

**TWENTY FIRST REPORT**  
**STANDING COMMITTEE ON FINANCE**  
**(2001)**

**(THIRTEENTH LOK SABHA)**

**MINISTRY OF PLANNING**

**DEMANDS FOR GRANTS**  
**(2001-2002)**

*[Action taken by the Government on the recommendations contained in  
the Fifteenth Report of the Standing Committee on Finance on  
Demands for Grants (2001-2002) of Ministry of Planning]*

*Presented to Hon'ble Speaker on 28.12.2001*



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

*December, 2001/Pausa, 1923 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE  
ON FINANCE (2001)

Shri Shivraj V. Patil — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Raashid Alvi
3. Shri Sudip Bandyopadhyay
- \*4. Shri Prabodh Panda
5. Smt. Renuka Chowdhury
6. Shri G. Putta Swamy Gowda
7. Shri Rattan Lal Kataria
8. Shri Brahmanand Mandal
9. Shri M.V.V.S. Murthy
10. Shri Kamal Nath
11. Shri Rupchand Pal
12. Shri M. Padmanabham
13. Shri Prakash Paranjpe
14. Shri Raj Narain Passi
15. Dr. Sanjay Paswan
16. Shri Varkala Radhakrishnan
17. Shri Pravin Rashtrapal
18. Shri Ram Singh Rathwa
19. Shri S. Jaipal Reddy
20. Shri T.M. Selvaganpathi
21. Mohammad Shahabuddin
22. Shri C.N. Singh
23. Shri Kirit Somaiya
24. Shri Kodikunnil Suresh
25. Shri Kharabela Swain
26. Shri Narayan Dutt Tiwari
27. Vacant
28. Vacant
29. Vacant
30. Vacant

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\*Nominated *vice* Shri Ajoy Chakraborty to the Committee *w.e.f.* 23 July, 2001.

*Rajya Sabha*

31. Shri S.S. Ahluwalia
32. Shri Krishna Kumar Birla
33. Shri Vijay Darda
34. Dr. Biplab Dasgupta
35. Shri K. Rahman Khan
36. Shri Suresh A. Keshwani
37. Shri Narendra Mohan
38. Shri Praful Patel
39. Shri P. Prabhakar Reddy
40. Shir N.K.P. Salve
41. Prof. M. Sankaralingam
42. Shri Amar Singh
43. Shri Ranjan Prasad Yadav
- \*44. Shri Solipeta Ramachandra Reddy
- \*\*45. Dr. Manmohan Singh

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Dr. (Smt.) P.K. Sandhu — *Joint Secretary*
3. Shri R.K. Jain — *Deputy Secretary*
4. Shri S.B. Arora — *Under Secretary*
5. Shri D.R. Shekhar — *Committee Officer*

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Nominated to the Committee *w.e.f.* 9 April, 2001.

Nominated to the Committee *w.e.f.* 29 November, 2001.

## INTRODUCTION

I, the Chairman of the Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf present this Twenty First Report on action taken by Government on the recommendations contained in the Fifteenth Report of the Committee (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Ministry of Planning.

2. The Fifteenth Report was presented to Lok Sabha/laid in Rajya Sabha on 24 April, 2001. The Government furnished the written replies indicating action taken on all the recommendations on 13 July and 5 October, 2001. The draft action taken report was considered and adopted by the Committee at their sitting held on 27 December, 2001.

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

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

NEW DELHI;  
27 December, 2001  
6 Pausa, 1923 (Saka)

SHIVRAJ V. PATIL,  
*Chairman,*  
*Standing Committee on Finance.*

## CHAPTER I

### REPORT

1.1 This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations/observations contained in their Fifteenth Report (13th Lok Sabha) on Demands for Grants (2001-2002) of the Ministry of Planning which was presented to Lok Sabha/laid in Rajya Sabha on 25 April, 2001.

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

- (i) Recommendations/Observations that have been accepted by the Government:  
Sl. Nos. 1, 3, 4 & 6  
(Total 4) (Chapter II)
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:  
Sl. No. 5  
(Total 1) (Chapter III)
- (iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee:  
Sl. No. 2  
(Total 1) (Chapter IV)
- (iv) Recommendations/Observations in respect of which final reply of the Government is still awaited:  
Nil (Chapter V)

1.3 The Committee desire that replies in respect of the recommendations contained in Chapter I of the Report may be furnished to them expeditiously.

1.4 The Committee will now deal with action taken by Government on one of their recommendations/observations.

**Demand No. 63**

**Ministry of Planning**

**National Human Development Report**

**Recommendation (Sl. No. 2 Para Nos. 15, 16 & 17)**

1.5 The Committee had all along been emphasising the need for a National Human Development Report which might provide data on the State of poverty, literacy, health, water, electricity conductivity, shelter, employment etc. required as an input for planning.

Though the Ministry of Planning, during consideration of Demands for Grants (2000-2001) in April, 2000 and again in their action taken reply submitted in December, 2000 had stated that the HDR was expected to be ready by the end of the fiscal year 2000-2001, the Committee were pained to find that the report was still at the drafting stage and the draft report was now expected to be ready only by June, 2001. They were not inclined to accept the reasons for delay which had been explained due to time taken in putting together the State level database on various social and economic indicators for the report. As the draft report after completion was to be discussed with a panel of experts in a workshop to be organized by Planning Commission before the report was submitted to the Government, the Committee had apprehended that the submission of final report was likely to be delayed further. In the circumstances they had concluded that no serious efforts were being made to complete the NHDR in a time bound manner.

Deprecating the inordinate delay in preparing the National Human Development Report (NHDR), the Committee had then expected the Ministry of Planning to at least adhere to the new time frame fixed by themselves and prepare the draft report by June, 2001. The draft report might be discussed with the panel of experts immediately thereafter and the final report might be submitted to the Government by the end of July, 2001.

## CHAPTER II

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

#### Recommendation (Sl. No. 1, Para No. 4)

The Committee note that the National Commission on Population (NCP) was set up on 11 May, 2000 under the Chairmanship of Prime Minister and Deputy Chairman, Planning Commission as Vice-Chairman alongwith 125 members and permanent invitees primarily to review, monitor and give directions for the implementation of the policies and programme relating to population stabilization set out in the National Population Policy. An amount of Rs. 59 lakh was allocated to NCP during 2000-2001 at RE stage for meeting the expenditure under various Heads including Salary, Domestic/Foreign Travel Expenses/Payment for Professional and Special Services, Other Charges etc. The Committee, however, regret to note that out of 59 lakh only 33.50 lakh could be utilized. The main reasons for under-utilisation was due to non-appointment of staff for NCP and non-engagement of consultants for special work/assignment resulting in NIL expenditure under both these Heads. On other Heads also, there have been either underutilization or the amount remained completely un-utilised. All these have resulted in gross underutilization of funds meant for NCP as a whole.

#### Reply of the Government

An amount of Rs. 59 lakh was allocated to National Commission on Population for the Financial Year 2000-2001 at RE stage for meeting the expenditure under various object heads including salary, domestic/foreign travel expenses, payment for professional and special services, other charges, publication etc. An amount of Rs. 33.50 lakh could actually be utilized owing to non-appointment of staff for NCP and non-engagement of consultants for special works/assignments. No foreign tour could be organized for the Members of the Commission/Officers to study the population policies of other countries, attend seminars etc., as the National Commission on population was engaged in the work relating Advisory/Working Group constituted for examining various issues having a bearing on population stabilization and their recommendations were yet to be received. Similarly no expenditure could be incurred under the object head publication as no publication or printed report could be brought out owing to finalization of the reports of the Working Groups.



**Recommendation (Sl. No. 1, Para No. 5)**

The Committee are of the view that NCP being a newly constituted body empowered to monitor and give directions for the implementation of the National Population Policy, deserves serious attention of the Ministry to meet the goals set out in the Policy. They opine that unless the staff is appointed and professionals and consultants are engaged to give their expert advice, the goals set out in the policy will remain a distant reality. The Committee, therefore, desire that the staff required for the Commission may be appointed immediately and services of the experts may be utilised so that the National Commission on Population may be made functional.

**Reply of the Government**

The various posts sanctioned for the National Commission on Population have already been filled up except a few for which action has already been initiated. Two consultants have also been appointed by the National Commission on Population for work of specialized nature. Recommendations of the most of the working groups constituted by the NCP have been received which is likely to be given due consideration while formulating the 10th Plan programmes. The Commission has also brought out two publications; the first one on major research findings of Population Research Centres and the second one relates to the Conference of District Magistrates of demographically sensitive districts organized by it. The Member-Secretary of the NCP has visited all the high population growth States to review the implementation of family welfare programmes. The Commission has ranked all the district of the country on the basis of generally accepted social, economic and demographic indicators. This was done to focus attention on the most backward districts which are presently witnessing high rate of population growth. As the Secretariat of the NCP is now fully operational, there may not be any under utilization of funds this year.

**Recommendation (Sl. No. 1, Para No. 6)**

The Committee, however, do not find any justification for such a large body of the NCP. They, therefore, desire the Government to consider keeping the number of membership of the NCP at the barest minimum.

### **Reply of the Government**

The NCP is not an executive organisation. It is a broad based body meant to generate a national consensus in favour of the need for population stabilization, cutting across other differences. The size of the commission may have to be viewed in this perspective.

#### **Recommendation (Sl. No. 2, Para Nos. 15, 16 & 17)**

The Committee have all along been emphasizing the need for a National Human Development Report which may provide data on the State of poverty, literacy, health, water, electricity connectivity, shelter, employment etc. required as an input for planning.

Though the Ministry of Planning, during consideration of Demands for Grants (2000-2001) in April, 2000 and again in their action taken reply submitted in December, 2000 had stated that the HDR was expected to be ready by the end of the fiscal year 2000-2001, the Committee are pained to find that the report is still at the drafting stage and the draft report is now expected to be ready only by June, 2001. They are not inclined to accept the reasons for delay which has been explained due to time taken in putting together the State level database on various social and economic indicators for the report. As the draft report after completion is to be discussed with a panel of experts in a workshop to be organized by Planning Commission before the report is submitted to the Government, the Committee apprehend that the submission of final report is likely to be delayed further. In the circumstances they conclude that no serious efforts are being made to complete the NHDR in a time bound manner.

Deprecating the inordinate delay in preparing the National Human Development Report (NHDR), the Committee now expect the Ministry of Planning to at least adhere to the new time frame fixed by themselves and prepare the draft report by June, 2001. The draft report may be discussed with the panel of experts immediately thereafter and the final report may be submitted to the Government by the end of July, 2001.

### **Reply of the Government**

Planning Commission has taken note of the views of the Hon'ble Committee on the delay in the completion of the National Human Development Report (NHDR) and submits that a serious effort is being made to complete the NHDR in a time-bound manner. As directed by the Hon'ble Committee, the Report would be submitted to the Government by the end of July, 2001.

**Recommendation (Sl. No. 4, Para Nos. 29 & 30)**

The Committee are concerned to note that despite the mushroom growth of NGOs in the recent past and even after finding cases of bogus and in genuine NGOs, no monitoring and appraisal of activities undertaken by them is being done by the Ministry except receiving the final report of the studies, proceedings of the Seminars, etc., and Utilisation Certificates. The Committee are unable to understand how in the absence of such monitoring or appraisal of the studies/activities undertaken by NGOs, the Ministry could come to the conclusion that no discrepancy in the utilization of funds had been noticed. The Committee, therefore, do not appreciate the casual and irresponsible manner in which the Ministry of Planning is handling the work relating to the grants to the NGOs.

In view of the above, the Committee strongly recommend that after making judicious selection of NGOs for grants, monitoring and appraisal of their activities must be done. If at any point of time, mis-utilisation of funds by any of the NGOs/Voluntary Organisation is found, no further grant be sanctioned to them and such NGOs/Voluntary Organisations should be debarred for grants in future.

**Reply of the Government**

The concerned of the Committee that despite the mushroom growth of NGOs in the recent past and even after finding cases of bogus NGOs the Ministry is doing no monitoring and appraisal of activities undertaken by them is noted. However, in a big country like India still there are many areas where NGOs as 'eyes and ears' of the State and as a counter-vailing non-political force are missing and in such areas there is a need to provide enabling environment for the growth of Voluntary Sector. At the same time, it is imperative that steps have to be taken to remove weeds (bogus NGOs) from the growing Voluntary Sector.

Planning Commission is concerned with this problem and has placed the issue of proper monitoring and evaluation of NGOs in a meeting of the Standing Committee of Secretaries on VOs/NGOs held on 12th October, 2000. In that meeting, CAPART informed that their methodology in this regard is to have desk appraisal, pre-funding appraisal mid-term appraisal and terminal evaluation of the working of NGOs. As the VOs/NGOs getting funding from different Department/Ministries is very large, it was suggested that all concerned Departments/Ministries should have carefully selected panel of eminent social workers/social scientists for doing periodical sample checks. This suggestion of conducting periodic sample checks through a panel of eminent social workers/social scientists has been conveyed to the concerned Departments/Ministries for necessary action.

It may be clarified that SER Unit of Planning Commission entrusts various research organizations with the specific task of conducting studies in given fields related generally to developmental planning. Funds to the full extent are released to the concerned organization only after acceptance of the study report submitted by the organization or after submission of the proceedings of the Seminar for which the grant was released along with the Utilisation Certificate. These research organizations are not generally the same NGOs to whom CAPART gives grants, as the latter (CAPART) normally gives grants to NGOs delivering services in the field. However, the recommendation of the Committee that proper monitoring and appraisal of the activities of the NGOs/VOs be done and that no further grant should be sanctioned to any NGO/VO which has misutilised the funds is accepted. In fact, instructions to this effect have been issued by the Ministry of Finance, Department of Expenditure, to various Ministries (copy of the letter) enclosed).

**Recommendation (Sl. No. 6, Para Nos. 43 & 44)**

The Committee are informed that the Planning Commission since its inception has been engaged in undertaking investment planning of the economy by focusing primarily on its planning and allocation functions involving distribution of plan funds between the Central sector plan and Central assistance to State plans as also across the Ministries/Departments in the Central sector. It has now been contended by Government that in the changing domestic economic policy regime, investment planning is no more the only or the most effective instrument of pursuing development. The Committee are given to understand that the process of globalisation and marketisation are meant to create conditions whereby the people can realize their full productive potential and thereby become the arbiters of their destiny. In the changed scenario, the process of restructuring of Planning Commission is stated to be under way.

The Committee are of the view that since the process of liberalization has been on for the last ten years, the restructuring of the planning Commission to meet the merging challenges should have been taken up much earlier. They desire that this should now be done expeditiously. However, they wish to emphasise that in the process, eradication of poverty and improvement in the quality of life of the masses which has been one of the basic objectives of Planning in India should not be lost sight of. It is also important to bear in mind that though liberalized economy might encourage greater private investment and competition, the development of infrastructure and social welfare services should continue to be given due priority by the Government.

### **Reply of the Government**

Eradication of poverty and providing the basic minimum services of safe drinking water, primary health care facilities, universal primary education and shelter are among the specific objectives of the Ninth Plan. Augmenting public investment and encouraging private initiatives in infrastructure development have been suggested in the Mid-Term appraisal of the Ninth Plan. It also recognizes that access to minimum levels of social infrastructure facilities must be an integral part of a strategy for improving the quality of life of the people and for eradicating poverty.

#### **Recommendation (Sl. No. 6, Para No. 45)**

The Committee are also deeply shocked to find that most of the State Governments are gradually falling into a debt trap and have to resort to heavy borrowings resulting into large deficits. One of the reasons for this is stated to have been that they are unable to mobilize their own resources and the State Corporations have to borrow huge amounts at high rates of interest. The Committee view this situation very seriously and desire that the matter should be placed before the National Development Council and States should be persuaded to maintain strict fiscal discipline.

### **Reply of the Government**

In view of the low level of State's Own Resources resulting from un-sustainable level of Non-Plan Revenue expenditure and borrowings, the States are urged to undertake suitable measures to improve their finances. These views are conveyed to the States during the Deputy Chairman-CM level discussions while finalizing their Annual Plans, the official level discussions with the States and also during the visits of the Commission to the States. In addition, the Planning Commission proposes to suggest the NDC to adopt a revised formula for Central Assistance with higher weightage for Fiscal Management and Revenue Effort. This is expected to provide an incentive to States for improving their own resources through appropriate fiscal reforms.

D.O. No. 5/35/2000-MC  
Secretary  
Department of Expenditure  
Ministry of Finance,  
Government of India,  
New Delhi.  
Tel: 301 2929  
301 1663  
Fax: 301 7546  
New Delhi, the 18th November, 2000

Dear Dr. Saxena,

Kindly refer to my D.O. letter No. 5/1/98-MC dated 23rd February 2000, in the matter of obtaining Utilisation Certificates (Ucs) from grant-in-aid organisations in respect of the grants released to them and not to release grants-in-aid unless Utilisation Certificates of earlier grants have been received. Secretaries of particular Ministries/Departments were also reminded on 26th September 2000 with respect to the progress made by them in obtaining the necessary Ucs. Attention in this connection is also drawn to the provisions contained in Rules 14 to 15 of the General Financial Rules.

In this connection a Writ Petition has also been filed in the High Court of Delhi and the as is listed as CWP (PIL) No. 6413 of 2000. While issuing notice to the respondents on 24th October, 2000 to show cause why the petition should not be admitted and the High court has also passed the following order:-

“Considering the submission made we feel it would be appropriate no fresh grants are released unless Utilisation Certificate for the previous grants are furnished.”

I would request you to give this matter your urgent personal attention and review the latest position in your Ministry/Department in consultation with the Financial Adviser, bearing in mind the aforesaid interim order of the Delhi High Court and also ensure that the order of the Delhi High Court is fully complied with.

I should like to be informed of the position by 30th November, 2000.

With regards.

Yours sincerely,

Sd/-  
(C.M. Vasudev)

Dr. N.C. Saxena,  
Secretary,  
Planning Commission,  
New Delhi.

Copy to Shri R.S. Prasad, Financial Adviser, Planning Commission,  
New Delhi.

(C.M. Vasudev)

D.O. No. 5/35/2000-MC

Ministry of Finance,  
Government of India,  
Department of Expenditure,  
Lok Nayak Bhawan, New Delhi.

16th January 2001

Dear Shri Saxena,

Please refer to the correspondent resting with Secretary (E)'s D.O. letter of even No. dated 18th November, 2000 conveying directions of the High Court of Delhi that fresh grants may not be released unless. Utilisation Certificates (Ucs) for the precious grants have been obtained.

2. In the Writ Petition CWP No. 6413/2000 filed in the Delhi High Court, the Court has passed further interim directions as under:—

"It is stated by learned Additional Solicitor General that our direction regarding non-release of grants without utilisation certificates is being given effect to. We feel that considering the quantum of funds involved and the possibility of non-utilisation of funds for the purposes they are granted, it would be appropriate if the concerned Ministries make periodical checks to be satisfied about genuineness of the organizations to whom such grants are being made. That would be in addition to the utilisation certificates to be submitted by the organizations.

The concerned Ministries shall also examine if further checks could be made in this regard and the modalities to be adopted for such purpose. This would ensure that the funds are utilized for the purpose for which they are released.

3. As we required to file latest position of pending Ucs in the Delhi High Court, you may give suitable directions to your staff for furnishing the requisite information of pending Ucs (as on 15.01.2001) to the Monitoring Cell by 31st January 2001.

With regards.

Yours sincerely,

Sd/-  
(A.M. Sehgal)

Dr. N.C. Saxena,  
Secretary,  
Planning Commission,  
New Delhi.  
Tel 4617758 Fax 4622305 4619006



### CHAPTER III

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

##### **Recommendation (Sl. No. 5, Para Nos. 34, 35 and 36)**

The Committee note that outer limit of time for giving management advice by the Project Appraisal and Management Division (PAMD) of the Ministry of planning has been fixed at 4 weeks since September, 1997. They also note that during the period from October, 1997 to February, 2001, 650 proposals were received by PAMD for appraisal notes out of which submission of appraisal notes were delayed in 49 cases. They also find that appraisal notes on all the proposals received between October, 1997 and June, 1999, were issued within the stipulated period of 4 weeks. It would thus appear that cases of delay in issue of appraisal notes took place during the period from July, 1999 to February, 2001.

The reasons for delay as enumerated by the Ministry were stated to be bunching of proposals sent by the Ministries/Departments in big lots, shortage of staff in the Division, pre-occupation of Sectoral Divisions with other work of urgent nature, extremely complicated nature of the projects (particularly where linked projects are involved) and integrated operations involving other units/undertakings.

The Committee are not inclined to accept the reasons for delay adduced by the Ministry because, in their view, PMD is supposed to be well equipped to deal with all kinds of proposals. They, therefore, express their displeasure over the delay in submission of appraisal notes and emphasise that the Ministry of Planning should adhere to be stipulated period of 4 weeks for submission of appraisal notes. Nevertheless, they would suggest that Ministries/Departments should be advised to send their proposals to PAMD as and when they are ready instead of sending them in big lots.

**Reply of the Government**

As on 31st May, 2001, pendency beyond 4 weeks is 'Nil'.

From June 2001 onwards, Planning Commission would, barring unforeseen circumstances, adhere to the stipulated period of 4 weeks for issue of appraisal note.

Ministries/Departments have been again advised to send the proposals to PAMD as and when they are ready, instead of sending them in bunches and not to press for issuance of appraisal notes in a day or two, from the date of receipt of EFC/PIB/EBR Memo. Copy of D.O. letter No. O-14015/2/2001-PAMD, dated 30th May, 2001, from Dr. N.C. Saxena, Secretary, Planning Commission, to Secretaries of all Ministries/Departments, is enclosed.

Government of India  
Planning Commission  
Yojana Bhawan, Parliament Street,  
New Delhi-110001  
Tel.: 3717539, 3719082 Fax: 3719082  
E-Mail : ncsaxena@yojanal.delhi.nic.in

D.O. No. O-14015/2/2001-PAMD

May 30, 2001

Dear Secretary,

Planning Commission with a view to cut down delays and ensure PIB/EFC/EBR decision within 4-6 weeks on receipt of PIB/EFC/EBR Memo from the Department/Ministries revised the procedure of appraisal in PAMD *vide* D.O. No. O-14015/2/97-PAMD dt. 23.9.1997. The procedures *inter alia* included fixing outer limit for giving management advice by the PAMD at 4 weeks from the date of receipt of the PIB/EFC/EBR Memo. While indicating the revised procedure, Departments/Ministries were requested not to pressurize PAMD to issue Appraisal Notes in a day or two and send proposals as and when finalized instead of sending them in big lots.

2. It has however been observed in many instances that while Ministries/Departments take unduly long time in preparing EFC/PIB/EBR Memo (including RCEs) convene EFC/PIB/EBR meeting immediately after circulating the proposals requiring PAMD to issue appraisal notes in a day or two, on the ground that negotiations have to be held with external agencies or for other reasons. I would like to emphasise that for proper appraisal, 4 weeks time should be given and that if, for any reason, a particular project is to be appraised on a priority basis within three or four days. PAMD should be consulted before fixing the EFC/PIB/EBR meetings. I would again emphasise that such course of action should be taken only in exceptional circumstances as it delays the appraisal of other projects in pipeline. I, therefore, again request you to give adequate time to PAMD to appraise the projects/schemes and fix the EFC/PIB meetings only after the receipt of the Appraisal Note from PAMD or after the expiry of the 4 weeks from the date of receipt of the proposal.

3. Further, Planning Commission continues to receive EFC/PIB/EBR in big lots which makes it difficult to adhere to the time schedule of 4 weeks. These proposals, as and when finalized, should be sent to Planning Commission rather than sending them in a lot which makes it difficult to appraise all the projects within a stipulated time. I seek your cooperation in this regard.

With regards,

Yours sincerely,

Sd/-  
(N.C. Saxena)

To

## CHAPTER IV

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

#### Recommendation (Sl. No. 3, Para Nos. 22 & 23)

The Committee are pained to note that the annual average growth rate during the first four years of the Ninth Plan as per latest available estimates released by the Central Statistical Organisation (CSO) is only 5.95 per cent as against already downwardly revised growth rate of 6.5% projected in the final plan document approved by NDC. The Committee are given to understand that main slippage has taken place in the first year of the plan (1997-98) when growth rate was only 4.8 percent. The Committee express their apprehension that since during the first four years, there have been slippages in the average growth rate, it might not be possible to achieve the target of 6.5%.

The Committee would like to know the circumstances which led to significant shortfall in achieving the targets and the corrective measures taken/proposed to be taken to accelerate the growth rate. They also strongly urge that while evolving the plan strategies and fixing the targets, realistic approach should be adopted so that the need to scale down the targets could be avoided.

#### Reply of the Government

This shortfall in the average growth rate of the economy during the first four years of the Ninth Plan is mainly due to the significant shortages in growth performance in the Agricultural and Manufacturing sectors. One of the main reasons for the shortfall in the growth performance is attributed to shortfall in public investment to the tune of 23%.

Augmenting public investment, bringing down the fiscal deficit and rate of inflation, appropriate pricing of services to encourage private initiative in infrastructure development, reforms in labour policy are some of the measures suggested in the Mid-term Appraisal of the Ninth Plan to improve the growth performance. The Planning Commission has just initiated the exercise for the formulation of tenth Five Year Plan and will keep in mind the recommendation of the Standing Committee to take a realistic approach while fixing targets for the Tenth Plan.

**CHAPTER V**

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

**— NIL —**

**NEW DELHI;  
28 December, 2001**  

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**7 Pausa, 1923 (Saka)**

**SHIVRAJ V. PATIL,**  
*Chairman,*  
*Standing Committee on Finance.*

MINUTES OF THE THIRTIETH SITTING OF  
STANDING COMMITTEE ON FINANCE

The Committee sat on Thursday, 27 December, 2001 from 1500 hrs.  
to 1700 hrs.

PRESENT

Shri Shivraj V. Patil — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Raashid Alvi
3. Smt. Renuka Chowdhury
4. Shri Rattan Lal Kataria
5. Shri M.V.V.S. Murthy
6. Shri Raj Narain Passi
7. Shri Varkala Radhakrishnan
8. Shri S. Jaipal Reddy
9. Shri Kirit Somaiya
10. Shri Kharabela Swain
11. Shri Narayan Dutt Tiwari

*Rajya Sabha*

12. Shri S.S. Ahluwalia
13. Shri K. Rahman Khan
14. Shri Suresh A. Keshwani
15. Shri Narendra Mohan
16. Shri Vijay Darda
17. Shri Solipeta Ramachandra Reddy

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Dr. (Smt.) P.K. Sandhu — *Joint Secretary*
3. Shri R.K. Jain — *Deputy Secretary*
4. Shri S.B. Arora — *Under Secretary*

2. At the outset Chairman welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the following draft Action Taken Reports and adopted the same without any amendments:—

- |       |   |    |    |
|-------|---|----|----|
| (i)   | **  | ** | ** |
| (ii)  | Action taken Report on the recommendations contained in the Fifteenth Report on Demands for Grants (2001-02) of the Ministry of Planning. |    |    |
| (iii) | **  | ** | ** |
| (iv)  | **  | ** | ** |
| (v)   | **  | ** | ** |

3. The Committee, however, expressed their anguish over the inordinate delay in preparation of National Human Development Report (NHDR) by the Ministry of Planning and desired that a letter might be sent to the Ministry for completion of the much awaited NHDR without further delay.

4. Keeping in view the fact that the House was not in Session and there was no prospects of the Session being commenced before the end of the term of the Committee *i.e.* 31st December, 2001, the Committee authorised the Chairman to present the above mentioned Action Taken Reports to the Hon'ble Speaker, under Direction 71A of the Directions by the Speaker, Lok Sabha. The Committee also desired that Hon'ble Speaker might be requested to order for the printing and publication/circulation of these reports under Rule 280 of the "Rules of Procedure and Conduct of Business in Lok Sabha."

*The Committee then adjourned.*



## APPENDIX

[Vide Para 3 of the Introduction]

### ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIFTEENTH REPORT OF THE STANDING COMMITTEE ON FINANCE (THIRTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2001-2002) OF THE MINISTRY OF PLANNING

	Total	% of Total
(i) Total number of recommendations	6	
(ii) Recommendations/Observations which have been accepted by the Government (Vide Recommendations at Sl. Nos. 1, 3, 4 and 6)	4	66.67
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies. (Vide Recommendations at Sl. No. 5)	1	16.66
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee. (Vide Recommendations at Sl. Nos. 2)	1	16.66
(v) Recommendation/Observation in respect of which final reply of the Government is still awaited. (Nil)	0	00.00

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