

THIRTY EIGHTH REPORT
STANDING COMMITTEE ON FINANCE
(2002)

(THIRTEENTH LOK SABHA)

MINISTRY OF STATISTICS & PROGRAMME
IMPLEMENTATION

DEMANDS FOR GRANTS
(2002-2003)

*[Action taken by the Government on the recommendations contained in
the Thirty First Report of the Standing Committee on Finance on
Demands for Grants (2002-2003) of the Ministry of Statistics
& Programme Implementation]*

*Presented to Lok Sabha on 19.12.2002
Laid in Rajya Sabha on 19.12.2002*



LOK SABHA SECRETARIAT
NEW DELHI
December, 2002/Agrahayana, 1924 (Saka)

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COMPOSITION OF STANDING COMMITTEE
ON FINANCE (2002)

Shri N. Janardhana Reddy—*Chairman*

MEMBERS

Lok Sabha

2. Shri Ramsinh Rathwa
3. Shri Rattan Lal Kataria
4. Shri Kirit Somaiya
5. Shri Kharabela Swain
6. Shri Raj Narain Passi
7. Shri S. Jaipal Reddy
8. Shri Ramesh Chennithala
9. Shri Kamal Nath
10. Shri Pravin Rashtrapal
11. Shri Sudarsana E.M. Natchiappan
12. Shri Rupchand Pal
13. Shri Varkala Radhakrishnan
14. Dr. Daggubati Ramanaidu
15. Shri Chada Suresh Reddy
16. Shri Prakash Paranjpe
17. Shri Raashid Alvi
18. Shri T.M. Selvaganapathi
19. Shri Trilochan Kanungo
20. Shri Sudip Bandyopadhyay
21. Shri Sharad Pawar
22. Shri Abdul Rashid Shaheen
23. Capt. Jai Narain Prasad Nishad
24. Shri Prabodh Panda
25. Shri Amir Alam Khan
- **26. Dr. M.V.V.S. Murthy
- ***27. Shri Jyotiraditya Madhavrao Scindia
- [§]28. Shri Surender Singh Barwala
- ~~§§~~29. Shri Nagmani
- *30. Smt. Renuka Chowdhury

** Nominated *w.e.f.* 18.1.2002

*** Nominated *w.e.f.* 11.3.2002

[§] Nominated *w.e.f.* 19.4.2002

~~§§~~ Nominated *w.e.f.* 5.7.2002

* Nominated *w.e.f.* 2.9.2002

(iv)

Rajya Sabha

31. Dr. Manmohan Singh
32. Shri S.S. Ahluwalia
- *33. Shri Dina Nath Mishra
34. Shri Parmeshwar Kumar Agarwalla
35. Dr. Biplab Dasgupta
36. Shri P. Prabhakar Reddy
37. Prof. M. Sankaralingam
- **38. Shri Raj Kumar Dhoot
39. Shri Palden Tsering Gyamtso
- 40. Shri Prithviraj Dajisaheb Chavan
- 41. Shri Praful Patel
- 42. Shri Murli Deora
- 43. Shri Prem Chand Gupta
- *44. Dr. T. Subbarami Reddy
45. Vacant

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*

* Nominated *vice* Shri Narendra Mohan *w.e.f.* 4.1.2002

• Nominated *w.e.f.* 8.4.2002

•• Nominated *w.e.f.* 8.4.2002

••• Nominated *w.e.f.* 10.4.2002

•• Nominated *w.e.f.* 22.4.2002

* Nominated *w.e.f.* 22.4.2002

** Nominated *vice* Shri Sanjay Nirupam *w.e.f.* 8.5.2002

INTRODUCTION

1. I, the Chairman of the Standing Committee on Finance having been authorized by the Committee to submit the Report on their behalf, present this Thirty Eighth Report on the action taken by Government on the recommendations contained in the Thirty First Report of the Committee (Thirteenth Lok Sabha) on Demands for Grants (2002-2003) of the Ministry of Statistics & Programme Implementation.

2. The Report was presented to Lok Sabha on 23 April, 2002 and laid in Rajya Sabha on 24 April, 2002. The Government furnished the written replies indicating action taken on all the recommendations on 25 July, 2002. The draft action taken report was considered and adopted by the Committee at their sitting held on 17 December, 2002.

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

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

NEW DELHI;
18 December, 2002
27 Agrahayana, 1924 (Saka)

N. JANARDHANA REDDY,
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 contained in their Thirty First Report (13th Lok Sabha) on Demands for Grants (2002-2003) of the Ministry of Statistics and Programme Implementation which was presented to Lok Sabha/laid in Rajya Sabha on 23 and 24 April, 2002 respectively.

1.2 The Report contained seven 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. 2, 3, 4, 5 & 6

(Total 5)

(Chapter II)

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

Sl. No. 7

(Total 1)

(Chapter III)

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

Sl. No. 1

(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:

Demand No. 74

**Ministry of Statistics and Programme Implementation
Modernisation of Indian Statistical System**

Recommendation (Sl. No. 1, Para Nos. 6 & 7)

Focussing on the statistical activities of the Central Government, the Committee had found that a detailed project proposal 'Modernisation of Statistical System in India' was prepared and taken up with the World Bank by the Government. They had however regretted that the scheme which was first expected to take off in 2000-01 and then during 2001-02 could not be operationalised. Instead, it was reformulated and submitted to the World Bank through the Department of Economic Affairs for consideration. Even the recommendations of high profile National Statistical Commission report presented on 5.9.2001 were still to be implemented. Though some of the components like allocation of data on economic and operational characteristic of organized enterprises in service sector had been commissioned in July, 2001, yet a lot had to be done in respect of institutional Development & Capacity Building, Improvement of National Accounts Statistics, strengthening of Field Operation of NSSO, Development of Social Environment & Price Statistics and Strengthening of Data Processing, Storage and Dissemination of capacity of Computer Centre etc.

The Committee perceived that unless and until the Statistical system was modernized to the fullest extent, it would continue to supply outdated data to the Planning Commission and consequently process of planning could be based on wrong surmises. They had, therefore, recommended that the work on this project be initiated and completed expeditiously.

The Government, in their Action Taken reply, stated as under:—

“The project proposal on Modernisation of Statistical System in India was appraised by the World Bank during 6-22 December, 1999 and agreed in principle to provide loan assistance for the project. Meanwhile the Government of India set up the National Statistical Commission on 19.01.2000 to identify the deficiencies in the existing statistical system and to suggest remedial measures. This fact was brought to the notice of the World Bank along with the suggestion of the Commission to retain adequate flexibility in the project for incorporating follow-up action on the recommendations of the Commission. The Bank agreed with the suggestion and this was reflected in the Draft Project Appraisal Document. It, however, involved re-appraisal of the project at the time of revision. It was, therefore, decided to wait for the report of the Commission which was expected within a period of one year.

2. The report of the National Statistical Commission became available on 5th September, 2001. A review of the recommendations contained in the report of the National Statistical Commission was then made in relation to the specific components of the project. Though some of the components in the project document were recommended by the Commission, there were other components, which needed revision or replacement.

3. A meeting was held with the World Bank Officials on 19th November, 2001 to discuss further preparations for the project. Based on the decision at the meeting a revised concept paper on the project was prepared and forwarded to the World Bank through Department of Economic affairs on 3rd January, 2002 for their consideration. The matter is being pursued with the World Bank.

4. The recommendations of the National Statistical Commission (NSC) have been taken note of by the Government in February 2002. The processing of the recommendations by the concerned Ministries/Departments is expected to be completed within six months. Ministry of Statistics and Programme Implementation has been designated as nodal agency to co-ordinate this exercise. Twenty Ministries/Departments have nominated nodal officers for the purpose.

5. An Implementation Cell has been set up in the Ministry to co-ordinate and monitor the processing of the recommendations by different agencies.

6. A draft Bill for the establishment of a permanent statutory body called National Commission on Statistics to co-ordinate and standardise the statistical system of the country has been prepared and circulated to all the Ministries concerned as well as State/UT Governments for comments.

7. The other recommendations concerning the Ministry of Statistics & PI have also been considered and action for implementation has been initiated.

8. A series of meetings have been held with senior officers of State Governments during the month of June 2002 to finalise the action plan for the implementation of the recommendations relating to State Governments.

Based on the recommendations of NSC, the project proposal on modernisation of Statistical System of India was reformulated and discussions were held with the World Bank. A World Bank official from Washington also had discussions on the project during April. A full mission is likely to be mounted for the appraisal of the project in the near future."

The Committee had in their earlier Reports [Demands for Grants (2001-02) and the Action taken Report thereon] also urged upon the Government to get the scheme formulated and implemented without any further delay.

The Committee regret to point out that inspite of their repeated recommendations to complete the project on 'Modernisation of Statistical System in India' the proposal is still at the appraisal stage. Even, the recommendations of the National Statistical Commission made in September, 2001 were taken note of only in February, 2002. In the circumstances, the Committee cannot but deprecate the slow pace of completion of the project.

Reiterating their recommendation, the Committee expect that the Government would accord due attention to it and get the project 'Modernisation of Statistical System in India' completed at the earliest.

They also hope that the Statutory Body "National Commission on Statistics" to coordinate and standardise the statistical system of the country would be established soon.

The Committee would like to be apprised of the progress made in this regard.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 2, Para No. 9)

The Committee are perturbed to note that the actuals under the head "Foreign Travel Expenses" were drastically below the reduced revised estimates particularly under the plan expenditure during the years 2000-01 and 2001-02. The Committee are not inclined to accept the reasons adduced by the Ministry for such wide fluctuations. The Committee, therefore, desire that the budgetary provisions should not be based on mere conjectures but every effort must be made to make them realistic.

Reply of the Government

The recommendation of the Committee has been noted.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F Dated
24.07.2002]

Recommendation (Serial No. 3, Para Nos. 13 & 14)

The Committee are surprised to find that though the budget estimates were reduced from Rs. 54.75 crore to Rs. 4.47 crore in 2000-01 and from Rs. 42.48 crore to Rs. 4.15 crore in 2001-02 at RE stage the actuals were still far below the revised estimates. The main reasons for drastic reduction in estimates is stated to be non-starting of the Plan Scheme "Modernisation of Statistical System in India."

The Committee were earlier informed while considering the Demands for Grants (2001-02) that the above scheme was yet to be approved by EFC of the Ministry of Finance. The Committee are unable to understand why huge allocations were made for such a scheme which was yet to be approved. They do not appreciate such a casual approach in formulating the budget estimates. The Committee, therefore, desire that budgetary exercise should be undertaken with utmost care and due seriousness so that gap between BE, RE and Actuals is minimized.

Reply of the Government

Budget allocations had to be made for the scheme "Modernisation of Statical System in India" in advance, in the expectation that the project would be approved and World Bank assistance would be available. The project could, however, not be taken up for implementation for the reasons explained under recommendation 6.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F Dated
24.07.2002]

Recommendation (Serial No. 4, Para No. 20)

The Committee is distressed to find that higher allocations are being made under the head "Other Administrative Expenses" just to surrender either at RE stage or at the close of the financial year.

Reply of the Government

At BE stage, a provision of Rs. 55 lakh was made under the head "Other Administrative Expenses", keeping in view the Annual Action Plan of the Training division for the year 2001-2002. Later, on the basis of the recommendations of the Training Programmes Approval Committee, some of the training programmes intended to be assigned to Training institutes were conducted as in-house courses, resulting in the savings, which were surrendered.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F Dated
24.07.2002]

Recommendation (Serial No. 4, Para No. 21)

They find that the funds were underutilized because the Ministry could not take up training programmes, seminars and workshops due to the unexplained reasons. The Committee note that though training and holding of seminars has widely been stressed by the National Statistical Commission in their report submitted on 5.9.2001, yet it is surprising that funds allocated for this purpose have ultimately remained underutilized.

Reply of the Government

The Ministry had drawn up a schedule of training programmes, seminars and workshops to be conducted during the year. However,

in view of the recommendation of the Training Programmes Approval Committee (TPAC), some of the trainings were conducted as in-house trainings in the Ministry, and not at specialized institutes, as envisaged at the BE stage. This resulted into savings leading to underutilization of funds.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F
Dated 24.07.2002]

Recommendation (Serial No. 4, Para No. 22)

The Committee have time and again stressed the need for financial prudence in the projection of demands. They, therefore, desire that estimates should be close to the actuals.

Reply of the Government

Due care would be taken in future in projecting the demands for funds.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F
Dated 24.07.2002]

Recommendation (Serial No. 5, Para Nos. 32, 33, 34, 35 & 36)

The Committee note that the works under the MP Local Area Development Scheme (MPLADS) suggested by the MPs, are implemented by the heads of the districts following the established procedures of the State Governments concerned subject to MPLADS guidelines. The heads of the districts submit monthly reports showing upto date position of schemes. At the State Government level, the Secretary, Planning & Development or the Secretary, Rural Development also supervises/reviews the progress of the works. Review meetings are also taken by the Chief Secretary of a State Government twice in a year. The officials of the Ministry of the Statistics & Programme Implementation visit State Capitals and organise regional meetings to evaluate the entire scheme.

For the works not covered within the guidelines, the matter is placed before the MPLADS Committee through the Ministry of Statistics & Programme Implementation for consideration.

On the face of it, the system seems to be flawless. However, the practical aspect of its implementation has also to be viewed wherein has been a general complaint from all quarters that the head of a district, at times, not only behaves in an arbitrary way but also does not furnish the monitoring reports to MPs. The above view has also been upheld by the Ministry when it admitted that considering the magnitude of the work and size of the country, naturally there would be some problems here and there. A number of discrepancies which have already been pointed out by C&AG in their Report bears ample testimony to various flaws and weaknesses which are prevalent in its implementation.

In view of the above, the Committee are of the opinion that there is an urgent need to review the implementing part of the MPLAD Scheme in order to make it more effective and transparent which could ensure that money given from MPLAD Scheme is actually spent on the works/projects recommended by the Members of Parliament.

The Committee expect that the Government would take up the matter with MPLAD Committees of Lok Sabha and Rajya Sabha.

Reply of the Government

As per the directions of the Standing Committee on Finance, the matter has been taken up with the Committees on MPLADS, Lok Sabha and Rajya Sabha on 14.05.02 for their consideration and recommendation.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F
Dated 24.07.2002]

Recommendation (Serial No. 6, Para No. 45)

The Committee are pained to note that the proposal for conducting the Fourth Economic Census which was planned in 1994-95 could actually be initiated in 1998-99. What is more distressing to note is that the census was limited only to the economic activities in terms of number of enterprises, their activities and employment. There is no information available on natural resource account through which the assessment could be made about the actual natural resources/wealth available in the country. In the absence of such a vital information the entire process of planning becomes futile. Though the Committee note that a pilot project on Natural Resource Accounting has been initiated

in Goa, yet they strongly recommend that the project should be started for the whole of the country after developing a suitable methodology. The project should include all sorts of natural resources including their availability in the Exclusive Economic Zone (EEZ).

Reply of the Government

The Report of the pilot project on Natural Resource Accounting (NRA) in Goa submitted by Tata Energy Research Institute (TERI) is under study. On the basis of the experience gained, it is proposed to take up Phase-II of NRA in 3-4 States, so that the methodology is firmed up before the task of preparing NRA for the whole country is taken in hand.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F
Dated 24.07.2002]

CHAPTER III

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

Recommendation (Serial No. 7, Para No. 59)

The Committee note that the Project Monitoring Division of the Ministry of Statistics and Programme Implementation is involved right from the inception of the Central Sector Projects and monitors all projects costing Rs. 20 crore and above on monthly/quarterly basis. They further note that the Standing Committees have also been constituted to review the time and cost overrun of the projects. The Committee, however, regret to point out that in spite of the fact that the PMD is involved right from the inception of the projects, a large number of projects have been delayed resulting in huge cost overrun. More so, a number of projects involving crore of rupees have either been frozen or dropped due to poor appraisal or non-viability of the projects thus putting extra burden on the exchequer. The Committee express their displeasure over this state of affairs.

Reply of the Government

In the light of observations of the Standing Committee on Finance, the position in regard to frozen projects has further been analysed in details in the Appendix-I. A summary of the analysis is given below:

Coal Sector

Projects frozen/dropped on account of geo-mining and technological problems encountered during the course of the implementation: 12. Expenditure incurred: Rs. 61.39 crore.

Projects closed due to land acquisition problems after carrying out preliminary studies and investigations: 2. Expenditure incurred: Rs. 1.90 crore.

Project closed due to lack of demand from that particular mine: 1. No expenditure incurred.

Project closed due to fund constraints: 1. No expenditure incurred.

Fertiliser Sector

- The Haldia Fertiliser Project on which an expenditure of Rs. 840 crore was incurred failed due to technological problems. Hiring of the project is under consideration.

Mines Sector

- The proposal to produce wheels at Angul by NALCO has been closed because of technological problems after carrying out preliminary studies at a cost of Rs. 1.62 crore.

Petroleum Sector

The augmentation of Panipat-Ambala Pipeline proposed by IOC has been closed after incurring an expenditure of Rs. 0.69 crore, as cheaper alternative arrangements have been made.

Power Sector

Koyal Karo Hydro Electric Project has been frozen due to land acquisition and related rehabilitation problems. The viability of the project is being examined by the Government. An expenditure of Rs. 44.60 crore has been incurred on acquisition of land and establishment of project office at the site. Further expenditure has been stopped.

The transmission line linked with Koyal Karo project has been frozen without any expenditure.

Railways Sector

Three projects in the Railways Sector have been frozen on account of fund constraints and low priority.

Surface Transport Sector

The modernisation of Rajbagan Dockyard has been frozen due to non-materialisation of bilateral loan from the Government of Netherlands.

Telecommunication Sector

- One project has been frozen due to lack of demand.

- One project of VSNL has been dropped from our list as the company has been privatised.

Urban Development Sector

- Two housing schemes under the Ministry of Urban Development have been dropped due to fund constraints.

1.2 There are 9 projects in the Appendix-II which have been dropped from the monitoring system. The explanations regarding these projects are as follows:

- Four projects, at Sl. No. 1, 2, 3, and 4 in the Atomic Energy Sector have been dropped from the monitoring as they are R&D projects of a sensitive nature.
- Two railway projects at Sl. No. 5 & 6 have been dropped from the monitoring system as their detailed reports are not ready and the cost estimates are yet to be finalised and approved.
- One railway project at Sl. No. 7 has been modified into two sub-projects.
- project at Sl. No. 8 for regular overhauling facility at Barauni has been dropped as it is not viable. No expenditure has been incurred on this project.
- projects at Sl. No. 9 has been dropped as adequate capacity is available. No expenditure has been made on this project.

1.3 The observations of the Hon'ble Committee have been brought to the knowledge of the Ministries concerned and they have been advised to ensure that the expenditure incurred on these projects is put to optimal use and the projects are revived, wherever feasible.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F
Dated 24.07.2002]

APPENDIX I

LIST OF FROZEN PROJECTS AS ON 31.12.2001

(Unit : (Cost/Expenditure : Rs. in Crores)

Sl. No.	Project (District) (State)	Capacity	Date of Govt. Appro.		Date of Commissioning		Cost		%Cost Over run On Original (Revised)	Cumulative Expenditure	Reasons
			Original (Revised)	Original (Revised)	Anticipated	Approved Original (Revised)	Anticipated				
	2	3	4	5	6	7	8	9	10	11	
SECTOR: COAL											
BCLL											
1.	D& F Ropeways Dhanbad Bihar	4.00 MTY	1987/01	1990/01	N.A.	16.12 21.32	21.32	32 0	4.15	Geomining/ Technology- cal problems.	
2.	Patherdih Washery: Mod. Dhanbad Bihar	2.00 MTY	1988/02 1994/12	1992/03 1998/03	1998/03	29.43 48.49	48.49	65 0	8.89	-do-	

	2	3	4	5	
3.	Block-III OC Dhanbad Bihar	0.45 MTY	1991/08	1998/03	N.A.
4.	Viswakarma OC Dhanbad Bihar	0.7 MTY	1997/08	2001/03	2002/03
CCL					
5.	Karna OC Maharashtra	0.80 MTY	1990/12	1996/03	N.A.
6.	Hindegir OC Hazaribagh Bihar	0.78 MTY	1991/03	1995/03	N.A.
	Parej East UG Bihar	0.30 MTY	1992/09	1999/03	N.A.

7	8	9	10	11
45.97	45.97	0 0	15.55	Due to fire problem.
44.74	44.74	0 0	0.84	* Land and funds problem.
47.40	47.40	0 0	1.64	Geomining/ Technological problems.
41.48		N.A. N.A.	0.23	Geomining/ Technological problems.
29.34	29.34	0 0	1.10	* Land problem.

	2	3	4	5	6	7	8	9	10	11
8.	Tarmi OC Bokaro Bihar	0.50 MTY	1991/05	1995/03	N.A.	29.55	29.55	0 0	0.23	Geomining/ Technological problems.
9.	Jirdih OC	0.60 MT	1991/03	1993/04	N.A.	48.83	48.83	0 0		-do-
SBCL										
10.	Churcha West (PSLOW) UG Madhya Pradesh	0.65 MTY	1994/12	1998/03	N.A.	48.61	48.61	0 0		* Technology to be finalised and approved by DGMS.
BCL										
11.	Laudoha UG Bankura West Bengal	0.68 MTY	1989/03	1996/03	N.A.	49.34	49.34	0 0	0.80	Geomining/ Technological problems.
12.	Rajmahal OC Gonda Bihar	1.5 MT	1996/09	2002/03	N.A.	46.86	46.86	0 0		Less off-take by NTPC and shortage of funds.

	2	3	4		
MCL					
13.	INT-CHP Lajkura Samleshwari Orissa	5.10 MTY	1991/03	1995/03	N.A.
WCL					
14.	AMB. River Diversion		1993/04	1997/03	N.A.
NLC					
15.	Barsingar Lignite Mine Bikaner Rajasthan	MT 1.7	1991/04	1995/05	N.A.
16.	Barsingar Lignite TPS Bikaner Rajasthan	MW 2 x120	1991/04	1996/06	N.A.

7	8	9	10	11
49.19	49.19	0 0		Funds constraints.
27.99	N.A. N.A.	0.01		Geomining/ Technological problems.
242.31	242.31	0 0	24.48	Geomining/ Technological problems.
585.73	664.11	13	5.06	-do-

			2	4	5	6	7	8	9	10	11
SECTOR: FERTILISERS											
HFC											
17.	Haldia Fert. Proj. Midnapur West Bengal	THMT 151	1971/11 1981/07	1976/10 1982/04	N.A.	88.03 281.96	790.00	797 180	840.00		Technology failure-being sold to private sector.
SECTOR: MINES											
NALCO											
18.	Wheel Proj. Angul-Alum. Dhenkanal Orissa	Nox. 4500	1997/12	N.A.	N.A.	92.56	92.56	0 0	1.62		Technology issues.
SECTOR: PETROLEUM											
IOC											
19.	Ang. of Panip. Tambais-Jak. Haryana		1999/01	2001/05	N.A.	68.52	68.52	0 0	0.69		Dropped.

	2	3	4	5	6	7	8	9	10	11
SECTOR: POWER										
NHPC										
20.	Koel Karo HEP Ranchi/SNG Bihar	MW 710	1981/06 1991/11	1999/11 1999/11	N.A.	444.67 1292.82	2594.17	683 101	44.60	Land acquisition & rehabilitation problems.
NTPC										
21.	Farakka STPP-III Murshidabad West Bengal	MW 500	1989/09	1995/12	N.A.	603.65	603.65	0 0		Phased out due to low demand in the region.
PGCIL										
22.	Koel Karo TR . Line Jambhedpur Bihar	CKM 215	1991/11	1996/03	N.A.	52.59	52.59	0 0		To start only after generation project takes off.
SECTOR: RAILWAYS										
DOUBL										
23.	Kalapipal- Phanda, WR Madhya Pradesh	Km 41	1990/04	1995/12	N.A.	53.00	53.00	0 0	2.11	Fund constraints/ Low priority.

1 2 3 4 5 6 7 8 9 10 11

24.	Kanpurigram-Silho, Ncr Uttar Pradesh	KM 26	1993/04	N.A. 1997/03	1997/03	21.00	21.00	21.00	0.48	Frozen.
GC										
25.	Bhaid Samdri & Samdarj. PU NR RJ, GU	KMS 306	1990/04	1995/06	N.A.	267.83	188.00	-30 -30		Frozen.
SECTOR: SURFACE TRANSPORT										
JMT										
26.	Mod. of Raj- Bagon Dock (CIWTC) West Bengal	SR2700T SR No. 106/YR	1988/07 1992/12	1993/02 1995/09	N.A.	66.09	71.34		3.91	Funds yet to be tied up with Govt. of Netherlands.
SECTOR: TELECOMMUNICATION										
DoT										
27.	Exch. Exch. Installation K.K. Ngr. Tamil Nadu	K 10	1990/03	1994/03	N.A.	27.21	27.21	0 0	2.01	Frozen.

	2	3	4	6	7	8	9	10	11	
VSNL										
28.	INT. NWK. MGT. Centre Mumbai Maharashtra		1996/11	1999/01 2000/05	2000/05	40.00	40.00	0 0		
SECTOR: URBAN DEVELOPMENT										
UD										
29.	C/o Type-V, VI Qtr, INA New Delhi Delhi	V-98 VI-28	1995/12	1997/12	N.A.	26.00	26.00	0		Dropped.
30.	General Pool Residence Qr Mumbai Maharashtra	No. 1016	1985/09 1995/05	1989/09	N.A.	29.50 62.75	62.75	113 0	1.95	Dropped.

(NIC-MOS & PI)

APPENDIX II

LIST OF DROPPED PROJECTS AS ON 31.12.2001

Unit : (Cost/Expenditure : Rs. in Crores)

Sl. No.	Project (District) (State)	Capacity	Date of Govt. Appro Original (Revised)	Date of Commissioning		Cost.		% Cost Overrun on Original (Revised)	Cumulative Expenditure	Reasons
				Original (Revised)	Anticipated	Approved Original (Revised)	Anticipated			
	2	3	4	5	6	7	8	9	10	11
SECTOR: ATOMIC ENERGY										
VBCC										
1.	Super Cond'r Cyclotron Kolkata West Bengal		1996/03	1999/03	2002/03	32.00	54.77	71 71	31.07	R & D Project.
IGCAR										
2.	Steam Gen. Test Facility Chingleput Tamil Nadu		1997/11	2002/04	2002/11	31.00	31.00	0 0	18.54	R&D Project.
3.	Materials Dev. for FBR Chingleput Tamil Nadu		1998/07	2002/03	2002/03	32.00	38.10	19 19	26.52	R&D Project.

	2	3	4	5	6	7	8	9	10	11
4.	Fast Reactor Fuel Proc-I Chingleput Tamil Nadu		1999/03	2001/02	2002/02	72.30	72.30	0 0	61.36	R&D Project.
SECTOR: RAILWAYS										
DOUBL										
5.	Kuppal-Adoni Nanch-Aspari SCR Andhra Pradesh	KM 37	1990/04	1993/12	N.A.	33.81		N.A. N.A.		Not a sanctioned work.
6.	REB Hastava- RM Nandahuru SCR Andhra Pradesh		1991/04	1996/02	N.A.	25.37	25.37	0 0	0.28	Not a sanction work.
7.	Elec. Loco. MA NF. Augma, ER Chittaranjan West Bengal		1989/03	1993/12	N.A.	22.50	25.00	11 11	0.40	Scope modified and shown as 2 CLW.
8.	Baruni-Fac. ROH Wagons NER Bihar	250 ROH/MTH	1997/07	2002/03	N.A.	25.00	25.00	0 0		Dropped due to non viability.
9.	Setting up of Wagon Faci SR. Hubli Karnataka		1996/04	N.A.	N.A.	22.46	22.46	0 0		Dropped as sufficient capacity.

Recommendation (Serial No. 7, Para No. 60)

As far as monitoring is concerned, the committee express their deep anguish over the fact that though the Ministry are entrusted with the task of close monitoring, they have restricted themselves to the exchange of data with the concerned Ministries. No physical monitoring is being done which has been explained on the ground of non-availability of technical staff. The Committee fail to understand as to how the PMD of the Department of Programme Implementation monitors the projects without any physical verification by the technical staff.

Reply of the Government

It is a fact that the PMD has a limited number of technical staff to carry out physical inspection of the projects under monitoring. As such, the PMD takes up the physical review of projects by way of exception. A few of the projects which are found to be lagging behind or facing special constraints are identified each year for site review by the PMD officers. During the year 2001-2002, 41 projects were reviewed by the PMD officers. In the course of the current year, the PMD has planned to visit 60 projects.

The PMD has established a project monitoring system, which is a based on scientific principles and keeps track of milestones, which are drawn from the PERT charts of all major projects costing Rs. 100 crore and above. The status of milestones is updated each month on the basis of the report directly received from the project manager incharge of each project. The system has proved to be very effective and has enabled the PMD to track the progress of a project with reference to the plan schedule. The PMD does not depend on the administrative Ministry concerned for obtaining information on the projects under monitoring.

The feedback of the monitoring system of the Ministry of Statistics and Programme Implementation is continuously under review and helps in arresting delays and cost overruns in projects. The Ministries concerned are also asked to report the status of action taken by them on the unresolved problems faced by the project authorities. The PMD also interacts with the implementing agencies concerned and takes up follow up action with the suppliers and contractors who may be lagging behind in meeting their commitments to the projects. The officers of the PMD visit project sites of the identified projects to ascertain the ground realities and submit their reports for higher level intervention. The constant vigil and the system improvements brought out by the

PMD have contributed to the reduction in cost overrun of projects from 66% of their original approved cost in March 1991 to 23.8% in March 2002. At present, the overall cost overrun of the projects under implementation with respect to the revised cost estimates based on current prices is of the order of 11.3%. In order further to strengthen the system of monitoring, the PMD has taken up the implementation of On-line Computerized Monitoring System (OCMS) which would make for a closer interaction with project authorities through on-line communication. The officers of the PMD would then be able to spare more time for on-site review.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F Dated
24.07.2002]

Recommendation (Serial No. 7, Para No. 61)

The Committee, however, note that On-line Computerised Monitoring System (OCMS) has been initiated which is likely to be launched in July, 2002. They recommend that since it has already been delayed by 6 months, the same should not be delayed further.

Reply of the Government

The system development for OCMS is already in advanced stage. The action for procurement of computers and servers has already been initiated. The orders are likely to be placed soon. As the Committee has already been informed, the system is likely to be launched by September, 2002.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F Dated
24.07.2002]

Recommendation (Serial No. 7, Para No. 62)

They also recommend that there is a need to strengthen the technical expertise which is available with the Ministry so as to enable them to discharge the functions entrusted to them efficiently and more effectively.

Reply of the Government

A proposal to restructure the PMD and to increase its technical staff has been submitted to the Ministry of Finance for their approval.

[M/o. Statistics & P.I. O.M. No. G-20017/3/2002-B&F Dated
24.07.2002]

CHAPTER IV

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

—Nil—

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

—Nil—

NEW DELHI;
18 December, 2002
27 Agrahayana, 1924 (Saka)

N. JANARDHANA REDDY,
Chairman,
Standing Committee on Finance.

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

The Committee sat on Tuesday, 17 December, 2002 from 15.00 hours
to 16.00 hours.

PRESENT

Shri. N. Janardhana Reddy — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ramsinh Rathwa
3. Shri Rattan Lal Kataria
4. Shri Pravin Rashtrapal
5. Shri Sudarsana E.M. Natchiappan
6. Shri Rupchand Pal
7. Dr. Daggubati Ramanaidu
8. Shri Abdul Rashid Shaheen
9. Capt. Jai Narain Prasad Nishad
10. Shri Prabodh Panda
11. Smt. Renuka Chowdhury

Rajya Sabha

12. Dr. Manmohan Singh
13. Shri Dina Nath Mishra
14. Shri Parmeshwar Kumar Agarwalla
15. Prof. M. Sankaralingam
16. Shri Raj Kumar Dhoot
17. Shri Palden Tsering Gyamtso
18. Shri Prithviraj Dajisaheb Chavan
19. Shri Murli Deora
20. Dr. T. Subbarami 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. ** **
3. ** ** **
- 4.

5. The Committee, thereafter, took up the following draft action taken reports for consideration and adopted the same without any modification/amendment:—

- (i) ** ** **
- (ii)
- (iii) ** ** ** **
- (iv) ** ** ** **

- (v) draft action taken report on the Recommendations contained in the Thirty First Report (13th Lok Sabha) of the Standing Committee on Finance on Demands for Grants (2002-2003) of the Ministry of Statistics and Programme Implementation.

6. The Committee then authorised the Chairman to finalise the Reports in the light of the amendments suggested and also to make verbal and other consequential changes and present the reports to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX

(Vide Para 3 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRTY-FIRST REPORT OF THE STANDING COMMITTEE ON FINANCE (THIRTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2002-2003) OF THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

	Total	%of Total
(i) Total number of recommendations	7	
(ii) Recommendations/observations which have been accepted by the Government (Vide Recommendations at Sl. Nos. 2, 3, 4, 5 & 6)	5	71.42
(iii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies (Vide Recommendations at Sl. No. 7)	1	
(iv) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations at Sl. No. 1)	1	
(v) Recommendations/observations in respect of which final reply of the Government is still awaited (Nil)	0	