3

STANDING COMMITTEE ON FINANCE

(2004-05)

FOURTEENTH LOK SABHA

MINISTRY OF PLANNING

DEMANDS FOR GRANTS

(2004-2005)

THIRD REPORT

LOK SABHA SECRETARIAT
NEW DELHI

August, 2004/Sravana, 1926(Saka)

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(FOURTEENTH LOK SABHA)

MINISTRY OF PLANNING

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(2004-2005)

Presented to Lok Sabha on 20 August, 2004
Laid in Rajya Sabha on 20 August, 2004.

LOK SABHA SECRETARIAT
NEW DELHI

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INTRODUCTION

I, the Chairman, Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf, present this Third Report on Demands for Grants (2004-2005) of the Ministry of Planning.

2. The Demands for Grants of the Ministry of Planning were laid on the Table of the House on 11 July, 2004. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Finance are required to consider the Demands for Grants of the Ministries/Departments under their jurisdiction and make Reports on the same to both the Houses of Parliament.

3. The Committee took oral evidence of the representatives of the Ministry of Planning at their sitting held on 11 August, 2004 in connection with examination of the Demands for Grants (2004-2005).

4. The Committee considered and adopted the draft Report at their sitting held on 19 August, 2004.

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

6. For facility of reference, the observations/recommendations of the Committee have been printed in thick type.

NEW DELHI;
19 August, 2004
28 Sravana,1926(Saka)

MAJ. GEN (RETD.) B.C. KHANDURI
***Chairman*,**
Standing Committee on Finance

REPORT

Introductory

1. The Planning Commission was constituted in March, 1950 by a Resolution of the Government of India and acts as the Secretariat of the National Development Council. The Planning Commission consults the Central Ministries and the State Governments while formulating Five Year Plans and Annual Plans and also oversees their implementation. The Commission also functions as an advisory Planning body at the apex level.

2. The Planning Commission functions through several subjects matter Divisions and a few Specialist Divisions. These Divisions fall under two broad categories.

(i) Specialist Divisions which are concerned with aspects of entire economy e.g. Perspective Planning, Financial Resources, Development Policy Division, etc., and

(ii) Subject Divisions e.g. Agriculture, Education, Health, Housing Divisions, etc., which are concerned with specified fields of development in the related areas.

3. The overall Demands for Grants pertaining to Ministry of Planning is as follows:-

Demand No. 72 - Ministry of Planning 8269.88 crores

4. In the present Report, the Committee have examined following issues:-

(i) GDP – Indicator of Growth Performance of the Economy
(ii) Fiscal Performance in the Tenth Plan
(iii) National Commission on Population
(iv) Modernisation of Office Systems
(v) Institute of Applied Manpower Research (IAMR) - Grants-in-Aid
(vi) Payment for Professional and Special Services

1. GDP – Indicator of Growth Performance of the Economy

5. The Indian economy has completed two years of the Tenth Five Year Plan (2002-07), which is not only ambitious in its target fixing, but also optimistic about exploiting the development potential of the economy to its fullest with all the eagerness to place India amongst one of the fastest growing economy in the world. Enhancement of human well being in terms of all socio-economic indicators has been central to the objectives of the Tenth Plan. Fulfillment of these objectives rests on achievement of the NDC mandated target growth rate of 8% on average per annum. Transformation of the Indian economy from a historical growth path of about 5.5% to an accelerated growth trajectory of 8% would technically depend on the achievement of the crucial macro economic parameters, such as savings rate and investment rate estimated at 26.84% and 28.41 % of GDP, respectively. The Tenth Plan puts emphasis on enhancement of capital efficiency as the guiding principle of all policy intervention for making the growth target feasible.

6. The economy has suffered serious set back in terms of growth, estimated at 4.0% in real term in the first year (2002-03) of the Tenth Plan. However, growth performance of the economy in the second year of the Tenth Plan (2003-04) as released by the Central Statistical Organisation in its Advance Estimates of National Income, reveals that the economic growth would accelerate to more than 8 per cent. Since this accelerated growth would be geared by significantly good performance in agriculture sector, it is possible to maintain the growth momentum in the medium term through demand generating impact of agriculture growth.

7. The overall performance of the economy during 2002-03 suffered further deceleration in the economic growth compared to the previous year. As per the latest estimates on National income, brought out by the CSO, the Gross Domestic Product (GDP) grew at a rate of around 4.0% during 2002-03 as compared to 5.8 percent in 2001-02. This slow growth was on account of poor monsoon that resulted in negative growth rate for the agriculture sector (-5.2%) and a consequent decline in the overall growth rate.

8. As per the Advance Estimates, the overall growth in real Gross Domestic Product was expected to be 8.1 percent in 2003-04. The assumed growth rates of

9% percent in agriculture and allied sector, 6.5 percent in industry and 8.4 percent in the service sector.

9. Tenth Five Year Plan envisages the rate of growth of economy as 8% per annum during the period 2002 to 2006-07 as enunciated in its objectives. The Finance Minister in his Budget Speech informed that 'maintaining a growth rate of 7-8 percent per year for a sustained period' is one of the economic objectives of CMP.

10. When asked about the actual economic growth rate during 2003-04 and the projected economic growth rate as estimated by the Planning Commission for the current year, i.e. 2004-05 and also the steps proposed by the Planning Commission to achieve accelerated economic growth, the Committee have been informed as under:

> "As per the information available from the National Accounts Statistics (NAS) brought out by the Central Statistical Organisation (CSO), the rate of growth of the economy for the year 2003-04 was 8.3 per cent expressed in terms of Gross Domestic Product at Market Prices. Planning Commission does not fix growth targets on annual basis.
>
> In order to achieve steady acceleration growth performance, the Tenth Plan has suggested
>
> - Larger public investments in infrastructure and social sectors;
> - Improvement in allocative efficiency of resources;
> - Enacting policy reforms with a view to creating an investor friendly environment;
>   improving governance and enhancing the efficiency of delivery systems."

11. The Committee desired to know the details of economic and investment growth, the Secretary, Ministry of Planning , during oral evidence stated:

> "As far as investment is concerned, last year 8.3 percent rate of growth that was achieved is something which is self evident. Investment did not take place proportionately. Normally, we expect an ICOR of 3.5 to 4 percent which would mean that for the growth rate of 8 percent, we should have had at least an investment level of about 28 percent or 28.5 percent."

12. When the attention of the representative of the Ministry was drawn to the fact that according to the Government, figure it was 22.7 percent, the Secretary stated as under:

"Our estimate is slightly higher around 24%. Whatever be the number, how it has happened is primarily because there was a capacity surplus which has got created during the nineties. That surplus capacity got utilised last year. The interest factor has also become a very major factor which improved the profitability. This is partly as an explanation of what you have pointed out. I would like to definitely mention, Sir, that let us not forget that even though the growth rate last year was 8.3 percent, the growth rate in the first year of Tenth Plan was 4.6 percent. Therefore, the resultant growth rate that we get for the first two years is only 6.4 percent. So, with 6.4 percent growth rate in first two years, the target of achieving 8 percent growth rate is going to be almost, I won't say impossible, but it appear to be improbable because there is a pull back factor that we have already lost two years and our average rate of growth is 6.4 percent. This is the one point which we are looking at. More realistic figure would be the range between 7 to 8 percent and not 8 percent and above. Therefore, there will be probably a review of this."

13. The Committee desired to know about the relationship between growth rate of GDP and investment rate, the Ministry in their supplementary reply have submitted as under:

"There is a view in economics that the rate of growth of an economy is driven almost entirely by the investment rate, other things remaining the same. In other words, higher GDP growth cannot be obtained without an increase in the investment rate. This view is by and large correct in the medium to long-run. In the short run, however, there can be deviations from this relationship. There can be many factors that can change the relationship between output and investment such as the level of capacity utilisation, the lag between investment and capacity created, structure of the economy, etc. Therefore, the relationship between the investment and the growth of output (GDP) should not be judged on the basis of short-term changes in the level of investment and the corresponding growth rates of the economy. Recent theoretical literature also suggests that the relationship between investment rate and growth rate of capacity is not constant.

14. The Ministry has further informed:

"In explaining the high growth rate recorded in 2003-04 without a corresponding increase in the investment rate, it needs to be recognised that there existed substantial excess capacity in the Indian economy, particularly in the manufacturing sector, at the end of the Ninth Five Year Plan, i.e. in 2001-02. According to Planning Commission estimates, there was about 21% excess capacity in manufacturing. It appears that in the last two years, and particularly in the year 2003-04, a substantial part of this under-utilised capacity has been brought into production, thus resulting in a higher rate of growth without a significant increase in the investment rate. In addition, in the year 2003-04, the agriculture sector registered an increase of 9.1 per cent over the previous year, which also led to an increase in the growth rate. If we take into account the first two years of the Tenth Five Year Plan, the growth rate works out to 6.4 per cent which is in line with the behaviour of the growth rate over the past decade or so and is consistent with the observed investment rates."

15. The Committee find that the overall performance of the economy has seriously suffered during the first year (2002-03) of the Tenth Plan and the Gross Domestic Product (GDP) grew at a rate of around 4.0 percent as compared to 5.8 percent in 2001-02 as against the projected rate of 8 percent as envisaged in the Tenth Plan. The Committee are given to understand that the main reason for slow growth during the first year of the Tenth Plan was due to poor monsoon that resulted in negative growth rate for the agriculture sector resulting in decline in the overall growth rate. However, growth performance of the economy in the second year of the Tenth Plan (2003-04) as released by Central Statistical Organisation (CSO) is 8.3 percent. The Committee express their apprehension that since during the first year of the Tenth Plan there has been a slippage in average growth rate, it might not be possible to achieve the target of 8 percent during the remaining three years unless the growth rate is accelerated to more than 8 percent.

16. The Committee would like to be apprised of the actual growth rate (sector-wise) achieved during the first two years of the Tenth Plan and the corrective measures taken/proposed to be taken to accelerate the growth rate during the remaining three years of the Plan. They are of the view that unless policy measures and institutional changes as envisaged in the 10th Plan are implemented expeditiously the targeted growth rate of 8 percent can not be achieved. They are given to understand that in order to achieve this ambitious target, the domestic savings must be at the level of about 26% but we are lagging behind in this regard. They, therefore, recommend that the Planning Commission should come out with a policy which may suggest the ways to boost domestic savings. If the target in respect of savings is achieved there is no reason why the investment rate will not pick up which in turn will help in achieving the growth rate target. They also want that Planning Commission may carry out periodical monitoring and keep a close look at the situation. The Committee, therefore, recommend that Planning Commission should take initiatives to encourage public investments in rural infrastructure and social sectors and give directions to Ministries/Departments to make effective and efficient use of the available resources in each sector of the economy and also take action towards improving governance and enhancing the efficiency of the delivery system in order to achieve steady acceleration in growth performance.

2. Fiscal Performance in the Tenth Plan

17. A high level of fiscal deficit continues to be an area of concern for the policy planners. The fiscal deterioration has been mostly contributed by declining tax to GDP ratio and significant increases in the revenue expenditure of the government. Government finances do not indicate any improvement in the year 2001-02. However, the provisional accounts of Central Government finances reveal improvement in the fiscal deficit estimated at 5.8 percent of GDP in 2002-03 compared to the actual figure of 6.1% in the previous year.

18. Ever since economic reforms have been initiated, achievements of a sustainable fiscal position has been a constant endeavor. The first two years of the Tenth Five Year Plan indicate improvement in the fiscal position of the Central Government. The combined fiscal deficit of Centre and States increased from 6.8 percent of GDP in 1996-97 to 10.8 percent of GDP by the end of the Ninth Plan. The combined revenue deficit of the Centre and States also increased from 3.6 percent of GDP to 7.0 percent of GDP during the same period. The fiscal deterioration has been mostly contributed by declining tax to GDP ratio and significant increases in the revenue expenditure of the government. Government finances do not indicate any improvement in the year 2001-02. The provisional accounts of Central Government finances reveals improvement in the fiscal deficit estimates at 5.3 percent of GDP in 2002-03 compared to the actual figure of 6.2 percent in the previous year. There has been further improvement in the fiscal position of the Centre in the year 2003-04, the fiscal deficit of Centre is estimated to be around 4.6 percent of GDP.

19. On the revenue receipt side, the tax revenue of Centre and Sates improved from 13.8 percent of GDP in 2001-02, to 14.7 percent in 2002-03 and further to 15.1 percent during 2003-04. The average tax revenue collection of Centre and the States together, during the Ninth Plan, was 14.0 percent and for the Tenth Plan, it is targeted to achieve 16.1%.

20. On the expenditure side, the plan expenditure of the Centre and the States together (inclusive of inter governmental plan transfer) increased from 8.0% of GDP in 2001-02 to 8.8% in 2002-03 and 8.7 percent in 2003-04. The average plan expenditure of the Centre and the States during the Ninth Plan was 7.8 percent and for the Tenth Plan, it is targeted to achieve 9.0 percent. The non plan expenditure of Centre and States increased from 24.5 percent of GDP in 2001-02 to 25.4% in 2002-03

and 26.1% in 2003-04. The average non plan expenditure of Centre and States during the Ninth Plan was around 23.8% and during the Tenth Plan it is envisaged to reduce the ratio to 23.1 percent.

21. Asked about the fiscal deficit during 2003-04, the Ministry have stated as under:

> " The fiscal deficit of the Centre has declined from 5.9 percent of GDP in 2002-03 (Actuals) to 5.6 percent in 2003-04 (BE). The fiscal deficit further declined to 4.8 percent of GDP in 2003-04 (RE) and further down to 4.4 percent of GDP in 2004-05 (BE)."

22. Asked about the efforts made to bring down the high level of fiscal deficit, the Ministry in their written reply has stated as under:

> " Measures suggested by the Planning Commission to bring down the fiscal deficit to strengthen the process of fiscal consolidation are indicated in the Tenth Plan Document. Planning Commission has been impressing upon States the need to generate higher levels of own resources, inter alia by improving the performance of State level enterprises, increasing tax and non-tax revenue and curtailing non-Plan expenditure to enable greater flow of finances for strengthening the process of fiscal consolidation . States have been urged to maintain fiscal prudence during Deputy Chairman- Chief Minister level discussions and also during visits of the Commission to States. "

23. As regards the instructions issued to the State Governments for the efficient fiscal management and improving their own resources, the Ministry in their reply have stated as under:

> "Finances of State Governments have been deteriorating since 1997 mainly due to upward revision of salaries of State Government employees. Relatively stagnant revenues of State Governments and the fiscal burden of loss making State Level Public Enterprises have forced them to depend more and more on borrowed funds.
>
> Nevertheless, financial management of States being primarily the responsibility of State governments, it is for State Governments themselves to initiate remedial action. However, to alleviate the mismatch in their cash flows, Government of India releases Plan assistance, shares in Central taxes and small savings loans in advance depending on the needs and requests of State Government. In addition to Ways and Means support to States by the Reserve Bank of India, Central Government also provides Ways and Means advances to States.
>
> Pursuant to the recommendations of the Eleventh Finance Commission, a Medium Term Fiscal Reform Plan (MTFRP) has been drawn up by the Government of India. Under the scheme, States have been encouraged to draw up a monitorable fiscal reforms programme aimed at

> improving their financial position in the medium term. Incentive funds will be made available to States periodically depending on progress achieved in meeting fiscal reform targets. In addition, a debt swap mechanism has been proposed for reducing the interest burden of States."

Position with regard to Debt Swap Scheme

24. To take advantage of the soft interest rate regime, a debt swap is in operation since 2002-03. Under the scheme, mutually agreed between the States and the Centre, States are allowed to retire loans taken from the Central Government bearing a coupon rate in excess of 13 percent. The retirement of high cost loans will be funded through additional market borrowings and a specified percentage of small saving collections.

25. During his Budget speech on 8.7.2004, the Finance Minister has informed that the revenue deficit is estimated at Rs 76171 crore equivalent to 2.5 percent of GDP, which is one percentage point below the corresponding estimate of 3.5 percent of GDP in 2003-04 according to the provisional actuals. The fiscal deficit is estimated at Rs 137,407 which is 4.4 percent of the estimated GDP.

26. The Committee note with serious concern that a high level of fiscal deficit continues to be an area of concern for the policy planners which is mostly due to decline in tax to GDP ratio and significant increase in the revenue expenditure of the Government both at Centre and States levels. They note that fiscal position of States is somewhat alarming and unless drastic measures are taken to arrest the mismatch between the cash flows, the position would become worse. Many State Governments resort to massive borrowings to meet their expenditure which push them in a debt trap. They are given to understand that in order to reduce burden of States with regard to interest payment, the Central Government has introduced a Debt Swap scheme for the States which enables the State Governments to retire their high interest bearing loans and swap with low interest bearing loans. They note with satisfaction that this scheme has given much relief to the State Governments but at the same time are of the view that it is not sufficient and more has be done.

27. The Committee view the situation very seriously and desire that the Planning Commission should give directions to the State Governments to keep the non plan revenue expenditure and their borrowings under tight control to enable greater flow of finances for strengthening the process of fiscal consolidation. States should also be persuaded to maintain strict fiscal discipline by improving their own resources through appropriate fiscal reforms enlisted in the Medium Term Fiscal Reforms (MTFR). The Committee would also like to know the monitorable fiscal reforms drawn by the State Governments for improving their financial position in the medium term.

Demand No. 72.
Ministry of Planning
Major Head : 3451
Minor Head : 08

3. National Commission on Population (NCP)

(Rupees in lakhs)

Year	BE	RE	% change RE/BE	Actual expenditure
2001-02	136.00	90.00	-33.81	77.53
2002-03	213.00	200.00	-6.10	152.27
2003-04	200.00	170.00	-15.00	124.41
2004-05	400.00			

28. The Committee have been informed that the NCP is a separate body. However, its budget requirement is included in the Demand for Grants of Ministry of Planning. Government of India has set up the NCP in pursuance of the objectives contained in the National Population Policy 2000. The Prime Minister as Chairman heads the Commission while the Deputy Chairman of Planning Commission is Vice Chairman. All State Chief Ministers and the Central Ministers of the Associated Ministries, leading demographers, health professionals as well as known personalities who have distinguished themselves in their chosen field such as the media, industry, social work, women of distinction and political leaders are all associated with this project.

29. This Commission was constituted as a Plan Scheme with the following objectives: -

i) To review, monitor and give direction for the implementation of the National Population Policy with a view to meeting the goals set out in the Policy.

ii) To promote synergy between demographic, educational, environmental and developmental programmes so as to hasten population stabilization.

iii) To promote inter-sectoral coordination in planning and implementation across government agencies of the Central and State Governments, to involve the civil society and the private sector and to explore the possibilities of international cooperation in support of the goals set out in the Policy.

iv) To facilitate the development of a vigorous people's movement in support of this national effort.

30. As regards the under utilisation of funds the Committee have been informed as under:

> "The under-utilization during 2001-02 and 2002-03 was owing to non-appointment of staff for NCP as the sanctioning of posts was under process with the Ministry of Finance (Department of Expenditure). As the NCP with a limited staff was occupied with the work relating to Advisory/Working Groups for examining various issues having a bearing on population stabilization, no foreign visits could be organized for want of specific recommendations of the Working/Advisory Groups. The non-receipt of their recommendations also resulted in a shortfall under Domestic Travel Expenses and other object heads such as Publications. The non-availability of required number of officers and staff has been the main reason for carrying out the heavy agenda of work as per the terms of reference as stated above which consequently resulted in under-utilization of funds during 2001-2002 and 2002-2003.
>
> The under utilization of funds during 2003-04 was owing to postponement of the main conference of the NCP, foreign and domestic travels owing to other important work, non-release of instalments for research studies owing to slow progress by the Institutions and also owing to the continuing process for finalisation of some working group reports

31. When the Committee desired to know about the initiatives taken by the Planning Commission for monitoring and implementation of the National

Population Policy especially in the eight States (UP, Bihar, MP, Rajasthan, Orissa, Uttaranchal, Jharkhand, and Chhattishgarh) that are lagging behind the other States in implementation of the policy, the Ministry in their written reply have submitted as under:

> The Empowered Action Group (EAG) was constituted under the Department of Family Welfare to address the issues relating to high population growth in eight states namely UP, Bihar, MP, Rajasthan, Orissa, Uttaranchal, Jharkhand and Chhattisgarh which contribute 45 percent of the total population of India. The EAG has been set up to facilitate the preparation of area specific programmes to address the existing gaps in facilities and services. During the 10^{th} Plan an amount to Rs. 250 crores has been allocated for the EAG schemes. The EAG mechanism is to work as an one window clearance system for approving schemes meant to address the demographic problems in these States.
>
> In view of the crucial role of the EAG States in achieving the NPP objectives & goals, Dy Chairman, Planning Commission & Vice Chairman National Commission on Population took a meeting of Chief Secretaries and Family Welfare Secretaries of EAG States on 8^{th} April 2004 to review the progress towards achieving NPP goals. It became clear that if the NPP target of reaching replacement fertility of TFR of 2.1 is to be achieved by 2010 the level of family planning performance in the EAG States has to increase four folds. The performance in these States was lagging behind very much. With a view to improve the situation the following decisions were taken at the meeting:
>
> - Within 15 days each EAG States would prepare a time bound Action Plan to reduce the level of unmet needs for family welfare services keeping the goals of the National/State population policies in view and send the same to Planning Commission/National Commission on Population and the DoFW, GOI.
> - Family Planning for limiting the family size and promoting the small family norm among the eligible couples would be emphasized as the core activity under the Family welfare programme, along with the concerns for improving the mother and child health.
> - The service providers and functionaries of the programme would be held accountable for delivering the services and meeting the targets arrived at through inter-active and flexible community Needs Assessment (CNA) for reducing levels of unmet needs.
> - Review of the implementation of Family Welfare Programs in the EAG States with special reference to the progress achieved in bringing down the level of unmet needs would be undertaken atleast once in a

year under the aegis of the Planning Commission/National Commission on Population,

- The EAG States would make detailed reference to the Department of Family Welfare in context of its proposal for augmentation of capacities at State and district levels.
- The EAG States would send monthly reports in the prescribed format to enable timely compilation and communication to the PMO on the identified thrust areas
- The G.O for revised compensation package would be issued at the earliest with copies to the DoFW
- The States would undertake necessary action to activate Public Private Partnership for the Family Welfare programme.
- The importance of Population Stabilization Programme would be highlighted in the meeting of the National Development Council.

32. The Committee asked about provisions made by the Planning Commission to meet the expenditure for the projects relating to control and stabilization of population, the Ministry have stated as under:

> The programmes/activities related to control and stabilization of population are to be implemented by the Department of Family Welfare. During the 10th Plan, Planning Commission has approved an outlay of Rs. 27125.00 crores for the Department of Family Welfare for undertaking such activities. This provision includes special allocation of Rs. 250.00 crores for the Empowered Action Group setup for effective implementation of population stabilization programmes in high fertility states.
>
> In addition to the above, Planning Commission has also provided funds amounting to Rs. 17 crores in 2000-2001 & Rs. 22.5 crores in 2001-02, which has been released to the identified high fertility districts through National Commission on Population for population stabilization activities through implementation of District Action Plans."

33. The Committee note that the National Commission on Population (NCP), was set up on 11 May, 2000 under the Chairmanship of Prime Minister and Deputy Chairman, Planning Commission as Vice-Chairman alongwith 125 members and permanent invitees primarily to review, monitor and give directions for the implementation of the policies and programmes relating to population stabilisation set out in the National Population Policy. They consider that the National Commission has a major role to play in respect of stabilisation of population in the country.

34. They note with serious concern that eight Sates namely, UP, Bihar, MP, Rajasthan, Orissa, Uttaranchal, Jharkhand and Chattisgarh contribute 45% of the population in the country and thus are reckoned as high fertility states, the Government has set up a Empowering Action Group (EAG) to deal with the population problem in these States. They are given to understand that EAG mechanism is to work as single window clearance system for approving schemes to address the demographic problems in these States. They also note that National Population Policy 2000 has set out an ambitious target of reducing fertility rate and attaining the level of 2.1 percent by 2010. This target can be achieved only if the special concerted efforts are put in place by these States.

35. They also desire that States performance with regard to Population Stabilisation Programme (PSP) may be included as one of the criteria to draw central aid by them and such assistance may be denied to non performing States. In their view, this will inspire the States to participate in the population stabilisation programme.

36. From the figures made available to them, the Committee are given to understand that the funds allocated for the National Commission on Population remained under utilised. The non availability of required number of officers and staff has been cited as the main reason for the under utilisation of funds during 2001-02 and 2002-03. The under utilisation of funds during 2003-04 was owing to postponement of the main conference of National Commission on Population, foreign and domestic travels owing to other important work and non release of instalments for research studies etc. The Committee recommend that the budgetary

allocations as far as possible should be made realistically and adequate staff must be put in place so that NCP becomes fully functional in true sense. The Committee also desire that more efforts should be taken to review demographic scenario at national and state level making population stabilisation a peoples' programme. While human resources need to be developed fully, the Standing Committee underscore the need to control population in our country.

4. Modernisation of Office Systems

37. The Committee have been informed that the objectives of this Plan scheme is to remove the deficiencies in infrastructure and energise the working environment by renovating/alteration of office rooms, furniture, and equipments, etc. Ideally by the end of the Ninth Plan. This scheme should have been completed. However, because of various external exigencies, it was anticipated that the project would require further continuation with a view to keeping pace with changing technologies. A provision of Rs 10 crore has been projected for achieving the objectives of this scheme in the new FY under the sub head Renovation and Alteration.

38. The attention of the representatives of the Ministry was drawn to the fact that there is an increase in the allocation under Modernisation of Office System i.e from 2.2crore to Rs 60 crore. The Secretary during evidence, stated the Ministry has provided for spatial Data Infrastructure, GIS systems air conditioning, computers, fixtures and furnitures. Modernisation is going to be a lot of work. Modernisation of the sections is still cast in the old mould. We are working on that. There is modernisation of the interiors also, including conference room facilities with plasma screen facilities.

39. The Committee wanted to know the details of this scheme and the provision made for IT, the Ministry in their written reply has stated as under:

> The Plan Scheme "Modernisation of Office Systems" is divided into the following two parts:
>
> (i) Renovation and Alteration; and
>
> (ii) Information Technology
>
> RENOVATION AND ALTERATION
>
> The budget provision of Rs.10.00 crore earmarked for "Renovation and Alteration" will be utilized for the activities under the following object heads:

Office Expenses

40. Funds under this object head are utilized on renovation of offices of Deputy Chairman/Ministers/Members/Advisers, rooms/divisions/Sections/Units/ Cells, toilets, Coffee Board/Tea Board/Canteen, corridors and such other items. The renovation of Regional Evaluation Offices and Project Evaluation Offices is also undertaken under this object head. Tile flooring of individual rooms is also covered. The funds are also utilized for renovation/replacement of ETAC/PTAC Plants, A.C. Units etc. In addition all electrical works relating to renovation is also covered under this object head. As Yojana Bhavan is an old building some internal renovation works have become necessary.

Machinery and Equipment

41. Funds under this object head are utilized for purchase of machinery items like Photostat Machines, Fax Machines, etc.

Other charges

42. Funds under this object head are utilized on miscellaneous items like providing iron grills for safety on floors and other major/electrical works not directly covered under renovation.

INFORMATION TECHNOLOGY

43. A budget provision of Rs.50.00 crore has been kept for "Information Technology" and will be utilized for "I.T Infrastructure in Planning Commission" and two projects namely, (i) Spatial Data Infrastructure for Multilayer GIS for Planning and (ii) Urban Utility Mapping Project. The funds for these items will be utilized under the following object heads:

1.Office Expenses

44. Funds under this object head are utilized for procurement of software, etc. for Planning Commission and Regional Evaluation Offices and Project Evaluation Offices. In addition, funds will also be utilized for procurement of data on topographic maps from SOI, satellite imageries from NRSA, etc., GIS Application Development (integration of data, GIS data processing, thematic mapping and analysis for planning), map compilation (procurement of map data NRSA/SOI, etc.) and Project Management (Workshop at States, Travel, contingencies, etc.).

2. Machinery and Equipment

45. Budget Provision under this object head is utilized for furthering the use of Information Technology and for purchase of computer systems, plasma screens, systems with TFT monitors, printers (all types), scanners, laptops for the offices of senior officers and Sections and also for upgradation of existing old computers and for upgrading IT Infrastructure for Regional Evaluation Offices and Project Evaluation Offices. Besides, funds will also be used for purchase of HW/SW (High end server, client computers, scanner, plotter, colour laser printer, GPS, video wall, projector, GIS image processing SW, Internet, GIS products etc. and HW/SW Control Centre (High end server, clients, GIS, software, OS, etc.) and HW/SW for Remote Centres (Medium size server, clients, OS GIS Software, 2 MBPS lease line for each center).

46. The Committee note that the "Modernisation of Office System" is divided into two parts viz. (I) Renovation and alteration (ii) Information Technology. They are of the view that these parts create lot of confusion as both the parts as stated do not co- relate with each other at the time of implementation of the programme. They find that the Government has explained their intent for raising these demands but they feel that better classification could have been made by the Government. At the same time they also want the Government to ensure that expenditure on IT is fully utilised and does not remain unspent. They feel that IT spendings may be closely monitored by the Government as this is an area which can provide essential impetus to the technology upgradation programme.

5. Demand No. 72

Ministry of Planning
Major Head : 3475
Minor Head : 04
Detailed Head : 04.03.31
Institute of Applied Manpower Research (IAMR)
Grants-in-aid

(Plan)

Year	Rs. (lakh)		
	BE	RE	Actual
2001-02	1500	500	432.09
2002-03	750	499	172.31
2003-04	350	140	105.00
2004-05	700		

47. Grants-in-Aid under the plan section of Institute of Applied Man power Research (IAMR) is for the purpose of taking up studies on topics of current interest to Planning Commission and infrastructural development at Narela Campus.

48. IAMR was established in 1962 under the Societies Registration Act of 1860 and has been functioning with Government grants mainly released from Planning Commission. The mandate of IAMR included inter alia, the following:

a) Evolving methods and techniques for man power assessment

b) Advancing knowledge on all aspects of human resources development

c) Stimulating interest in the Manpower Research, collaborating with other organisations in research on Manpower and Employment

d) Disseminating the knowledge acquired

The Committee have been informed that the following schemes were implemented under the Grants in Aid to IAMR

a) Construction of office-cum-Residential complex at Narela was under implementation/completion during 2001-02 and 2002-03.

b) Development of infrastructure at new campus was under consideration during 2002-03 and approved in 2003-04.

c) Proposal under study was sanctioned in 2000-01 and additional funding was considered necessary

The Committee have been informed that provision for these schemes were made in subsequent year which appears a hike in allocation of Plan (Revenue) Budget in 2002-03 and 2003-04.

49. The Committee desired to know the reason for hike in the Budget Estimates during 2004-05 vis-à-vis actuals of 2003-04, the Ministry has submitted as under:

> "An amount of Rs 700 lakh is allocated in BE 2004-05 considering the need for infrastructure development at the Narela Campus occupied by IAMR in the year 2002-03."

50. The Committee regret to observe that there had always been substantial underutilisation of budgetary provision under the head 'Grants-in-Aid' meant for Institute of Applied Man Power Research (IAMR). The Committee are also unable to understand why there was a delay in completion of construction of office-cum-Residential Complex at Narela since 2001-02 and why the scheme for development of infrastructure at new campus could not be approved well in time in order to avoid the under utilisation of funds. Huge allocations have been made at BE stage, revised at RE stage and surrendered at the end of this year since 2001. The Committee are of the view that no serious efforts are being made by the Planning Commission to project realistic demands. The Committee desire that Government should make endeavour to project realistic budgetary allocations and every effort should be made to ensure that amount allocated for a particular purpose is spent thereon and does not remain unspent. They want that IAMR may be directed accordingly.

.**Demand No. 72**
Ministry of Planning
Major Head: 3475
Minor Head: 00.800
Detailed Head: 06.00.28

6. Payment for professional and Special Services

(Plan)
(Rs in Lakh)

Year	Budget Estimates	Revised Estimates	Actuals
2001-2002	76,00,000	30,00,000	6,58,000
2002-2003	40,00,000	40,00,000	32,35,000
2003-2004	40,00,000	40,00,000	31,96,000
2004-2005	2,00,00,000	-	-

Page No.9

51. The head, “Payment for Professional and Special Services” is meant for utilizing the services of Experts including the retired Government Officials on full time or part-time basis for undertaking specific studies of current interest and/or complex nature which are of current interest to the Commission and which cannot otherwise be carried out by the Planning Commission with the help of its regular staff. Not only the individuals but a few Institutes are also identified and assigned the job of carrying out some specific studies. In view of the nature of working of Planning Commission and its Socio-economic role, the need for the Planning Commission to engage such type of personnel designated as “Consultants” was felt way back in 1965 and its has been continuing since then.

52. The expenses incurred towards the fee/remuneration, TA/DA etc. on these consultants are met from this head. The guidelines issued by the Department of Personnel and Training are invariably followed with regard to determining the quantum of monthly fees, tenure etc. A special provision has been made by the Government for the Planning Commission to appoint 25 Consultants (maximum limit) at any given point of time. Persons of high repute who want to work for free for the Commission and wish to contribute for the development of the country in an honorary capacity, without drawing any remuneration are also appointed. The expenditure on their travel, per diem etc. is booked under this scheme. In the case of selected institutions, a consolidated amount is fixed in advance (not exceeding Rs.2.00 lakh in each

case) depending upon the task involved, which includes expenses on all components such as salaries, travel, stationery, secretarial assistance etc.

53. Until the end of Financial year 2001-2002, all payments released by the Planning Commission in connection with the Planning Commission project, viz. "Agro Climatic Regional Planning Unit (ARPU)" set up at Sardar Patel Institute of Economic and Social Research (SPIESR), Ahmedabad, as its main Centre of activity and with fifteen other zonal centres located at various State Agricultural Universities were also being booked from the same head of account. This Project has since been discontinued from the Tenth Plan i.e. w.e.f. 1.4.2002.

54. Asked to furnish the expenditure incurred during the years 2002-2003 and 2003-2004, the Ministry in their written reply have submitted as under:

> "Actual expenditure during 2001-2002 and 2003-2004 was Rs.28.00 lakh and Rs.39.00 lakh respectively. However, after taking into account the Receipts of unutilized amount of ARPU under the scheme during 2001-2002 and 2003-2004, the Actuals were Rs. 6.58 lakhs and Rs.31.96 lakhs respectively."

55. During the oral evidence when the Committee desired to know why there are two separate heads for Payment for Professional and Professional Services, the representatives of the Ministry stated as under:

> "The big increase under this Head is because of the State Development Report, which is a project that has been taken up for preparing special reports on States. Bunching has been there this year. One head is a small head, which relates to the hiring of consultants within Planning Commission and the other is the higher level. One of these heads is for such activities within the UNDP assistance. It has been kept separately."

56. Asked to furnish the reasons for keeping these two heads separately, the representatives of the Ministry during evidence stated,

> "In one case, under the UNDP assistance, we pay for hiring consultants and holding workshops. In the other head, we give grant-in-aid to the State Governments for reimbursing the money for holding workshops. These are just two different activities. Money comes from the UNDP which is routed through the Planning Commission. We just reimburse whatever they spend."

57. The Committee also desired to know the reasons for under utilization of budgetary allocation during the year 2001-02 and also the reasons for sharp increase in allocation of funds for the year 2004-05, vis-à-vis actuals of 2003-04 the Ministry have submitted as under:

> "The project titled "Agro Climatic Regional Planning Unit" which was started during 1988 to provide technical and scientific support to Agricultural and Allied sectors was decided to be discontinued from the Tenth Plan i.e. w.e.f. 01.04.2002. The project was being implemented in coordination with the State Governments and the selected State Agricultural Universities, for which the State Governments were also required to bear matching contributions enabling any further release from the Planning Commission. However, the concerned agencies were not able to fully utilize the amounts earlier released to them in the previous years and hence, there was a short fall in their demand for release of additional funds, despite the fact that a suitable provision was made by the Planning Commission at the start of 2001-2002. Hence, there was under utilization of budgetary allocations during the year 2001-2002.
>
> The new Planning Commission has now been in place after formation of new Government at the Centre. The Planning Commission is scheduled to have mid-term appraisal of the Tenth Five Year Plan during 2004-2005 and for this purpose a number of studies are likely to be assigned to outside experts/institutes. Hence, a higher provision has been estimated in the Budget allocation for the year 2004-2005. "

58. The Committee observe that the Planning Commission is operating a Plan Scheme, namely, Expertise for Planning Process – Payment for Professional and Special Services (PPSS). Under this Scheme, the services of experts including the retired Government officials are engaged by the Planning Commission on full time or part time basis for undertaking specific studies of complex nature which are of current interest to the Commission.

59. From the figures made available to them, the Committee are constrained to find that there is a wide gap between actual utilisation of funds meant for "Expertise for Planning Process" particularly during 2001-02 under plan. The Committee are not inclined to accept the view point of the Ministry that it was difficult to assess the type or number of studies requiring the services of experts, which were going to be undertaken during a particular year. They are of the view that the Planning Commission should have learnt from the past experience and should have made realistic projections.

60. As regards, the steep rise in the budgetary allocation for the year 2004-05, the Committee are given to understand that higher provisions have been made to meet a number of studies which are likely to be assigned to outside experts/institutes for preparation of mid-term appraisal of the Tenth Plan, compilation of State Development Reports (SDRs) for all the 35 States/UTs during 2004-05. In view of the very fact that the amount allocated has remained underutilised in the past several years, the Committee are of the opinion that there should be timely utilisation of funds so as to complete preparations of Mid term appraisal and State SDRs in time.

61. The Committee, therefore, recommend that budgetary exercise should be undertaken keeping in view the actual requirement so that the gap between Budget Estimates, Revised Estimates and actuals get minimised and they desire that two separate heads may be given to differentiate the two , one for "Payment for Professionals" and other for "Special Services".

NEW DELHI;
19 August, 2004
28 Sravana,1926(Saka)

MAJ. GEN (RETD.) B.C. KHANDURI
Chairman,
Standing Committee on Finance

STATEMENT OF CONCLUSIONS/RECOMMENDATIONS OF THE STANDING COMMITTEE ON FINANCE IN THE THIRD REPORT (2004-05)

Sl.No.	Para No.	Ministry/Department Concerned	Conclusions/Recommendations
1	2	3	4
1	15,16	Ministry of Planning	The Committee find that the ov performance of the economy has seriously suffe during the first year (2002-03) of the Tenth Plan the Gross Domestic Product (GDP) grew at a of around 4.0 percent as compared to 5.8 perce 2001-02 as against the projected rate of 8 per as envisaged in the Tenth Plan. The Comm are given to understand that the main reason slow growth during the first year of the Tenth was due to poor monsoon that resulted in nega growth rate for the agriculture sector resultin decline in the overall growth rate.However, gro performance of the economy in the second yea the Tenth Plan (2003-04) as released by Cen Statistical Organisation (CSO) is 8.3 percent. Committee express their apprehension that s during the first year of the Tenth Plan there been a slippage in average growth rate, it might be possible to achieve the target of 8 percent du the remaining three years unless the growth rat accelerated to more than 8 percent. The Committee would like to be apprised of the actual growth rate (sector-wise) achieved during the first two years of the Tenth Plan and the corrective measures taken/proposed to be taken to accelerate the growth rate during the remaining three years of the Plan. They are of the view that unless policy measures and institutional changes as envisaged in the 10^{th} Plan are implemented expeditiously the targeted growth rate of 8 percent can not be achieved. They are given to understand that in order to achieve this

			ambitious target, the domestic savings must be at the level of about 26% but we are lagging behind in this regard. They, therefore, recommend that the Planning Commission should come out with a policy which may suggest the ways to boost domestic savings. If the target in respect of savings is achieved there is no reason why the investment rate will not pick up which in turn will help in achieving the growth rate target. They also want that Planning Commission may carry out periodical monitoring and keep a close look at the situation. The Committee, therefore, recommend that Planning Commission should take initiatives to encourage public investments in rural infrastructure and social sectors and give directions to Ministries/Departments to make effective and efficient use of the available resources in each sector of the economy and also take action towards improving governance and enhancing the efficiency of the delivery system in order to achieve steady acceleration in growth performance The Committee, therefore, recommend that Planning Commission should take initiatives to encourage public investments in rural infrastructure and social sectors and give directions to Ministries/Departments to make
2	26,27	Ministry of Planning	The Committee note with serious concern that a high level of fiscal deficit continues to be an area of concern for the policy planners which is mostly due to decline in tax to GDP ratio and significant increase in the revenue expenditure of the Government both at Centre and States levels. They note that fiscal position of States is somewhat alarming and unless drastic measures are taken to arrest the mismatch between the cash flows, the position would become worse. Many State Governments resort to massive borrowings to meet their expenditure which push them in a debt trap. They are given to understand that in order to reduce burden of States with regard to interest payment, the Central Government has introduced a Debt Swap scheme for the States which enables the State Governments to retire their high interest bearing loans and swap with low interest bearing loans. They note with satisfaction that this scheme has given much

			relief to the State Governments but at the same time are of the view that it is not sufficient and more has be done. The Committee view the situation very seriously and desire that the Planning Commission should give directions to the State Governments to keep the non plan revenue expenditure and their borrowings under tight control to enable greater flow of finances for strengthening the process of fiscal consolidation. States should also be persuaded to maintain strict fiscal discipline by improving their own resources through appropriate fiscal reforms enlisted in the Medium Term Fiscal Reforms (MTFR). The Committee would also like to know the monitorable fiscal reforms drawn by the State Governments for improving their financial position in the medium term.
3	33,34,35 &36	Ministry of Planning	The Committee note that the National Commission on Population (NCP), was set up on 11 May, 2000 under the Chairmanship of Prime Minister and Deputy Chairman, Planning Commission as Vice-Chairman alongwith 125 members and permanent invitees primarily to review, monitor and give directions for the implementation of the policies and programmes relating to population stabilisation set out in the National Population Policy. They consider that the National Commission has a major role to play in respect of stabilisation of population in the country. They note with serious concern that eight Sates namely, UP, Bihar, MP, Rajasthan, Orissa, Uttaranchal, Jharkhand and Chattisgarh contribute 45% of the population in the country and thus are reckoned as high fertility states, the Government has set up a Empowering Action Group (EAG) to deal with the population problem in these States. They are given to understand that EAG mechanism is to work as single window clearance system for approving schemes to address the demographic problems in these States. They also note that National Population Policy 2000 has set out an ambitious target of reducing fertility rate and attaining the level of 2.1 percent by 2010. This target can be achieved only if the special concerted efforts are put in

			place by these States. They also desire that States performance with regard to Population Stabilisation Programme (PSP) may be included as one of the criteria to draw central aid by them and such assistance may be denied to non performing States. In their view, this will inspire the States to participate in the population stabilisation programme. From the figures made available to them, the Committee are given to understand that the funds allocated for the National Commission on Population remained under utilised. The non availability of required number of officers and staff has been cited as the main reason for the under utilisation of funds during 2001-02 and 2002-03. The under utilisation of funds during 2003-04 was owing to postponement of the main conference of National Commission on Population, foreign and domestic travels owing to other important work and non release of instalments for research studies etc. The Committee recommend that the budgetary allocations as far as possible should be made realistically and adequate staff must be put in place so that NCP becomes fully functional in true sense. The Committee also desire that more efforts should be taken to review demographic scenario at national and state level making population stabilisation a peoples' programme. While human resources need to be developed fully, the Standing Committee underscore the need to control population in our country.
4	46	Ministry of Planning	The Committee note that the "Modernisation of Office System" is divided into two parts viz. (I) Renovation and alteration (ii) Information Technology. They are of the view that these parts create lot of confusion as both the parts as stated do not co- relate with each other at the time of implementation of the programme. They find that the Government has explained their intent for raising these demands but they feel that better classification could have been made by the Government. At the same time they also want the Government to ensure that expenditure on IT is fully utilised and does not remain unspent. They feel that IT spendings may be closely monitored by the Government

			as this is an area which can provide essential impetus to the technology upgradation programme.
5	50	Ministry of Planning	The Committee regret to observe that there had always been substantial underutilisation of budgetary provision under the head 'Grants-in-Aid' meant for Institute of Applied Man Power Research (IAMR). The Committee are also unable to understand why there was a delay in completion of construction of office-cum-Residential Complex at Narela since 2001-02 and why the scheme for development of infrastructure at new campus could not be approved well in time in order to avoid the under utilisation of funds. Huge allocations have been made at BE stage, revised at RE stage and surrendered at the end of this year since 2001. The Committee are of the view that no serious efforts are being made by the Planning Commission to project realistic demands. The Committee desire that Government should make endeavour to project realistic budgetary allocations and every effort should be made to ensure that amount allocated for a particular purpose is spent thereon and does not remain unspent. They want that IAMR may be directed accordingly.
6	58,59,60 & 61	Ministry of Planning	The Committee observe that the Planning Commission is operating a Plan Scheme, namely, Expertise for Planning Process – Payment for Professional and Special Services (PPSS). Under this Scheme, the services of experts including the retired Government officials are engaged by the Planning Commission on full time or part time basis for undertaking specific studies of complex nature which are of current interest to the Commission. From the figures made available to them, the Committee are constrained to find that there is a wide gap between actual utilisation of funds meant for "Expertise for Planning Process" particularly during 2001-02 under plan. The Committee are not inclined to accept the view point of the Ministry that it was difficult to assess the type or number of studies requiring the services of experts, which were going to be undertaken during a particular year. They are of the view that the Planning

			Commission should have learnt from the past experience and should have made realistic projections. As regards, the steep rise in the budgetary allocation for the year 2004-05, the Committee are given to understand that higher provisions have been made to meet a number of studies which are likely to be assigned to outside experts/institutes for preparation of mid-term appraisal of the Tenth Plan, compilation of State Development Reports (SDRs) for all the 35 States/UTs during 2004-05. In view of the very fact that the amount allocated has remained underutilised in the past several years, the Committee are of the opinion that there should be timely utilisation of funds so as to complete preparations of Mid term appraisal and State SDRs in time. The Committee, therefore, recommend that budgetary exercise should be undertaken keeping in view the actual requirement so that the gap between Budget Estimates, Revised Estimates and actuals get minimised and they desire that two separate heads may be given to differentiate the two , one for "Payment for Professionals" and other for "Special Services".

Minutes of the Second sitting of Standing Committee on Finance

The Committee sat on Wednesday, 11 August, 2004 from 1200 to 1345 hrs.

PRESENT

Maj. Gen (Retd.) B.C. Khanduri - Chairman

MEMBERS

LOK SABHA

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri P.S. Gadhavi
5. Shri Shyama Charan Gupt
6. Shri A. Krishnaswamy
7. Shri Bir Singh Mahato
8. Dr. Rajesh Kumar Mishra
9. Shri Madhusudan Mistry
10. Shri Rupchand Pal
11. Shri Shriniwas D. Patil
12. Shri K. S. Rao
13. Shri Ajit Singh
14. Shri M.A. Kharabela Swain
15. Shri Vijoy Krishna

RAJYA SABHA

16. Shri Murli Deora
17. Shri Jairam Ramesh
18. Shri M. Venkaiah Naidu
19. Shri Amar Singh
20. Shri C. Ramachandraiah
21. Shri Mangani Lal Mandal

Secretariat

1. Shri. P.D.T. Achary - Additional Secretary
2. Dr.(Smt.) P.K. Sandhu - Joint Secretary
3. Shri R.K. Jain - Deputy Secretary
4. Shri R.C. Kakkar - Under Secretary

WITNESSES

Planning Commission

1. Sh. Rajeeva Ratna Shah, Secretary, Planning Commission
2. Sh. A.K. Mishra, Principal Adviser
3. Smt. Renuka Viswanathan, Adviser (SP-S/PAMD/SER/FR)

4. Dr. Pronab Sen, Adviser (PP)
5. Dr. (Smt.) Rohini Nayyar, Adviser (RD/DP)
6. Ms. Sushma Choudhary, Adviser (SP-W/H&FW/NCP)
7. Smt. Suman Swarup, Adviser (SP-NE/Education)
8. Dr. Kamal Taori, Adviser (VAC/VSE)
9. Sh. Shailendra Sharma, Adviser (LEM)
10. Sh. Gautam Basu, Addl. Secretary & FA
11. Dr. S.P. Pal, Adviser (PEO)
12. Sh. G.B. Panda, Adviser (SJ&WE)
13. Sh. V.K. Bhatia, Adviser (C&I)
14. Sh. S.K. Roy, Adviser (Agri.)
15. Dr. R. Mandal, Adviser (E&F)
16. Sh. B.N. Puri, Adviser (Transport)
17. Sh. R.C. Jhamtani, Adviser (P&E)
18. Sh. Surya P. Sethi, Adviser (P&E)
19. Sh. L.P. Sonkar, Adviser (Coal & Minerals)
20. Sh. A. Sekhar, Adviser (WR)
21. Dr. O.P. Sharma, Adviser (IE)
22. Sh. S.S. Batra, Adviser (HUD,MLP,DRF)
23. Dr. Rajan S. Katoch, JS(SP&Admn./Adviser,S&T)
24. Km. Gurjot Kaur, Adviser (PC/Tourism)
25. Ms. L.N. Tochhawng, Director (Finance)
26. Sh. J.C. Sharma, Director (PC-s)
27. Sh. C.S. Mohapatra, Director (PC-M)
28. Sh. G.P.Grover, Dy. Secretary (Admn.)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Planning 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 the Ministry of Planning on Demands for Grants (2004-05) and other related matters.

4. Thereafter, the Chairman requested the representatives of Ministry of Planning to furnish notes on certain points raised by the Members to which replies were not readily available with them during the discussion.

5. The evidence was concluded

6. A verbatim record of proceedings has been kept.

The witnesses then withdrew.

Minutes of the Fourth sitting of Standing Committee on Finance

The Committee sat on Wednesday, 19 August, 2004 from 1500 to 1630 hrs.

PRESENT

Maj. Gen (Retd.) B.C. Khanduri - Chairman

MEMBERS

LOK SABHA

2. Shri Jaswant Singh Bishnoi
3. Shri Bir Singh Mahato
4. Shri Rupchand Pal
5. Shri K. S. Rao
6. Shri Lakshman Seth
7. Shri G.M. Siddeshwara

RAJYA SABHA

8. Shri Murli Deora
9. Shri Jairam Ramesh
10. Shri Mangani Lal Mandal

Secretariat

1. Shri. P.D.T. Achary	-	Additional Secretary
2. Dr.(Smt.) P.K. Sandhu	-	Joint Secretary
3. Shri R.K. Jain	-	Deputy Secretary
4. Shri R.C. Kakkar	-	Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.

3. XX XX XX XX

4. XX XX XX XX

5. Thereafter, they took up for consideration the draft report on the Demands for Grants (2004-2005) of the Ministry of Planning and adopted the same with changes as suggested by some of the Members as shown in Annexure I.

6. XX XX XX XX

7. XX XX XX XX

8. The Committee authorised the Chairman to finalise the Reports in the light of modifications as also to make verbal and other consequential changes arising out of the factual verification and present the same to both the Houses of Parliament.

The Committee then adjourned.