

31

**STANDING COMMITTEE
ON FINANCE
(2005-2006)**

FOURTEENTH LOK SABHA

**MINISTRY OF STATISTICS &
PROGRAMME IMPLEMENTATION**

**DEMANDS FOR GRANTS
(2005-2006)**

*[Action taken by the Government on the recommendations contained
in the Nineteenth report of the Standing Committee on Finance on
Demands for Grants (2005-2006) of the Ministry of Statistics &
Programme Implementation]*

THIRTY-FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2005 / Pausa, 1927 (Saka)

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STANDING COMMITTEE ON FINANCE
(2005-2006)
(FOURTEENTH LOK SABHA)
MINISTRY OF STATISTICS & PROGRAMME
IMPLEMENTATION
DEMANDS FOR GRANTS
(2005-2006)

*[Action taken by the Government on the recommendations contained
in the Nineteenth report of the Standing Committee on Finance on
Demands for Grants (2005-2006) of the Ministry of Statistics &
Programme Implementation)]*

*Presented to Lok Sabha on 22.12.2005
Laid in Rajya Sabha on 22.12.2005*



LOK SABHA SECRETARIAT
NEW DELHI

December, 2005/Pausa, 1927 (Saka)

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations which have been accepted by the Government (1, 3, 7 and 10)	9
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies (2, 4, 8 and 9).....	17
CHAPTER IV Recommendations/Observations in respect of which Replies of the Government have not been accepted by the Committee (5 and 6) ..	24
CHAPTER V Recommendations/Observations in respect of which final replies of the Government are still awaited (Nil)	27
Minutes of the sitting of the Committee held on 19 December, 2005	28
APPENDIX	
Analysis of the action taken by government on the recommendations contained in the Nineteenth report of the Standing Committee on Finance (Fourteenth Lok Sabha) on Demands for Grants (2005-2006) of the Ministry of Statistics & Programme Implementation.	31

COMPOSITION OF STANDING COMMITTEE ON
FINANCE—2005-2006

Maj. Gen. (Retd.) B.C. Khanduri — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri Bhartruhari Mahtab
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SECRETARIAT

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| 4. Shri S.B. Arora | — | <i>Deputy Secretary</i> |
| 5. Shri T.G. Chandrasekhar | — | <i>Under Secretary</i> |

INTRODUCTION

I, Chairman of the Standing Committee on Finance having been authorized by the Committee to submit the Report on their behalf present this Thirty-First Report on action taken by Government on the recommendations contained in the Nineteenth Report of the Committee (Fourteenth Lok Sabha) on Demands for Grants (2005-06) of the Ministry of Statistics & Programme Implementation.

2. The Nineteenth Report was presented to Lok Sabha/laid in Rajya Sabha on 20 April, 2005. The Government furnished the written replies indicating action taken on all the recommendations on 19 July, 2005. The draft action taken report was considered and adopted by the Committee at their sitting held on 19 December, 2005.

3. An analysis of action taken by Government on the recommendations contained in the Nineteenth Report (Fourteenth Lok Sabha) of the Committee is given in the Appendix.

4. For facility of reference observations/recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;
19 December, 2005
28 Agrahayana, 1927 (Saka)

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

CHAPTER I

REPORT

1. This Report of the Standing Committee on Finance deals with action taken by Government on the recommendation contained in their Nineteenth Report (Fourteenth Lok Sabha) on Demands for Grants (2005-2006) of the Ministry of Statistics and Programme Implementation which was presented to Lok Sabha/laid in Rajya Sabha on 20 April, 2005.

2. The Report contained ten recommendations. Action taken notes have been received from the Government in respect of all the ten recommendations contained in the Report. These have been analysed and categorized as follows:

- (i) Recommendations/observations that have been accepted by the Government:

Sl.Nos 1, 3, 7 & 10

(Total 4)

(Chapter II)

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

Sl.Nos. 2, 4, 8, 9

(Total 4)

(Chapter III)

- (iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee:

Sl.Nos. 5 & 6

(Total 2)

(Chapter IV)

- (iv) Recommendations/observations in respect of which final reply of the Government is still awaited:

Nil

(Chapter V)

3. The Committee desire that reply in respect of the recommendation contained in Chapter I of the Report may be furnished to them expeditiously.

4. The Committee will now deal with action taken by Government on some of their recommendations:

Recommendation No. 4 (Para Nos. 20-21)

Central Statistical Organisation (CSO)-Central Training Facility

5. The Committee had, in their Fourth Report on the Demands for Grants (2004-05) of the Ministry emphasized on the need for ensuring judicious usage of the allocation of Rs. 8.86 crore earmarked for constructing the Central Training Facility for the benefit of statistical personnel by ensuring that the related work was taken up and executed as per the stipulated schedule. The Committee, were, however, compelled to take serious note of the fact that no tangible progress could be made in constructing the building during the year 2004-05, due to the changes in the dimensions of the plot, consequential re-registration and failure to obtain the approvals of the authorities concerned for building plan prepared by the CPWD. As a result, a very large portion of the budgeted amount of Rs. 8.86 crore for the year 2004-05 had to be surrendered by the Ministry, with the net expenditure likely to be incurred on the project during the year being restricted to an amount of Rs. 25 lakhs with the possibility of an additional amount of Rs. 45 lakhs being used towards land filling and associated activities. What the Committee found particularly disturbing to note was the fact that while the Ministry had, during the year *viz.*, 2004-05, attributed the delay in executing the project to the failure of the CPWD adhering to the time schedule for preparing the building plan, the reasons extended for the delay in 2005-06 related to the building plan prepared by the CPWD being not in conformity with the stipulations of Greater Noida Authority.

6. The Committee understood that a revised building plan was being re-submitted for approval by the Greater Noida Authority and an amount of Rs. 13.735 crore had been earmarked at the B.E., 2005-06 for executing the project. As assured by the Secretary during the course of oral evidence, the Committee trusted that necessary approvals would be obtained speedily and the amount of Rs. 13.735 crore allocated for the project during the year, 2005-06, would be utilised with care and objectivity so that the exercise of revising the budgeted amount to a much lesser level at the stage of preparation of the Revised Estimates and the differential between the Estimates and the Actual expenditure being of a very high order was avoided.

7. In their Action Taken Reply, the Ministry have stated as follows:

The construction of Central Training Facility (CTF) has been entrusted to CPWD. In view of the non-approval of building plan by Greater Noida Authority, the major work could not be started. The building plan was re-submitted on 6.6.2005 by the CPWD after incorporating the changes indicated by Greater Noida Authority. The building plan has since been approved by the Authority. CPWD has been asked to go for Tenders. CPWD has been requested to take measures for utilizing the provisions in BE 2005-06.

8. Further, the Government replied as under:

A revised building plan in conformity with the stipulations of Greater Noida Industrial Development Authority (GNIDA) was resubmitted by CPWD on 6th June, 2005. The approval of Greater Noida Authority has been received on 28th June, 2005. Efforts are being made for finalization of tenders and commencement of the actual construction by CPWD which has been asked to take all possible steps to expedite construction and spend the whole amount of Rs. 13.735 crore allocated in the BE for 2005-06.

9. Apart from stating that the building plan prepared by the CPWD for constructing the Central Training Facility (CTF) for the benefit of statistical personnel has since been approved by the Greater Noida Industrial Development Authority (GNIDA) on 28 June, 2005, the reply furnished by the Ministry is silent on the details of the measures taken or proposed for ensuring judicious usage of the allocated sum of Rs. 13.735 crore for executing the project. The project has been languishing on account of avoidable factors such as delays in getting the building plan prepared by CPWD and obtaining the approval of the Greater Noida Industrial Development Authority (GNIDA). Now, since the building plan has been approved, the Committee desire that the Ministry make every possible effort to ensure that the construction work is commenced with and the project executed within a planned schedule so as to avoid a repetition of the shortfall witnessed in the earlier year 2004-05 in utilising the allocated budgetary resources.

Recommendation No. 5 (Para No. 26)

Online Computerised Monitoring System

10. The Committee noted that the major initiative of introducing the On-line Computerized Monitoring System (OCMS) for enabling

effective monitoring of project implementation could not materialize as scheduled in 2003-04 owing to the delay in procuring the computer hardware and software. The procurements could materialize only in 2004-05, and as informed by the Ministry, the OCMS would become operational by the end of May, 2005 and would contribute in improving the quality of project and infrastructure monitoring *inter-alia* by enabling on-line collection of information without time lags; on-line communication between the project enterprises and the Ministry; and facilitating transfer of project profiles and accruing of sectoral reports. The Committee felt that no effort should be spared in modernizing and up-dating the IT infrastructure of the Ministry. When the system is put in place, the Committee felt, it would not only bring about revolutionary change in quality of monitoring but would also help in taking quick remedial measures. The Committee, therefore wished to be kept apprised of the progress in implementing the OCMS as well as its effectiveness in strengthening the project monitoring measures.

11. In their Action Taken Reply, the Ministry have stated as under:

“The launching of OCMS is likely to be started in September, 2005 and completed in October, 2005. The effectiveness in strengthening of the project monitoring measures as a result of launching of OCMS may be known only a few months thereafter.”

12. On the current status of implementation of the OCMS Project, the Ministry, vide communication dated 12 December, 2005 furnished the following information:

- “Installation of hardware under OCMS has been completed.
- Most of the software has been loaded and checking is in progress.
- Old data from NIC database has been imported into OCMS.
- Project Data (including milestones) on experimental basis will be input into the system by project authorities (PSUs) by end of February, 2006.
- Once the accuracy of system functioning is certified as per the original parameters laid down, OCMS will be declared operational, subsequently.
- Training will be imparted to members of PSUs having large projects within a period of 4 to 6 days.
- Training will be completed within a week.”

13. The Ministry also informed that it was hoped that the OCMS would be operationalised by the end of March, 2006.

14. Apart from stating that the Online Computerised Monitoring System (OCMS) was likely to be operationalised by October, 2005, no additional details have been furnished in the reply on the scope, plan and progress of implementing the project. As informed by the Ministry earlier, the OCMS Project has been perceived to be a major initiative towards ensuring effective monitoring of project implementation. Implementation of the Project could not be executed in 2003-04, as originally scheduled, owing to delays in procuring the required computer hardware and software which could materialize only in 2004-05. Though the Ministry were also categorical in informing the Committee that the OCMS would be operationalised in May, 2005, which was later rescheduled to October, 2005, the same could not be operationalised till date and the delays continue to hamper the Project. From the additional information furnished on the current status of the Project, the Committee note that the Ministry are now hopeful of operationalising the OCMS only by the end of March, 2006. Considering the significant delays that continue to be witnessed in implementing the Project, the Committee expect the Government to analyse the reasons for the same and take appropriate remedial measures so as to ensure that such happenings do not reoccur. The Committee take a serious view of frequent shifting of completion dates and would like to be kept apprised of the progress in operationalising the OCMS and its efficacy in strengthening Project monitoring mechanisms.

Recommendation No. 6 (Para Nos. 31 & 31A)

Central Statistical Organisation-Updating the Indices

15. The National Statistical Commission had felt that the current Wholesale Price Index (WPI) with base 1993-94 was deficient in many respects *inter-alia* owing to the fact that price changes in the services sector were not duly accounted for. The Commission had also concluded that, as at present, WPI was not an adequate measure of inflation and there was a need for separate index for measurement of inflation in the economy. The Committee were given to understand that a working group had been constituted to give focused attention on different aspects related with the revision of WPI series, whose terms of reference *inter-alia* included, exploring the possibility of inclusion of selected services in a WPI basket and examining the need for switching over from WPI to a Producer Price Base Index (PPI).

Considering the fact that the price indices in the system of economic statistics were closely watched indicators of macro economic performances and were important tools in the formulation of the monetary and fiscal policy, the Committee strongly emphasized on the need for early completion of the work on the new series of WPI and Producer Price Index (PPI). The Committee also wished to be kept apprised of the progress made in this direction.

16. As regards the issue of revision of current series of CPI, the Committee understood that the Labour Bureau had prepared a detailed scheme way back in 1996 and the NSSO undertook the related field survey and the technical details worked out, which had since been examined by the Technical Advisory Committee. The Labour Bureau had reportedly convened a meeting in May, 2005 to consider the matter. The Committee expected the work on the revision of series to be completed and the new series of CPI released expeditiously.

17. In their reply the Ministry have stated as under:

“Position with regard to Revision of the Wholesale Price Index

The terms of Reference of the Working Group set up under the Chairmanship of Prof. Abhijit Sen, Member, Planning Commission for the revision of the existing series of Wholesale Price Index (WPI) *inter-alia*, include the two areas *viz.* (i) to examine the need for switching over from wholesale price based price index (WPI) to producer price based price Index (PPI) and suggested further improvements based on the IMF’s PPI Manual; and (ii) to explore possibility of inclusion of selected services in the WPI basket.

The working Group on WPI held three meetings as on date *viz.* on 15.01.2004, 22.03.2004 and 27.08.2004. The working Group in the first meeting deliberated on the issues relating to choice and selection of the base year and also proposed the constitution of four Sub-Groups to assess/analyse and recommend base year selection and also to conduct exercises on the revision of series. The four Sub-groups are: (i) Analytical and other related Issues; (ii) Agricultural Commodities; (iii) Manufactured items; and (iv) Unorganized and unregistered sector.

The second meeting of the Working Group dealt on the choice of the base year, commodity coverage, availability of data, preparation of weighing diagram, among others. In the third meeting, the Working Group after deliberations, selected 2000-01 as the base year for the new series of the WPI. It further directed to prepare the Weighing Diagram and finalization of commodity basket.

The Sub-Group on Manufactured Items and related matters submitted its Report. Their recommendations are under consideration of the Working Group. Works of the other Sub-groups are in progress.”

18. The Ministry further replied as under:

“Regarding revision of current series of Consumer Price index for Industrial Workers, a Working Class Family Income and Expenditure Survey (WCFIES) was carried out in 1999-2000 by Field Operations Division (National Sample Survey Organization) at the request of the Labour Bureau, Ministry of Labour. Based upon the consumption pattern of the Industrial Workers, the weighing diagram (Group/Sub-Group wise) was prepared by Labour Bureau which was further considered and approved by the Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL). The Committee in forty-third meeting held on 15th July, 2004 approved recommendations of the constituent Sub-Group for revising the base year of the current series of Consumer price index numbers for industrial Workers. Recently, a tripartite meeting involving Central Government Representatives, State Govt. Representatives, Employers and employees Organisations was held on 19-20th May, 2005 at Shimla which was chaired by the Secretary, Ministry of Labour. The recommendations made in the above meeting are under consideration of Ministry of Labour. The revised Index for Consumer Price index for Industrial Workers with base 2001=100 shall be released by the Labour Bureau after the recommendations are considered and approved by the Ministry of Labour.”

19. The Committee are constrained to note that the reply merely recounts the fact that the Working Group/Sub-Groups constituted for *inter alia* examining the feasibility of inclusion of ‘selected services’ in the WPI basket; and switching over from wholesale price index (WPI) to Producer Price Base Index (PPI) had deliberated on the related issues at their meetings held in 2004. No specific details on the deliberations and findings of the Working Group and its sub-Groups and the measures taken or proposed for ensuring early completion of the work on formulating the new series of WPI and switching over to Producer Price Base Index (PPI) have been furnished. The Committee would like to be apprised of the specific details of the progress made by the four sub-groups viz. sub-group on (i) Analytical and other related Issues; (ii) Agricultural Commodities; (iii) Manufactured items; and (iv) Unorganized and unregistered sector in the exercise on the revision of WPI series.

20. As regards the work on revision of the current series of the Consumer Price Index (CPI), the Committee note from the reply that a meeting convened by the Ministry of Labour in May, 2005 which, *inter alia*, involved the representatives of the Central and State Governments and Employers and Employees Organisations had made the related recommendations, after consideration of which the Labour Bureau would release the revised index.

21. In view of the fact that the National Statistical Commission had, *inter alia*, observed that there were serious deficiencies in the current series of the price indices, the Committee reiterate their earlier recommendation that the work on the revision and carrying out necessary modifications in the formation of price indices *viz.* WPI series by including 'selected services', and CPI series on the basis of changes in the consumption pattern and basket of goods involved be completed expeditiously.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 1 (Para No. 7)

Improvement of National Accounts Statistics

The Committee are concerned to note that there has been a substantial under-utilization of the budgeted amounts under the Head, 'Improvement of National Accounts Statistics'. While the budgeted amount under the Head, at the stage of BE for the year 2003-04 was Rs. 86 lakhs, the amount was revised to Rs. 60 lakhs at the stage of RE during the year and the actual utilization has only been to the extent of Rs. 37.99 lakhs. The reasons adduced by the Ministry for the under-utilization of the budgeted amount, which include, non-receipt of feasible proposals from the states for conducting type studies, do not appear to be convincing. Moreover, the allocation under the Head for the year, 2005-06, has once again been enhanced to Rs. 95 lakhs, ostensibly due to factors such as the increase in staff wages, conducting Regional level workshops on State income compilations and undertaking professional studies. Given the trend witnessed in budgeting and the actual expenditure incurred in the last three years, the Committee have grave doubts on the objectivity with which the budgeting is being done by the Ministry. Hence, they recommend that every effort should be made to provide realistic budget estimates.

Reply of the Government

The Ministry has noted the concerns expressed by the Committee and will put in every effort to provide realistic budget estimates. During the year 2004-05, the Ministry conducted six Regional workshops on State income compilations as planned. Further, two workshops for the benefit of the newly created States (Jharkhand and Chhattisgarh) were organised. Besides, the Ministry entrusted 6 studies to the State Governments, the Ministry of Agriculture and the Indian Council of Forest Research and Education, for improving the national accounts. For the year 2005-06, the Ministry has taken necessary steps, like conduct 6 Regional level workshops and conducting 4 studies through State Governments, as envisaged in the plan scheme.

Recommendation No. 3 (Para No. 13)

Institutional Development and Capacity Building Machinery and Equipment

The Committee regret to observe that there has been a wide variation in the Budget Estimates, Revised Estimates and the Actual

expenditure under the Head, 'Institutional Development and Capacity Building'. While allocations of Rs. 1.72 crore and Rs. 4.44 crore were made at the stage of BE for 2002-03 and 2003-04 respectively, the amounts were reduced to Rs. 80.00 lakhs and Rs. 77.50 lakhs respectively at the RE stage and the actuals for the years 2002-03 and 2003-04, totalled to Rs. 62.54 lakhs and Rs. 26.60 lakhs. As informed by the Ministry, a huge provision of Rs. 4.44 crore was made for the year 2003-04 mainly for procuring machinery and equipment to furnish the proposed Central Training Facility (CTF), work on which could not takeoff. This resulted in reducing the budgeted amount to Rs. 77.50 lakhs at the RE stage during the year and the actual expenditure incurred in the year totalled to Rs. 26.60 lakhs. Though the Committee are in agreement with the fact that certain projects may not materialize as planned, given the wide variations witnessed in BE, RE and Actuals under the Head each year, they express the view that every care should be taken to make realistic and objective projections at the BE stage so that the funds available are judiciously distributed and made use of by the various Ministries/Departments.

Reply of the Government

The observations of the Committee have been noted by the Ministry. Steps will be taken to ensure that realistic and objective projections are made at BE stage by various Divisions of the Ministry.

Recommendation No. 7 (Para Nos. 38 & 39)

Quality and reliability of Statistical Data

The Committee are deeply concerned to note the deficiencies prevalent in methodology of collection of data at different levels. They understand that the collection of data at local level is not free from faults. The deficient data in turn is transmitted to district offices before being agglomerated at the State level. The State department supplies the same to the concerned departments and the corresponding departments in the Central Government. They take note of the Government's own admission in this regard that lot has to be done about quality of data collections. The Committee find that the high powered Committee under the Chairmanship of Shri Rangarajan has submitted its report way back in 2001, which have given far reaching recommendation in this regard. These include *inter-alia* the appointment of statistical advisors in important Ministries and departments, constitution of an organised State Statistical Cadre, launching of a Centrally-sponsored Scheme with the specific objectives of developing survey and data processing capabilities in the States, besides setting

up of an independent statistical authority-National Commission on Statistics through an Act of Parliament in respect of policy-making co-ordination and maintaining quality standards of core-statistics. They recall that they had recommended for setting up of National Statistical Commission through an Act of Parliament in their report in 2004-05. The Committee strongly deplore the undue delay on the part of the Government in, bringing the Bill, which, as informed is expected to be introduced shortly. As the future of maintaining and supply of quality statistics hinges on the fate of this Bill and the Committee want that all formalities should be completed without further delay so that the National Statistical Commission may be able to carry its programme for revamping the statistical system in India.

The Committee are given to understand that with a view to interact between States and Central Government, there is a Council which meets once in every two years. They find that the meeting of the Council has not been held so far. They deplore such delay in holding the meeting and want that the frequency for holding this meeting may be reduced to one year instead of the two years so that fruits of interaction can be realised. The Committee also strongly feel the need to enhance the quantum of funding to the States for strengthening the statistical system of the States.

Reply of the Government

In line with the recommendations of the Rangarajan Commission, it has been decided to set-up a National Statistical Commission and a notification constituting the Commission has been issued on 1 June, 2005. A copy of the notification is enclosed. It is expected that the statutory Commission would be set up within a period of one year.

The Conference of Central and State Statistical Organizations (COCSSO) was held in October 2004. The tradition of holding the Conference of Central and State Statistical Organizations in all full fledged manner has been thus revived and it is proposed to hold it every year from now.

Recommendation No. 10 (Para Nos. 62 to 68)

Project Monitoring Division—Time and Cost Overruns

The Project Monitoring Division (PMD) plays the all important role of monitoring implementation of all Central Sector Projects costing Rs. 20 crore and above. While a two-tier system of monitoring is followed in respect of all mega projects costing more than Rs. 100 crore, which include, bringing out monthly Flash Reports and two monthly Exception Reports in cases where significant slippages are

noticed in achieving the targeted milestones; Quarterly Project Status Implementation Status Reports (QPSISR) are brought out by the Division in respect of all projects costing Rs. 200 crore and above.

The Committee are well aware of the fact that a number of initiatives have been taken towards ensuring timely and cost-effective implementation of projects, which include, rigorous quarterly reviews of implementation of public sector projects by the Ministries concerned; review of projects experiencing cost and time slippages by the Committee of Secretaries (CoS); fixation of responsibility for slippages by the Standing Committees; and incorporation of Govindarajan Committee's recommendations on project formulation, appraisal and implementation of Central projects in the system of Public Investment Board and Expenditure Finance Commission which, *inter-alia*, enhance the powers of the various authorities in granting approvals for central sector projects.

The Committee also understand that other measures initiated in ensuring speedy and effective implementation of central projects include, introduction of 'Standard Contract Management' aimed at minimising contract related disputes, ground level reviews of project implementation; and introduction of 'Model Domestic Contract Documents'.

Despite undertaking these well-thought of and reasoned measures, what the Committee feel particularly worried to note is the fact that of the 617 projects on the monitoring list as on 30 September, 2004, which involve a whopping investment to the tune of Rs. 2,67,067 crore, as many as 149 projects have reported cost overruns of 22.2% with respect to the latest approved cost estimates, of these, 8 projects have reportedly contributed to nearly 79.25% of the total cost overrun of all projects together *viz.*, Naptha Jhakri Power Corporation, DMRTC, Dulhasti Hydro Electric Projects; THDC, Udampur-Srinagar, Baramulla, Dhauliganga Hydro Electric Project and Panipat Refinery Examination Project. The Committee strongly recommend that the specific contributory factors to the cost overruns in respect of these projects should be gone into in detail and appropriate remedial measures taken so as to ensure that such happenings, which do not augur well to the economy, do not recur.

A very disturbing aspect that the Committee wish to bring to the fore here is the fact that as on January 1, 2005, there were as many as 23 projects involving an expenditure of Rs. 344.46 crore which were either frozen or abandoned mid-way due to factors such as fund constraints and land acquisition problems.

Another aspect that the Committee wish to highlight here is the fact that in the case of a majority of the projects, particularly of the Railways and Road Transport and Highways, a major contributory factor for delays and cost escalations relate to problems faced in acquiring land. The Committee strongly feel the need to give specific attention to evolving measures for overcoming this problem, possibly by ensuring that issues relating to acquisition of project related land are addressed before-hand or in advance to the stage of project related approvals.

The Committee also note that in a majority of 37 projects, other than railway any projects, in whose case the time overruns and cost escalations were reportedly examined by the Standing Committees of the Ministries and departments concerned, the action taken against those held responsible for lapses as well as the remedial measures taken, if any, have not been informed by the Ministry. The Committee desire that the related details should be furnished to them at the earliest.

Reply of the Government

Ministry takes note of the recommendation.

Four under-mentioned Ministries were requested to furnish details concerned with 8 projects keeping in view the observations of the Committee.

(a) Ministry of Power, (b) Ministry of Road Transport and Highways and Shipping, (c) Ministry of Urban Development, and (d) Ministry of Railways.

The Ministry of Power concerned with 4 projects has reported reasons for time and cost overrun as follows:

(1) Naptha Jhakri Hydro Electric Project

- (a) Major catastrophic natural calamity such as rockslides (1997), cloud burst and flash flood-(August, 1997) unprecedented flash flood (July and August, 2000)
- (b) Geological surprises and adverse physical conditions
- (c) Additional Rehabilitation packages.

The reasons for cost overrun are as follows:

- (i) Price Escalation
- (ii) Foreign Exchange Variation

- (iii) Statutory reasons such as increase in HP Sales Tax/Works Contract/on material transportation.
- (iv) Quantity variation/over and under estimation/change in design and unforeseen and additional works.
- (v) Geological surprises and its remedial measures.
- (vi) Cost implication of additional rehabilitation packages.

Adequate measures have been taken by Satluj Jal Vidyut Nigam Ltd. (SJVNL) executing the project to prevent damages on account of future flash flood and other natural calamities and also by strengthening the monitoring mechanism at various levels.

(2) Dulhasti HE Project, J&K

Reasons for time and cost overrun

- (i) Want of fund
- (ii) Serious law and order problems resulting in the abduction of two engineers of French Consortium and subsequent suspension of work.
- (iii) Balance civil works awarded to new Civil Contractor M/s. JSA (Jr.) a joint venture of Indian & Norwegian Company.
- (iv) Geological surprises.
- (v) Catastrophic rock burst in February, 2000.
- (vi) Poor law and order situations, road blockages, adverse weather conditions.
- (vii) Price escalation.
- (viii) Additional taxes and duties (Statutory reason).
- (ix) Additional Cost on account of manpower, Deployment of sophisticated machinery.
- (x) Foreign Component Exchange Rate Variation.
- (xi) Change in scope.
- (xii) Increase in quantities and additional new items.
- (xiii) Increase in I.D.C.
- (xiv) Extension of supply and erection contract security arrangements, establishment charges, dewatering etc.

Adequate measures have been taken to strengthen monitoring mechanism at various levels.

(3) Tehri Hydro Development Corporation

Tehri Dam & HPP, State-I (1000 MW)

Reasons for Cost and Time Overrun

- (i) Escalation in cost and foreign exchange variations
- (ii) Design Changes
- (iii) Geological surprises and its remedial measures
- (iv) Cost escalation of additional rehabilitation package
- (v) Various agitations and dharnas resulting in law and order problem and ban on blasting operations of the Dam.

Measures Taken

- (a) THDC has made efforts to get the law and order and land acquisition problems main forest land resolved by keeping constant liaison with the State Government through Commissioner, Garhwal who has been entrusted with all the powers for resolving the above issues.
- (b) Monitoring mechanism has been strengthened at various levels.

(4) Dhauliganga Stage I HE Project

Reasons for time and cost overrun

- (i) Change in the policy of financing the public sector power project and restriction of the debt equity ratio to 3:1 and public sector concerned was to finance the project on its own.
- (ii) National Hydro Electric Power Corporation could not arrange the finance for the project.
- (iii) The project could not start after funds were tied up from JBIC (formerly OECF) under JBIC loan package for 1995-96.
- (iv) Delay in the start of the project due to reasons above resulted in cost escalation.

- (v) Revised Cost Estimate from 601.98 (1998) to 1578.31 (1999).
- (vi) Additional provisions *i.e.* International Consultancy, GOI Guarantee fee, JBIC loan service charges, physical contingency and increase in I.D.C.

Delay in commissioning the associated transmission line of PGCIL.

These projects have been frozen/merged/put on hold due to demand constraints and other reasons such as:

- (i) Geomining/technological problems
- (ii) Underground Fire problem (in Jharia Mines)
- (iii) Land and fund problems
- (iv) Non-finalisation of packages
- (v) Court cases
- (vi) Change in planning
- (vii) Disinvestment

Land acquisition related issues *inter-alia* were also discussed with the Secretaries concerned and separately with the Railway Board in 2 meetings of the Committee of Secretaries chaired by the Cabinet Secretary.

In addition, recently, two main Ministries concerned were requested to take appropriate measures and send Action Taken Report. Replies are awaited.

The list of projects which were reviewed by the Standing Committee has been circulated to get the action taken report with respect (a) to those being held responsible for lapses and (b) as well as remedial measures taken to put the project on track, we will keep the Standing Committee informed.

[Ministry of Statistics & Programme Implementation
O.M. No.G-20017/2/2005-B&F dated 19th July, 2005]

CHAPTER III

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

Recommendation No. 2 (Para No. 10)

Programme Implementation

The Committee take strong exception to the fact that year after year, the budgetary provisions under the Head 'Programme Implementation' earmarked for meeting expenditure on salaries, domestic and foreign travel, office expenses, professional services etc., are being revised to a much lower level at the stage of revised Estimates and the actual expenditure under the Head has been even much lesser. For instance, while an amount of Rs. 2.35 crore was allocated at the stage of BE for 2002-03, the amount was revised to Rs. 1.32 crore at the stage of RE and the actual expenditure was only to the tune of Rs. 20.60 lakh. Similarly, for the year 2003-04, an amount of Rs. 2 crore was allocated at the stage of BE, which was revised to Rs. 1.67 crore at the stage of RE and the actual expenditure has only been to the extent of Rs. 23.64 lakhs. The Committee understand that during 2003-04, the utilization was much lower than the estimates as the proposal to strengthen the Project Monitoring Division was not approved and the process of engaging consultants for professional services took much longer time than anticipated. Given the extremely wide variation in the figures of BE, RE and the actuals for the years, 2002-03 and 2003-04, the Committee cannot help observing that the outcome in regard to utilization of the amounts earmarked has not at all been in conformity with the Budget Estimates, which they feel, needs to be avoided at all costs. They, therefore, recommend that the Government should take utmost care while finalizing the Budget Estimates so that large scale variations between BE, RE and Actuals do not recur.

Reply of the Government

Efforts are being made to make maximum utilization of the budgetary provisions for the purpose as under:

- (i) The Ministry is developing systems and procedures for minimizing cost and time overruns in the Central projects by launching On-line Computerized Monitoring System (OCMS) and organizing training of officials in O.C.M.S.

- (ii) The Ministry is conducting 33 studies through the Consultants in sector specific areas on project management and also, separately for Accelerated Irrigation Benefit Programme Projects.
- (iii) The Ministry is setting up a Project Management Centre (PMC) as a co-ordinating agency for the project management knowledge development.
- (iv) The Ministry is organizing specialized training workshops in the project management of Central and State Governments and their public enterprises.

Recommendation No. 4 (Para Nos. 20 and 21)

CSO—Central Training Facility

The Committee had, in their Fourth Report on the Demands for Grants (2004-05) of the Ministry emphasized on the need for ensuring judicious usage of the allocation of Rs. 8.86 crore earmarked for constructing the Central Training Facility for the benefit of statistical personnel by ensuring that the related work was taken up and executed as per the stipulated schedule. The Committee, were, however, compelled to take serious note of the fact that no tangible progress could be made in constructing the building during the year 2004-05, due to the changes in the dimensions of the plot, consequential re-registration and failure to obtain the approvals of the authorities concerned for building plan prepared by the CPWD. As a result, a very large portion of the budgeted amount of Rs. 8.86 crore for the year 2004-05 had to be surrendered by the Ministry, with the net expenditure likely to be incurred on the project during the year being restricted to an amount of Rs. 25 lakhs with the possibility of an additional amount of Rs. 45 lakhs being used towards land filling and associated activities. What the Committee find particularly disturbing to note is the fact that while the Ministry had, during the previous year viz., 2004-05, attributed the delay in executing the project to the failure of the CPWD adhering to the time schedule for preparing the building plan, this year, the reasons extended for the delay relate to the building plan prepared by the CPWD being not in conformity with the stipulations of Greater Noida Authority.

The Committee understand that a revised building plan is being re-submitted for approval by the Greater Noida Authority and an amount of Rs. 13.735 crore had been earmarked at the B.E., 2005-06 for executing the project. As assured by the Secretary during the course of oral evidence, the Committee trust that necessary approvals would be obtained speedily and the amount of Rs. 13.75 crore allocated for

the project during the year, 2005-06, would be utilised with care and objectivity so that the exercise of revising the budgeted amount to a much lesser level at the stage of preparation of the Revised Estimates and the differential between the Estimates and the Actual expenditure being of a very high order is avoided.

Reply of the Government

The construction of Central Training Facility (CTF) has been entrusted to CPWD. In view of the non-approval of building plan by Greater Noida Authority, the major work could not be started. The building plan was re-submitted on 6.6.2005 by the CPWD after incorporating the changes indicated by Greater Noida Authority. The building plan has since been approved by the Authority. CPWD has been asked to go for Tenders. CPWD has been requested to take measures for utilizing the provisions in BE 2005-06.

A revised building plan in conformity with the stipulations of Greater Noida Industrial Development Authority (GNIDA) was resubmitted by CPWD on 6th June, 2005. The approval of Greater Noida Authority has been received on 28th June, 2005. Efforts are being made for finalization of tenders and commencement of the actual construction by CPWD which has been asked to take all possible steps to expedite construction and spend the whole amount of Rs. 13.735 crore allocated in the BE for 2005-06.

Recommendation No. 8 (Para Nos. 44 & 45)

National Sample Survey Organisation—Delay in Publication of Reports

The Committee are well aware of the fact that the National Sample Survey Organisation (NSSO) is *inter-alia* mandated to conduct nationwide surveys on various socio-economic aspects, Annual Surveys of Industries (ASI), follow-up surveys of Economic Census and Supervision of area enumeration and crop estimation, surveys of State agencies under the 'Improvement of Crop Statistics' (ICS) scheme and organising methodological studies and pilot surveys on important subjects and collection of price data from rural and urban sectors. While the 58th round of NSS survey undertaken in July-December, 2002 was *inter-alia* earmarked for collection of data on disability, housing condition, village facilities and slum particulars, the 59th round undertaken in January-December, 2003 was, among other things devoted to collection of data on land and livestock holding, debt and investment and household consumer expenditure, and the 60th round undertaken in January-June, 2004 was devoted to morbidity and healthcare,

employment and unemployment and household consumer expenditure. The 61st round, which commenced in July, 2004 and is to extend upto June, 2005 is concerned with consumer expenditure, employment and unemployment and the 62nd round, which is to be undertaken from July, 2005 to June, 2006 would be on 'Unorganised Manufacturing'.

While there is no doubt with regard to the vital importance of the data generated and published by the NSS surveys, what the Committee feel particularly perturbed to note is the fact that, quite often, significant delays have been noticed in publishing the NSS Survey Data and Reports. As admitted by the Secretary during evidence, the report of the 58th NSS Survey Round, which was completed in 2002 was published two and half to three years later; the report of the 59th Round undertaken in 2003 is expected to be released in the period, May to October, 2005; and the report of the 60th Round executed in 2004 is expected to be published in June, 2005. The Committee cannot help observing that the lack of IT readiness on the part of the Ministry has been a major contributory factor for the undue delays, quite often noticed in publishing the reports of the NSS Surveys rounds, which are of vital importance to the country. As emphasized time and again, the Committee expect that the Government would make every possible effort in ensuring that field survey reports and data are released in a timely manner so that their relevance is not minimized, if not totally lost.

Reply of the Government

Apart from the surveys enumerated by the Committee, the NSSO during the 59th round (January-December 2003) took up a major survey called the 'Situation Assessment Survey of Indian Farmers'. Besides this a pilot survey on 'Non Profit Institutions Serving Households (NPISH) was also undertaken in selected States during July-December 2004. Further NSSO conducts the survey on employment and unemployment and household consumer expenditure in every NSS round and this will be conducted during the 62nd round also.

After the field data collection of a survey is completed, the process of releasing survey reports involves (i) data processing, (ii) data validation, (iii) generation of the tables, (iv) writing of report, (v) getting comments from the members and Chairman of Governing Council of NSSO and, (vi) revising the report on the basis of comments received. The revised report is again sent to the Chairman, Governing Council for his approval. Thereafter the report is finalized and released. As per the target set by the Ministry, the first report of a round is released within one year of completion of the fieldwork. The fieldwork of 58th

round was completed in December 2002 and four reports were released in December 2003, the fifth report in March 2004. The sixth and last report was drafted in March 2004 but its release was delayed due to the change of Chairman of the Governing Council, which has been reconstituted, and the revisions suggested by the new Chairman. The revised report has been released in May 2005.

The NSS 59th round survey covering debt-investment, land holding, employment-unemployment and consumer expenditure and the situation assessment of Indian farmers was one of the largest in terms of volume of data collected. The data for this round were collected in two visits and the data processing and validation involved complicated exercises due to which the generation of reports was delayed. 15 reports are planned from this round, out of which two have been released in March and May 2005 and the other 13 are expected to be released by October 2005.

The NSS 60th round survey fieldwork was completed in June 2004 and the three reports planned are expected to be released in July 2005.

The 61st round the fieldwork were completed in June 2005 and the reports will be released by June 2006.

After the installation of latest computers and development of in-house software, the NSSO has now considerably reduced the data processing time as compared to the past. However all possible steps would be taken to further minimize the time for release of NSS reports and data.

Recommendation No. 9 (Para No. 52)

Modernisation of Statistical System in India

The Committee feel concerned to note that though significant budgetary allocations are being made in successive years since 2002-03 for implementing the World Bank aided project on modernising the statistical system in the country, which has now been named as 'India Statistical Strengthening Project', the ground reality of the progress of the project is far from satisfactory. The Committee had in their 4th Report on the Demands for Grants of the Ministry for the year, 2004-05 taken note of the fact that Tier-II, which was the actual implementation phase of the project, was dependent on the outcome of Tier-I of project. The Committee had, therefore, emphasised on the need to ensure that the project schedules were strictly adhered to. To their dismay, however, the Committee have now learnt that there have

been slippages of the time schedules prescribed in respect of all the components of Tier-I of the project *viz.*, 'Study on Creation and Maintenance of Business Register', Study for identifying specific Requirements of State Statistical bureaus; Study on Improvement of Service Sector Statistics; Study for Assessment of Survey Capabilities of Pvt. Sector; and Establishment of All India Statistical Network. They take note of the fact that during examination of Demands for Grants (2004-05), the Government had itself admitted the slippages of the time schedule but assured to complete the work by the end of 2005. They are concerned to note that even the revised schedule as proposed by the Government will not be adhered to and the Tier-I of the project will be likely to be completed by July, 2006. The Committee strongly feel that the Government cannot afford to be lethargic in implementing this project, which would, in the long run, prove to be of a immense value addition to the country. The Committee, therefore, re-iterate that no effort should be spared to ensure that the Tier-I of the project is completed as per the revised planned schedule so that Tier-II of the project takes off and the project is implemented without further delay. They also wish to be periodically appraised of the progress made in this direction.

Reply of the Government

The present status of different components of the Tier-I of the India Statistical Strengthening Project is given below:

(i) *Study on Creation and Maintenance of Business Register*

The implementation of the study has been taken up from January 2005. The field work of the pilot study in three district of Andhra Pradesh has been completed. A workshop was conducted on 17th June, 2005 to discuss the results of the study and to draw up future course of action. The work on development of proto-type business register has been started by the consultant.

(ii) *Study for Identifying Specific Requirements for Strengthening of State Statistical Bureaus*

The study has been launched with effect from 11th April, 2005. The questionnaire for obtaining detailed information from State Statistical Bureaus and other departments of the State Governments dealing with statistics has been finalised and field work started.

(iii) *Study on Improvement of Service Sector Statistics*

The work on three sub-studies dealing with 'Goods Transportation by Road', 'Motion Pictures and Video Film Production' and

'Advertising' segments of the economy have been launched from 1st April 2005. The designing of survey questionnaires and methodology has been finalised in consultation with the World Bank Consultants. The field work for the surveys has been taken up.

(iv) Study for Assessment of Survey Capabilities of Private Sector

The negotiations are in progress with the Indian Agricultural Statistics Research Institute and the contract for the study is likely to be signed by end of July 2005.

(v) Study for Establishment of All India Statistical Network

This study will be taken up only when first report of the study on identifying specific requirements of State Statistical Bureaus is available in September 2005. The process of seeking proposals from the Consultants has been initiated and would be completed soon.

[Ministry of Statistics & Programme Implementation O.M. No.
G-20017/2/2005-B&F dated 19th July, 2005]

CHAPTER IV

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

Recommendation No. 5 (Para No. 26)

The Committee note that the major initiative of introducing the 'On-line Computerized Monitoring System (OCMS) for enabling effective monitoring of project implementation could not materialize as scheduled in 2003-04 owing to the delay in procuring the computer hardware and software. The procurements could materialize only in 2004-05, and as informed by the Ministry, the OCMS would become operational by the end of May, 2005 and would contribute in improving the quality of project and infrastructure monitoring *inter-alia* by enabling on-line collection of information without time lags; on-line communication between the project enterprises and the Ministry; and facilitating transfer of project profiles and accruing of sectoral reports. The Committee feel that no effort should be spared in modernizing and up-dating the IT infrastructure of the Ministry. When the system is put in place, the Committee feel, it will not only bring about revolutionary change in quality of monitoring but will also help in taking quick remedial measures. The Committee, therefore wish to be kept apprised of the progress in implementing the OCMS as well as its effectiveness in strengthening the project monitoring measures.

Reply of the Government

The launching of OCMS is likely to be started in September, 2005 and completed in October, 2005. The effectiveness in strengthening of the project monitoring measures as a result of launching of OCMS may be known only a few months thereafter.

Recommendation No. 6 (Para Nos. 31 & 31A)

The National Statistical Commission had felt that the current Wholesale Price Index (WPI) with base 1993-94 was deficient in many respects *inter-alia* owing to the fact that price changes in the services sector were not duly accounted for. The Commission had also concluded that, as at present, WPI was not an adequate measure of inflation and there was a need for separate index for measurement of

inflation in the economy. The Committee understand that a working group has been constituted to give focused attention on different aspects related with the revision of WPI series, whose terms of reference *inter-alia* include, exploring the possibility of inclusion of selected services in a WPI basket and examining the need for switching over from WPI to a Producer Price Base Index (PPI). Considering the fact that the price indices in the system of economic statistics are closely watched indicators of macro economic performances and are important tools in the formulation of the monetary and fiscal policy, the Committee strongly emphasize on the need for early completion of the work on the new series of WPI and Producer Price Index (PPI). The Committee also wish to be kept apprised of the progress made in this direction.

As regards the issue of revision of current series of CPI, the Committee understand that the Labour Bureau had prepared a detailed scheme way back in 1996 and the NSSO undertook the related field survey and the technical details worked out, which have since been examined by the Technical Advisory Committee. The Labour Bureau has reportedly convened a meeting in May, 2005 to consider the matter. The Committee expect the work on the revision of series to be completed and the new series of CPI released expeditiously.

Reply of the Government

Position with regard to Revision of the Wholesale Price Index

The terms of Reference of the Working Group set up under the Chairmanship of Prof. Abhijit Sen, Member, Planning Commission for the revision of the existing series of Wholesale Price Index (WPI) *inter-alia*, include the two areas *viz.* (i) to examine the need for switching over from Wholesale price based Price Index (WPI) to Producer price based Price Index (PPI) and suggested further improvements based on the IMF's PPI Manual; and (ii) to explore possibility of inclusion of selected services in the WPI basket.

The working Group on WPI held three meetings as on date *viz.* On 15.01.2004, 22.03.2004 and 27.08.2004. The working Group in the first meeting deliberated on the issues relating to choice and selection of the base year and also proposed the constitution of four Sub-Groups to assess/analyse and recommend base year selection and also to conduct exercises on the revision of series. The four sub-groups are: (i) Analytical and other related Issues (ii) Agricultural Commodities (iii) Manufactured items (iv) Unorganized and unregistered sector.

The second meeting of the Working Group dealt on the choice of the base year, commodity coverage, availability of data, preparation of weighting diagram, among others. In the third meeting, the Working Group after deliberations, selected 2000-01 as the base year for the new series of the WPI. It further directed to prepare the Weighting Diagram and finalization of commodity basket.

The Sub-Group on Manufactured Items and related matters submitted its Report. Their recommendations are under consideration of the Working Group. Works of the other Sub-groups are in progress.

Reply of the Government

Regarding revision of current series of Consumer Price index for Industrial Workers, a Working Class Family Income and Expenditure Survey (WCFIES) was carried out in 1999-2000 by Field Operations Division (National Sample Survey Organization) at the request of the Labour Bureau, Ministry of Labour. Based upon the consumption pattern of the Industrial Workers, the weighting diagram (Group/Sub-Group wise) was prepared by Labour Bureau which was further considered and approved by the Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL). The Committee in forty-third meeting held on 15th July, 2004 approved recommendations of the constituent Sub-Group for revising the base year of the current series of Consumer price index Numbers for industrial Workers. Recently, a tripartite meeting involving Central Government Representatives, State Govt. Representative, Employers and employees Organisations was held on 19-20th May, 2005 at Shimla which was chaired by the Secretary, Ministry of Labour. The recommendations made in the above meeting are under consideration of Ministry of Labour. The revised Index for Consumer Price index for Industrial Workers with base 2001=100 shall be released by the Labour Bureau after the recommendations are considered and approved by the Ministry of Labour.

[Ministry of Statistics & Programme Implementation
O.M. No.G-20017/2/2005-B&F dated 19th July, 2005]

CHAPTER V

RECOMMENDATION/OBSERVATION IN RESPECT OF WHICH
FINAL REPLY OF THE GOVERNMENT IS STILL AWAITED

NIL

NEW DELHI;
19 December, 2005
28 Agrahayana, 1927 (Saka)

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

MINUTES OF THE TENTH SITTING OF STANDING
COMMITTEE ON FINANCE

The Committee sat on Monday, 19 December, 2005 from 1500 to
1615 hrs.

PRESENT

Maj. Gen. (Retd.) B.C. Khanduri—*Chairman*

MEMBERS

Lok Sabha

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Das Gupta
4. Shri Bhartruhari Mahtab
5. Shri Madhusudan Mistry
6. Shri Rupchand Pal
7. Shri Shriniwas D. Patil
8. Shri Jyotiraditya Madhavrao Scindia
9. Shri M.A. Kharabela Swain
10. Shri Magunta Sreenivasulu Reddy

Rajya Sabha

11. Shri Yashwant Sinha
12. Shri Chittabrata Majumdar
13. Shri C. Ramachandraiah
14. Shri Mangani Lal Mandal

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu — *Additional Secretary*
2. Shri A. Mukhopadhyay — *Joint Secretary*
3. Shri S.B. Arora — *Deputy Secretary*
4. Shri T.G. Chandrasekhar — *Under Secretary*

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

3. The Committee, then considered the draft reports on (i) Action taken by the Government on the recommendations contained in the Sixteenth Report of the Committee on Demands for Grants (2005-06) of the Ministry of Finance (Departments of Economic Affairs, Expenditure and Disinvestment), (ii) Action taken by the Government on the recommendations contained in the Eighteenth Report of the Committee on Demands for Grants (2005-06) of the Ministry of Planning, and (iii) Action taken by the Government on the recommendations contained in the Twentieth Report of the Committee on Demands for Grants (2005-06) of the Ministry of Company Affairs.

4. The Committee adopted the draft action taken reports mentioned above without any modification/amendment.

5. ** ** ** ** ** **
 ** ** ** ** ** **

6. The Committee thereafter adopted the draft action taken report on the recommendations contained in the Nineteenth Report on the Demands for Grants (2005-06) of the Ministry of Statistics and Programme Implementation with the modifications/amendments shown in Annexure.

7. While deliberating on the draft action taken reports, the Committee also decided that separate notes may be called for from the Ministries/Departments concerned on the following issues:

- (i) ** ** ** ** ** **
- (ii) ** ** ** ** ** **
- (iii) ** ** ** ** ** **
- (iv) ** ** ** ** ** **
- (v) Revision and Modification of the Price Indices viz., WPI and CPI.

8. The Committee authorised the Chairman to finalise the Reports and to make verbal and other consequential changes and present the same to both the Houses of Parliament.

The Committee then adjourned.

ANNEXURE

[MODIFICATIONS/AMENDMENTS MADE BY STANDING
COMMITTEE ON FINANCE IN THEIR DRAFT ACTION TAKEN
REPORT ON THE DEMANDS FOR GRANTS (2005-06) OF
THE MINISTRY OF STATISTICS AND PROGRAMME
IMPLEMENTATION AT THEIR SITTING HELD ON
19 DECEMBER, 2005]

Page	Para	Line	Amendment/modification
11	21	3	<p><i>For:</i></p> <p>the Committee reiterate their earlier recommendation that the work on the revision of the WPI and CPI series be completed expeditiously.</p> <p><i>Substitute:</i></p> <p>“the Committee reiterate their earlier recommendation that the work on the revision and carrying out necessary modifications in the formulation of price indices viz., WPI series by including ‘selected services’, and CPI series on the basis of changes in the consumption pattern and basket of goods involved be completed expeditiously.”</p>

APPENDIX

(Vide Para 3 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON
THE RECOMMENDATIONS CONTAINED IN THE SIXTEENTH
REPORT OF THE STANDING COMMITTEE ON FINANCE
(FOURTEENTH LOK SABHA) ON DEMANDS FOR GRANTS
(2005-06) OF THE MINISTRY OF STATISTICS AND
PROGRAMME IMPLEMENTATION

	Total	% of Total
(i) Total number of recommendations	10	
(ii) Recommendations/observations which have been accepted by the Government (Vide Recommendations at Sl. Nos. 1, 3, 7 & 10)	4	40
(iii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies (Vide Recommendations at Sl. Nos. 2, 4, 8 & 9)	4	40
(iv) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations at Sl. Nos. 4 & 5)	2	20
(v) Recommendation/observation in respect of which final reply of the Government is still awaited (Nil)	Nil	00.00