress achieved in the completion of the said project. This is especially so in the light of the fact that successive annual Reports of Department of Programme Implementation (DPI) since 1995–96 maintained a position which ran contrary to that of the commitments made by the Ministry to the Parliamentary Committee. The Committee are of the opinion that such vague commitments do not inspire much confidence in the working of Ministry of Finance.

The Committee feel that had the project been completed even as per the revised schedule, it would have obviated the necessity of importing coins and substantial amount spent on import of coins and notes could have been saved. The Committee, therefore, urge that atleast from now onwards earnest efforts should be made to ensure the completion of the project during 1999–2000.

7. 46, 47 & 48

The above data reveal that attainment of targets for lending to agriculture under priority sector lending obligations by

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private sector commercial banks is nowhere near the prescribed percentage even after taking into account their contribution—maximum of 1.5 percent of NBC—to Rural Infrastructure Development Fund which was started in 1995–96 for extending loans to state governments for development of agricultural related infrastructure.

The Committee would like to be apprised as to why the lending to agriculture by these banks is too low *vis-a-vis* their counterparts in public sector banks. The Committee would also like to be apprised of whether any punishment is meted out to those banks which have been continuously lending to agriculture at a far lower percentage as compared to stipulated percentage.

The Committee are of the view that lack of adequate institutional credit to small and marginal farmers drives them to borrow funds at very high rates from usuries which inturn results in debt trap for such small farmers. Hence, the Committee desire that RBI/Government should ensure that the private sector banks lend to agriculture as per the stipulated percentage.

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The Committee express their concern at the continuously declining C.D. Ratio of majority of the public sector commercial banks and urge the Government to reverse the trend by taking suitable steps. The Committee also desire that they should be apprised of the specific reasons for such a declining tendency of CD Ratio.

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9.	52	<p>The Committee believe that the assured return schemes floated by mutual funds which are sponsored by public sector commercial banks and insurance companies were run by fund managers in such a way that they failed to generate the expected returns to redeem the units at a prefixed price resulting in bailing out of such funds by the sponsor of the mutual funds. Hence, the Committee recommend that the mutual funds sponsored by public sector commercial banks and insurance companies if their investment strategies are not in tune with the objective of the scheme, should not be allowed to operate assured return schemes.</p>
10.	61	<p>The Committee believe that sincere efforts could not be made by the Government in roping in the distinguished Members of Parliament representing different political parties having diverse views and philosophies in the proposed Expenditure Management and Reforms Commission. This is especially so in the light of the fact that the Finance Minister while presenting the Budget for the current year proposed the formation of Expenditure Reforms Commission with the similar objectives as that of the earlier commission proposed by his predecessor which inturn implies that the Government is confident of involving the representatives of various political parties of different ideologies without which the Committee believe the desired purpose will not be served. Hence, the Committee</p>

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feel that had the Government taken sincere steps to constitute the commission as proposed earlier, substantial work could have been done in this regard by now. They therefore recommend that suitable steps should be initiated immediately to constitute the recently announced Expenditure Reforms Commission. The Committee also suggest that undue importance should not be given to nomenclature and waste precious time in only changing the names of such bodies by relegating the important objectives and functions for which these are proposed to be constituted.

11. 66&67

It is saddening to note that the Government have miserably failed to take suitable steps to quicken the process of formal action, appraisal and approval of schemes, which is reflected in underutilisation of huge amounts of the Plan allocations not only for revenue expenditure but also in case of the expenditure meant for creation of productive assets resulting in surrenders all these years. The Committee therefore, recommend that the Government should impress upon the concerned agencies/ State Governments the need to provide counterpart funds and to create posts for implementation of various schemes in time thereby obviating the need for surrendering the allocated amounts. In this context the Committee concur with the views of the Ministry that only those

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schemes which are cleared at all levels should be included in the Budget enabling the utilisation of budgeted amount fully and recommend that it should be strictly adhered to.

The Committee are of the view that a part of the reduction in fiscal deficit could be attributed to underutilisation of the funds during the above mentioned years. Hence, they recommend that surrendering of funds due to various reasons should not be resorted to in a bid to show the reduction in fiscal deficit.

MINUTES OF THE THIRTY-THIRD SITTING OF THE
STANDING COMMITTEE ON FINANCE

The Committee sat on Monday, 22 March, 1999 from 1100 hrs. to 1330 hrs. and again from 1430 hrs. to 1700 hrs.

PRESENT

Shri Murli Deora — *Chairman*

MEMBERS

Lok Sabha

2. Shri Dhirendra Agarwal
3. Shri Girdhari Lal Bhargava
4. Shri Bhagwan Shankar Rawat
5. Shri Rayapati Sambasiva Rao
6. Shri Kavuru Sambasiva Rao
7. Shri Sandipan Bhagwan Thorat
8. Shri Praful Manoharbhair Patel
9. Shri Prithviraj D. Chavan
10. Shri Magunta Sreenivasulu Reddy
11. Shri Varkala Radhakrishnan
12. Dr. S. Venugopalachary
13. Kum. Kim Gangte
14. Shri S. Jaipal Reddy

Rajya Sabha

15. Dr. Manmohan Singh
16. Shri N.K.P. Salve

17. Shri M. Rajsekara Murthy
18. Shri Narendra Mohan
19. Shri Raghavji
20. Dr. Biplab Dasgupta
21. Shri C. Ramachandraiah
22. Shri Prem Chand Gupta
23. Shri R.K. Kumar
24. Shri Satish Pradhan
25. Shri Suresh A. Keswani

SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------|
| 1. Dr. A.K. Pandey | — | <i>Additional Secretary</i> |
| 2. Dr. (Smt.) P.K. Sandhu | — | <i>Director</i> |
| 3. Shri S.B. Arora | — | <i>Under Secretary</i> |

WITNESSES

- | | | |
|---------------------------|---|--------------------------------|
| 1. Dr. Vijay L. Kelkar | — | Finance Secretary |
| 2. Shri J.A. Choudhury | — | Secretary (Revenue) |
| 3. Shri E.A.S. Sarma | — | Secretary (Expenditure) |
| 4. Dr. Shankar N. Acharya | — | Chief Economic Adviser |
| 5. Shri C.M. Vasudev | — | Special Secretary |
| 6. Shri B.K. Chaturvedi | — | Special Secretary |
| 7. Shri V. Govindrajan | — | Additional Secretary |
| 8. Shri J.S. Mathur | — | Additional Secretary |
| 9. Shri Ravi Kant | — | Chairman (DT) |
| 10. Shri S.D. Mohile | — | Chairman (FC) |
| 11. Dr. G.C. Srivastava | — | Additional Secretary |
| 12. Shri D.S. Solanki | — | DG (CEIB) |

- | | | | |
|-----|---------------------------|---|----------------------------|
| 13. | Shri Inderjeet Khanna | — | Director (Enforcement) |
| 14. | Shrimati S.K. Nigam | — | Member, CBDT |
| 15. | Shrimati Asha Mehra | — | Member, CBDT |
| 16. | Shri V.M. Muthuramalingam | — | Member, CBDT |
| 17. | Shri A. Balasubramanian | — | Member, CBDT |
| 18. | Shri V.B. Srinivasan | — | Member, CBDT |
| 19. | Shri B.P. Verma | — | Member, CBDT |
| 20. | Shri D. Chakraborty | — | Member, CBDT |
| 21. | Shri A.M. Prasad | — | Member, CBDT |
| 22. | Shri Arvind Virmani | — | Senior Economic
Adviser |
| 23. | Shri S. Sundareshan | — | Joint Secretary |
| 24. | Shri R.S. Sharma | — | Joint Secretary |
| 25. | Shri Jitesh Khosla | — | Joint Secretary |
| 26. | Shrimati Nirmala Dhume | — | C.G.A. |
| 27. | Shri M. Damodaran | — | Joint Secretary |
| 28. | Shri G.S. Dutt | — | Joint Secretary |
| 29. | Shri Anoop Mishra | — | Joint Secretary |
| 30. | Shri N.R. Rayalu | — | F.A. (Fin.) |
| 31. | Shri S.N. Kaul | — | Adviser |
| 32. | Shri Tarun Das | — | Economic Adviser |
| 33. | Shri R. Tripathi | — | Adviser |
| 34. | Shri M.M. Nampoorthy | — | Adviser |
| 35. | Shri Shekhar Agarwal | — | Joint Secretary |
| 36. | Mrs. Aruna Makhan | — | Pr. C.C.A. (CBT) |

2. At the outset, the Chairman welcomed the Secretaries of Ministry of Finance (Departments of Economic Affairs, Expenditure and Revenue) and their colleagues to the sitting of the Committee and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker.

3. The Committee then took oral evidence of representatives of Ministry of Finance on Demands for Grants (1999–2000) of the Ministry of Finance and other matters relating to Budget.

4. The Committee then adjourned for lunch to meet again at 1430 hrs.

5. The Committee resumed the discussion on the Demands for Grants (1999–2000) of the Ministry of Finance.

6. The Chairman requested the representatives of Ministry of Finance to furnish notes on certain points raised by the Members during the discussion.

7. The evidence was not concluded.

8. A verbatim record of proceedings has been kept.

The witnesses then withdrew.

(The Committee then adjourned to meet again at 1000 hours on 23 March, 1999.)

MINUTES OF THE THIRTY FIFTH SITTING OF THE
STANDING COMMITTEE ON FINANCE

The Committee sat on Friday, 9 April, 1999 from 1100 hours to 1315 hours.

PRESENT

Shri Murli Deora — *Chairman*

MEMBERS

Lok Sabha

2. Shri Dhirendra Agarwal
3. Shri Uttam Singh Pawar
4. Shri Girdhari Lal Bhargava
5. Shri Bhagwan Shankar Rawat
6. Shri Kavuru Sambasiva Rao
7. Shri Sandipan Bhagwan Thorat
8. Shri Magunta Sreenivasulu Reddy
9. Shri Buta Singh
10. Shri Praful Manoharbai Patel
11. Shri R.L. Jalappa
12. Dr. S. Venugopalachary
13. Shri S. Jaipal Reedy
14. Shri Varkala Radhakrishnan

Rajya Sabha

15. Dr. Manmohan Singh
16. Shri M. Rajsekara Murthy

17. Shri O.P. Kohli
18. Dr. Biplab Dasgupta
19. Shri C. Ramachandraiah
20. Shri R.K. Kumar
21. Shri Gurudas Das Gupta
22. Shri Satish Pradhan
23. Shri Suresh A. Keswani
24. Shri N.K.P. Salve
25. Shri Prem Chand Gupta
26. Shri Narendra Mohan

SECRETARIAT

1. Dr. (Shrimati) P.K. Sandhu — *Director*
2. Shri S.B. Arora — *Under Secretary*
3. Shri N.S. Hooda — *Assistant Director*

WITNESSES

1. Dr. Vijay L. Kelkar — *Finance Secretary*
2. Shri J.A. Choudhury — *Secretary (Revenue)*
3. Shri E.A.S. Sarma — *Secretary (Expenditure)*
4. Dr. Shankar N. Acharya — *Chief Economic Adviser*
5. Shri C.M. Vasudev — *Special Secretary*
6. Shri B.K. Chaturvedi — *Special Secretary*
7. Shri M. Venkateswaran — *Additional Secretary (Exp.)*
8. Shri V. Govindrajan — *Additional Secretary*
9. Shri J.S. Mathur — *Additional Secretary*
10. Shri Ravi Kant — *Chairman (DT)*
11. Shri S.D. Mohile — *Chairman (EC)*

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|-----|---------------------------|---|----------------------------|
| 12. | Dr. G.C. Srivastava | — | Additional Secretary |
| 13. | Shri Inderjeet Khanna | — | Director (Enforcement) |
| 14. | Smt. S.K. Nigam | — | Member (ITJ), CBDT |
| 15. | Smt. Asha Mehra | — | Member (R&A), CBDT |
| 16. | Shri V.M. Muthuramalingam | — | Member, CBDT |
| 17. | Shri A. Balasubramanian | — | Member (L), CBDT |
| 18. | Shri V.B. Srinivasan | — | Member (Inv.), CBDT |
| 19. | Shri B.P. Verma | — | Member (Budget),
CBDT |
| 20. | Shri D. Chakraborty | — | Member (CX), CBDT |
| 21. | Shri Sukumar Shankar | — | Member (Custom),
CBDT |
| 22. | Shri A.M. Prasad | — | Member (P&V), CBDT |
| 23. | Shri Arvind Virmani | — | Senior Economic
Adviser |

2. At the outset the Chairman welcomed the representatives of Ministry of Finance (Departments of Economic Affairs, Expenditure and Revenue) and invited their attention to Direction 55 of the Directions by the Speaker, Lok Sabha.

3. The Committee then resumed the inconclusive evidence of the representatives of the Ministry of Finance (Departments of Economic Affairs, Expenditure and Revenue) on Demand for Grants (1999-2000) of Ministry of Finance.

4. The evidence was concluded.

*(A verbatim record of the proceedings has been kept).
The witnesses then withdrew.*

5. The Committee then adjourned to meet again at 1530 hours.

MINUTES OF THE THIRTY SIXTH SITTING OF THE
STANDING COMMITTEE ON FINANCE

The Committee sat on Friday, 9 April, 1999 from 1530 hours to 1600 hours.

PRESENT

Shri Murli Deora — *Chairman*

MEMBERS

Lok Sabha

2. Shri Dhirendra Agarwal
3. Shri Chetan Chauhan
4. Shri Bhagwan Shankar Rawat
5. Shri Kavuru Sambasiva Rao
6. Shri Sandipan Bhagwan Thorat
7. Shri R.L. Jalappa
8. Shri Magunta Sreenivasulu Reddy
9. Shri Varkala Radhakrishnan
10. Shri M. Sahabuddin

Rajya Sabha

11. Dr. Manmohan Singh
12. Shri N.K.P. Salve
13. Shri M. Rajsekara Murthy
14. Dr. Biplab Dasgupta
15. Shri C. Ramachandraiah

16. Shri Prem Chand Gupta
17. Shri R.K. Kumar
18. Shri Gurudas Das Gupta
19. Shri Suresh A. Keswani

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu — *Director*
2. Shri S.B. Arora — *Under Secretary*
3. Shri N.S. Hooda — *Assistant Director*

2. The Committee resumed the meeting at 1530 hours.

3. The Committee took up for consideration the following draft reports:

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|-------|----|----|----|----|
| (i) | ** | ** | ** | ** |
| | ** | ** | ** | ** |
| (ii) | ** | ** | ** | ** |
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| (iv) | ** | ** | ** | ** |
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(v) **Draft Report on Demands for Grants of Ministry of Finance (Departments of Economic Affairs & Expenditure) for the year 1999-2000.**

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|------|----|----|----|----|
| (vi) | ** | ** | ** | ** |
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4. The Committee after deliberations considered and adopted the above mentioned reports without any modification/amendments. The Committee thereafter authorised the Chairman to present the Reports to both the Houses of Parliament.

The Committee then adjourned.