

**FORTY-NINTH REPORT**  
**ESTIMATES COMMITTEE**  
**(1987-88)**

**(EIGHTH LOK SABHA)**

**MINISTRY OF FINANCE**  
**DEPARTMENT OF ECONOMIC AFFAIRS**

[Action taken by Government on the Recommendations contained in the Thirty-seventh Report of Estimates Committee (Eighth Lok Sabha) on the Ministry of Finance—Department of Economic Affairs—Revision of form and contents of the Demands for Grants]



*Presented to Lok Sabha on 18 AUG 1987*

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*June, 1987/Jyaistha, 1909 (Saka)*

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CORRIGENDA  
TO  
49th Report of Estimates Committee  
( 1987 - 88 )

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## ESTIMATES COMMITTEE

(1987-88)

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## INTRODUCTION

1, the Chairman of the Estimates Committee having been authorised by the Committee to submit the Report on their behalf present this Forty-Ninth Report on action taken by Government on the recommendations contained in the Thirty-seventh Report of the Estimates Committee (8th Lok Sabha) on the Ministry of Finance—Department of Economic Affairs—Revision of form and contents of the Demands for Grants.

2. The Thirty-seventh Report was presented to Lok Sabha on 4th December, 1986. Government furnished their replies indicating action taken on the recommendations contained in that Report on 31st March, 1987. The replies were examined and draft report adopted by Estimates Committee at their sitting held on 9th June, 1987.

3. The report has been divided into following Chapters :

- (i) Report
- (ii) Recommendations/Observations which have been accepted by Government.
- (iii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies.
- (iv) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee.
- (v) Recommendations/Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in Thirty-seventh Report of Estimates Committee (Eighth Lok Sabha) is given in Appendix. It would be observed that out of 9 recommendations made in the Report, 8 recommendations i.e. about 90 per cent have been accepted by Government and the Committee do not desire to pursue 1 recommendation i.e. about 10 per cent.

NEW DELHI ;  
June 18, 1987  
Jyaishta 28, 1909

CHANDRA TRIPATHI,  
Chairman,  
Estimates Committee.

# CHAPTER I

## REPORT

1.1 This Report of the Estimates Committee deals with Action taken by Government on the recommendations contained in their Thirty-seventh Report (8th Lok Sabha) on the Ministry of Finance, Department of Economic Affairs—Revision of form and contents of the Demands for Grants, which was presented to Lok Sabha on 4th December, 1986.

1.2 Action Taken Notes have been received in respect of all the 9 recommendations contained in the Report.

1.3 Action Taken Notes on the recommendations of the Committee have been categorised as follows :

- (i) Recommendations/Observations which have been accepted by the Government :

Sl. Nos. 1, 2, 4, 5, 6, 7, 8 & 9

(TOTAL 8, CHAPTER II)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's Replies :

Sl. No. 3

(TOTAL 1, CHAPTER III)

- (iii) Recommendations/Observations in respect of which Government's Replies have not been accepted by the Committee :

(CHAPTER IV—Nil)

- (iv) Recommendations/Observations in respect of which final replies are still awaited :

(CHAPTER V—Nil)

1.4 The Committee will now deal with action taken by Government on the following recommendation :

### Recommendation (Sl. No. 6, Para No. 33)

1.5 The Committee had recommended that the Detailed Demands for Grants (i.e. Part III) in respect of a Ministry should be laid on the Table of the House at least fifteen days before the date on which the Demands in respect of the Ministry were to come up for discussion in the House and the Performance Budget in respect of Ministries which have developmental activities would be supplied to the Members of Parliament at least fifteen days before the date on which discussion on the relevant Demands was taken up in the House.

1.6 In their reply the Ministry have stated that steps were taken, after consultation with the Director of Printing, Ministry of Urban Development to suitably advance the date of presentation of Detailed Demands for Grants and Performance Budgets by the Ministries/Departments as desired by the Estimates Committee.

1.7 As this was the first year of the change over to new classification structure, there have been some slippages. It should be possible to streamline the arrangements from next year. Incidentally it will facilitate drawing up the printing programme by the Government of India Press if the schedule of discussion of Demands for Grants of Ministries/Departments was finalised and announced earlier than at present.

1.8 The Committee find that during the current year (1987-88) Detailed Demands for Grants (Part III) relating to some of the Ministries like Ministry of Energy, Ministry of Human Resource Development and Ministry of Labour were laid on the Table of the House barely 2-3 days before the Demands for these Ministries were taken up for discussion in the House. Similar is the position with regard to supply of Performance Budgets relating to these Ministries to Members of Parliament. Evidently, Members did not get sufficient time to go through these documents so as to make meaningful contribution to the discussion on these Demands. The Committee, therefore, reiterate their recommendation in this regard and would like the Ministry to ensure that from the next year (1988-89) both the documents viz. the Detailed Demands for Grants and the Performance Budget in respect of Ministries which have developmental activities, are made available to Members of Parliament at least fifteen days before the date on which the discussion on the relevant Demands is taken up in the House.

### Implementation of the Recommendations

1.9 The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendations accepted

by Government. They would, therefore, urge that Government should ensure expeditious implementation of recommendations accepted by them. In case it is not possible to implement a recommendation in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.



## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendations (Sl. Nos. 1 & 2, Paras 18 & 19)

The Committee note that some detailed information contained in Part II of the Demands for Grants, which are made available to Members with the Budget on the day of presentation, is repeated in Part III of the Demands (Detailed) for Grants, which are laid on the Table of the House by different Ministries at later dates. The Committee also note that the Ministry of Finance desires to reduce the volume of Part II of Demand by deleting information of repetitive nature, so as to reduce the load of printing and make available Part III of Demands earlier than as at present.

In view of the categorical assurance of the Finance Secretary during evidence that no information is intended to be withheld from the Parliament, the Committee accept the proposal of the Ministry that the Part II of the Demands of Grants to be presented by Major Heads in the format as shown in the specimen furnished by the Ministry (Appendix I). The Committee also agreed that the Demands for Grants of all the Ministries be brought out in a single volume and made available to Members of Parliament along with the Budget papers on the day of presentation of the Budget.

#### Reply of Government

Implemented from the Budget for the year 1987-88.

[Ministry of Finance, Deptt. of Economic Affairs; O.M. No. F. 1(19)-B(AC)/86, dated 31st March, 1987].

#### Recommendation (Serial No. 4, Para 31)

As already pointed out in their 24th Report 1972-73, the Committee attach great importance to the Notes on Demands for Grants which are presently attached to Part II of the Demands for Grants. It is these Notes which enable Members of Parliament to understand the objective underlying the expenditure. It is, therefore, of utmost importance that these Notes on important projects and Schemes which bring out all significant aspects should not be omitted on the plea that some of the details contained therein are also furnished in the Performance Budget made available to Members. The Committee recommend that the detailed Notes on the Demands for

Grants in the form hitherto given in respect of all the Ministries be continued to be brought out.

### Reply of Government

Implemented from the Budget for the year 1987-88.

[Ministry of Finance, Deptt. of Economic Affairs, O. M. No. F. 1(19)-B(AC)/86, dated 31st March, 1987]

### Recommendation (Serial No. 5, Para 32)

However, in view of the fact that the Ministry of Finance will now bring out Part II of the Demands for Grants by Major Heads in respect of all the Ministries in a separate volume, the Committee have no objection if the Notes are detached from Part II of the Demands for Grants and supplied as a separate volume alongwith the Budget papers to be made available on the day of presentation of the Budget.

### Reply of Government

Implemented from the Budget for the year 1987-88.

[Ministry of Finance, Deptt. of Economic Affairs, O.M. No. F. 1(19)-B(AC)/86, dated 31st March, 1987]

### Recommendation (Serial No. 6, Para 33)

The Committee further recommend that the Detailed Demands for Grants (i.e. Part III) in respect of a Ministry should be laid on the Table of the House atleast fifteen days before the date on which the Demands in respect of the Ministry are to come up for discussion in the House, and the Performance Budget in respect of Ministries which have developmental activities, should be supplied to the Members of Parliament at least fifteen days before the date on which discussion on the relevant Demands is taken up in the House.

### Reply of Government

Steps were taken, after consultation with the Director of Printing, Ministry of Urban Development to suitably advance the date of presentation of Detailed Demands for Grants and Performance Budgets by the Ministries/Departments as desired by the Estimates Committee.

As this was the first year of the change over to new classification structure there have been some slippages. It should be possible to streamline the arrangements from next year. Incidentally it will facilitate drawing up the printing programme by the Govt. of India Press if the schedule of discussion

of Demands for Grants of Ministries/Departments is finalised and announced earlier than at present.

[Ministry of Finance, Deptt. of Economic Affairs, O. M. No. F. 1(19)-B(AC)/86, dated 31st March, 1987]

**Recommendation (Serial No. 7, Para 36)**

The Committee recommend that in Part III of the Demands for Grants, in the Schedule giving details of provisions for Establishment Charges, instead of giving group-wise details, post-wise details in standard scales of pay adopted by the Government on the recommendation of the Fourth Pay Commission, be given.

**Reply of Government**

These are being complied with.

[Ministry of Finance, Deptt. of Economic Affairs, O. M. No. F. 1(19)-B(AC)/86, dated 31 March, 1987]

**Recommendation (Serial No. 8, Para 42)**

The Committee agree to the limited proposal of the Ministry that in the Annual Financial Statement, the total receipts and expenditure of the Union territories, without legislature, be shown separately, Union territory-wise. They, however, desire that the details in respect of each Union territory without legislature should be available separately, Ministry-wise, in the Demands for Grants so that a clear picture is available about the exact field of responsibility of the Ministry concerned who should be able to give complete information to Members when approached, without referring them to the nodal Ministry.

**Reply of Government**

Implemented from the Budget for the year 1987-88.

[Ministry of Finance, Deptt. of Economic Affairs, O. M. No. F. 1(19)-B(AC)/86, dated 31st March, 1987]

**Recommendation (Serial No. 9, Para 45)**

The Committee recommend that in Part III of the Demands for Grants—

- (a) the existing monetary limit in respect of the statement showing particulars of the provisions for transfer or gift of Government property to non-government bodies be increased to Rs. 5 lakhs;

- (b) the existing limit in the statement showing details of important non-Plan provisions be increased to Rs. 25 lakhs; and
- (c) the existing limit in the Works Annexure showing details of works be increased to Rs. 50 lakhs.

**Reply to Government**

These are being complied with.

[Ministry of Finance, Deptt. of Economic Affairs, F. 1 (19)-B (AC)/86,  
dated 31st March, 1987]

## CHAPTER III

### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT REPLIES

#### Recommendation (Serial No. 3, Para 24)

The Committee feel that the proposal of the Ministry to indicate the amounts of Demands for Grants "in crores of rupees" as against "in thousands of rupees" as at present, will not serve any additional purpose. The Committee, therefore, desire that the estimates in the Demands for Grants, Part II as also in the Part III should continue to be given "in thousands of rupees" as per the practice hitherto. In case these are to be shown "in crores of rupees", these should be rounded off upto four decimal places and not upto two decimal places so that the figures are available in thousand of rupees.

#### Reply of Government

This ministry has carefully considered the recommendation of the Estimates Committee. In actual operation it was found that exhibition of four decimals in nine columns in the Demands for Grants would crowd the page and affect easy comprehension of figures. Moreover, with the computerisation of data which enabled a number of analyses which were for the first time included in the Budget documents "Expenditure Budget, volumes 1 and 2", a number of rounding problems would have been thrown up if one document "Demands for Grants" was to show the figures with four decimals and others with two decimals. Accordingly to maintain correspondence with the tables in Expenditure Budget volumes 1 and 2, the figures in the Demands for Grants, as also in the Annual Financial Statement, are expressed in crores of rupees rounded upto two decimal places, in the Budget for 1987-88,

In the Detailed Demands for Grants the figures against individual detailed heads will continue to be given in thousands of rupees, as in the past but the total for each Major head of account will be in round lakhs.

As part II of the Demands for Grants are the "Demands for Grants" presented to Lok Sabha in terms of article 113 of the Constitution and the amounts shown in the Appropriation Bill conform to those shown in those

**Demands for Grants. Part III of the Demands for Grants which are brought out by the concerned Ministries/Departments showing further details of the various Demands for Grants will constitute the "Detailed Demands for Grants" in the nature of supporting documents for the main Demands for Grants.**

[Ministry of Finance, Deptt. of Economic Affairs, O.M. No. F. 1 (19)-  
B(AC)/86, dated 31st March, 1987]

**CHAPTER IV**

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH  
THE GOVERNMENT'S REPLIES HAVE NOT BEEN  
ACCEPTED BY THE COMMITTEE**

**-NIL-**

**CHAPTER V**

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH  
FINAL REPLIES ARE STILL AWAITED**

**-NIL-**

**NEW DELHI ;**  
**June 18, 1987**  
**Jyaishta 28, 1909 (Saka)**

**CHANDRA TRIPATHI,**  
**Chairman,**  
**Estimates Committee.**



## APPENDIX

(Vide Introduction)

*Analysis of action taken by Government on the 37th Report of the Estimates Committee (Eighth Lok Sabha)*

I. Total number of Recommendations	9
II. Recommendations/Observations which have been accepted by Government (Nos. 1, 2, 4, 5, 6, 7, 8, 9)	8
Percentage to total	90%
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's Reply (No. 3)	1
Percentage to total	10%
IV. Recommendations/Observations which the Government's replies have not been accepted by the Committee (NIL)	NIL
Percentage to total	NIL
V. Recommendations/Observations in respect of which final replies of Government are awaited (NIL)	NIL
Percentage to total	NIL

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