STANDING COMMITTEE ON FINANCE (2009-10)

FIFTEENTH LOK SABHA

MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

Demands for Grants (2010-11)

FOURTEENTH REPORT



LOK SABHA SECRETARIAT NEW DELHI

April, 2010/ Chaitra, 1932 (Saka)

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(FIFTEENTH LOK SABHA)

MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

Demands for Grants (2010-11)

Presented to Lok Sabha on 19 April, 2010 Laid in Rajya Sabha on 19 April, 2010



LOK SABHA SECRETARIAT NEW DELHI

April, 2010/Chaitra, 1932 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON FINANCE - 2009-2010

Dr. Murli Manohar Joshi - Chairman

MEMBERS

LOK SABHA

- 2. Dr. Baliram (Lalganj)
- 3. Shri Sudip Bandyopadhyay
- 4. Shri C.M. Chang
- 5. Shri Harishchandra Chavan
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- 12. Shri Mangani Lal Mandal
- 13. Shri Rayapati Sambasiva Rao
- 14. Shri Magunta Sreenivasulu Reddy
- 15. Shri Y.S. Jagan Mohan Reddy
- 16. Shri N. Dharam Singh
- 17. Shri Sarvey Sathyanarayana
- 18. Shri Manicka Tagore
- 19. Dr. M. Thambidurai
- 20. Shri Anjankumar M. Yadav
- 21. Shri G.M. Siddeshwara*

RAJYA SABHA

- 22. Shri Raashid Alvi
- 23. Dr. K.V.P. Ramachandra Rao
- 24. Shri Vijay Jawaharlal Darda
- 25. Shri S.S. Ahluwalia
- 26. Shri Moinul Hassan
- 27. Shri Mahendra Mohan
- 28. Shri S. Anbalagan
- 29. Dr. Mahendra Prasad
- 30. Shri Y.P. Trivedi
- 31. Shri Rajeev Chandrasekhar

SECRETARIAT

Shri A.K. Singh
 Shri T.G. Chandrasekhar
 Additional Director

^{*} Nominated to this Committee w.e.f. 09.03.2010 vice Shri Gopinath Munde, MP

INTRODUCTION

I, the Chairman of the Standing Committee on Finance, having been authorized by the Committee, present this Fourteenth Report (15th Lok Sabha) on the 'Demands for Grants (2010-11) 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 30 March, 2010.
- 3. The Committee considered and adopted this Report at their sitting held on 15 April, 2010. Minutes of the sittings of the Committee 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 (2010-11).

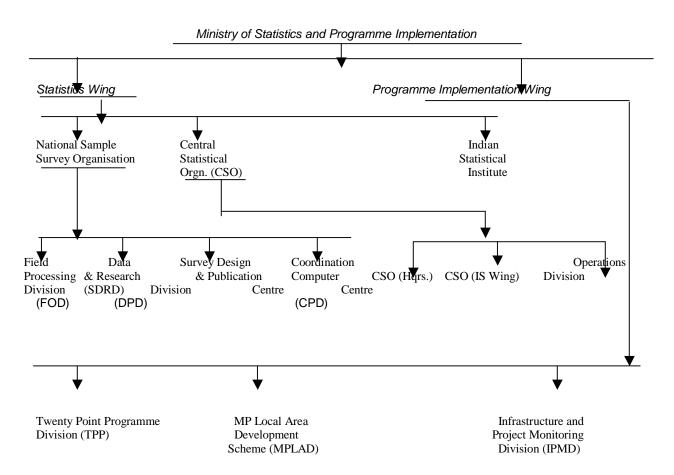
New Delhi; 15 April, 2010 25 Chaitra ,1932 (Saka) DR. MURLI MANOHAR JOSHI, Chairman, Standing Committee on Finance.

Report

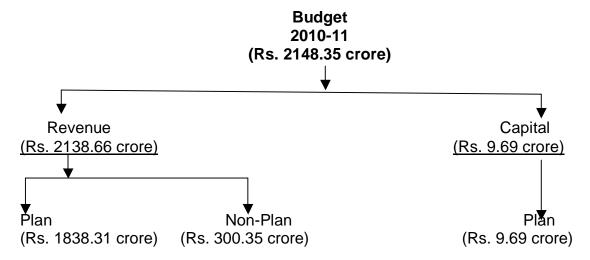
PART - I

I. BUDGETARY ALLOCATION

The Ministry of Statistics and Programme Implementation came into existence with effect from 15th October 1999 by merger of the Department of Statistics and the Department of Programme Implementation. With the approval of the Cabinet, the Government of India vide resolution dated 1st June, 2005 set up the National Statistical Commission (NSC). For the year 2010-11, Demand No. 90 has been assigned to the Ministry. The organisational structure of the Ministry is as follows:



2. The Demands for Grants under Demand No. 90 for the Ministry of Statistics and Programme Implementation includes a budget proposal of Rs. 2148.35 crore for the year 2010-11. The demand under Revenue account is Rs. 2138.66 crore and under Capital account is Rs. 9.69 crore. The Ministry proposes to undertake eight Plan Schemes with an estimated outlay of Rs. 1838.31 crore under Plan Revenue and Rs. 9.69 crore under Plan Capital.



. 3. A statement showing Budget Estimates, Revised Estimates and Actuals for 2007-2008, 2008-2009 and 2009-2010 (expenditure upto March, 2010) and Budget Estimates for 2010-2011 both under Plan and Non-Plan account is as under:-

(Rs. in crores)

		2007-08			2008-09 2009-10		2008-09		ĺ	2010-11
	BE	RE	Actual	BE	RE	Actual	BE	RE	Expected expenditure	BE
Non-Plan	181.5400	187.0000	176.1628	190.0000	243.1500	2.5970	306.2700	337.8600	347.7615	300.3500
%ge increase	18.51	7.56	7.16	4.66	30.03	-98.53	61.19	38.95	13290.89	-1.93
Plan	92.0000	73.0000	66.0012	129.0000	85.0000	62.8500	229.0000	94.0000	91.5903	268.0000
%ge increase	-26.01	-12.74	-26.66	40.22	16.44	-4.77	77.52	10.59	45.73	17.03
MPLADS	1580.0000	1580.0000	1470.5500	1580.0000	1580.0000	1580.0000	1580.0000	1580.0000	1261.5000	1580.0000
%ge increase	0.00	0.00	1.23	0.00	0.00	7.44	0.00	0.00	-20.16	0.00
TOTAL	1853.5400	1840.0000	1712.7140	1899.0000	1908.1500	1645.4470	2115.2700	2011.8600	1700.8518	2148.3500
%ge increase	-1.27	0.52	0.33	0.2.45	0.3.70	-3.93	11.39	5.44	3.37	1.56

4. The Ministry's Non-Plan budget of Rs. 300.35 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 2010-2011 are given below:

Object Head	<u>Budget</u>		% of total Non-Plan Budget
	(Rs	in crore)	
Salaries	Rs.	186.5648	62%
Domestic Travel	Rs.	8.5195	3%
Foreign Travel	Rs.	0.1365	0%
Office Expenses	Rs.	7.4787	2%
Rent Rates & Taxes	Rs.	1.2300	0%
Publications	Rs.	0.6500	0%
Other Administrative Expenses	Rs.	1.2350	0%
Grant-in-aid	Rs.	91.0112	30%

Grant-in-aid of Rs. 91.0112 crore is for Indian Statistical Institute (ISI), Kolkata.

- 5. The ISI is engaged in integrated programme of research, training and practical application of statistics in different disciplines through a large number of projects. By an Act of Parliament, known as the ISI Act (No. 57) of 1959, the Institute was declared as an 'Institute of National Importance' and was conferred with the right to hold examinations and grant degrees and diplomas in statistics and allied disciplines. By the 'Indian Statistical Institute (Amendment) Act 1995', the Institute has also been empowered to conduct courses, besides statistics, in Mathematics, Quantitative Economics, Computer Science and other subjects related to Statistics. Grants-in-aid to ISI are released on the basis of the recommendations of a Statutory Committee set up under Section 8(1) of the ISI Act. From the budget of the Ministry, an amount of Rs. 9101.12 lakh being 30% of the Non-Plan Budget during 2010-11 is proposed to be released as grant-in-aid to the Institute.
- 6. With the setting up of NSC with effect from 1st June, 2005, Budget of Rs. 0.65 crores has been provided during 2007-08 at Revised Estimates. Budget Estimate for the year 2010-11 has been provided at Rs.1.63 crore.

7. Trend of Non-Plan expenditure indicates decrease in expenditure from Rs. 337.86 crore in 2009-10 (at RE) to Rs. 300.35 crore during 2010-11 which works out to a decrease of **211.10** %, as there is no payment of arrears relating to the Pay Commission's recommendations.

Plan Budget

8. The Plan budget proposal in BE 2010-11 is Rs. 1848.00 crore to be spent on MPLAD Scheme and seven (7) other Plan Schemes. MPLAD Scheme has a budget provision of Rs. 1580.00 crore. Rs. 268.00 crore has been proposed for seven (7) other Plan Schemes. The major components of expenditure in the proposed Plan Outlay for the 7 Schemes are as follows:

Object Head	Budget (Rs. in crore)	% of total Plan Budget
Salaries	Rs.5.2729	2%
Domestic Travel	Rs.7.2500	3%
Foreign Travel	Rs.0.6200	0%
Office Expenses	Rs.10.4300	4%
Publications	Rs.11.4820	4%
Other Admn. Expenses	Rs 33.3638	12%
Advertising & Publicity	Rs. 5.3800	2%
Professional Services	Rs.18.8200	7%
Grants-in-aid (excluding MPLADS)	Rs. 127.2900	47.49%
Information Technology	Rs.10.7000	4%
Machinery & Equipment	Rs. 0.7300	0%
Major Works	Rs.8.9600	3.34%
Lump sum provision for NE States	Rs.26.8000	10%

9. The proposed expenditure under grants-in-aid of Rs. 1707.29 crore includes Rs. 1580 crore for MPLAD Scheme, i) Rs.28.00 crore for ISI Kolkata for its Plan Schemes, ii) Rs. 87.50 crore for carrying out India Statistical Strengthening Project in States (Rs. 80.00 crore) and UTs (Rs.7.50 crore), iii) Rs.12.45 crore for carrying out plan scheme- Basic Statistics for Local Level Development (Rs.9.45 crore each for

States and 3.00 crore for UTs) which is Centrally Sponsored Scheme introduced during 2010-11.

10. As informed by the Ministry, on the basis of the instructions on Zero Based Budgeting, the Plan Schemes of the XIth Plan have been formulated by amalgamation/modifying/dropping the Plan Schemes of the Xth Plan.

II. UTILISATION OF BUDGET ALLOCATIONS

11. The scheme-wise allocation of Budget Estimates, Revised Estimates and Actual expenditure incurred during 2007-08 is as follows:

(Rs. in crore)

				(13. 11 0016)		
Sl.	Name of the Plan Scheme	2007-08				
No.						
		BE	RE	Actual		
				Expenditure		
	Centrally Sponsored Scheme					
1	Basic Statistics for Local Level Development	5.0000	0.0100	0.00		
	Central Sector Scheme					
2	India Statistical Strengthening Project	1.0000	0.7200	0.559		
	(Modernisation of Statistical System in India)					
3	Addition/alteration to and Modernisation of	0.4000	0.40.00	0.4103		
	Office Building					
4	Capacity Development of CSO	26.4000	25.2953	21.9191		
	Total CSO	32.8000	26.4253	22.8884		
5	Strengthening of Data Processing, Storage and	1.6200	1.0848	0.6425		
	Dissemination of Computer Centre					
6	Total Capacity Development of NSO	28.5000	16.9823	14.6341		
7	Grant in aid to ISI, Kolkata	26.0800	25.2376	25.2376		
	P.I. Wing					
8	Institutional Development & Capacity Building	3.0000	3.2700	2.5986		
	(prog. Imp. Wing)					
	Total Statistics & P.I.	92.0000	73.0000	66.0012		
9	MPLADS	1580.0000	1580.0000	1470.5500		
_	Grand total	1672.0000	1653.0000	1536.5512		

12. The scheme-wise allocation of Budget Estimates, Revised Estimates and Actual expenditure incurred during 2008-09 and 2009-10 and the Plan budget status for 2010-11 of the Ministry of Statistics and Programme Implementation is as follows:

(Rs. in crore)

				2008-09		2009-10		2009-10 2010-11	
Sl. No.	Name of the plan scheme	11th. Plan Approved Outlay (2007-12)	BE	RE	Actual expenditure	ВЕ	RE	Expected Expenditure	ВЕ
	Centrally Sponsored Scheme								
1	Basic Statistics for Local Level Development	*	5.0000	4.0900	3.1992	12.0000	0.8450	0.4300	15.0000
	India Statistical Strenthening Project(Modernisation of Statistical System in India)	*	30.0000	4.9850	0.0528	100.0000	0.0850	0.00	100.0000
	Central Sector Scheme								
3	Capacity Development	3.4450	63.0000	52.4500	39.0387	80.0000	58.1938	56.2941	68.0000
4	Sixth Economic Census	0.9100			0.00	1.0000	0.0200	0.00	50.0000
	Total CSO	4.3550	98.0000	61.5250	42.2907	193.0000	59.1438	56.7241	233.0000
1 7	Strengthening of Computer Centre	0.2000	2.5000	1.5300	1.0749	2.0000	1.9900	2.0000	2.1000

6	Grant in aid to ISI, Kolkata	1.2000	25.0000	18.7550	18.7550	30.0000	30.0000	30.0000	28.0000
	P.I. Wing								
7	Strengthening, Monotoring and Evaluation for Projects & Programmes	0.1850	3.5000	3.1900	0.7294	4.0000	2.8662	2.8662	4.9000
	Total Statistics & P.I.	5.9400	129.0000	85.0000	62.8500	229.0000	94.0000	91.5903	268.0000
8	MPLADS	0.00	1580.0000	1580.0000	1580.0000	1580.0000	1580.0000	1261.5000	1580.0000
	Grand Total	5.9400	1709.0000	1665.0000	1642.8500	1809.0000	1674.0000	1353.0903	1848.0000

^{*} For ISSP and BSLD, allocation will be made on annual basis

A. Shortfall in Plan Expenditure

13. There has been huge shortfall in plan expenditure of the Ministry of Statistics and Programme Implementation in the preceding years, which is indicated as under:-

(Rs. in crore)

Year	Budgeted	Actual	Shortfall	Percentage of
	Expenditure	Expenditure		Shortfall
2006-07	83.39	55.63	27.76	33%
2007-08	92.00	66.00	26.00	28%
2008-09	129.00	62.85	66.15	51%
2009-10	229.00	91.59	137.41	60%

14. On the issue of shortfall in meeting the Plan expenditure, the Committee had in their 4th Report on Demands for Grants of the Ministry for the previous year viz. 2009-10 inter-alia recommended that there was a huge shortfall in utilization of the budgeted expenditure of the Ministry of Statistics and Programme Implementation in the last three years. Emphasizing that it was necessary on the part of the Government to undertake an effective exercise for identifying the shortcomings in the mechanism of budgetary planning and ensuring proper utilization of funds, the Committee wanted to be apprised of the concrete steps taken in this direction and their effectiveness in overcoming the shortcomings in a time bound programme.

B. Strengthening of Computer Centre (Strengthening of Data Processing, Storage and Dissemination of Computer Centre).

15. The Head of account is meant to meet the expenditure relating to the Plan scheme 'Strengthening of Computer Centre' meant to develop data warehouse of official statistics, improve data dissemination, training and other applications. The allocation is intended to meet the expenses on account of machinery & equipment, professional services, salary and allowances and office expenditure. The following figures have been provided in regard to this Head:

(Rs.in crore)

Year	BE	RE	Actual
2007-08	14.700	7.848	4.126
2008-09	25.000	15.300	10.749
2009-10	19.500	19.900	19.900
2010-11	21.000	-	-

- 16. On being asked to furnish reasons for substantially reducing the budget estimates at the RE stage in the year 2007-08 and 2008-09 i.e. to the extent of about 50% of the BE and also for underutilization of the funds even after the substantial reduction at the RE stage in 2007-08 and 2008-09, the Ministry in their written reply stated as under:-.
 - (a) The Computer Centre being the nodal agency in matters of IT needs of the Ministry, provision of additional funds for meeting IT needs of other segments of the Ministry was made in the B.E. for the year 2008-09 including software for Intranet which was however procured only for Computer Centre on a pilot basis
 - (b) For the year 2007-08 provision was kept for procurement of user's licenses of COGNOS Software, which is required to give access to the National and International users of National Datawarehouse. However, the Direction Committee on National Datawarehouse recommended that at the initial Stage access to the pilot project be given only to the users in the Ministry with the existing COGNOS licenses

C. Capacity Development (Capacity Development of CSO and Institutional Development and Capacity Building)

17. The head of account is the only budget line head of account for National Academy of Statistical Administration (NASA), Training Division. The entire Expenditure pertaining to wages, OTA, Medical Treatment, Domestic & Foreign Travel, office expenses, OAE, Professional services, Publications, Information Technology, Machinery and equipments, Major and Minor works etc pertaining to Training Division/ NASA are met from this head of account. The following figures have been provided in regard to this Head:-

(Rs. in crore)

Year	BE	RE	Actual
2007-08	121.300	79.153	78.173
2008-09	357.400	261.150	208.326
2009-10	547.626	404.288	453.808
2010-11	443.000		

18. On being asked to furnish the reasons for downward revision of budget provisions at RE stage during the year 2007-08, 2008-09 & 2009-10, the Ministry stated as under:-

"Under the component of the Plan scheme "Development of Consumer Price Index separately for Urban & Rural Population at National Level", Budget Provisions during 2007-08 was reduced because no professional consultant could be identified which have network around the country to take up the market survey and retail price collection work in the urban areas covering 310 towns in the country. During 2008-09, NASA was supposed to have been inaugurated in February, 2008. However, it was finally inaugurated in February, 2009. During 2009-10, the Department of Posts could take up retail price collection work in rural areas only from October 2009, reducing 50 % of the financial allocation proposed for the Department of Posts."

19. On being asked why higher projection was made at BE stage for the years 2008-09 & 2009-10 despite having unspent provisions during the preceding years, the Ministry stated as under:-

"The higher projection was made in anticipation of receiving and financing quality research studies and seminar, workshops, etc."

20. Asked to state the reasons for reducing the BE during the current year, the Ministry replied as under:-

"During 2009-10, assistance in the form of grant-in-aid to the tune of Rs.10 crore has been allocated I BE for "C.R. Rao Advanced Institute of Mathematics & Statistics". In 2010-11, similar demand for capacity building of institution(s) is not foreseen and hence the budget estimate is lower."

D. Strengthening, Monitoring & Evaluation for Project & Programmes

21. The head of account is meant for the scheme of Strengthening, Monitoring & Evaluation Capacity Building of the Programme Implementation Wing of the Ministry of Statistics and Programme Implementation, to enable it to carry out its allocated responsibilities of monitoring projects and programmes including the monitoring of MPLAD Scheme and Twenty Point Programme. The following figures have been provided in regard to this Head:-

(Rs.in crores)

Year	BE	RE	Actual
2008-09	31.500	29.900	7.294
2009-10	36.000	28.662	25.444
2010-11	44.100		

22. Asked to state the reasons for reducing the allocations at RE stage in the last two years and leaving substantial amounts unutilized even after the reductions during 2008-09, the Ministry in reply, stated as under :-

"The overall allocation in the Plan Scheme has been reduced due to reduction in overall budget of the Ministry at RE stage as well keeping in view the requirement of the Scheme. Therefore, figures have accordingly been reduced at RE stage during 2008-09."

E. Basic Statistics for Local Level Development (BSLLD)

23. This scheme is a centrally sponsored scheme with 100% central support to develop the decentralized data base at Village/Block for local level planning in all States. Basic Statistics for Local Level Development at village level will be compiled in all the Gram Panchayats in three years during the Eleventh Plan i.e. 2009-10, 2010-11, and 2011-12.

24. The budgetary allocations provided for this scheme is as given in the following table:-

(Rs.in crore)

Year	BE	RE	Actual
2007-08	5.00	0.01	
2008-09	5.00	4.09	3.1992
2009-10	12.00	0.8450	0.4300
2010-11	15.00		

25. On being asked to attribute the reasons for reducing the Budget allocation at the stage of RE during 2008-09 and the inability to utilize the budget allocations in the year, the Ministry replied as under:-.

"It was expected that the newly proposed CSS would be implemented in all the States/UTs with effect from 2008-09. However, as advised by the Planning Commission, a pilot survey was launched in 32 States/UTs. Against the allocated amount of Rs.5.0 crore, the actual expenditure was Rs.3.14 crore in 2008-09 as the CSS could not be launched and a pilot survey with around 500 gram panchayats in one/two districts of 32 States/UTs was launched in 2008-09."

26. Asked to explain the reasons for increasing the BE for the current year vis-à-vis BE and RE of the previous year, the Ministry stated as under:-

"Due to non-completion of the pilot survey in 2008-09 and subsequent spill over in 2009-10, and to continue the survey for another reference year, the outlay has been increased."

27. The Committee desired to know the present status of implementation of this scheme as well as the efforts made by the Ministry to pursue the matter with the Panchayati Raj Institutions. The Ministry, in their reply, stated as under:

"A pilot scheme is being implemented in 32 states/UTs covering at least one district covering around 500 villages Panchayats, through Panchayat Raj Institutions. Data compilation has been completed for 16 States/UTs. 4 States/UTs have already submitted the draft reports."

28. In response to a query regarding the timelines for inception of the scheme as Centrally Sponsored Scheme, the Ministry replied as under:

"A consolidated report of the Pilot scheme will be submitted to the PC for approval of the scheme. EFC proposal will be submitted after getting the approval of the Pilot Scheme."

III. NATIONAL STATISTICAL COMMISSION (NSC)

- 29. The Government of India through a Resolution dated 1st June, 2005 decided to set up the National Statistical Commission (NSC). The setting up of the NSC followed the decision of the Cabinet to accept the recommendation of the Rangarajan Commission, which reviewed the Indian Statistical System in 2001. The National Statistical Commission (NSC) was initially constituted with effect from 12th July, 2006 to serve as a nodal and empowered body for all core statistical activities of the country; to evolve, monitor and enforce statistical priorities and standards and to ensure strong statistical coordination through a closer linkage between statistical programming and budgeting. The NSC has one part-time Chairman and four part-time Members, each having specialization and experience in specified statistical fields. Besides, Secretary, Planning Commission is an ex-officio Member of the Commission. The Chief Statistician of India is the Secretary to the Commission.
- 30. For reform of the administration of the Indian Statistical System, the Rangarajan Committee, in its Report of 2001 had inter-alia observed as under:-

"The Commission has recommended the creation of a permanent and statutory apex body – National Commission on Statistics (NCS) – through an Act of Parliament, independent of the Government in respect of policy making co-ordination and maintaining quality standards of core statistics."

31. As regards identification of the 'Core Statistics', the said report inter-alia made the following observations:-

"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."
- 32. The budgetary allocations made for the National Statistical Commission since 2008-09 is given in the following table:-

(Non Plan)			(Rs. in crore)	
	BE	RE	Actuals	
2008-09	0.66	0.74	0.61	
2009-10	0.84	0.77	0.31 (upto Dec, 2009)	
2010-11	1.63			

33. On being asked to explain the reasons for reducing the budgetary estimates at RE stage during the year 2009-10 and the substantial underutilization of funds even thereafter in 2009-10, the Ministry stated as under:-

"The positions of part-time Chairman and part-time Members in the National Statistical Commission were vacant for quite some time during 2009-10. Hence, the costs incurred for meetings could not materialize and studies could not be commissioned."

34. Asked about the rationale behind the higher projection of the Budget Estimates for 2010-11 and how funds are proposed to be fully utilized during the year, the Ministry stated as under:-

"All the positions in the National Statistical Commission would remain filled during 2010-11. The Commission would undertake many activities during 2010-11, such as commissioning of papers from Experts on various statistical issues, organizing workshops, conducting statistical audit and constituting professional committees. Hence, the higher projection of the Budget Estimates during 2010-11 is justified."

35. In response to a query regarding the likelihood of the National Statistical Commission becoming a statutory Commission/body, the Ministry stated as under:

"For constituting the National Statistical Commission as a statutory commission/ body, a Bill has to be passed by the Parliament. Steps have been initiated to formulate the Bill. No time frame has been fixed for its being moved in either House of the Parliament."

36. Asked whether conferring statutory status on the National Statistical Commission would help in strengthening the statistical system in the Country, the Ministry, in reply, stated as under:-

"Providing statutory status to the National Statistical Commission may be one of the steps for strengthening the statistical system in the Country."

- 37. In their 54th Report on Demands for Grants (2007-08) of the Ministry, the Committee, had inter-alia emphasized the need for ensuring that the related Bill, which would enable the National Statistical Commission to function in an effective manner as a statutory body be brought before the Parliament without any further delay. The Committee had also recommended that appropriate initiatives be taken to implement those recommendations of the Rangarajan Committee for reform of administration of the Indian Statistical System which remain to be acted upon.
- 38. The action taken note of the Ministry furnished in this regard inter-alia stated as under:-

"The issue of setting up of the National Statistical Commission as a statutory body is under active consideration of the Commission and the Ministry.

It is expected that the draft Bill for the Legislation will be prepared by July, 2007 and after inter-ministerial consultations, the Bill is planned to be placed before the Cabinet for its approval by January 2008."

39. While pointing out that faulty statistics are one of the major handicaps for proper planning and functioning, the Committee desired to know the progress made to ensure that faultless data is prepared by the National Statistical Commission and also to ensure proper statistical coordination between the Ministries and different agencies of the Government. In response thereto, the Secretary, MOSPI during evidence replied as under:

"The Ministry of Statistics is only a nodal Ministry. There are 38 other Ministries and Departments of the Government of India that do statistical collection. The way we do the coordination within the Central Government is primarily that we have our people posted in these Ministries. So, because it is a unified cadre, I am the cadre controller of that, I can exercise a certain degree of control and authority. In the States, that is problem. In most states, you do not have a common cadre. So, each Department recruits its own statistician which report only to the Department head. There coordination is a big issue."

40. In its report, the Rangarajan Commission made recommendations for improvement in the Indian Statistical System. On being asked to furnish details of the implementation status of these recommendations, the Ministry stated as under:-

"The National Statistics Commission under the Chairmanship of Dr. C. Rangarajan in its report made total 623 of recommendations covering administrative and technical requirements for improvement in the Indian Statistical System. The responsibility of implementing the recommendations lies with the Ministries and Departments concerned of Government of India and the State Governments. Key recommendations of the Rangarajan Commission, such as constituting the National Statistics Commission as a permanent body initially through an executive order, creating the post of Chief Statistician of India and appointing a professional statistician against the post as the Head of the National Statistical Organisation and as the Secretary to the Commission, establishing a training academy for statistics, creating senior level posts of the Indian Statistical Service in major Central Ministries having statistical functions, convening the Conference of Central and State Statistical Organisations every year, including a Centrally sponsored scheme in the 11th Five Year Plan to strengthen state statistical systems and enacting the Collection of Statistics Act, 2008, have been implemented. The issue of implementation was considered by the present National Statistics Commission in its 29th meeting held on 21st & 22nd January 2010. Relevant extract of the minutes of the meeting is given below:

The Commission noted the mechanism created in the form of an Empowered Committee constituted under the Chairmanship of Secretary, MOSPI vide MOSPI OM No. M-12011/1/2002-IC (NSC) dated 2nd January 2001 with a clear mandate to expedite implementation of the recommendations of the Rangarajan Commission. The Empowered Committee has not met for quite some time. It was reported in the meeting that many of the recommendations of the Rangarajan Commission are yet to the implemented and the position has not been updated for quite some time. It was proposed in the agenda that the system needs to be revived for implementing not only the recommendations of the Rangarajan Commission but also of the present commission. Since the system of Empowered Committee has not been found to be very successful in achieving its goal, the Commission recommended that the Government may give adequate powers to the NSC to monitor and enforce the implementation of the recommendations. The Commission also desired that the latest status of implementation of the recommendations by the different Central Ministries and the States be updated by the CSO and placed before it in its next meeting.

Follow-up action on the aforesaid minutes is under progress. A proposal to appoint a Standing Committee to monitor the implementation of the Rangarajan Commission recommendations as also the recommendations of the present Commission is also under examination."

41. The Committee desired to know the progress made in regard to identifying 'Core Statistics' and the methodology for collection of such statistics. In this regard, the Ministry replied as under:

"The CSI addressed letters to 64 Central Ministries/ Departments including the Central Statistical Organisation (CSO) and the National Sample Survey Organisation (NSSO) requesting them to furnish a list of core statistics with an explanatory note on how the statistics are used in policy making and are critical to the Responses have been received from 56 of them. Requisite information is still awaited from 8 Ministries/ Departments. On a perusal of the inputs provided by the different Ministries/ Departments and keeping in view the mandate of the Commission, it was felt that statistical products that are used in a general way by various offices in the Government setup as also by the research institutions and the public at large shall be categorized as core statistics. Similarly, the statistical products that are required to be produced as a result of international commitments also need to be brought under the category of core statistics. Once a product is classified as core statistics, the entire process of producing it needs to be brought under the regulation of the NSC. The summary of the responses received from the Ministries/ Departments was placed before the National Statistical Commission in its 29th meeting held on 21st & 22nd January 2010. Relevant extract of the minutes of the meeting is given below.

The Commission noted the views of various central Ministries on the issue of identifying core statistics. It was decided that the defaulting Ministries reported in the agenda may be requested once again to furnish the inputs. The Commission also recommended that all the Ministries may be further requested to furnish details of the statistics required to be generated by them due to international commitments.

Follow-up action on the aforesaid minutes is under progress."

- 42. In the context of identification of core statistics, the Committee in their 70th Report on Demands for Grants (2008-09) of the Ministry had inter-alia recommended that the National Statistical Commission should identify within a time frame the areas of core statistics and evolve appropriate standards and methodology for collection of such statistics.
 - 43. The action taken note of the Ministry furnished in this regard states inter-alia as under:-

"The identification of core statistics and related aspects are under the mandate of the Commission. The recommendation of the Standing Committee on Finance has been placed before the Commission in its Sixteenth meeting held on 30.6.2008 and the Commission noted the recommendation."

IV. PRICE INDICES

- 44. While examining the aspect of Price Indices, the Committee in their 4th Report on Demands for Grants (2009-10) of the MOSPI, were constrained to note that despite the repeated assurance given to the Committee by the Secretary, MOSPI, the process of compiling and bringing out separate Consumer Price Indices for urban and rural areas [CPI (Urban) and CPI (Rural)] remained to be completed. As per the reply of the Government in their action taken note on the recommendation, the base year for the revised price indices remains to be finalized.
- 45. On being asked to furnish the current status of compilation of Consumer Price Indices for urban and rural areas, the Ministry stated as under:

"For compilation of new series of CPI (Urban) and CPI (Rural), State/UT and All-India levels, weighting diagrams (consumption patterns) have already been derived from the results of the NSS 61st Round Consumer Expenditure Survey conducted during 2004-05. Monthly urban price data collection in the selected cities and towns has stared from May 2008. As regards rural areas, price collection has started from October, 2009 in selected villages. Trial indices of CPI (Urban) are expected to be compiled by February, 2010 and trial indices of CPI (Rural) by September 2010. After getting the approval of the Technical Advisory Committee on Statistics of Prices and Cost of Living on selection of the base year. CPI (Urban) and CPI (Rural) numbers, State/UT and All-India levels for the month of January 2011 are expected to be released by 20th February, 2011. National index for January 2011 by merging CPI (Urban) and CPI (Rural) with the weights derived from Consumer Expenditure Survey (2004-05) data is also expected to be released by 20th February, 2011."

- 46. In the 6th Report (15th Lok Sabha) on Inflation & Price Rise, the Committee inter-alia observed/recommended as follows:
 - "(i)The Committee in an earlier report had endorsed the suggestions of the National Statistical Commission (2001) for a nation-wide representative index. The Committee would, therefore, expect the Government to act upon this recommendation without any further delay and accordingly expedite the compilation of new series of nation-wide Consumer Price Index (CPI) for urban and rural areas as a prelude to formulating a national CPI and apprise the Committee of the action taken in this regard within one month".

- (ii) ...With a view to rationalizing the compilation and release of the various indices, the Committee recommend that the Government should consider entrusting the job of coordinating and releasing of indices to a single nodal agency, preferably the Ministry of Statistics and Programme Implementation, which already has the professional expertise required for this purpose".
- 47. In the action taken note on the above recommendation, the Ministry have stated as under:-

"..after getting the approval of the Technical Advisory Committee on Statistics of Prices and Cost of Living on selection of the base year, CPI (Urban) and CPI (Rural) numbers, State/UT and All-India levels for the month of January 2011 are expected to be released by 20th February, 2011. National index for January 2011 by merging CPI (Urban) and CPI (Rural) with the weights derived from Consumer Expenditure Survey (2004-05) data is also expected to be released by 20th February, 2011.

The Ministry of Statistics and Programme Implementation is in agreement with the above proposal of having a single agency for compilation and releasing of various price indices (Consumer and Wholesale) provided sufficient resources (manpower, financial and infrastructural) are made available to the ministry for this purpose."

V. INDIA STATISTICAL STRENGTHENING PROJECT (ISSP)

- 48. The Ministry of Statistics and Programme Implementation (MOSPI) is proposing a new World Bank aided Centrally Sponsored Scheme "India Statistical Strengthening Project" (ISSP) for strengthening of the Indian Statistical System, with a focus/emphasis on the strengthening of the State/UT level Statistical System as envisaged in the National Strategic Statistical Plan 2008.
- 49. The project is aimed at building up a sound statistical system through which the ultimate benefits of the scheme would be in terms of providing a sound data support mechanism in respect of comparable statistical indicators. objective of the ISSP sought to be achieved through this plan scheme is to strengthen the capacity of the State Statistical System keeping in view the National Statistical Commission (NSC) 2001 recommendations. In particular, the project would be designed to give to those NSC recommendations that concern the States/UTs, by strengthening the State/UT level Statistical System, in general and strengthening the role of the State Directorates/Bureaus of Economics and Statistics, in particular. The project is also designed to help build the required capacities at the State/UT level to collect, compile and disseminate relevant and reliable official statistics, to serve the twin objectives of planning and policy making at the State and Sub-State levels. To be implemented in partnership with World Bank, an outlay to the tune of Rs. 165.00 crores had been approved by the Planning Commission for the period 2008-12 as a counterpart funding of the project. The expenditure Finance Committee has since recommended India Statistical Strengthening Project (ISSP) as a Centrally Sponsored Scheme (CSS) during the remaining part of the 11th Five Year Plan (2007-12), with a total budget of Rs. 650.43 crores, of which, 80% would be funded through a World Bank loan, and 20% would be borne by the Government of India. Further requisite approvals for the project are being sought from the competent authorities.
- 50. Ministry of Statistics and Programme Implementation is working on the process of approvals for undertaking the active and systematic implementation of the ISSP Project. Concurrently, some of the preparatory activities connected with the implementation of the project have also been taken up. These include the preparation of the State Strategic Statistical Plans (SSSPs) by the States/UTs participating in the project. The Ministry has received formal Letters of Participation

(LOPs) from 22 States/Union Territories viz. Andhra Pradesh, Andaman & Nicobar, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Puducherry, Rajasthan, Tamilnadu, Uttar Pradesh, Uttrakhand and West Bengal.

51. The budgetary allocations made under ISSP since 2007-08 is given in the following table:-

(Rs. in crore)

Year	BE	RE	Actual
2007-08	1.00	0.720	0.559
2008-09	30.00	4.985	0.0528
2009-10	100.00	0.085	0
2010-11	100.00		

52. On being asked to state the components of the ISSP covered under this head of account and the reasons for proposing a large allocation at BE stage and substantially reducing the same at RE stage during the years 2007-08, 2008-09 & 2009-10, the Ministry stated as under:-

"The provision of funds in BE 2008-09 & 2009-10 were kept in anticipation of the completion of the process of approval for the India Statistical Strengthening Project (ISSP), in the financial year. As approvals did not materialize till the stage of finalizing RE, the provision was substantially reduced to a token amount in order to meet the requirements in case the approvals are received later in the financial year.

The funds for 2007-08 were mainly meant for the preparation of Synthesis report of the State Study Reports of the Tier-I of the Project. The provision of funds in BE 2008-09 was kept for the preparation of the State Strategic Statistical Plans (SSSPs) & 2009-10 budget provision was mainly for the Strengthening of the State Statistical Systems under the head Grant-in-aid."

53. The reasons which compelled the Ministry to steeply revise the allocation downward at the stage of RE to the extent of 3.5% vis-à-vis BE for the year 2008-09 and even thereafter not fully utilizing the same have been stated to be as under:-

"The reason to steeply revise the allocation downward at RE Stage was that the expected approval for the ISSP was not received even by the time RE 2008-09 for the project were decided. However, a token amount of RE had to be kept in order to meet the expenditures, should the approvals come through in the financial year."

54. Asked to detail the reasons for under-utilisation of funds each year, the Ministry stated as under:-

"2007-08: The planned National Consultants could not be appointed by the Government of India due to technical reasons. Only one consultant was appointed by the Government of India. Other two consultants were appointed by the World Bank which met the expenses. Thus the expenditure incurred was less than the BE. The provision of funds in BE 2008-09 & 2009-10 were kept in anticipation of the completion of the process of approval for ISSP, which could not be materialized."

55. The Ministry further added as under:-

"The reason for proposing a higher allocation during the current year was that the Ministry was expecting that the required process of approvals would get completed by the early part of the current year and had anticipated sizeable requirement of funds for States to formulate their respective State Strategic Statistical Plans (SSSPs)."

56. On being asked whether the Project is slated for completion within the 11th Plan period, the Ministry replied as under:-

"All possible efforts will be taken to complete the important and prioritized activities which are provisioned to be completed during the 11th Plan period in the State Strategic Statistical Plans (SSSPs) of the participating States/UTs.

The States/UTs are being encouraged and supported by MOS&PI to identify and prioritize the list of statistical activities, which are essential for strengthening and improving the State Statistical System in all respects. MOS&PI has been actively and closely working with the States/UTs participating in the project to prepare their detailed State Strategic Statistical Plans (SSSP) needed to accomplish the Goals and Objectives of the project. Based on SSSP, the State specific Memorandum of Understanding will be signed between Government of India and States/UTs."

57. In this regard, the Secretary, Ministry of Statistics and Programme Implementation, while deposing before the Committee stated as under:-

"we had been working on this all India programme for strengthening of State statistical system. It went through very long approval procedures. It was a unique programme. It was a Centrally sponsored programme where there are no guidelines and conditions that are generally attached to other Centrally sponsored schemes. The proposal was that we would go only by outcomes. This was a new concept. So it took a long time for us to be able to sell the concept. The good news is that the CCEA has approved it and we are now ready to launch this scheme next year."

58. The Committee in their 4th Report on Demands for Grants (2009-10) of the Ministry, while noting that the ISSP being conceived with the aim of developing and strengthening the State Statistical systems in terms of infrastructure facilities and providing reliable, timely and credible socio-economic statistics, expected that the Ministry should urgently address the pending issues pertaining to conceptualizing the same for implementation with clarity, obtain necessary approvals and ensure that the project was taken up for implementation without any further delay. The Committee also expected that dependence on foreign or World Bank loans for such an important project should be avoided particularly in view of the fact that correct statistical data were extremely important for economic, social and strategic planning.

VI. SHORTAGE OF MANPOWER

- 59. For addressing the problem of shortage of manpower, the Committee in their 4th Report on Demands for Grants (2009-10) of the Ministry of Statistics and Programme Implementation, had inter-alia recommended that for overcoming the problem, the desirability of appropriately revising the methods and conditions of recruitment without compromising the requisite standards and relaxing the limit on filling the number of direct vacancies in a year need to be taken up by the Ministry with the Department of Personnel and Training (DOPT). The Committee expected that these measures combined with the policy of engaging qualified and trained investigators on contract would address the problem of shortage of manpower for carrying out the NSSO field surveys.
- 60. The action taken note of the Ministry furnished in this regard inter-alia states as under:
 - "...Amendment of RRs can be a solution to enable overcoming the problems which is also the responsibility of the Cadre Controlling Authority of the SSS. Meanwhile, measures have been taken to recruit contract investigators for addressing the problem of acute shortage of manpower......"
- 61. It has been stated in the Outcome Budget (2010-11) of the Ministry of Statistics and Programme Implementation that there are about 25% vacancies (about 200 posts) in Indian Statistical Service and about 800 vacancies in Subordinate Statistical Service, which is adversely affecting the functioning of the National Academy of Statistical Administration, implementation of the schemes of India Statistical Strengthening Project, Basic statistics for Local Level Development, etc.
- 62. As regards the sanctioned strength, actual strength and the vacancy position in the Indian Statistical Service and Subordinate Statistical Service, the Ministry in their written reply stated as under:-

Following are the sanctioned strength and vacancy of ISS							
SI. No.	Grade	sanctioned strength	in position	vacancy			
1	HAG	12	12	0			
2	SAG (Regular)	81	81	0			
4	JAG *	219	177	42			
5	STS	207	124	83			
6	JTS	231	210	21			
	Leave Reserve/ Training etc	50	40	10			
Total		800	644	156			

^{*} Includes upgraded posts of SAG which is personnel to the officers concerned.

The proposal to fill vacant post of JAG in connection with relaxation in qualifying service is presently under examination of DOPT. Similar proposal to fill vacant posts of STS will be sent to DOPT on finalization of seniority list. On approval of DOPT, all vacant posts will be filled by July 2010. In addition to the above, 20 vacancies at the level of JTS is reported to UPSC for ISS Examination 2010.

There are 289 vacancies in Grade I of the Subordinate Statistical Services (SSS) and 1039 vacancies in Grade II of SSS. The direct recruitment is done in Grade II of the service. Staff Selection Commission is being approached for following up the vacant posts of Grade II of ISS. Contractual appointments are being made in NSSO (FOD) to undertake the field work.

- 63. The Committee desired to know whether the Ministry has analysed the reasons for the problem of shortage of manpower and solutions therefor. In response thereof, the Ministry in their reply inter-alia stated as under:
 - "... After restructuring of SSS, the Service is having only 2 grades i.e. Statistical Investigator Gr.I and Statistical Investigator Gr.II. The vacancy in S.I.Gr. I has been decided to be filled up 100% by promotion from S.I.Gr.II and vacancy in S.I.Gr.II is to be filled up by Direct Recruitment through SSC. Further, educational qualification is also proposed to be revised by doing away with Statistics at Graduation level. Now, any graduate with Maths at Senior Secondary level is proposed to be made eligible. The vacancies in S.I.Gr.II which are not filled up for any reason through SSC are to be taken care of by engaging Statistical Investigator on short term contract basis or on deputation. With reference to Committee observation regarding Recruitment Rules, it is stated that after restructuring of Service. Ministry has framed draft Recruitment Rules. However DoP&T have returned the draft recruitment rules with the comments, inter-alia, that contract is not a recognized form of appointment. Instead deputation may be considered where Direct Recruitment vacancies cannot be filled in S.I.Gr.II. Ministry of Statistics & Programme Implementation is pursuing the matter with SSC. 449 confirmed vacancies have been communicated to SSC against 2008 Exam, interview for which has been conducted during last week (15-19 February 2010) and the result is awaited. SSC will not conduct 2009 Exam. Notification for 2010 Exam has already been issued and tentative vacancy position has already been communicated to SSC. Around 518 persons have been promoted on ad-hoc basis as S.I.Gr.I w.e.f. 31.01.2009 and another order for promoting 280 persons in S.I.Gr.I is likely to be issued. Hence there will not be any vacancy in S.I.Gr.I as on 31.03.2010. Another problem for attrition of newly recruited persons (S.I. Gr.II) is higher grade pay in other Central Service like Inspector of Custom & Central Excise, Income Tax etc. Ministry of Statistics & Programme Implementation has taken up the matter with Ministry of Finance for grant of Grade Pay of Rs.4600/- in Pay Band-2 to S.I.Gr.II and Grade Pay of Rs.4800/- in Pay Band-2 to

- S.I.Gr.I. If this proposal is agreed to by the Ministry of Finance, then rate of attrition may drastically come down...."
- 64. The National Academy of Statistical Administration though physically ready, has been stated to be facing the problem of qualified faculty. On being asked to state the steps taken for providing qualified faculty to NASA, the Ministry stated as under:
 - "...the expansion of activities at NASA will necessitate creation of additional posts. Accordingly, in order to have core faculty at NASA, a proposal to create two posts of Professor and 3 Associate professor, one Sr. System Analyst and one Jr. System Analyst beside other posts has been taken up with the Ministry of Finance. The matter is being pursued vigorously."
- 65. In the context of problem of shortage of manpower, the Secretary, Ministry of Statistics and Programme Implementation, while deposing before the Committee stated as under:-

"I think it is necessary for me to bring to your notice this fact. It is something that we discussed last time also. If you recall, last year, when we met, I had mentioned that my single biggest problem was regarding recruiting people. At that time, I think, I had somewhere around 900 vacancies in my field investigation staff. Today, those vacancies have gone up to about 1200 out of a total sanctioned strength of about 3900. So, it is almost one-third vacancies.

The problem is that we are not getting people joining. We are fairly high attrition. So, just to put it in the proper perspective, I would say that between retirements and resignations, we are losing over 100 people every year. In the recruitment front, we have been consistently indenting the Staff Selection Commission for about 300-350 people. We do not get more than about 150 or so. Further, a few of them do not join and so it comes below that. We are, more or less, not even keeping pace with the attrition.

......almost every University trains. What we require is graduates basically in the numerical discipline – statistics, economics, commerce and so on with one paper in statistics. we had called a meeting of about 40 Universities to discuss precisely this issue. A lot of very good recommendations emerged. Since then, we have set up a Committee under the Director General, CSO with people from the Universities who are interacting with the University system on the one hand and with the UPSC and the Staff Selection Commission on the other hand to try to bridge this gap. But there is another problem that has cropped up which is a little bit more difficult to tackle which is that particularly for our Investigators, there is a common examination

which is held with people who are being selected as Section Officers and Income-tax Investigators.....But the entry grade is higher for the Section Officers and IT Officer than for my people. Anybody who is good goes there instead of coming here."

66. As regards the opinion of the Committee for getting the Grades revised, the Secretary stated as under:

"Yes, we have approached the Ministry of Finance. So far, it is still under discussion."

- 67. In the context of training people, the Secretary added:
 - "...we had just started our Training Academy in Greater NOIDA. In less than a year, we had achieved much more than we had expected. As of now, we have already done 72 training programmes. We have trained about 1,500 people and about 7500 person days of training had been given."
- 68. In response to the query of the Committee whether such training programmes can be held in campuses or institutes in States, the Secretary stated as under:

"That was the situation earlier when we never complained about staff shortage. The problem that cropped up was that in 2004, we consolidated all these positions into a single All India Service. The moment you have an All India Service, that particular benefit can no longer be available. It is after the creation of the All India Service that we started to run into this man power shortage issue."

69. Responding to the opinion expressed by the Committee on the desirability of having different streams of recruitment for initial recruitment at different levels instead of having one All India Service, which can be there for higher grades, the Secretary, Ministry of Statistics and Programme Implementation stated as under:

"We will work on that. There will, of course, be resistance because the organised streams will resist this kind of a scheme. But we will have to look at it."

VII. INFRASTRUCTURE AND PROJECTS MONITORING

Infrastructure Monitoring

- 70. The monitoring of important infrastructure sectors in the country is designed to provide an overview of the performance with a view to highlighting slippages, if any, before the decision making authorities. This Ministry monitors the performance of the country's eleven key infrastructure sectors, viz., Power, Coal, Steel, Railways, Telecommunications, Ports, Fertilizers, Cement, Petroleum & Natural Gas, Roads, and Civil Aviation. The performance of these sectors is analyzed 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.
- 71. Infrastructure performance is regularly reported through the following monthly reports:
 - (i) Review Report on Infrastructure Performance.
 - (ii) Capsule Report on Infrastructure Performance.
- 72. Sector-wise details of overall infrastructure performance are given in the following paragraphs.

Power

The overall power generation scenario during past few years has shown continuous growth. During 2008-09 the power generation at 723.79 Billion Units (BU) recorded a growth of 2.7% over the power generation for 2007-08. During 2009-10 (April – December) the power generation in the country at 573.29 Billion Units (BU) recorded a growth of 6.4% over the power generation during the corresponding period of the previous year. However, compared to the target set for the period, it lagged behind by 3.1%.

Coal

The coal production during 2008-09 at 487.25 Million Tonnes (MT) was marginally lower (0.9%) than the target set for the year, but it registered a growth of 8.1% over the production of 450.54 MT during 2007-08. The overall coal production during 2009-10 (April-December) at 365.09 MT recorded a growth of 8.5% over the production of 336.59 MT during the corresponding period of the previous year. However it lagged behind its target for the period by 2.4%.

Steel

The overall production of finished steel during the year 2008-09 was 56.41 MT, which recorded a growth of 0.6% over the production of 56.07 MT in 2007-08. During 2009-10 (April – December), the production of finished steel

at 48.11 MT recorded a growth of 2.1% over the production of 47.12 MT during the corresponding period of previous year. The capacity utilization of main producers (SAIL+VSP+Tata Steel) during the period was 86.4%, which was higher than the utilization during the corresponding period of last year.

Cement

The production of cement during 2008-09 at 187.42 million tones (MT) was 7.5 higher than the production of 174.31 MT for the previous year. The growth rate has declined compared to 7.8% during 2007-08. The overall capacity utilization at 87% was lower than the achievement of 92% during 2007-08. The production of cement during 2009-10 (April-December) at 150.12 MT was 10.5% higher than the production of 135.83 MT for the corresponding period of previous year. The overall capacity utilization of 83% was lower than the achievement of 84% during the corresponding period of previous year.

Fertilizers

The overall production of fertilizers (nitrogen and phosphate) during 2008-09 at 14.33 million tones (MT) was 2.5% lower than the production during 2007-08. It was also 12.2% lower than the target set for the year. During 2009-10 (April-December) the production of fertilizers at 12.43 MT was 0.8% higher than the target for the period and it was also 11.5% higher than the production during the corresponding period of previous year. The over all capacity utilization was 95.6% compared to the target of 94.8% and the achievement of 85.8% during the corresponding period of previous year. The production of nitrogen at 9.02 MT was lower by 1.3% than the target; but it was 8.5% higher than the production during the corresponding period of previous year.

Petroleum

Crude Oil: The production of Crude Oil during 2008-09 at 33.51 million tones (MT) was 6.8% lower than the target of 35.96 MT and it also recorded negative growth of 1.8% over the production of 34.12 MT during the corresponding period of previous year. The production of Crude Oil during 2009-10 (April-December) at 25.15 MT was 8.0% lower than the target of 27.34 MT and it was also 1.1% lower than the production of 25.43 MT during the corresponding period of previous year.

Natural Gas

The overall natural gas production during 2008-09 at 32,849 Million Cubic Meters (MCM) was 11.1% lower than the target of 36,943 MCM, but it recorded a growth of 1.4% over the production of 32,402 Million Cubic Meters gas produced during 2007-08. The Natural Gas production during 2009-10 (April-December) at 33,846 Million Cubic Meters (MCM) was 11.8% lower than the target of 38.359 MCM; but it was 35.4% higher than the production of 24,991 MCM during the corresponding period of previous year.

Roads

During 2008-09, the NHAI has constructed/strengthened 2203 Km national highways to four lanes against the target of 3520 Km and the achievement of 1683 Km during 2007-08. During 2009-10 (April-December) the NHAI has widened/strengthened 1756 Km, highways against the target of 2161 Km and the achievement of 1574 Km during the corresponding period of the previous year.

Railways

The revenue earning freight traffic moved by the Railways during 2008-09 at 833.31 MT recorded a growth of 4.9% over the freight traffic movement for 2007-08. During 2009-10 (April-December) the freight traffic moved by the Railways at 652.63 MT recorded a growth of 7.6% over the freight movement of 606.74 MT during the corresponding period of last year. It was also 2.0% higher than the target set for the period. The growth rate was higher compared to 6.0% during the corresponding period of last year.

Shipping and Ports

The major ports in the country handled 530.35 MT cargo during 2008-09, which was 2.1% higher than the achievement for the previous year but it was 7.9% lower than the targets set for the year. During 2009-10 (April-December) the major ports handled 411.95 MT cargo which recorded a growth of 5.1% over the handling of 391.83 MT cargo during the corresponding period of last year, but it was 4.3% lower than the target of 430.59 MT.

Civil Aviation

During 2008-09 the five international airports namely Mumbai, Kolkata, Delhi, Chennai, and Trivandrum collectively handled 537,382 tonnes of export cargo, which was 3.4% higher than the cargo handled during 2007-08. Further these five international airports handled 429,527 tonnes of import cargo during the year, which was 5.7% lower than the import cargo handled during 2007-08. During 2009-10 (April-December) these airports handled 433,912 tonnes of export cargo, which was 7.3% higher than 404,391 tonnes of export cargo handled during the corresponding period of the last year. Further these airports handled 335,420 tonnes of import cargo during this period which recorded a negative growth of 0.8% over 338,133 tonnes cargo handled during the corresponding period of the previous year.

Telecommunications

During 2008-09, at the national level 143.93 lakh lines were added to the switching capacity of telephone exchanges, which was 101.0% higher than the addition of 71.59 lakh lines during 2007-08. In the current financial year of 2009-10 (April-December) 79.27 lakh new telephone lines were added in the switching capacity of telephone exchanges, which was 9.1% lower than

the addition of 87.25 lakh lines during the corresponding period of previous year.

Monitoring of Projects

- 73. The Project Monitoring envisages monitoring of all Central Sector Projects costing Rs. 20 crore and above. In addition, it has been asked to monitor the progress of irrigation projects, which are being financed centrally under the Accelerated Irrigation Benefit Programme (AIBP). The Division, in coordination with the administrative ministries concerned, takes up initiative to bring about systematic improvements in various areas of project formulation, planning, implementation and monitoring. There exists a system of monitoring of the projects costing 20 crore and above on monthly and quarterly basis. For the purpose of monitoring, the projects have been categorized as Mega, Major and Medium category. While all projects are monitored on quarterly basis, the projects costing Rs.100 crore and above are monitored on monthly basis.
- 74. As regards the details of the status report in respect of the projects scheduled for completion during the year 2009-10, the Ministry informed that out of 937 projects costing Rs.20 crores and above, on the monitor of Ministry of Statistics & Programme Implementation, 516 projects are due for commissioning in the year 2009-10. Out of 516 projects, 65 projects have reported completion by the end of September, 2009. In addition 8 major projects reported to have also been completed. 4 each in October and November 2009.
- 75. The Committee desired to know the details of the projects having time and cost overrun and the reasons for delay in timely completion of projects. In response thereof, the Ministry, in their reply stated as under:
 - "As on 30th September, 2009, 308 projects have cost overrun, 486 have time overrun with respect to their original approved cost and time frame, however, 137 projects have both time as well as cost overruns with respect to their original time frame."
- 76. The reasons for delay in timely completion of ongoing projects include delay in award of contract, delay in supply of equipment, delay in completion of works by contractors, delay in acquisition of land, change in scope and inadequate infrastructure.

77. The analysis of extent of time and cost overruns of the projects with respect to the original schedule is given in the table below:-

Extent of time & cost overrun in projects with respect to original schedule

S No.	Sector	No. of projects	Total Cost (Rs. Cr.)			Projects with time & cost overrun			
			Original	Anticipated Cost	Cost Overrun (%)	No.	Original	Anticipat ed cost	Range (Months)
1	Atomic Energy	5	25,054.29	24,123.29	-3.72	0	0.00	0.00	0- 0
2	Civil Aviation	27	5,777.35	5,809.48	0.56	4	174.41	206.34	9- 23
3	Coal	121	30,003.34	31,547.22	5.15	17	6,835.65	8,685.97	5- 324
4	Information & Broadcasting	1	35.00	35.00	0.00	0	0.00	0.00	0- 0
5	Mines	1	4,091.51	4,091.51	0.00	0	0.00	0.00	0- 0
6	Steel	53	47,034.80	51,095.67	8.63	13	16,857.56	20,863.29	6- 22
7	Petroleum	66	137,103.35	146,742.32	7.03	17	27,570.76	43,543.64	3- 74
8	Power	90	160,242.80	166,191.62	3.71	18	29,720.16	35,262.17	2- 47
9	Health & Family Welfare	1	71.18	443.15	522.58	0	0.00	0.00	0- 0
10	Railways	264	55,442.95	101,013.30	82.19	49	12,826.64	34,880.75	9- 180
11	Road Transport & Highways	184	51,502.89	51,682.42	0.35	8	1,930.48	2,429.94	10- 85
12	Shipping & Ports	52	14,929.89	15,269.02	2.27	6	1,582.63	1,822.38	7- 48
13	Telecommunications	41	14,503.83	13,846.87	-4.53	3	1,254.71	1,349.51	1- 54
14	Urban Development	28	15,659.58	16,255.74	3.81	1	8,118.00	8,676.00	4- 4
15	Water Resources	1	542.90	1,187.00	118.64	1	542.90	1,187.00	60- 60
16	Information technology	2	64.90	86.86	33.84	0	0.00	0.00	0- 0
	Total	937	562060.56	629420.47	11.98	137	107413.9	158906.9	

78. On being asked to furnish details of action taken against those responsible for time and cost overrun of the delayed projects, the Ministry replied as under:

"The responsibility for time and cost overruns in projects is fixed by the concerned administrative Ministries with the help of the Standing Committees set up for the purpose before the revised cost estimates are approved by the Government. Information in this regard is maintained by the concerned administrative Ministries."

79. The Secretary, Ministry of Statistics and Programme Implementation, while deposing before the Committee stated as under:-

"....we send the reports to the PMO, to the Cabinet Secretariat and to the concerned Ministries saying that this project is starting to suffer from time delays and likely to suffer from cost overruns.

To some extent we also do a diagnosis as to the reason why it is happening. There is a series of follow ups that happen

In addition to the monitoring function we also have to look at the reasons why it is happening. One of the most frequent causes of time

delays in particular has become land acquisition. Almost all the projects which we monitor which are fairly large Government projects, land acquisition seems to emerge in almost everyone as a cause for time delay.

This has been noticed for the last several years, but now it seems to be becoming common. Earlier, there used to be other reasons as well, such as delay in supply of equipment and delays of that kind. Those problems have come down, but land acquisition now seems to be emerging as one of the major causes."

80. In the context of delay and cost escalation in implementation of the 232 Central Sector Projects scheduled for completion in 2008-09, the Committee In their 4th Report on Demands for Grants (2009-10) had *inter-alia* recommended that appropriate corrective steps should be taken for addressing issues contributing to delays and cost escalation in implementing projects.

Part II Recommendations / Observations

1. The Committee note with concern the persistent shortfall in the plan expenditure of the Ministry as compared to the budgeted estimates which has been to the extent of Rs. 27.76 crore (33%) in 2006-07, Rs. 26.00 crore (28%) in 2007-08, Rs. 66.15 crore in 2008-09 (51%) and Rs. 137.41 crore in 2009-10 (60%). Taking note of the continued underutilization of the budgeted planned funds, the Committee had, in their 4th Report on Demands For Grants (2009-10), inter-alia emphasized the need for undertaking an effective exercise for identifying the shortcomings in the mechanism of budgetary planning and ensuring proper utilization of funds. Regrettably, however, no special efforts appear to have been taken by the Ministry in this regard with the position having deteriorated further, mainly due to shortage of manpower and slippages in implementing schemes which have a significant bearing on the accuracy and credibility of statistical data. For instance, the entire amount of Rs. 30.00 crore for 2008-09 and Rs. 100.00 crore for the year 2009-10 earmarked for the India Statistical Strengthening Project was left unutilized for want of requisite approvals for implementing the scheme. And, a budgetary allocation of Rs.100.00 crore has once again been made for the scheme for the year 2010-11. Similarly, the scheme, Basic Statistics for Local Level Development could not be launched as a full fledged centrally sponsored scheme so far with a substantial portion of the budgeted funds of Rs. 5.00 crore each for the years 2007-08 and 2008-09, and Rs. 12.00 crore for the year 2009-10 remaining unutilized. Recurrent and substantial underutilization of the budget allocation as well as sharp variations in the budget and revised estimates have also been witnessed under certain plan heads which include, 'Strengthening of Computer Centre', 'Capacity Development'

and 'Strengthening monitoring and Evaluation for Projects and Programmes'. The budget estimate of Rs. 14.70 crore and Rs.25.00 crore made for the 'Computer Centre' in the years 2007-08 and 2008-09 respectively was substantially reduced to Rs. 7.84 crore and Rs. 15.30 crore at the stage of revised estimates and the funds finally remained substantially unutilized.

2. The increasing trend of variations in the Budgetary Estimates, Revised Estimates and Actual Expenditure of the Ministry is indicative of lack of objectivity on the part of the Government in ensuring proper budgetary planning and adopting a casual attitude in implementing Plan schemes. The Committee, therefore, reiterate the need on the part of the Government in devising an effective mechanism for identifying and overcoming the deficiencies in the existing system of budgetary planning for assessment of required funds and in ensuring proper utilization of allocated funds. The Committee also expect the Government to ensure that the pending schemes are finalised immediately and concerted action taken for timely and effective implementation of projects so as to add to the credibility, accuracy and timeliness of statistics. The Committee expect to be apprised of the specific action taken in this regard.

National Statistical Commission (NSC)

- 3. The Committee are constrained to note that the work of the National Statistical Commission (NSC), which was constituted in July, 2006 in pursuance of the recommendations made by the Rangarajan Commission in 2001 was stymied in the year 2009-10 owing to the vacant positions of part-time Chairman and Members. Consequently, as against the budgetary allocation of Rs. 0.84 crore made for the Commission for the year 2009-10 only an amount of Rs. 0.31 crore was expended with the studies planned not having being commissioned. The Committee emphasize the need for ensuring that important positions are not left vacant so as to ensure that the work of the National Statistical Commission is not jeopardized.
- 4. The Committee further note that in pursuance of their earlier recommendation to accord statutory status to National Statistical Commission, the Ministry had informed vide their reply dated 26 July, 2007 that the matter is being submitted for Cabinet approval. However, even after the lapse of about three years, no progress has been made. The Committee reiterate that conferring statutory status would enable the National Statistical Commission to function in an independent manner for strengthening the statistical system in the country. The Committee also desire that vigorous efforts are made to ensure proper interaction and coordination in statistical matters between the various Ministries and agencies of the Government.
- 5. The Committee also find it surprising that the mechanism created in the form of an Empowered Committee under the Chairmanship of the Secretary, Ministry of Statistics and Programme Implementation with a clear mandate to expedite the implementation of the recommendations made in the report of the Rangarajan Commission (2001) covering administrative and technical requirements

for bringing improvement in the Indian Statistical System has failed in achieving this goal. Consequently, the National Statistical Commission has sought adequate powers for monitoring and enforcing implementation of the recommendations. The Committee desire to be kept apprised of the proposal for appointing a Standing Committee for monitoring the implementation of the Rangarajan Commission's recommendations as also the recommendations of the National Statistical Commission and the improvements brought about in the Indian Statistical System as a consequence of pursuing the recommendations for implementation.

6. Identification of the areas of core statistics and evolving appropriate standards and methodology for collection of such statistics is one of the mandates of the National Statistical Commission, completion of which has been emphasized upon by the Committee in their reports presented earlier. The Committee desire that concrete action be taken for persuading all the Ministries/Departments concerned for expeditiously furnishing all the required inputs to the National Statistical Commission so as to enable the Commission in preparing the list of 'core-statistics' and formulate the methodology for collection of such statistics without any further delay.

Price Indices

- 7. The Committee had, in their 4th Report on Demands for Grants (2009-10) of the Ministry, as well as the 6th Report on Inflation and Price Rise, inter-alia recommended expediting the work of compilation of new series of nation wide Consumer Price Index for urban and rural areas, which, as perceived by the Rengarajan Commission (NSC; 2001) would be a prelude in formulating a national Consumer Price Index (CPI). As per the current submission of the Ministry, releasing the new series of CPI (Rural) and CPI (Urban) with a revised base year, which has been in the anvil since long is now expected by February, 2011. The Committee expect that the Ministry would spare no effort in completing this long delayed work of bringing out the new series of price indices as per the schedule now indicated. The Committee also desire to be kept apprised of the progress made in this direction.
- 8. The Committee also find that the proposal made in their Sixth report for entrusting the work of coordinating and releasing various price indices to a single nodal agency has found favour by the Ministry. The Committee desire that the proposal of having a single agency for compilation and releasing of various price indices (consumer and wholesale) with standardized parameters be pursued further in consultation with the National Statistical Commission. The Committee desire to be apprised of the steps taken in this direction.

India Statistical Strengthening Project (ISSP)

9. As touched upon in the earlier section of this report, significant budgetary allocations made for the World Bank aided India Statistical Strengthening Project (ISSP) which were to the extent of Rs. 30.00 crore in 2008-09 and Rs. 100.00 crore in 2009-10 remained unutilized. As per the submission now made to the Committee, the process of obtaining all mandatory approvals for implementing the project for which an allocation of Rs. 100 crore has been earmarked (for 2010-11) is expected to be completed soon and the project launched in the near future. The Committee can not help noting here that the project, which is aimed at strengthening the Statistical System of the Country as a whole has been languishing for the last eight years. Having a rigorous and reliable statistical system, which would aid in framing the policy direction being an imminent necessity, the Committee expect that, as assured by the Secretary, Ministry of Statistics and Programme Implementation, the project is taken up for implementation in right earnest. Official statistical system needs revamping from time to time in order to ensure timely collection and dissemination of reliable and credible statistics for policy formulation and planning - both at National level and State level. The system has to be reviewed and redefined according to the data needs of the country as a whole by usage of latest methods and modern technology. The Committee, therefore, expect that the project would be focused on building a strong statistical system with adequate and trained manpower in each Ministry/Department for maintaining and disseminating credible and reliable statistics. The Committee expect to be apprised of the Ministry's plan of action and progress in implementing the India Statistical Strengthening Project.

Shortage of manpower

- 10. The Committee feel constrained to note that presently there are about 156 vacancies in the Indian Statistical Service (ISS) and 1300 vacancies in the Subordinate Statistical Services (SSS) which comes to nearly 30% of the existing posts. Shortage of manpower has been stated to be adversely affecting the functioning of many programmes and schemes of the Ministry including the functioning of the National Academy of Statistical Administration. The Secretary, MOSPI has attributed the problem to the fairly high attrition for resolving which the Ministry of Finance has been approached for getting the grade pay of certain posts revised. The Committee had in their 4th Report on Demands for Grants (2009-10) of the Ministry, inter-alia recommended that for overcoming the problem of shortage of manpower, the desirability of appropriately revising the methods and conditions of recruitment need to be taken up with Department of Personnel and Training (DOPT) and the policy of engaging qualified and trained investigators on contract basis pursued. The Committee understand that the proposal for revising the recruitment rules is under process. The Committee expect the Ministry to pursue the matter relating to amendment of recruitment rules without compromising the standards with the DOPT and the concerned cadre controlling authority. Simultaneously, the Staff Selection Commission should be impressed on the need for making adequate efforts for filling up the vacant posts by direct recruitment without any delay. The Committee recommend that the matter relating to the revision of grade pay for certain posts should be actively pursued with the Ministry of Finance for an early decision so as to enable in overcoming the problem of high attrition.
- 11. Considering the importance of statistics in the various areas, the Committee are of the view that the subject of statistics can be made a part of the curriculum of other subjects offered by the Universities. The Committee also desire that the feasibility of recruiting people from different streams at the initial level of

appointment – which has also been agreed to be appropriate by the Secretary – be considered, with the incumbents imparted necessary training for meeting the requirements of the assigned jobs. The Committee also emphasise on evolving a mechanism for having training programmes in campuses and institutes across the country so that people even from remote corners where unemployment is rampant secure jobs.

<u>Infrastructure and Project Monitoring</u>

- 12. The Committee are constrained to note that during the period April-December, 2009, performance of most of the infrastructure sectors have lagged behind their targets. Keeping in view the importance of the infrastructure sectors in the overall growth and development of the country, the Committee desire that the reasons for inability to achieve the set targets should be properly examined and analysed to impress upon the concerned departments for taking appropriate remedial measures for meeting the targets and improving the growth rate. The Committee desire that the monitoring mechanism of the Ministry should be made more effective particularly in regard to enabling in addressing problems relating to land acquisition, constraints in the infrastructural linkages etc.
- 13. The Committee are distressed to note that out of 937 projects costing Rs. 20 crore and above on the monitor of the MOSPI, as on 30th September, 2009, 308 projects have cost overrun, 486 have time overrun with respect to their original approved cost and time frame, and 137 projects have experienced both time as well as cost overruns. The reasons given by the Ministry in this regard which include delays in award of contract, supply of equipment, completion of works by contractors, acquisition of land, change in scope and inadequate infrastructure could have been resolved by taking suitable measures and coordination and proper planning of the projects at the conceptual stage itself and effective monitoring for resolving the bottlenecks during implementation. In their 4th Report on Demands for Grants (2009-10) of the Ministry, the Committee had recommended that corrective steps should be taken for addressing issues contributing to delays and cost escalation in implementing projects and also action taken against those held responsible for the lapses. Evidently, the Ministry has been lagging on the issue.

Keeping in view the magnitude and persisting problem of time and cost overruns over the years despite various measures stated to have been taken by the Ministry, as also admitted by the Secretary, MOSPI, the Committee are of the view that it is imperative to address the inherent deficiencies relating to project formulation, functioning of Empowered Committees and ensuring accountability. The Committee expect that the deficiencies in the system should be identified and rectified in coordination with the administrative ministries concerned for bringing qualitative systematic improvements in various areas of project formulation, planning, implementation and monitoring. The Committee desire to be apprised of the outcome in this regard.

New Delhi; <u>15 April, 2010</u> 25 Chaitra, 1932 (Saka) DR. MURLI MANOHAR JOSHI, Chairman, Standing Committee on Finance.

Minutes of the Sixteenth sitting of the Standing Committee on Finance

The Committee sat on Tuesday, the 30th March, 2010 from 1100 hrs. to 1400 hrs.

PRESENT

Dr. Murli Manohar Joshi - Chairman

MEMBERS

LOK SABHA

- 2. Shri Sudip Bandyopadhyay
- 3 Shri Nishikant Dubey
- 4. Shri Mangani Lal Mandal
- 5. Shri Rayapati Sambasiva Rao
- 6. Shri Magunta Sreenivasulu Reddy

RAJYA SABHA

- 7. Shri Raashid Alvi
- 8. Shri Vijay Jawaharlal Darda
- 9. Shri Moinul Hassan
- 10. Shri Mahendra Mohan
- 11. Shri S. Anbalagan
- 12. Dr. Mahendra Prasad
- 13. Shri Y.P. Trivedi
- 14. Shri Rajeev Chandrasekhar

SECRETARIAT

Shri A.K. Singh
 Shri T.G. Chandrasekhar
 Shri R.K. Suryanarayanan
 Smt. B. Visala
 Joint Secretary

 Additional Director
 Deputy Secretary

Part –I (1100 hrs. to 1245 hrs.)

WITNESSES

Ministry of Statistics and Programme Implementation

- 1. Dr. Pronab Sen, Secretary (S&PI) and Chief Statistician of India
- 2. Shri S.K. Das, DG, CSO
- 3. Shri Pankaj Jain, Addl. Secretary
- 4. Shri S.C. Seddey, DG&CEO, NSSO
- Shri Chaman Kumar, AS&FA (S&PI)
- 6. Shri Ramesh Kolli, ADG (NAD)
- 7. Smt. S. Jayalaxmi, ADG, SSD
- 8. Shri V.K. Arora, ADG (FOD)
- 9. Shri A.K. Bhatia, ADG (CAP)
- 10. Shri A.K. Mehra, ADG (Trg)
- 11. Shri Asish Kumar, (ESD)
- 12. Shri Arvind Kumar, Joint Secretary (S&PI)

2. The Committee heard the representatives of the Ministry of Statistics and Programme Implementation in connection with examination of Demands for Grants (2010-11). Major issues discussed included Demands for Grants (2010-11) of the Ministry, utilisation of allocated funds to the Ministry, acute manpower problems, need for strengthening the statistical system, conducting training programmes, indexes proposed to be covered, national income accounts, programme for strengthening the statistical system of the States and Union Territories, Economic Census, project monitoring relating to time and cost overruns of projects, credibility and accuracy of statistical data, role of National Statistical Commission in ensuring proper statistical co-ordination between Ministries and agencies of government, Twenty Point Programme - 2006 etc. The Chairman directed the representatives of the Ministry to furnish written replies to the points raised by Members for which information was not readily available.

The witnesses then withdrew.

A verbatim record of proceedings was kept.

Part –II (1310 hrs. to 1400 hrs.)

3. X X X X X X X X X

The Committee adjourned at 1400 hours.