

SEVENTIETH REPORT

STANDING COMMITTEE ON FINANCE  
(2007-2008)

(FOURTEENTH LOK SABHA)

MINISTRY OF STATISTICS AND  
PROGRAMME IMPLEMENTATION

DEMANDS FOR GRANTS  
(2008-09)

*Presented to Lok Sabha on 16 April, 2008*

*Laid in Rajya Sabha on 15 April, 2008*



LOK SABHA SECRETARIAT  
NEW DELHI

*April, 2008/Chaitra, 1930 (Saka)*

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COMPOSITION OF STANDING COMMITTEE ON FINANCE  
(2007-2008)

Shri Ananth Kumar—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri Shyama Charan Gupta
5. Shri Vijoy Krishna
6. Shri A. Krishnaswamy
7. Dr. Rajesh Kumar Mishra
8. Shri Bhartruhari Mahtab
9. Shri Madhusudan Mistry
10. Shri Rupchand Pal
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12. Shri R. Prabhu
13. Shri K.S. Rao
14. Shri Magunta Sreenivasulu Reddy
15. Shri Lakshman Seth
16. Shri A.R. Shaheen
17. Shri G.M. Siddeshwara
18. Shri M.A. Kharabela Swain
19. Shri Suresh Prabhakar Prabhu#
20. Vacant
21. Vacant

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#Nominated to this Committee w.e.f. 24.03.2008

(iv)

*Rajya Sabha*

22. Shri Raashid Alvi
23. Shri M. Venkaiah Naidu
24. Shri S.S. Ahluwalia\*
25. Shri Mahendra Mohan
26. Shri C. Ramachandraiah
27. Shri Vijay J. Darda
28. Shri S. Anbalagan
29. Shri Moinul Hassan
30. Vacant
31. Vacant

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu — *Additional Secretary*
2. Shri A. Louis Martin — *Joint Secretary*
3. Shri A.K. Singh — *Director*
3. Shri T.G. Chandrasekhar — *Deputy Secretary*
4. Shri Ramesh Nebhnani — *Committee Officer*

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\*Nominated to this Committee *w.e.f.* 06.09.2007 *vice* Shri Yaswant Sinha



## INTRODUCTION

I, the Chairman, Standing Committee on Finance (2007-08), having been authorised by the Committee to present the Report on their behalf, present this Seventieth Report of the Standing Committee on Finance (2007-08) on the 'Demands for Grants (2008-09) of the Ministry of Statistics and Programme Implementation'.

2. The Committee took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on 26th March, 2008.

3. The Committee considered and adopted the Report at their sitting held on 10th April, 2008. Minutes of the related sittings are given in appendix to the Report.

4. The Committee wish to express their thanks to the representatives of the Ministry of Statistics and Programme Implementation for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2008-09).

NEW DELHI;  
11 April, 2008  

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22 Chaitra, 1930 (Saka)

ANANTH KUMAR,  
*Chairman,*  
*Standing Committee on Finance.*

## **PART I**

### **Background Analysis**

#### **I. IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS**

The 54th Report of Standing Committee on Finance on Demands for Grants (2007-08) of the Ministry of Statistics and Programme Implementation was presented to Lok Sabha on 28 April, 2007 and laid in Rajya Sabha on 3 May, 2007. The Report contained 15 recommendations/observations.

1.2 In compliance with the Direction 73A of the Directions by the Speaker, the Minister of Statistics and Programme Implementation made a statement in the House on 5 December, 2007 giving the status of the implementation of various recommendations/observations made by the Committee in their 54th Report. An analysis of the Minister's statement showed that out of 15 recommendations, 5 recommendations are under process for implementation.

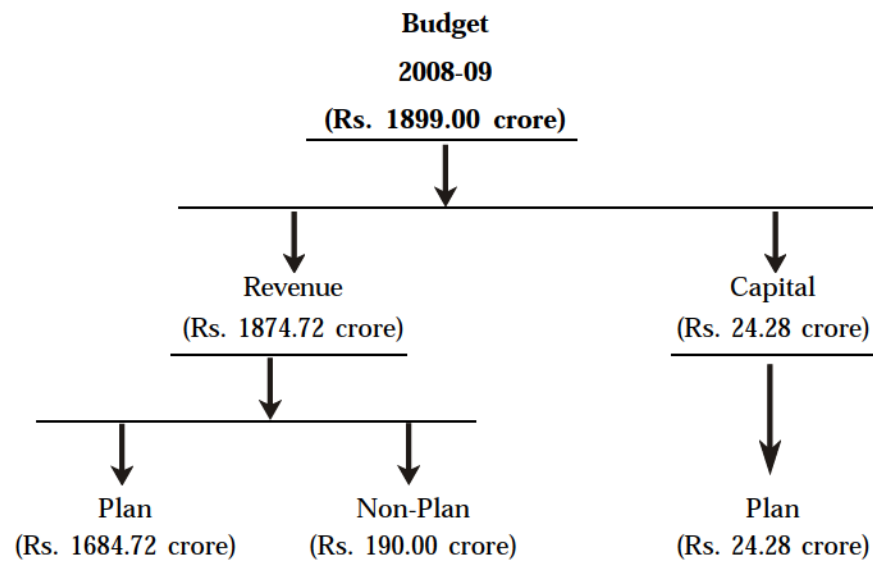
1.3 On the basis of Action Taken replies received from the Ministry of Statistics and Programme Implementation on the above mentioned Report, the Committee presented their 62nd Report (Action Taken Report) to Parliament on 4 December, 2007. Eight (8) recommendations/observations (1, 2, 3, 7, 9, 11, 12 and 15) were accepted by the Ministry. In respect of reply to recommendations/observations at Sl. Nos. 13 and 14, the Committee desired not to pursue the same in view of the reply furnished by the Ministry. Recommendation/observation at Sl. No. 5 was reiterated by the Committee as the reply of the Ministry thereon was not found satisfactory by the Committee. The final replies to recommendations at Sl. Nos. 4, 6, 8 and 10 contained in 54th Report were awaited and have since been received.

## II. BUDGETARY ALLOCATIONS

2.1 The Ministry of Statistics and Programme Implementation came into existence *w.e.f.* 15th October 1999 by merger of the then Department of Statistics and the Department of Programme Implementation.

### **Budget 2008-2009**

2.2 The Demands for Grants under Demand No. 90 for the Ministry of Statistics and Programme Implementation are Rs. 1899.00 crore for the year 2008-09. The demand under Revenue account is Rs. 1874.72 crore and under Capital account is Rs. 24.28 crore. The Ministry proposes to undertake seven Plan Schemes with an estimated outlay of Rs. 1684.72 crore under Revenue head and Rs. 24.28 crore under Capital head.



2.3 A statement showing Budget Estimates, Revised Estimates and Actuals for 2005-2006, 2006-2007 and 2007-2008 expected expenditure

upto March, 2008 and Budget Estimates for 2008-2009 both under Plan and Non-Plan accounts is as under:—

(Rs. in crore)

	2005-06		2006-07		2007-08		2008-09
	BE	Actual	BE	Actual	BE	Expected expenditure	BE
Non-plan	147.29	156.31	153.18	164.39	181.54	187.00	190.00
Plan	112.70	75.87	83.39	55.63	92.00	69.99	129.00
MPLADS	1580	1434.00	1580.00	1451.50	1580	1580.00	1580.00
<b>Total</b>	<b>1840</b>	<b>1666.08</b>	<b>1816.57</b>	<b>1671.52</b>	<b>1853.54</b>	<b>1836.99</b>	<b>1899.00</b>

#### **Non-Plan Budget**

2.4 The Ministry's Non-Plan budget of Rs. 190.00 crore is primarily salary oriented as the primary function of the Statistics Wing is conduct of surveys and collection, analysis and dissemination of Data, which is a staff intensive function. The major components of the Non-Plan budget for the Ministry of Statistics and Programme Implementation during 2008-2009 are given below:—

<b>Object Head</b>	<b>Budget</b>	<b>% of total Non-Plan Budget</b>
Salaries	Rs. 119.77 crore	63.04%
Domestic Travels	Rs. 6.18 crore	3.25%
Foreign Travel	Rs. 0.14 crore	0.07%
Office Expenses	Rs. 6.34 crore	3.34%
Rent Rates & Taxes	Rs. 1.20 crore	0.63%
Publications	Rs. 0.64 crore	0.34%
Other Administrative Expenses	Rs. 0.33 crore	0.17%
Grant-in-aid	Rs. 52 crore	27.37%

2.5 From the budget of the Ministry, an amount of Rs. 51.96 crore being 27.35% of the Non-Plan Budget during 2008-09 is proposed to be released as grant-in-aid to the Indian Institute of Statistics (ISI), Kolkata.

2.6 With the setting up of National Statistics Commission (NSC) *w.e.f.* 1st June, 2005, Budget of Rs. 0.65 crore has been provided at RE during 2007-08. Budget Estimate of Rs. 0.67 crore has been provided for the year 2008-09.

2.7 Trend of Non-Plan expenditure indicates an increase in expenditure from Rs. 187.00 crore in 2007-2008 (at RE) to Rs. 190.00 crore during 2008-09 which works out to an increase of 1.60%

### Plan Budget

2.8 The Plan budget proposal in BE 2008-09 is Rs. 1709.00 crore to be spent on MPLAD Scheme and six (6) other Plan Schemes. MPLAD Scheme has a budget provision of Rs. 1580.00 crore. Rs. 129.00 crore has been proposed for six (6) other Plan Schemes. The major components of expenditure in the proposed Plan Outlay for the 6 Schemes are as follows:—

Object Head	Budget	% of total Plan Budget
1	2	3
Salaries	Rs. 6.27 crore	4.86%
Domestic Travels	Rs. 4.47 crore	3.47%
Foreign Travel	Rs. 0.43 crore	33%
Office Expenses	Rs. 12.19 crore	9.45%
Publications	Rs. 1.85 crore	1.43%
Other Admn. Expenses	Rs. 4.10 crore	3.18%
Advertising & Publicity	Rs. 26.5 crore	2.05%
Professional Services	Rs. 12.44 crore	9.64%
Other Charges	Rs. 1.97 crore	1.53%

1	2	3
<b>Grants-in-aid</b>	<b>(excluding Rs. 39.51 crore</b>	<b>30.63%</b>
	<b>MPLADS)</b>	
Information Technology	Rs. 5.44 crore	4.22%
Machinery & Equipment	Rs. 11.28 crore	8.74%
Major Works	Rs. 13.00 crore	10.08%
Lump sum provision for NE States	Rs. 12.90 crore	10%

2.9 The proposed expenditure under grants-in-aid of Rs. 1619.51 crore includes Rs. 1580 crore for MPLAD Scheme, Rs. 22.50 crore for ISI Kolkata for its Plan Schemes and Rs. 17.01 crore for carrying out India Statistical Strengthening Project in States (Rs.16.01 crore) and UTs (Rs. 1 crore) which is a Centrally Sponsored Scheme inducted during 2008-09.

### III. SHORTFALL IN UTILISATION

3.1 The Scheme-wise allocation of Budget Estimates, Revised Estimates and Actual Expenditure of the Ministry of Statistics and Programme Implementation during 2005-06 and 2006-07 of the Tenth Plan period are as follows:—

(Rs. in lakh)

Sl. No.	Name of Plan Scheme	2005-06			2006-07		
		BE	RE	Actuals	BE	RE	Actuals
1	2	3	4	5	6	7	8
CENTRAL STATISTICAL ORGANISATION							
1.	Modernisation of Statistical System in India	525.00	228.86	170.75	175.50	189.90	146.25
2.	Additional/Alteration to and Modernisation of Office Building	132.00	80.00	19.49	145.00	60.00	36.34
3.	Institutional Development & Capacity Building	1678.00	565.67	244.61	2200.00	2035.56	1291.49
4.	Improvement of National Account Statistics	125.00	131.92	121.73	131.40	112.00	72.49
5.	Development of Social, Environment & Price Statistics	294.00	91.00	66.62	225.10	113.10	52.88
6.	Improvement of Informal Sector Statistics & Publications	35.00	33.98	13.39	11.75	8.75	3.65

1	2	3	4	5	6	7	8
7.	5th Economic Census	4559.00	4553.97	4265.80	836.00	874.85	565.06
	Total CSO	7348.00	5685.40	4902.39	3724.75	3394.16	2168.16
NATIONAL SAMPLE SURVEY ORGANISATION							
FOD							
8.	Improvement of Informal Sector Statistics & Publications	234.00	260.40	254.95	303.35	353.10	312.69
9.	Strengthening of Field Survey Capability of NSSO	490.00	507.15	269.56	690.86	835.22	695.86
	Total FOD	724.00	767.55	524.51	994.21	1188.32	1008.55
DPD							
10.	Strengthening of Data Processing Capabilities of NSSO	568.00	327.60	270.51	743.04	632.27	458.56
SDRD							
11.	Strengthening of Survey Design & Research Capabilities of NSSO	75.00	68.20	130.19	89.00	93.00	86.37
	(ii) Post evaluation of sample surveys						
CPD							
12.	Grant in aid to States for carrying out NSS sample work in NER	300.00	300.00	268.98	400.00	285.00	187.23
	TOTAL NSSO	1667.00	1463.35	1194.19	2226.25	2198.59	1740.71
COMPUTER CENTRE							
13.	Strengthening of Data Processing, Storage and Dissemination of Computer Centre	100.00	141.60	60.26	188.00	136.00	55.87



1	2	3	4	5	6	7	8
14.	Grant in aid to ISI, Kolkata P.I. Wing	1505.00	1170.99	1170.99	1600.00	1386.18	1386.18
15.	Institutional Development & Capacity Building (Prog. Imp. Wing)	650.00	248.66	259.20	600.00	485.07	211.95
	Total Statistics & P.I.	11270.00	8710.00	7587.03	8339.00	7600.00	5562.87
16.	MPLAD Scheme	158000.00	158000.00	143390.00	158000.00	158000.00	145150.00
	Grand Total	169270.00	166710.00	150977.03	166339.00	165600.00	150712.87

3.2 The Scheme-wise allocation of Budget Estimates, Revised Estimates and expected expenditure during 2007-08, the first year of the Eleventh Plan is as follows:—

(Rs. in lakhs)

Sl. No.	Name of the Plan Scheme	2007-08		
		BE	RE	Expected Expenditure
1	2	3	4	5
<b>Centrally Sponsored Scheme</b>				
1.	Basic Statistics for Local Level Development	500.00	1.00	0.00
<b>Central Sector Scheme</b>				
2.	India Statistical Strengthening Project (Modernisation of Statistical System in India)	100.00	72.00	72.00

1	2	3	4	5
3.	Addition/alteration to and Modernisation of Office Building	40.00	40.00	40.00
4.	Capacity Development of CSO	2640.00	2529.53	2229.53
	<b>Total CSO</b>	<b>3280.00</b>	<b>2642.53</b>	<b>2341.53</b>
5.	Strengthening of Data Processing, Storage and Dissemination of Computer Centre	162.00	108.48	108.48
6.	Total Capacity Development of NSO	2850.00	1698.23	1698.23
7.	Grant in aid to ISI, Kolkata	2608.00	2523.76	2523.76
	<b>P.I. Wing</b>			
8.	Institutional Development & Capacity Building (Prog. Imp. Wing)	300.00	327.00	327.00
	<b>Total Statistics &amp; P.I.</b>	<b>9200.00</b>	<b>7300.00</b>	<b>6999.00</b>
9.	MPLADS	158000.00	158000.00	158000.00
	<b>Grand Total</b>	<b>167200.00</b>	<b>165300.00</b>	<b>164999.00</b>

3.3 The Plan Budget status for 2008-09 of the Ministry is as follows:—

(Rs. in Lakhs)

S. No.	Name of the Plan Scheme	2008-09 BE
1	2	3
	<b>Centrally Sponsored Scheme</b>	
1.	Basic Statistics for Local Level Development	500.00

1	2	3
2.	India Statistical Strengthening Project (Modernisation of Statistical System in India)	3000.00
	<b>Central Sector Scheme</b>	
3.	Capacity Development	6300.00
	<b>Total CSO</b>	<b>9800.00</b>
4.	Strengthening of Computer Centre	250.00
5.	Grant in aid to ISI, Kolkata	2500.00
	<b>P.I. Wing</b>	
6.	Strengthening, Monitoring and Evaluation for Projects & Programmes	350.00
	<b>Total Statistics &amp; P.I.</b>	<b>12900.00</b>
9.	MPLADS	158000.00
	<b>Grand Total</b>	<b>170900.00</b>

#### A. Shortfall in Plan Expenditure

3.4 There has been huge shortfall in plan expenditure of the Ministry of Statistics and Programme Implementation every year as shown below:—

(in crore)

Year	Budgeted Expenditure	Actual Expenditure	Shortfall	Percentage of Shortfall
2005-06	112.70	75.87	36.83	33%
2006-07	83.39	55.63	27.76	33%
2007-08	92.00	69.99	22.01	24%

3.5 On the issue of shortfall in meeting the plan expenditure year after year, the Committee had, in their 54th Report on Demands for

Grants of the Ministry for the previous year *viz.* 2007-08 *inter alia* recommended:—

“Given the facts relating to the expenditure of the Ministry in the preceding years, the Committee recommend the government to conduct detailed inquiry, to identify the reasons for shortfalls in meeting the plan expenditure and failure to undertake appropriate remedial measures to avoid the variance in the budget estimates, the revised estimates and the actual expenditure. The Committee also trust and hope that the Ministry shall make every endeavour to ensure timely and effective implementation of the plan schemes which are *inter alia* intended to overcome the deficiencies with respect to the credibility, timeliness and adequacy of Statistics.”

3.6 On the issue of the estimated plan expenditure of the Ministry for the year 2007-08 likely to be Rs. 69.99 crore only as compared to the expenditure of Rs. 92 crore planned for the year, the Secretary, Ministry of Statistics and Programme Implementation, while tendering during evidence, stated:—

“I am sorry to say that this year too we are guilty of the same count but perhaps this year, I have a little better understanding of the nature of the problems that we have been facing and I would like to bring this to your notice because the sums involved are not trivial. Out of a total plan budget of Rs. 92 crore, we had surrendered Rs. 19 crore, which is rather substantial.”

3.7 By way of explaining the reasons for the shortfall in plan expenditure for 2007-08, the Secretary also added:—

Basically, this year two things had happened. The first is, we had substantive plans for capital investment. We had to recall that the National Academy of Statistical Administration is coming up in Greater Noida. This was given to CPWD to construct and our original expectation was that by October last year, the building would be handed over to us. Sir, today we

are in March and we still have not got it. What is worse is, at BE stage, we have had Rs. 11.02 crore for the project and when we went for RE, the CPWD told us that they would be not only absorbing that amount, they would demand more for the land scaping and pre-furnishing. So, we actually increased the amount from Rs. 11.02 crore to Rs. 14.42 crore.

To date, as far as my understanding is concerned, we have not been able to spend. They spent about Rs. 10 crore and we still do not have the building available to us. The second set of problems has been really that our equipment purchasers – you had said last time and we had mentioned reasons as to why data dissemination was getting delayed was insufficiency of information technology. This year, we had tried to correct that by having fairly ambitious IT programme for the Ministry. There again, we have run into, to me, unexpected, apparently they know about it, which is a fact that, when we placed an order through DGS&D, sanctions are issued, equipment is procured, equipment is installed but the payment is not released and the payment get released any way between six and ten months later. So, that became a bit of a problem.

3.8 Questioned whether a detailed inquiry has been carried to identify the reasons for the shortfalls in meeting the plan expenditure year after year for taking remedial measures, the Secretary, in response *inter alia* stated:—

“We have gone into each of the areas where shortfalls have been taking place. More or less, we know the nature of the problems. The question is finding out the solutions to those problems. But in the coming years, the big ticket items have been a little bit better organized and we have been less ambitious.”

## **B. 11th Plan Schemes**

3.9 On matters relating to allocations/outlays for implementing plan schemes during the Eleventh Plan period, the Secretary, Ministry

of Statistics and Programme Implementation while tendering evidence stated:—

“The biggest problems perhaps this year was that being the first year of the 11th Plan, there seems to be complete confusion in terms of getting the administrative and financial approvals for the new plan programmes. We have been badly hit on this count. When we had entered into discussions with the Planning Commission, our original, tentative figures that were given to us was nearly Rs. 1500 crore for the 11th Plan period. However, we were told that we really could not go in for carrying out the EFC approvals until the final plan allocations were communicated to us. That communication came to us in October, if I am not mistaken. The Planning Commission indicated at that time that our full 11th Plan allocation would be Rs. 600 crore. At which point of time we went back to the Planning Commission saying that there was one programme which alone was for Rs. 700 crore. So, with Rs. 600 crore, it was not possible for us to accommodate all the schemes that we have proposed. Then, we went back and said two schemes should be dropped, and so, Rs. 600 crore was re-appropriated for the remaining schemes. The matter stood like that.

We did not get any communication back from the Planning Commission until just before the Budget papers were sent into the Finance Ministry at which point the Planning Commission sent us the approved outlay for 2008-09. This is where we landed up with another set of problems. What we have proposed, since we are dropping two projects, is that the outlay for the Ministry for 2008-09 should be about Rs. 2 crore more than last year, given the numbers that we had for the expenditure last year. We have proposed under Rs. 94 crore. But what the Planning Commission sent back to us was an additional Rs. 35 crore over and above that, for the two schemes that we had proposed to drop.

This letter was also accompanied by another two changes. One of the line heads, which was the modernization of the buildings, that was dropped by the Planning Commission unanimously and the two schemes — the capacity development of CSO and the capacity development of NSSO — were merged into one since scheme. In effect, what happened is that we have got a new scheme for which new approvals will have to be taken.

The net result is that many of the activities that we had planned could not really take off because we were simply in a state of uncertainty where our budgetary position was going up for the 11th Plan period”.

3.10 The Committee have been informed that the scheme “Basic Statistics for Local Level Development” could not be launched in 2007-08 due to the uncertainty regarding inclusion of the scheme in the XI Plan as a separate scheme resulting in delay in seeking and obtaining necessary clearance of EFC for the scheme.

### C. Professional Services

3.11 The details of the actuals 2005-06 and 2006-07 Budget and Revised Estimates 2006-07 and 2007-08 and Budget Estimates for 2008-09 for Professional Services under plan head are as under:—

<b>Plan</b>	(Rupees in crore)		
Year	Budget Estimates	Actuals	Shortfall
2005-2006	11.64	4.36	4.28 (62%)
2006-2007	7.29	3.58	3.71 (51%)
2007-2008	9.90	5.67 (expected)	4.23 (43%)
2008-2009	12.44	—	



3.12 The Committee observed that huge allocation were made at stages of BE during the years 2005-06, 2006-07 and 2007-08 which were reduced at the RE stages. On being asked to detail the reasons for not fully utilizing the budgetary allocations made at the RE stage during the years 2005-06 and 2006-07, the Ministry of Statistics and Programme Implementation in a written reply stated as under:—

“During 2005-06, Rs. 4.80 crores was kept for India Statistical Strengthening Project (ISSP) and Rs. 2.76 crores for data processing work under ICR-technology for the Fifth Economic Census, which was done by the RGI, Govt. of India. Besides, Rs. 75.00 lakhs was kept for awarding Research Projects to be given to various Institutions and Rs. 2.3 crores for studies under the IPMD Plan Scheme. It is submitted that for all the schemes, fund utilization was extremely poor due to non-completion of studies outsourced under India Statistical Strengthening Project (ISSP), non-acceptance of full payment charges for data processing by office of RGI, non-receipt of sufficient number of good research proposals for outsourcing.

Moreover, there was under-utilization of funds due to less amount spent for studies under IPMD Plan Scheme.

The picture in respect of 2006-07 and 2007-08 was not much different although there is a little improvement in terms of Budget utilization by additional 10% (approx).

In case of 2007-08 some of the Plan schemes of CSO were merged and put under the umbrella scheme ‘Capacity Development of CSO’ which called for fresh EFC for the entire Scheme. Since the entire process was delayed due to reasons which were beyond the control of this Ministry fund earmarked for the Survey of Non-profit institutions (NPISH) through directorate of Economic and Statistics in the States/ UTs was reduced drastically at the RE stage. Subsequently, the Planning Commission advised that no EFC was required.



Higher allocation during 2008-09 is for National Academy of Statistical Administration (NASA) at Greater Noida, which will be commissioned in 2008-09 for which large part of work will be outsourced due to non-creation of any post. Moreover, residual expenditure for NPISH Survey will be disbursed to the States/UTs during 2008-09.

The estimated expenditure in 2007-08 is Rs. 567.00 lakh”.

#### **D. Publications**

3.13 The details of the actuals for 2005-06 and 2006-07, Budget and Revised Estimates for 2007-08 and Budget Estimates for 2008-09 for Publications as given in the Explanatory Memorandum are as under:—

<b>Plan</b>	<b>(Rupees in crore)</b>	
<b>Year</b>	<b>Budget Estimates</b>	<b>Actuals</b>
2005-2006	1.05	0.34
2006-2007	0.66	0.48
2007-2008	1.64	—
2008-2009	1.85	—

3.14 The Committee observed that huge allocations were made at BE stage during 2005-06 and 2007-08 which were substantially reduced at RE stage and then not fully utilized. On being asked as to what were the reasons for proposing huge allocations for Publications, the Ministry of Statistics and Programme Implementation, in a written reply, stated as under:—

“The gap between BE and Actuals for 2005-06 was mainly on account of the Plan Scheme on Strengthening, Monitoring and Evaluation for projects and Programmes of Programme Implementation Wing of the Ministry. The provision of Rs. 60 lakh was made in anticipation of 31 monthly and 41 quarterly Thrust Areas reports identified by the Government during 2004-05. However, the monitoring of these Thrust Areas was

withdrawn during 2005-06. Since the Budget Estimate for 2005-06 was prepared towards the end of 2004-05, the provision continued and it was revised only at the Revised Estimate stage.

Due to insufficiency of funds under the non-Plan head, there have been some delays in the publication by CSO. Provision for this has been made under the Plan head. In addition, the Programme Implementation Wing would be publishing the money and annual reports for TPP and Annual Report for MPLADS, besides the regular publications of the Infrastructure and Project Monitoring Division (IPMD)".

#### IV. SHORTAGE OF MANPOWER

The Sanctioned strength and number of incumbents in position in Subordinate Statistical Service (SSS) Cadre in different grades as on 01.12.2007 are given in the Table below:—

**Position of Grade-wise posts and incumbents in Subordinate  
Statistical Service (As on 01.12.2007)**

Sl. No.	Name of the Post	Sanctioned Strength	Number of incumbents in position
1.	Statistical Investigator Grade-I (non-functional)	467	462
2.	Statistical Investigator Grade-II (functional)	1097	776
3.	Statistical Investigator Grade-III	701	638
4.	Statistical Investigator Grade-IV	1638	1306
Total		3903	3182

4.2 On the issue of manpower requirements, the Secretary, while tendering evidence stated:—

“Today, for instance my largest formation is field officers of NSSO. The issue is that I have sanctioned posts of about 2300 people and I have 600 vacancies. We are not just getting people. We are going to the SSC for recruiting people. Recruitment is bad enough but today we have a situation where we are getting a large number of resignations. We go through the Staff Selection Commission. What we need are the people who have strong numerical skill, statistics and mathematical background. These people are in short supply

in the market. Practically, we do not have the solution. We will have to give more training internally but that does not solve my problem of getting people who have numerical skills.”

4.3 When the Committee desired to know whether people were resigning to take up statistics related jobs, the Secretary stated:—

“No, sir, it is not so. In one particular case SSC sent us about 100 names, we sent reminders and if my memory serves me right only one person joined and two asked for extension. The rest did not even apply. This is the situation. It is a very serious situation. I am talking of the field investigators. We do not ask for Post graduate degree. We ask for only under-graduates BA/BSc. As far as I am aware, honours Degree is not demanded. It is quite general. It says economic, commerce or mathematics. That was one case. In one case we got 300 people. Actually human resource in terms of costs is not a large issue because that is mostly non-plan. What happens is that we have been having problem within the Department. We are surrendering non-plan funds and what it does, it puts a limitation on my ability to explain. So, I have 600 vacancies and there is only so much work that can be done. That is where it constraints”

4.4 The Secretary also added that the annual rate of attrition has been about 100 people.

4.5 The 6th Central Pay Commission has, in its report submitted to the Government recommended, “the Commission recommends introduction of a new performance based pecuniary benefit, over and above the regular salary, for the Government employees. The benefit will be called Performance Related Incentive Scheme (PRIS) and will be payable taking into account the performance of the employee during the period under consideration. It is based on the principle of differential reward for differential performance.”

4.6 The Ministry of Statistics and Programme Implementation had, in the course of examination of Demands for Grants for

the year 2006-07, in reply to a question on staff requirements informed:—

“The recruitment process for filling up the regular vacancies is almost complete. Interviews for the posts are over in the Staff Selection Commission. Appointment letters to the successful candidates are being sent. It is expected that the incumbents would be in position by April-June, 2006.”

4.7 In the current year, in reply to a related question on the developments/progress on strengthening data processing capabilities, the Ministry informed *inter-alia*:—

“About 500 SSS officials have been trained during 2007-08 up to January, 2008. As a part of strengthening and streamlining of field offices of FOD, the jurisdictions of field offices are being reviewed in order to re-define, re-allocate human resource and strengthen survey management system for optimizing efficiency and expenditure.”

## V. NATIONAL STATISTICAL COMMISSION (NSC)

5.1 The National Statistical Commission (NSC) which was set up *vide* Government of India Resolution dated 1st June, 2005 presently consists of a Chairman and four Members apart from Secretary, Planning Commission functioning as *ex-officio* Member and the Chief Statistician of India as Secretary to the Commission.

### (a) Identification of Core Statistics

5.2 The National Statistical Commission has been mandated to among others to serve as the nodal agency and empowered body for all core statistical activities of the country; identify the areas of core statistics which are of national importance; evolve national policies and priorities relating to the statistical system; evolve national strategies for the collection, tabulation and dissemination of core statistics apart from evolving standard statistical concepts, definitions, classifications and methodologies in different areas of statistics; exercise statistical coordination as well as statistical audit to ensure quality and integrity of statistical products.

5.3 On the specific issue of the role of the Commission in identifying statistics, called 'core statistics', the Rangarajan Commission of 2001 (National Statistical Commission), *inter alia*, pointed out:—

“The National Commission on Statistics will be constituted through an Act of Parliament. It will determine the areas of official statistics that are to be considered as core or critical to the functioning of the economy and accordingly prioritise the statistical activities of national statistical system. The statistics defined under critical areas could be called Core Statistics. The Core Statistics will have the following characteristics:

- (a) They should be of national importance;

- (b) It will be mandatory for the Governments at all levels to collect and disseminate them;
- (c) They should be updated periodically, with suitable periodicity to be determined; and
- (d) They will be available at both aggregate and disaggregate levels, wherever appropriate”.

5.4 Further, on the issue of collection of statistics on subject determined as Core Statistics by the National Statistical Commission, the Rangarajan Commission also emphasized as follows:—

“It is more important that the collection of statistics on any subject vests in the authority (Central Ministry of State Government Department) that is responsible for that subject according to its status in the Union, State or Concurrent Lists in the Constitution of India. When the NCS determines certain statistics as Core Statistics, in deciding on the agency that should be responsible for their collection, it will have to do so in consistence with the distribution of subjects in the three Lists. Therefore, when proposing legal measures for Core Statistics, the NCS may have to propose different Acts for different subjects according to the List of which the subject belongs.”

**(b) Current Price Statistics**

5.5 On the role being played by the National Statistical Commission in regard to issues relating to Current Price Statistics, The Annual Report (2007-08) of the Ministry of Statistics and Programme Implementation states *inter alia*:—

“The Commission during its various sittings, also took up the issues of Price Index and the various deficiencies in the current Price Statistics in particular the Wholesale Price Index. Office of the Economic Adviser, Department of Industrial Policy and promotion (DIPP), Ministry of Industry and Commerce made presentations for the Commission on the various issues



involved in the compiling of Whole Sale Price Index (WPI). Subsequently, the National Accounts Division of the Central Statistical Organisation that compiles the Consumer Price Index (CPI) for urban Non-Manual Employees (UNME) also brought to the notice of the Commission a proposal for compiling separate rural and urban price indices and a combined index for the country as a whole. Two basic problems that came to the fore in the context of WPI were the substantial non-response for weekly prices, especially for the manufactured products from the responding units and absence of a reliable mechanism for regular collection of price data for the new index. The Commission discussed at length the issues of non-response from the data supplying units and the measures for establishing a mechanism for price data collection for the weekly index and noted that the problem on non-response was particularly serious in the case of manufactured products. However, it was also observed that week-to-week variation in the prices of manufactured products was not expected to be significant. The Commission is expected to make specific recommendations after further detailed analysis of the data and methodology. On the issue of a general index for the rural and urban sector as against the current population groups/center specific price indices, the Commission has agreed on the CPI (urban) to replace the current CPI (UNME) being compiled by the Central Statistical Organization.”

5.6 In the course of the examination of Demands for Grants of the Ministry for the previous year *viz.*, 2007-08, the Secretary, Ministry of Statistics and Programme Implementation had while tendering evidence, *inter alia* stated as under in regard to the initiative for developing 'all India Consumer Price Index':

“We are more or less confident that by the end of the year we should be in a position where we can come up with the CPI rural and the CPI urban”.



5.7 In response to a question on the current status of the initiative towards developing separate consumer Price Index for urban and rural population, the Ministry, in a written reply stated:—

“The work compilation of Consumer Price Index for Urban [CPI(Urban)] is in various stages as detailed below:—

- (a) the field work of the Market Survey in the selected 310 towns spread over all the States/UTs except Arunachal Pradesh has been completed.
- (b) Data entry of Market Survey schedules is in progress.
- (c) State-wise weighting diagrams based on NSS 61st round Consumer Expenditure Survey data have been completed.
- (d) Preparation of survey instruments for collection of regular price data is also under progress. This work would be taken up as and when manpower resources are available.
- (e) Compilation of CPI (Urban) will be more or less on the lines of the current series of CPI for Urban non-manual employees.

As no manpower resources are available, progress could not be achieved on compilation of CPI (Rural)”.

## VI. INDIA STATISTICAL STRENGTHENING PROJECT (ISSP)

6.1 The Ministry of Statistics and Programme Implementation (MOSPI) is the participating entity in respect of a World Bank assisted project 'India Statistical Strengthening Project' (ISSP) for strengthening of Indian Statistical System. The ISSP has adopted a 2-Tier approach for implementation. In Tier-I, those activities were taken up for study which were necessary to provide adequate baseline details for the objective and data based formulation of Tier-II activities, besides providing some operationally/functionally useful results.

6.2 The ISSP, besides supporting the project implementation within the MOS & PI, envisages to extend support to the State/UT Governments in primarily the following identified areas.

- (i) Improving the coordination and management of statistical activities in the States;
- (ii) Human Resource Development (HRD).
- (iii) Development of Statistical Infrastructure.
- (iv) Investments in Physical Infrastructure, including IT and Improving Statistical Operations, especially those that contribute to the cause of improvement of quality and dissemination of statistical data.

6.3 The Committee had, in their reports on Demands for Grants 2005-06 and 2007-08 of the Ministry of Statistics and Programme Implementation, expressed serious concern on the slippages in implementing the project for modernising the Statistical System to the Country. The progress of implementing the project, as reported to the Committee in response to the observation made in the report on Demands for Grants (2008-09) states *inter alia*:—

“The Ministry has completed some of the stipulated tasks in

respect of the India Statistical Strengthening Project (ISSP) such as:

- Assessing the capacity of the private sector to undertake statistical activities; and
- Phase-I of Tier-I-Component of Study on “Identification of Specific requirements for strengthening of State Statistical Bureaus”. Comprehensive State/UT-Specific reports in respect of all the 35 States/UTs have been finalised.”

6.4 In addition, the Government of India has since prepared a concept paper pertaining to the strengthening of the National Statistical System, particularly for States/UTs to be implemented under ISSP and got the same approved by the National Statistical Commission and the Planning Commission.

6.5 At present under phase-II of Tier-I of the project, the Ministry has completed the process of synthesis of the State/UT reports for being used as an input for preparing a Statistical Master Plan (SMP) containing *inter-alia* a strategy document and Action Plan that would seek to address not only the current operational requirements, difficulties and professional bottlenecks but also, anticipated problems to be faced by the Statistical Organizations in the country and in particular, those in the States/UTs in the years to come.

6.6 The Ministry has also constituted a Steering Committee under the Chairmanship of Secretary (Statistics & Programme Implementation) to monitor the implementation of Tier-II of the Project. Recently *viz.*, on December 10, 2007, the Ministry had convened a National Level One Day Orientation-cum-Familiarization Workshop concerning the ISSP Project for the benefit of all the major stakeholders and implementing agencies, *viz.*, senior functionaries connected with Planning and Statistics related matters and activities from various States and Union Territories.

6.7 The budgetary outlays and expenditure incurred on Tier-I of the Project during 2005-06 and 2006-07 and the reasons for shortfalls as furnished by the Ministry, are as under:—

Sl. No.	Name of the Study	2005-06 (Rs. in lakh)		2006-07 (Rs. in lakh)	
		BE	Expenditure	BE	Expenditure
1.	Study of the Creation and Maintenance of a Business Register	90.00	43.63	0.00	0.00
2.	Study for Improvement of Service Sector Statistics	188.00	55.38	77.34	104.81
3.	Study for assessing the Survey Capabilities of Private Sector	25.00	15.62	15.62	7.81
4.	Study for identifying Specific Requirements for Strengthening of State Statistical Bureaus	125.00	53.51	79.54	33.91

- Due to delay in the commissioning of the project components which required obtaining clearance from the World Bank at every stage (*viz.* procedural delays), delayed the completion of the Phase-I work of Study on Identifying Specific Requirements for Strengthening of sates Statistical Bureaus. The payments to the consultants also got delayed as a result and spilled over to the next year, hence saving in the BE. Besides, the expenditure for the studies completed by hiring consultants was over estimated at the BE stage.
- The work of Phase-II (Tier-I) could not be started timely due to delayed completion of Phase-I (Tier-I) of ISSP resulting in savings.

- The two National Consultants for the Tier-I (Phase-II) could not be appointed by the GOI due to administrative reasons. The World Bank appointed the consultants. Therefore, saving had occurred.

6.8 The time schedule for completion of the different components and actual completion time of the components of the Project, as furnished to the Committee, are as follows:-

Sl. No.	Name of the Study	Original Schedule	Completion
1.	Study of the Creation and Maintenance of a Business Register	December, 2005	December, 2005
2.	Study for Improvement of Service Sector Statistics	May, 2006	December, 2006
3.	Study for assessing the Survey Capabilities of Private Sector	June, 2006	May, 2007
4.	Study for identifying Specific Requirements for Strengthening of State Statistical Bureaus	March, 2006	December, 2007

6.9 The benefits that would accrue from the Project in terms of modernising the Statistical System in the Country, particularly in the States, as informed by the Ministry, in a written reply are as follows:—

- The Business Register which would be prepared on the basis of the study conducted will be utilized as a frame for carrying out Enterprise Surveys.
- The survey methodology as recommended by the study will be appropriately utilized by the Survey Design and Research Division, National Sample Survey Organization in the design of future surveys on the Service Sector.
- Based on the study for “Assessing the Survey Capabilities of Private Sector”, an analytical report and a database software has been developed, which will be utilized by the Ministry (MOSPI) and various other Ministries/Departments of Government of India and State Government in carrying out the sample surveys.
- Through the implementation of this project *viz.* ISSP, it is expected that the State Statistical System of the participating States/UTs would get developed and

strengthened in terms of the infrastructure facilities & the capacity of the Indian Statistical System at sub-national levels to provide reliable, timely and credible socio-economic statistics for decision making, within and outside government, to stimulate research and to promote socio-economic development. The Tier-I of the project identified the data-gaps of the States/UTs. This action is completed. The tier-II is the actual implementation of the process of strengthening State Statistical System. This will be implemented during the 11th Five Year Plan. The outlay is yet to be received from Planning Commission.

6.10 As per the decision taken at the 14th Conference of Central and State Statistical Organisations (COCSSO) held during 10-11 April, 2007 at Delhi, Phase II of the Project, which is the actual implementation phase was to be completed in a phased manner, certainly by December, 2007.

6.11 Questioned whether the concept note for implementation of ISSP in Tier-II for strengthening of State Statistical Bureaus including Statistical Net- working has since been finalized for implementation with consultation with the World Bank, the Ministry, in a written reply stated:—

“The Concept Note for implementation of ISSP in Tier-II for strengthening of State Statistical Bureaus including Statistical Net-working has since been finalized in consultation with the World Bank and sent to the World Bank through D/o Economic Affairs, Ministry of Finance.”

6.12 In response to a separate question on the progress in regard to developing a comprehensive proposal for strengthening the State Statistical System to a minimum standard, the Ministry, in a written reply informed:—

“A National Strategic Statistical Plan (SSP) to be implemented during the next four years of the XI Plan is being worked out with appropriate inputs from an international consultant having experience & knowledge in similar work elsewhere in the world. The work is progressing smoothly now and the SSP is proposed to be thoroughly discussed in a national workshop planned in April, 2008 with the representation of the State Govts., World Bank experts, Central Govt. line ministries, academicians and others. This process is likely to be completed by April, 2008.”



## VII. NATURAL RESOURCE ACCOUNTING

7.1 Natural Resource Accounting deals with stocks and stock changes in natural assets, which comprise biological assets (produced or wild), subsoil assets (proved reserves), water, air and land areas (including water areas) with their terrestrial and aquatic ecosystems (eco-zones). In the environmental-economic accounting system, an increasing emphasis needs to be placed on the natural environment that has or could be affected by human activities. The United Nations Statistical Division has issued an interim version of the framework on integrated environmental and economic accounting in 1993. This gives a conceptual basis for implementing the required satellite systems for integrated environmental and economic accounting that describes in inter relationship between the natural environment and economy.

7.2 The National Statistical Commission under the Chairmanship of Dr. C. Rangarajan, which submitted its report in 2001 also examined issues relating to the Natural Resource Accounting on which it has been observed as under:—

“Natural Resource Accounting (NRA) is a useful tool for the measurement of genuine economic performance and growth, taking environmental factors into consideration. Proper valuation of environmental resources is also necessary for making investment decisions pertaining to environmental management, for designing environmental policy, and for measuring environmentally corrected national income. The Commission realises that the estimation of Green GDP, a term coming to be used in recent times, is quite difficult in the absence of a strong database on natural resources as well as a suitable methodology for valuation of stocks and flows of natural assets.”

7.3 The Ministry of Statistics and Programme Implementation had taken up a pilot project on Natural Resource Accounting in Goa for

which a Technical Working Group was constituted under the chairmanship of Secretary, Ministry of Statistics and Programme Implementation.

7.4 The Committee, in their Report on Demands for Grants (2002-03) of the Ministry of Statistics and Programme Implementation had recommended that the pilot project on Natural Resource Accounting initiated in Goa, should be extended to cover the entire country after developing a suitable methodology. The Committee had emphasized that the project should include all natural resources including their availability in Exclusive Economic Zones (EEZs).

7.5 In response to a question on the current proposals relating to developing suitable methodology for preparation of Natural Resource Accounting, the Ministry informed *inter alia* that the Standing Research Advisory Committee of the Ministry had decided to replicate sector specific NRA study.

7.6 It is observed from the Annual Report of MOSPI that, the CSO commissioned eight pilot studies on Natural Resource Accounting as shown below:—

Sl.No.	Institute	Name of the Project
1	2	3
1.	Indian Institute of Forest Management (IIFM), Bhopal	Natural Resource Accounting for Land and Forestry Sectors (excluding mining) in the States of Madhya Pradesh and Himachal Pradesh
2.	Centre for Multi-disciplinary Development Research (CMDR), Karnataka	Natural Resource Accounting in Karnataka: A Study of the Land and Forestry Sector (Excluding Mining)
3.	Jadavpur University, Kolkata	Natural Resource Accounting for West Bengal for the sectors: Air and Water



1	2	3
4.	Integrated Research and Action for Development (IRAD), New Delhi	Natural Resource Accounting in Goa
5.	Institute of Economic Growth (IEG), New Delhi	Natural Resource Accounting of air and Water Pollution: Case Studies of Andhra Pradesh and Himachal Pradesh States of India
6.	The Energy and Resources Institute (TERI), New Delhi	Accounting for unsustainable mineral extraction in the States of Madhya Pradesh and West Bengal
7.	Madras School of Economics (MSE), Chennai	Environment accounting of Land and Water Resources in Tamil Nadu
8.	North Eastern Hill University, Shillong	Environmental Accounting of natural resources of Meghalaya for Land and Forest Resources

7.7 On the current status of the pilot studies, the reply furnished by the Ministry states:—

“A Technical Monitoring Committee (TMC) constituted under the Chairmanship of Prof. Amitabh Kundu, Member, NSC and Dean of Centre for Social Studies, JNU reviewed the progress of these projects. The reports of four projects commissioned to TERI, IEG, IIFM and CMDR have been finalized. The draft report of the remaining four projects were discussed in the meeting of TMC held on 5th February, 2008 wherein it was decided to approve them.”

7.8 In response to a question on the status of developing a framework of the System of Integrated Environment and Economic

Accounting (SEEA) assessing and monitoring natural resources in different sectors, the Ministry in reply have *inter alia* submitted as under:—

“The reports of these pilot studies have been finalized. It is proposed to utilize these reports, as a subsequent activity, to develop a framework for Natural Resource Accounting for different sectors”.

## VIII. PROJECT MONITORING

8.1 It is observed from the Quarterly Project Implementation Status Report on the Central Sector Projects (each costing Rs. 20 crore and above) for the quarter April-June, 2007 that the Report covers 890 projects. It provides information on 70 mega projects (each costing Rs. 1,000 crore and above), 442 major projects (each costing between Rs. 100 crore and Rs. 1000 crore) and 378 medium projects (each costing between Rs. 20 crore and Rs. 100 crore). The anticipated cost of these 890 projects is Rs. 3,95,936 crore. The total expenditure till 30.06.2007 was Rs.1,40,510 crore, which is about 35.49% of the total estimated cost. Against an approved outlay of Rs. 43,545 crore excluding the I&B, Mines and Road Transport & Highways sectors for which outlay is not reported for the year 2007-08, the expenditure up to the end of the 1st quarter was Rs. 13,452 crore. Major and Mega projects account for about 57.59% of the total number of projects and about 94.85% of the total anticipated cost. At the beginning of the year 2007-08, 268 projects were scheduled for completion during the year. By the end of first quarter, another 52 projects which were scheduled for completion by March, 2008 were added. Out of the 320 projects due for completion during the year, 37 projects have since been commissioned and another 44 projects have been partially completed.

8.2 Out of a total of 890 projects monitored by MOSPI, the approved completion schedules or anticipated Dates of Completion (DoC) have not been indicated in respect of 254 projects. The major chunk of these projects *i.e.* 167 are in the Railways sector. Sector-wise details of the projects showing status w.r.t.

original and latest schedules, for the quarter ending June, 2007 are given below:—

**Sector-wise Implementation Status of Projects with reference to original and latest schedule**

(Number of Projects)

Sector	Ahead		On Schedule		Delayed		Without DOC	
	Original	Latest	Original	Latest	Original	Latest	Original	Latest
Atomic Energy	1	1	2	2	2	2	0	0
Civil Aviation	0	0	9	9	12	12	4	4
Coal	0	0	61	70	27	18	27	27
I & B	0	0	0	0	0	0	1	1
Mines	0	0	1	1	0	0	0	0
Steel	0	0	22	22	14	14	0	0
Petroleum	0	0	7	7	25	25	5	5
Power	4	4	49	49	19	19	4	4
Health & FW	0	0	0	0	1	1	0	0
Railways	3	3	73	73	33	33	167	167
Road Transport & Highways	4	4	114	114	86	86	1	1
Shipping & Ports	0	0	3	3	15	15	18	18
Telecommunication	0	0	2	2	32	32	21	21
Urban Development	0	0	4	5	10	9	6	6
Water Resources	0	0	0	0	1	1	0	0
<b>Total</b>	<b>12</b>	<b>12</b>	<b>347</b>	<b>357</b>	<b>277</b>	<b>267</b>	<b>254</b>	<b>254</b>

8.3 Time and cost overruns have been a major problem affecting the central sector projects. The analysis shows that 277 delayed projects have accounted for a cost over run of Rs. 22,572 crore *i.e.* 16.30% w.r.t. their original sanctioned cost during the April-June, 2007 quarter.

8.4 Out of 890 projects, 12 projects are ahead of schedule, 347 are on schedule, 277 projects are delayed w.r.t. the original schedule. For 254 projects, the date of commissioning is either not available or has not been firmed up. An analysis of cost and time overruns of all the 890 projects with respect to the original approved schedule is as given below:—

**Extent of Cost overrun in projects with respect to Original Schedule**

Sl.No.	Sector	Total Projects			Projects with cost overrun					
		No. of Projects	Original Cost (Rs. crore)	Anticipated Cost (Rs. crore)	Cost Overrun %	No. of Projects	Original Cost (Rs. crore)	Anticipated Cost (Rs. crore)	% increase	
1	2	3	4	5	6	7	8	9	10	
1.	Atomic Energy	5	24291.26	23360.26	-3.83	0	0.00	0.00	0.00	
2.	Civil Aviation	25	1815.31	1891.55	4.20	4	180.44	256.68	42.25	
3.	Coal	115	20473.11	20707.81	1.15	13	568.22	886.25	55.97	
4.	I & B	1	35.00	35.00	0.00	0	0.00	0.00	0.00	
5.	Mines	1	4091.51	4091.51	0.00	0	0.00	0.00	0.00	
6.	Steel	36	13048.04	13118.52	0.54	4	583.88	654.36	12.07	
7.	Petroleum	37	53292.04	62642.21	17.55	16	31798.86	42175.99	32.63	
8.	Power	76	110957.63	114006.12	2.75	22	22466.62	25577.53	13.85	
9.	Health & FW	1	71.18	443.15	522.58	1	71.18	443.15	522.58	

1	2	3	4	5	6	7	8	9	10
10. Railways		276	45502.23	72608.24	59.57	172	29042.46	56568.61	94.78
11. Road Transport & Highways		205	54542.68	55513.00	1.78	22	6705.68	7886.50	17.61
12. Shipping & Ports		36	5821.05	6076.30	4.38	13	598.66	884.66	47.77
13. Telecommunication		55	11849.63	10990.48	-7.25	8	435.39	614.20	41.07
14. Urban Development		20	8789.71	9383.28	6.75	4	8202.13	8800.21	7.29
15. Water Resources		1	542.90	1069.40	96.98	1	542.90	1069.40	96.98
Total		890	355123.28	395936.83	11.49	280	101196.42	145817.54	44.09

#### Extent of time overrun in projects with respect to Original Schedule

Sl.No.	Sector	Total Projects			Projects with time overrun				
		No. of Projects	Original Cost (Rs. crore)	Anticipated Cost (Rs. crore)	Cost Overrun %	No. of Projects	Original Cost (Rs. crore)	Anticipated Cost (Rs. crore)	% increase
1	2	3	4	5	6	7	8	9	10
1.	Atomic Energy	5	24291.26	23360.26	-3.83	2	3415.26	3415.26	8-12

1	2	3	4	5	6	7	8	9	10
2.	Civil Aviation	25	1815.31	1891.55	4.20	12	612.90	644.42	3-32
3.	Coal	115	20473.11	20707.81	1.15	27	1889.76	2099.29	4-162
4.	I & B	1	35.00	35.00	0.00	0	0.00	0.00	—
5.	Mines	1	4091.51	4091.51	0.00	0	0.00	0.00	—
6.	Steel	36	13048.04	13118.52	0.54	14	2039.46	2108.04	1-17
7.	Petroleum	37	53292.04	62642.21	17.55	25	36182.93	46366.06	1-48
8.	Power	76	110957.63	114006.12	2.75	19	41477.68	42950.01	1-62
9.	Health & FW	1	41.18	443.15	522.58	1	71.18	443.15	104
10.	Railways	276	45502.23	72608.24	59.57	33	10080.62	19039.91	3-159
11.	Road Transport & Highways	205	54542.68	55513.00	1.78	86	21252.22	21785.18	1-72
12.	Shipping & Ports	36	5821.05	6076.30	4.38	15	3984.29	4205.52	1-96
13.	Telecommunication	55	11849.63	10990.48	-7.25	32	8512.32	7939.99	1-115
14.	Urban Development	20	8789.71	9383.28	6.75	10	8282.23	8949.07	2-56
15.	Water Resources	1	542.90	1069.40	96.98	1	542.90	1069.40	3
Total		890	355123.28	395936.83	11.49	277	138443.75	161015.30	

8.5 Major factors attributable to delay in implementing projects are as follows:—

Sl.No.	Sector	Fund Const- raints	Land Acqui- sition	Envir- onment Clear- ance	Slow Prog- ress	Delay in Supply of equipment	Law & Order	Others*
1.	Atomic Energy	0	0	0	0	2	0	0
2.	Civil Aviation	0	0	0	0	0	0	1
3.	Coal	1	8	7	0	2	1	7
4.	I & B	0	0	0	0	0	0	0
5.	Mines	0	0	0	0	0	0	0
6.	Steel	0	0	0	0	2	0	0
7.	Petroleum	0	0	0	0	1	0	0
8.	Power	0	1	0	3	0	2	3
9.	Health & FW	0	0	0	0	0	0	1
10.	Railways	35	24	0	135	2	4	6
11.	Road Transport & Highways	0	2	0	4	1	0	3
12.	Shipping & Ports	1	0	0	0	0	0	0
13.	Telecommunication	0	0	0	0	0	0	0
14.	Urban Development	0	0	0	0	0	0	0
15.	Water Resources	0	0	0	0	0	0	0
Total		37	35	7	142	10	7	21

\*Includes Technology selection and agreement, Award of contract, Delay in civil works and Government clearance, Geomining, Court case, Inadequate Infrastructure and bad weather.

### Infrastructure Monitoring

8.6 The monitoring of important infrastructure sectors in the country is designed to provide an overview of the performance of each



of the sectors with a view to highlighting slippages, if any, before the decision making authorities. MOSPI monitors the performance of the country's eleven key infrastructure sectors, viz. Power, Coal, Steel, Railways, Telecommunications, Ports, Fertilizers, Cement, Petroleum and Natural Gas, Roads and Civil Aviation. The performance of these sectors is analysed with reference to the pre set targets for the month and for the cumulative period and the achievements during the corresponding month and cumulative period of previous year.

8.7 The Division, in coordination with the administrative Ministries concerned, takes up initiative to bring about systematic improvements in various areas of project implementation.

#### **National Highway Development Project (NHDP)**

8.8 The NHDP which envisages 4/6 – laning of the existing high density highway corridors linking four mega cities of Delhi, Mumbai, Chennai and Kolkata, popularly known as Golden Quadrilateral (GQ) and providing North-South and East-West corridors linking Srinagar in the North and Kanyakumari in the down South and Porbandar (Gujarat) in the West to Silchar (Assam) in the East along with other projects including those providing connectivity to major ports in the country with overall length of 14,146 km. at estimated cost of Rs. 58,000 crore (at 1999 price level) is one of the largest highway projects in the world. Cost-wise, financial involvement in completion of the GQ is of the order of Rs. 24,000 crore while that for the N-S&E-W corridors is Rs. 30,000 crore— both at 1999 price level. Phase-I of the NHDP covering the entire GQ plus some stretches of N-S and E-W corridors totaling an overall length of 6,359 km. was approved by the CCEA in December, 2000 at estimated cost of Rs. 30,000 crore. Phase-II covering 574 km. of N-S-W corridors at estimated cost of Rs. 32,471 crore at 2002 price level was approved by the CCEA in December, 2003.

8.9 Under NHDP Phase-III, 10,000 km. of stretches to be four laned on BOT basis, and identified on the basis of high density corridors, and connectivity of the State capitals and important centres of tourism and important economic activities is to be four/six laned. Phase-IIIA envisaging four/six laning of 4,000 km. of National

Highways was approved by the CCEA in March, 2005. The CCEA has also accorded in principle approval in respect of four/six-laning of additional 6,000 km. under Phase-IIIB. The overall cost four/six laning of 1,000 km. is estimated to be Rs. 55,000 crore at 2004 price level.

8.10 The Phase-V involving widening 6,500 km. of National Highways to six lanes was approved in May, 2006 at estimated cost of Rs. 42,210 crore (at January, 2006 price level). It constitutes about 5,700 km. of the Golden Quadrilateral (GQ) and other National Highways of 800 km. length with high traffic density which are otherwise important from tourism or economic point of view.

Data base of the NHDP Phase-I had been sub-divided into:—

- (i) Golden Quadrilateral
- (ii) North South Corridor
- (iii) East West Corridor
- (iv) Post Connectivity
- (v) Others

8.11 The physical progress in regard to Golden Quadrilateral Project is as follows:—

**Haveri-Harihar, km. 340 km. 284, NH-4 (GQ), Karnataka**

Project cost is Rs. 241.00 crore. 67.89% physical progress has been achieved in this package. Poor performance on the part of domestic and foreign contractors has led to termination of the contract in January, 2007. Work on the package will resume after re-award.

**Chitradurga Bypass, km. 207-km.189, NH-4 (GQ), Karnataka**

Project cost is Rs. 104.00 crore. Physical progress achieved so far is 50.33%. Poor performance on the part of the contractor led to termination of the contract. M/s UEM-Essar has led to termination of the contract. The balance work was re-awarded in December, 2006.

**Balasore–Bhadrak, Km. 136.5-km 199.14, NH-5 (GQ), Orissa**

Project cost is Rs. 227.25 crore. Physical progress achieved so far is 69.66%. The likely DOC of the project is December, 2008 against the original completion of February, 2004. Difficulty in land acquisition and slow progress by the contractor has led to the delay in this package.

**Sunakhala–Ganjam, km. 338-km. 284, NH-5, (GQ), Orissa**

Project cost is Rs. 225.00 crore. Physical progress achieved is 49.75%. Difficulties experienced in land acquisition as also inadequate deployment of qualified staff by the contractor have led to slippage in DOC of the project. The anticipated DOC of the project now is December, 2007 against the original DOC of April, 2004.

**Fatehpur–Khaga, Km 38-Km 115, NH-2 (GQ), Uttar Pradesh**

Project cost is Rs. 372.40 crore. Physical progress achieved so far is 67.60%. The package is delayed due to slow progress by the contractor and delay in completion of the Re (reinforced earth) wall. The likely DOC is June, 2008 against the original completion schedule of October, 2004.

**Etawah Bypass, km. 307.5 – km. 321.1, NH-2 (GQ), Uttar Pradesh**

Project cost is Rs. 132.18 crore. Physical progress achieved so far is 58.80%. Very tardy progress by the contractor led to termination of the contract in December, 2005. The package has since been re-awarded for the balance work with commissioning schedule of February, 2008.

**Allahabad Bypass Contract II, km. 158 – km. 198, NH-2 (GQ), Uttar Pradesh**

Project cost is Rs. 440.93 crore. It is a lately awarded contract. Progress achieved so far is 63.84%. The likely DOC of the project is March, 2008.

**Allahabad Bypass Contract II, km. 198 – km. 242.71, NH-2 (GQ), Uttar Pradesh**

Project cost is Rs. 534.39 crore. It is a lately awarded contract. Progress achieved so far is 58%. The likely DOC of the project is June, 2008.

**Shikohabad–Etawah km. 250.5–km. 307.5, NH-2 (GQ), Uttar Pradesh**

The project cost is Rs. 261.22 crore due to tardy progress on the part of contractor, the package was terminated. It has since been re-awarded in September, 2005 with completion schedule of September, 2007. The original completion schedule for the package was March, 2005. Physical progress achieved so far is 64.06%.

**Ganjam–Ichhapuram, km. 233–km. 284, NH-5 (GQ), Orissa**

The package was awarded in April, 2000 at estimated cost of Rs. 263.27 crore with original completion schedule of February, 2004. Due to tardy progress by the contractor, the contract had to be terminated. It has since been re-awarded with revised completion schedule of November, 2008. Prior to termination of the package, the physical progress achieved so far in this package was a meager 11%.

The physical progress achieved as per the revised work programme was just 7% against the targeted physical progress of 51.84%.

The physical progress in respect of some of the projects under North-South and East-West corridors is as under:—

**North-South Corridor-Phase-I**

**Panchi-Gujran-Sonepat, km 44–km 66, NH-I, Haryana**

Physical progress achieved is 21.77%.

**Haryana-Delhi Border-Mukaraba Chowk, km 29.3–km 16.5, NH-1, Delhi**

Physical progress achieved is 35.46%.

**Gundla Pochampalli-Bowenpalli Shivrampalli, km 464–km 474, NH-7, Andhra Pradesh**

Physical progress achieved is 16%.

**North-South Corridor-Phase-II**

**Jam-Wadner, km 64-km 94, NH-7, Maharashtra**

Physical progress achieved is 14.06%.

**Devdhari-Wadner, km 94-km 123, NH-7, Maharashtra**

Physical progress achieved is 8.43%.

**Vijaypur-Pathankot, km 50-km 80, NH-1A, Punjab**

Physical progress achieved is 14.57%.

**Pathankot-Bhogpur, km 26-km 70, NH-1A, Punjab**

Physical progress achieved is 8.38%.

**Kanyakumari-Panagudi, km 233.6-km 203, (NS-II), NH-7, Tamil Nadu**

Physical progress achieved is 8.04%.

**Jammu-Kunjwani (Jammu Bypass), km 0.00-km 15, NH-1A, Jammu & Kashmir**

Physical progress achieved is 12.15%.

**East-West Corridor Phase-I**

**Lucknow-Kanpur, km 59.5-km 75.5, NH-25, Uttar Pradesh**

Physical progress achieved is 47.80%.

**Purnea-Gayakota, km 419-km 447, NH-31, Bihar**

Physical progress achieved is 59.00%.

**East-West Corridor Phase-II**

**Guwahati-Nalbari, km 1121-km 1093, NH-31, Assam**

Physical progress achieved is 5.35%.

**Silchar-Udarband, km 309-km 375, NH-54, Assam**

Physical progress achieved is 16.7%.

**Purnea-Forbesganj, km 309-km 268, NH-57, Bihar**

Physical progress achieved is 21.50%.

**Purnea-Forbesganj, km 268-km 230, NH-57, Bihar**

Physical progress achieved is 18%.

**Bijni-Assam/WB Border, km 30-km0.00, NH-31C, Assam**

Physical progress achieved is 6.83%.

**Ayodhya-Lucknow, km 93-km 45, NH-28, Uttar Pradesh**

Physical progress achieved is 21.93%.

**Muzaffarpur-Mehsi, km 250-km 480, NH-28, Bihar**

Physical progress achieved is 7.28%.

**Jhansi Bypass, km 104-km 91, NH-25, Uttar Pradesh**

Physical progress achieved is 12.49%.

**Vijaypur-Pathankot, km 16.35-km 50.00, NH-IA, Jammu & Kashmir**

Physical progress achieved is 11.83%.

**Action Against those responsible for lapses:—**

8.12 In regard to monitoring implementation of Central Sector Projects, the Committee had, in their report on the Demands for Grants of the Ministry for the previous year, 2007-08 noted with concern that of the 837 projects on the monitoring list, which involved an estimated investment of Rs.3,69,499 crore, as many as 233 projects had experienced cost escalation to the tune of 65% as compared to the original sanctioned estimates; and 257 projects had experienced time-overruns ranging from 1 to 159 months. The Committee had desired to be apprised of the action taken against those held to be responsible for lapses that contributed to the cost escalation of projects as reported by the Standing Committees on Project Monitoring of the nodal Ministries concerned.



8.13 With specific reference to the projects of Ministry of Road Transport and Highways, the information furnished on action taken against those held responsible for lapses contributing to slippages in Project implementation is as follows:—

Sl. No.	Name of the Projects	Finding of the Standing Committee	Remarks	Action Taken by the Administrative Ministry
1	2	3	4	5
A.	4-Laning and Strengthening of Mathura-Agra Section of NH-2 (Km. 148.33-Km. 199.66)	Committee felt that inexperience of domestic consultants and failure on the part of the U.P. PWD, as also the sites not being free from encumbrances led to delays in the project.	LD imposed on consultant for lack of supervision	Action Taken Report Awaited
B.	4-Laning and strengthening of NH-3 between km 573 and km 590.6 and construction of Bypass around Indore town in M.P.	Committee concluded that the consultant for the project should be debarred for future projects for failure on his part to ensure proper supervision of work and proper survey of site.	Responsibility fixed on state PWD and Ministry for lack of monitoring.	Action Taken Report Awaited

1	2	3	4	5
C.	4-Laning and Strengthening of NH-1 between km.132.675 to 212.161 in Haryana	Time and cost overruns experience in the project are attributed to delay by the consultant to prepare detailed cost estimates, inadequate designs preparation by the consultant for major structures and failure on the part of the Ministry to carry out periodic review of the progress.	Responsibility fixed on Railway and State PWD	Action Taken Report Awaited
D.	4-Laning and Strengthening of NH-1 between km 212.20 and km 252.25 from Haryana-Punjab Border to Sirhind in Punjab	Reasons for time and cost overruns were attributed to inadequate survey by the contractor, delay in processing of RCE by the Ministry, delay in starting of work by Railways for Railway Over Bridge (ROB) and failure of the Punjab PWD to free from encumbrances.	Ministry and Monitoring Committee held responsible	Action Taken Report Awaited



1	2	3	4	5
E.	RCE for 4-laning with strengthening of the existing 2-lane pavement from Barwa Adda (km. 398.75) to Barakar (km 441.44) on NH-2 in Jharkhand	Committee observed that the DPR for the project submitted by the RITES was not as per the international standards, and was required to be revised as per ADB norms. This resulted in avoidable time overrun.	Responsibility fixed on RITES to prevent such events from recurring. Project since completed.	Action Taken Report Awaited

## PART II

### RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

1. The Demands for Grants of the Ministry of Statistics and Programme Implementation (MoSPI) for the year 2008-09 are to the tune of Rs.1899 crore as against the budgetary allocation of Rs. 1853.54 crore for 2007-08. The Committee in this connection observe that there has been huge shortfalls in plan expenditure of the Ministry of Statistics and Programme Implementation (MoSPI) year-after-year. The shortfall in plan expenditure against the budgeted figures was as much as Rs. 36.83 crore (33%) in 2005-06, 27.76 crore (33%) in 2007-08 and Rs. 22 crore (24%) anticipated in 2007-08. The Secretary, Ministry of Statistics and Programme Implementation (MoSPI) has attributed the shortfall in 2007-08 to delay in construction of the National Academy for Statistical Administration by CPWD and delay in releasing payment to the procured equipments. The Committee had highlighted the Ministry's failure in regard to utilization of funds in the report on Demands for Grants for the year 2007-08. It is evident that the MoSPI has not taken any effort to improve the position. The Committee urge the Ministry to identify the shortcomings in the mechanism of budgetary planning and control and take corrective measures to ensure timely completion of projects and utilization of funds as budgeted.

2. The Committee observe that there had been gross under utilization of allocated funds under the plan head 'professional services' to the extent of 62% in 2005-06, 51% in 2006-07 and 43% in 2007-08 (expected). There had also been substantial under utilization of funds allocated for publications. The Committee hope that, taking note of the Committee's observations in the preceding paragraphs, steps will be taken to ensure that there is no under utilization of funds in future.

3. The Committee are dismayed to note that the Ministry of Statistics and Programme Implementation (MoSPI) is not aware as

yet as to what is the plan allocation to the Ministry during the 11th Five Year Plan even one year after its commencement. The Committee are shocked to hear from the Secretary, the Ministry of Statistics and Programme Implementation (MoSPI) in this connection that there seems to be “complete confusion in terms of getting the administrative and financial approvals for the new plan programmes.” It is not clear, what efforts were made by the Ministry of Statistics and Programme Implementation (MoSPI) to clear this confusion. The Committee do not expect an expression of helplessness on the part of the Secretary, MoSPI in this regard. The Committee expect the Ministry of Statistics and Programme Implementation (MoSPI) to finalise 11th Five Year Plan proposals in consultation with the Planning Commission without further loss of time and apprise the Committee of the outcome.

4. The Committee are distressed to note that as a fall out of the Ministry’s poor handling of plan schemes, no progress was made in implementing the scheme “Basic Statistics for Local Level Development” although Rs. 5 crore had been allocated for the scheme during 2007-08. It has been stated that the scheme could not be launched due to uncertainty regarding inclusion of the scheme in the 11th Plan. Rs. 5 crore has again been allocated for this scheme during the current year. As already recommended in the preceding paragraph, the Committee stress that the scheme/projects for the 11th plan be finalised immediately and there should be no further delay in launching the scheme “Basic Statistics for Local Level Development”.

5. One of the problems which affects the performance of the Field Operation Division of the Ministry of Statistics and Programme Implementation (MoSPI) is stated to be shortage of manpower and attrition of trained manpower. The Committee in this connection note that as against the sanctioned strength of 3903 as on 01.12.2007 the number of incumbents in position in the Sub-ordinate Statistical Service cadre of MoSPI was just 3182. The shortfall in number of incumbents is as much as 721. The secretary, Ministry of Statistics and Programme Implementation (MoSPI) has deposed before the Committee that the Ministry is not just getting people. The

Committee feel that the Ministry of Statistics and Programme Implementation (MoSPI) should address this problem in consultation with the Staff Selection Commission which is the recruitment agency of the cadre, if necessary by suitably modifying the eligibility criteria without compromising skill requirements. The Committee also feel that desirability of having campus recruitment, if necessary by amending recruitment rules should be examined. The Committee also hope that attrition rate of employees can considerably be brought down with the introduction of Performance Related Incentive Schemes recommended by the Sixth Pay Commission.

6. One of the mandates of the National Statistics Commission set up in June, 2005 is identifying the areas of core statistics which are of national importance. Considering the importance of official statistics in policy formulation, the Committee trust that the National Statistical Commission will identify, within a timeframe the areas of core statistics and evolve appropriate standards and methodology for collection such statistics.

7. Though the process of formulating separate rural and urban Consumer Price Indices (CPI- Urban and CPI-Rural), was expected to be completed by December 2007, the Committee have now been informed that no progress could be achieved on compilation of CPI (Rural) due to absence of manpower resources. Such non-performance reflects poorly on the Ministry's functioning. There is always scope for re-distribution of manpower to attend to important items of work. What is needed is initiative and foresight which unfortunately is lacking in the Ministry of Statistics and Programme Implementation (MOSPI). The Committee have dealt with the issue of manpower shortage in one of the preceding paragraphs of this report. The Committee urge that the Ministry of Statistics and Programme Implementation (MOSPI) should, at least now take initiative and ensure that commitments made to the Parliamentary Standing Committee are fulfilled. The Committee would await the action taken by the Ministry of Statistics and Programme Implementation (MOSPI) to complete the exercise of developing separate urban and rural consumer price indices.

8. The National Statistical Commission is reported to have taken up the issues relating to deficiencies in price statistics, which had been pointed out by this Committee in their Reports on the Demands for Grants of MOSPI for 2005-06 and 2007-08. It has been stated that the Commission is expected to make specific recommendations in this regard. The Committee hope that this will be done expeditiously. The Committee expect the Commission to specifically address the aspects relating to the adequacy of the weightages currently given to the basket of goods and items for building the price indices, including the Wholesale Price Index (WPI), which are used for measuring prices and inflation level.

9. A decision was reportedly taken at the 14th Conference of Central and State Statistical Organisations (COSCO) held in April, 2007 that Phase-II (Tier-I) of the World Bank aided "India Statistical Strengthening Project (ISSP)." should be implemented by December, 2007. It is, however, not clear from the information made available to the Committee whether the Phase-II (Tier-I) of the project was implemented within the targeted date. The Committee would like to know the reasons for delay, if any, in this regard. It has been stated that the outlay for the tier-II of the project which will be implemented during the 11th Five year Plan is yet to be received from the Planning Commission. In view of the fact that the project is primarily intended to develop and strengthen the State Statistical Systems in terms of infrastructure facilities and providing reliable, timely and credible socio-economic statistics, the Committee desire the Ministry of Statistics and Programme Implementation (MOSPI) to be pro-active and ensure that outlay for Tier-II of the project is finalised early and the work of implementing the Project taken up in right earnest.

10. Natural Resource Accounting is stated to be a useful tool for measurement of genuine economic performance and growth, taking environmental factors into consideration. The Committee note that the reports of all the eight pilot studies instituted in different regions of the country in this regard have been finalised. The project reports have reportedly been considered by the Technical Monitoring Committee (TMC) and approved. In view of the significance of NRA, the Committee desire that the work of developing a suitable



methodology and framework for Natural Resource Accounting for different sectors be taken up in a time bound manner.

11. As an apex institute of monitoring, the Ministry of Statistics and Programme Implementation (MOSPI) ought to play an important role in ensuring timely completion of Central Sector Projects within originally estimated cost. The Committee in this connection observe from the status report for the quarter April, June, 2007 brought out by the Ministry of Statistics and Programme Implementation (MOSPI) that out of 890 projects monitored during the quarter, as many as 254 projects accounting for nearly 30% did not have approved completion schedules or anticipated dates of completion. The Committee wonder how in the absence of this critical information, MOSPI discharges its responsibility of monitoring. It is not clear what efforts were made by the Ministry of Statistics and Programme Implementation (MOSPI) to demand this information from the Ministries concerned and why they have not been successful. The Committee expect MOSPI to obtain the same by taking up this matter at the highest level in order to make its monitoring activity meaningful and effective.

12. There were as many as 277 delayed projects during the quarter April-June, 2007 on account of factors such as delay in land acquisition, fund constraints, delay in supply of equipment slow progress, etc. The Committee are concerned to note that one single factor which contributed to the delay of as many as 142 projects was "slow progress" which is obviously attributable to managerial deficiency. This can be rectified by constant monitoring and by taking immediate corrective measures to resolve problems, if any. There is a mechanism of Standing Committees in each Ministry to review the time and cost overruns in projects and fix responsibility thereto. The Committee feel that the Ministry of Statistics and Programme Implementation (MOSPI) has a significant role to ensure that this mechanism in every Ministry is effective enough to achieve the desired objective.

13. Perusal of the status Report of the Ministry of Statistics and Programme Implementation (MOSPI), for the quarter April-June 2007 concerning implementation of the Golden Quadrilateral and

North-South and East-West Corridors Projects of the National Highway Development Project (NHDP) Phase I, reveals slippages in implementing the Highway Development Projects. The target dates of completion of the number of highway development projects under the Golden Quadrilateral framework have been re-scheduled, and in several cases, the contracts re-awarded. Similarly, the physical progress in respect of the projects under the North-South and East-West Corridors (Phase I) range from about 16% to 59%. Given the evidently slow and tardy progress of implementation of the Highway Development Projects, the Committee would like to know what specific action was taken by the Ministry of Statistics and Programme Implementation (MOSPI) to ensue that there is no further cost and time overruns in the projects of the Golden Quadrilateral and North-South and East-West Corridor Projects.

14. The Committee in one of their earlier reports had sought the information about action taken against those held responsible for lapses contributing to cost escalation of projects. In response, information has been received from only one Ministry viz. Ministry of Road, Transport and Highways, disclosing the findings of the Standing Committee regarding five projects. The Committee however, observe that nothing has been mentioned by the Ministry about the action taken against persons/agencies responsible for lapses except in respect of one case in which Liquidity damages have reportedly been imposed on consultant for lack of supervision. The Committee urge the Ministry of Statistics and Programme Implementation (MOSPI) to obtain full information from the Ministry of Road, Transport and Highways in respect of all projects. The Committee are of the view that it is the responsibility of Ministry of Statistics and Programme Implementation (MOSPI) to obtain such information from all Ministries on quarterly basis and closely monitor project implementation.

NEW DELHI;  
11 April, 2008  

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22 Chaitra, 1930 (Saka)

ANANTH KUMAR,  
Chairman,  
Standing Committee on Finance.

MINUTES OF THE TWENTY-FIRST SITTING OF STANDING  
COMMITTEE ON FINANCE

The Committee sat on Tuesday, the 18th March, 2008 from 1600 hours to 1750 hours in Committee Room 'E', Parliament House Annexe, New Delhi

PRESENT

Shri Ananth Kumar—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Gurudas Dasgupta
3. Shri Bhartruhari Mahtab
4. Shri Madhusudan Mistry
5. Shri Rupchand Pal
6. Shri P.S. Gadhavi
7. Shri K.S. Rao
8. Shri Magunta Sreenivasulu Reddy
9. Shri A.R. Shaheen
10. Shri M.A. Kharabela Swain

*Rajya Sabha*

11. Shri Vijay J. Darda
12. Shri S. Anbalagan
13. Shri Moinul Hassan

SECRETARIAT

1. Shri A.K. Singh — *Director*
2. Shri T.G. Chandrasekhar — *Deputy Secretary*

WITNESSES

**Ministry of Statistics and Programme Implementation**

1. Dr. Pronob Sen, Secretary and Chief Statistician of India
2. Smt. Lalitha Kumar, Additional Secretary
3. Dr. S.K. Nath, Director General, CSO



4. Dr. Sankar K. Pal, Director, ISI, Kolkata
5. Shri P.K. Ray, Director General, NSSO
6. Shri S.C. Seddey, Additional Director General
7. Shri Vijay Kumar, Additional Director General
8. Dr. A.K. Yogi, Additional Director General
9. Shri J. Dash, Additional Director General
10. Shri Ramesh Kolli, Additional Director General
11. Smt. Madhu Bala, Additional Director General
12. Shri Arvind Kumar, Joint Secretary

2. At the outset, the Chairman welcomed the representatives of the Ministry of Statistics and Programme Implementation 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 the representatives of the Ministry of Statistics and Programme Implementation on Demands for Grants (2008-09) and other related matters. The points discussed during the meeting broadly related to shortfalls in utilization of budget outlays, slippages in implementing plan schemes, problem of attrition of field survey officials, revision of price indices, adequacy of the Eleventh Plan outlay of the Ministry, India Statistical strengthening project, variations in utilization of budget outlays under various Heads of account, National Resource Accounting, Scheme relating to basic statistics for local level development, National Statistical Commission etc.

4. Thereafter, the Chairman directed the representatives of Ministry of Statistics and Programme implementation to furnish written notes on points raised by the Members during the discussion within a week's time.

5. A verbatim record of proceedings has been kept.

The witnesses then withdrew.

MINUTES OF THE TWENTY-FIFTH SITTING OF THE STANDING  
COMMITTEE ON FINANCE

The Committee sat on Thursday, the 10th April, 2008 from  
1100 hrs. to 1215 hrs.

PRESENT

Shri Ananth Kumar—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Gurudas Dasgupta
3. Shri Rupchand Pal
4. Shri P.S. Gadhavi
5. Shri M.A. Kharabela Swain
6. Shri Suresh Prabhakar Prabhu

*Rajya Sabha*

7. Shri Raashid Alvi
8. Shri M. Venkaiah Naidu
9. Shri S.S. Ahluwalia
10. Shri Mahendra Mohan
11. Shri Vijay J. Darda

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Shri A.K. Singh — *Director*
3. Shri T.G. Chandrasekhar — *Deputy Secretary*
4. Shri G. Srinivasulu — *Deputy Secretary-II*

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

3. The Committee, then took up the following draft Reports for consideration:-

- (i) Draft Report on Demands for Grants (2008-09) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Disinvestment).
- (ii) Draft Report on Demands for Grants (2008-09) of the Ministry of Finance (Department of Revenue).
- (iii) Draft Report on Demands for Grants (2008-09) of the Ministry of Planning.
- (iv) Draft Report on Demands for Grants (2008-09) of the Ministry of Statistics and Programme Implementation.
- (v) Draft Report on Demands for Grants (2008-09) of the Ministry of Corporate Affairs.

4. The Committee adopted the above reports with modifications as shown in Annexures (i) to (v) respectively.

5. The Committee then authorized the Chairman to finalise the Reports in the light of the modifications made and present the same to Parliament.

6. The Committee also decided to take up for examination the issues of Omnibus Regulator for the Financial Sector and Adequacy of the current price indices in measuring prices.

The witnesses then adjourned.



1	2	3	4
			amending recruitment rules should be examined. The Committee also hope that attrition rate of employees can considerably be brought down with the introduction of Performance Related Incentive Scheme recommended by the Sixth Pay Commission.
40	8	2	<p><i>After</i></p> <p>'will be done expeditiously.'</p> <p>Add:</p> <p>The Committee expect the Commission to specifically address the aspects relating to the adequacy of the weightages currently given to the basket of goods and items for building the price indices including the Wholesale Price Index (WPI), which are used for measuring prices and inflation level.</p>

(e) Modifications made in the draft report on the 71st Report on Demands for Grants (2008-09) of Ministry of Corporate Affairs.

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