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REVIEW OF GRANT NO. 1— DEPARTMENT OF AGRICULTURE AND COOPERATION

MINISTRY OF AGRICULTURE

PUBLIC ACCOUNTS COMMITTEE 2011-2012

FIFTY-SIXTH REPORT

FIFTEENTH LOK SABHA

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

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REVIEW OF GRANT NO. 1— DEPARTMENT OF AGRICULTURE AND COOPERATION

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Presented to Lok Sabha on 27.04.2012
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LOK SABHA SECRETARIAT
NEW DELHI

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(2011-12)

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*Elected *w.e.f.* 29th August 2011 *vide* the vacancy occurred *vice* Smt. Jayanti Natarajan appointed Minister *w.e.f.* 12th July, 2011.

INTRODUCTION

I, the Chairman, Public Accounts Committee (2011-2012), having been authorised by the Commitee, do present this Fifty-sixth Report (Fifteenth Lok Sabha) on **'Review of Grant No. 1—Department of Agriculture and Cooperation'** based on C&AG Report No. 1 of 2010-11, Union Government, Accounts of the Union Government (Paras 8.1 to 8.12 of Chapter VIII), relating to the Ministry of Agriculture.

2. The Report of Comptroller and Auditor General of India was laid on the Table of the House on 18th March, 2011.

3. The Committee took evidence of the representatives of the Ministry of Agriculture on the subject at their sitting held on 23rd September, 2011. The Committee considered and adopted this Report at their sitting held on 24th April, 2012. Minutes of the Sittings form Appendices to the Report.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

5. The Committee would like to express their thanks to the representatives of the Ministry of Agriculture for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

6. The Committee place on record their appreciation of the assistance rendered to them in the matter by the office of the Comptroller and Auditor General of India.

NEW DELHI;
24 *April,* 2012
4 *Vaisakha,* 1934 (*Saka*)

DR. MURLI MANOHAR JOSHI
Chairman,
Public Accounts Committee.

PART I

REPORT

I. INTRODUCTORY

1. Agricultural development is vital in a country like ours where a vast majority of the workforce derives its livelihood from it. The Department of Agriculture and Cooperation under the Ministry of Agriculture is responsible for formulating and implementing national policies and programmes aimed at achieving rapid agricultural growth and development through optimum utilization of India's land, water, soil and plant resources. The Department essentially supplements and complements the efforts being made by the State Governments to promote agricultural production and productivity as well as to raise farmers' income. It also directly intervenes in matters connected with trade, price policy, credit etc.

This Report is based on Chapter 8 'Review of Selected Grants' Grant No. 1—Department of Agriculture and Cooperation of Audit Report No. 1 of 2010-11 (Union Government) Accounts of the Union Government. Audit paras 8.1 to 8.12 relating to the Grant No. 1 which deals with various deficiencies and shortcomings in the utilization of financial resources allocated to the Ministry of Agriculture. Broadly, these deficiencies include unrealistic and defective budgeting leading to entire and/or large portion of funds being unspent; faulty, short-sighted and poor anticipation of disbursement leading to unnecessary supplementary grants; improper and indiscriminate use of delegated powers of re-appropriation of funds thereby diluting the process and procedure of Parliamentary authorization; non-receipt/inordinately delayed receipt of utilization certificates, feeble and incredible internal audit mechanism etc. The Committee's examination of these deficiencies and the observations thereon have been extensively dealt with in this Report.

II. SURRENDER OF UNSPENT PROVISIONS

2. According to Audit, the overall position of budget provisions, actual disbursements and savings under the grant for the last three years is as given below in the tabular form:

(₹ in crore)

Year	Budget Provision		Actual Disbursement		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2007-08	7840.13	296.32	7765.34	265.84	74.79	30.48
2008-09	10735.62	344.93	10039.00	136.29	696.62	208.64
2009-10	12045.53	92.55	11890.40	44.60	155.13	47.95

3. According to Rule 56(2) of the General Financial Rules, savings in a grant or appropriation are to be surrendered to the Government as soon as these are foreseen, without waiting for the end of the financial year. Savings are also not to be held as reserve for any possible future excess. However, the Audit observed that the Department surrendered a large part of its unspent provisions under revenue and capital sections on the last day of the financial years in all the three years *i.e.* from 2007 to 2010.

4. On being asked about the reasons for not adhering to the GFR 56(2) which *inter-alia* stated that unspent provisions in a grant/appropriation were to be surrendered to the Government as soon as these were foreseen without waiting for the end of the financial year, the Ministry in its reply stated as:—

> "As per existing practice, savings from the budget allocation are surendered to the Ministry of Finance in the last week of March. Further, though total savings to be surrendered is known, on the basis of revised estimates approved by Ministry of Finance the schemes and object heads under which these savings are available is known only at the fag-end of the year and as such it may not always be possible to surrender funds earlier."

The Ministry further submitted that the Department was in regular touch with implementing States regarding progress of implementation of schemes, actual expenditure incurred as well as the requirement of funds for the remaining period of financial year. It was also added that States generally informed the department regarding savings only in the later part of the financial year.

5. When the Committee sought to know if the Ministry had taken any punitive action against those States which had not informed it about the savings well in advance and informed only at the fag-end of the financial year, the Ministry in its note stated as under:

> "The Department released funds to States under each scheme after reviewing their past performance. The first instalment of funds was released after taking into account the unspent balances under the scheme at the close of the previous financial year. The second instalment was released only after examining the progress of utilization of the first instalment of funds. The States were addressed through D.O. letters at the level of Secretary/Addl. Secretary for better utilization of funds. However every State was not in a position to fully and effectively implement all schemes. Funds remaining unutilized by lagged State had in the past been allocated to States with good performance, especially under Rashtriya Krishi Vikas Yojana (RKVY), Macro Management on Agriculture (MMA) etc."

III. UNNECESSARY SUPPLEMENTARY GRANTS

6. The Ministry of Finance taking into consideration the Observations made by the Public Accounts Committee of 10th Lok Sabha in its 88th Report, in August, 1996, had directed all the Ministries/departments to ensure that supplementary grants were obtained in emergent cases only. It further directed that the supplementary demands should be restricted and confined to genuine unforeseen expenditure which could not be envisaged at the time of preparation of annual budget or to meet the requirements

of decisions or developments that take place after the approval of the budget *i.e.* post budget decisions and not for continuing schemes and programmes.

7. Examination of Appropriation Accounts for the period 2007-2010 revealed that the Department of Agriculture and Co-operation had obtained supplementary grants under sub-heads in anticipation of higher disbursement but the entire or large portion of these remained unutilized at the end of the financial year.

(₹ in crore)

Year	Sub-head	Original provision	Supple-mentary grant	Actual disbursement	Saving
2007-08	2401.00.800.35-Additional Central Assistance Scheme to State Plan for Agriculture	Nil	4.00	Nil	4.00
2008-09	2401.00.105.18-National Project on Promotion of Organic Farming	11.00	1.05	8.41	3.64

8. On enquiring whether there was any monitoring mechanism in place to monitor the progress of expenditure and utilization of resources before seeking Supplementary Grants, the Ministry in its written submission made to the Committee informed as under:—

> "Expenditure is being monitored regularly by AS & FA and Secretary in the weekly Senior Officers meetings and guidelines of Ministry of Finance are being followed scrupulously. Proposals for Supplementary Demands for Grants were submitted for emergent cases only and were restricted and confined to genuine unforeseen expenditure which could not be anticipated at the time of preparation of budget or to meet requirement on account of post-budget decisions of the Government."

9. When asked to justify the unspent amount out of the provisions of the supplementary budget, the Secretary, Department of Agriculture and Cooperation deposing before the Committee explained as under:—

> "Budget estimate is an estimate of the Department and the Planning Commission. The Planning Commission also clears that Budget. So, it is not that the Department alone is doing something. Ideally, there should be very little saving and the re-appropriation at the end of the year.
>
> ... ... Even in the second supplementary and the third supplementary sometimes you keep getting money so late, whereas you may have required that money upfront, that you cannot spend that money at all. Then, you basically are forced to surrender that money."

10. In order to overcome the problem of Unnecessary Supplementary Grants, the Secretary, added as under:—

> "We have suggested to the Planning Commission that atleast for Agriculture you allow us flexibility in the budgeting exercise itself in the shape of windows for funding of identified activities rather than 52 scheme where rigidity does not allow addressing actual needs and results in all these kinds of re-appropriation(s)."

11. The Secretary further added that Ministry of Agriculture had requested the Ministry of Finance to give it a flexible window under RKVY for their priority. In this regard, the Finance Minister had announced in the month of February in the Budget that even before the financial year began, the Ministry could discuss with the States, understand from them their priorities, design guidelines accordingly and release money in April itself.

12. Subsequently, the Ministry in its post-evidence reply submitted that:—

> "The priorities indicated by State Governments are given due consideration while approving their Annual Action Plans (AAP). These are also given due importance during the weekly video conferencing with the States and funds are released as per their requirement as per approved AAP. For example, in respect of the announcement made by the Hon'ble Finance Minister in his Budget Speech for 2011-12 to launch initiatives under the Rashtriya Krishi Vikas Yojana window to address issues relating to the production of Pulses, Oilpalm, nutri-cereals, vegetables and fodder, extending green revolution to eastern India and implementing rainfed area development programme, the Department held discussions with the State Governments and other stakeholders and formulated and issued guidelines in the month of March itself so that funds could be released to the State Governments and implementing agencies before the commencement of the Kharif Season."

13. With regard to conduct of exclusive study by experts of financial/budget management to accurately assess the financial requirements/disbursements of Department, the Ministry informed the Committee as under:—

> "The Department has not undertaken any such study. The Department prepares budget proposals based on detailed instructions issued by the Ministry of Finance in the Budget circular and allocations are finalized by Planning Commission after detailed discussions."

IV. DISTORTION OF BUDGET PROVISION

14. Based on the Observations contained in the 147th Report of Public Accounts Committee (8th Lok Sabha), Ministry of Finance had issued instructions that the delegated powers of re-appropriation of funds should be exercised by the Ministries/departments in such a manner that the original objective for which the provisions were made under various sub-heads were not substantially altered by exercise of power of re-appropriation.

15. Audit of re-appropriation orders issued during the years 2007-2010 revealed that large re-appropriation of funds between the different primary units of appropriation

were made by the Department. During the year 2009-10, a total of 135 re-appropriation orders were issued by the Department in the grant involving ₹ 3,875.48 crore thereby distorting the authorization approved by the Parliament.

(₹ in crore)

Year	Budget Provision	Re-appropriation orders issued transferring funds from sub-heads		Re-appropriation orders issued transferring funds to sub-heads		Surrendered amount	Expenditure
		No. of orders	Amount	No. of orders	Amount		
2007-08	O 5947.21 S 2189.24	101	1444.97	36	1387.28	57.69	8031.18
2008-09	O 10734.45 S 346.10	100	1878.59	38	1146.54	732.05	10175.29
2009-10	O11915.22 S 222.86	102	2018.27	33	1857.21	161.06	11935.00

16. When the Committee enquired about the reasons for large scale re-appropriation of funds by Department between the different primary units of appropriation, the Ministry in its submission put forth as:—

"As per instructions of the Ministry of Finance,10% of Plan funds are earmarked for projects/schemes for NE region and Sikkim (NES). These lump-sum provisions are to be re-appropriated to the functional head of a scheme with the approval of Secretary. During 2007-08 and 2008-09, re-appropriation for NES was ₹ 550.13 crore and ₹ 515.00 crore respectively. Further, in order to meet the exigencies arising out of drought, funds from some schemes has to be re-appropriated for meeting the additional requirements under other schemes. Thus, during 2009-10, saving of ₹ 1857.21 crore were re-appropriated for meeting equivalent additional requirement under various sub-heads. Out of savings of ₹ 1857.21 crore, ₹ 522.64 crore pertain to schemes/projects in North Eastern Areas which was re-appropriated from funds provided under Major Head 2552/4552 to functional major head as per extant instructions. Funds were also re-appropriated for meeting urgent additional demands under National Agricultural Insurance Scheme (₹ 716.90 crore), reimbursement of losses suffered by NAFED in price support operations, (₹ 425 crore) diesel subsidy in drought and deficit rainfall affected areas (₹ 22.94 crore) etc."

17. Elaborating on the various issues raised in the Audit paras, the Secretary, Department of Agriculture and Cooperation submitted before the Committee as:—

"While there are certain uncertainties in regard to the weather the other constraints that we face is that we operate through the States. They have their own budget procedures. They have their administrative constraints which sometimes impinges on our budget expenditure. The reason I raised the question of vagaries of nature is that in 2009-2010, we actually faced this situation. Then, we faced the problem of straitjacketing of schemes. We have about 50 odd schemes in the Department of Agriculture, each with its own set of norms and guidance. Fortunately by 2009-10, we had a scheme called Rashtriya Krishi Vikas Yojana which allowed a lot of flexibility and therefore, we could move around funds from one component to another. Similarly, last year, when the Government gave us this specific task that our annual pulse production had been between 14-15 million tonnes. We moved around funds, we could achieve the production of 18 million tonnes of pulses.''

He also submitted that:—

''If we straitjacket the schemes, it gives a silo for each scheme and it becomes very difficult to adopt scheme to each and every condition in 2007-08. When we introduced Rashtriya Krishi Vikash Yojana and gave complete flexibility to the States to design the schemes as per the particular requirement of the State, district and region, it worked very well. In agriculture this problem will persist if we continue with the same kind of budgeting. So, we have done a huge exercise in the Ministry and suggested to the Planning Commission that we do not want 52 schemes and that we want just five or six national missions. After five or six national priorities, rest we want to leave to the States through the Rashtriya Krishi Vikas Yojana. So, this is the scheme we have proposed to the Planning Commission. I have had discussions at the level of Member (Agriculture), Planning Commission. They are in principle agreeable to this structure. There had been a lot of re-appropriation. We had not allowed the over expenditure to go down, overall we did not save any money, we could utilise the allocations.''

Subsequently, the Committee were informed by the Ministry that final decision on the National Mission had not been taken by the Planning Commission.

18. When the Committee sought to know what these national missions/priorities were, the Ministry in a note elaborated as under:—

''The following are the six National Missions which have been identified as National Priorities:

(i) National Horticulture Mission

(ii) National Food Security Mission

(iii) National Mission on Seeds and Planting Material

(iv) National Mission on Farm Mechanization and Energy

(v) National Oilseeds and Oil-plam Mission

(vi) National Mission on Sustainable Agriculture

In addition, following four schemes have also been identified:

(i) National Farmers Income Security Scheme

(ii) Central Agriculture Infrastructure & Establishment Scheme (CAI&ES)

(iii) National Agriculture Infrastructure and Information Development Scheme (NAIDS) or RKVY (Infra and Info)

(iv) Rashtriya Krishi Vikas Yojana

The above-mentioned missions/schemes are proposed to be implemented during 12th Five Year Plan (2012-2017)."

V. UNREALISTIC BUDGETING

19. According to Rule 48(2) of the General Financial Rules, 2005 and annual budget circular issued by the Ministry of Finance, Ministries/Departments are required to prepare their budget estimates keeping in view the disbursement trends during the previous years and other relevant factors such as the economy instructions issued by the Ministry of Finance from time to time.

20. However, Audit Scrutiny had revealed that excessive provisions under various sub-heads were made by the Department which resulted in large provisions remaining unutilized during the years 2007-2010 and were either re-appropriated to other heads or surrendered.

(₹ in crore)

Sl. No.	Sub-head	Budget provision	Actual expenditure	Savings	Saving as a percentage of BE
1	2	3	4	5	6
2007-08					
1.	2401.00.800.23-Establishment of Agricultural Clinic Agriculture Business Centres	20.00	5.00	15.00	75
2.	2401.00.800.24-Strengthening/Promoting Agricultural Information System	29.28	13.62	15.66	53
3.	3601.03.436.11-Rainfed Area Development Programme	55.00	-	55.00	100
4.	6401.00.190.04- State Farm Corporation of India	12.00	-	12.00	100
2008-09					
5.	2401.00103.31- Grants to SFCI/NSC for restructuring	21.00	-	21.00	100
6.	2401.00.108.27- Rainfed Area Development Programme	25.00	-	25.00	100
7.	3601.03.437.08- National Project on Promotion of balanced use of fertilizers	19.00	0.05	18.95	100

1	2	3	4	5	6
2009-10					
8.	2401.00.108.27- Rainfed Area Development Programme	25.00	-	25.00	100
9.	2401.00.800.35- Rashtriya Krishi Vikas Yojana	14.38	1.36	13.02	91
10.	4401.00.113.13-Estt. of Farm Machinery Training and Testing Institute	12.20	1.87	10.33	85
11.	6425.00.107.01-Loans for Land Development Bank	58.00	35.00	23.00	40

21. When asked about the adherence to the Rule 48(2) of GFR, the Ministry in a note stated as under:—

> "The Department had adhered to GFR 48(2) while preparing budgetary provisions for the years 2007-2010. Non-utilization of funds under some schemes such as RADP was due to non-approval of the scheme during these years. Provision of funds were made anticipating early approval of the scheme by the competent authority."

VI. RAINFED AREA DEVELOPMENT PROGRAMME

22. In the Budget speech of the Union Finance Minister for 2007-08, a new scheme, the Rainfed Area Development Programme (RADP) was announced and a provision of Rs. 348.00 crore and Rs. 154.00 crore made during 2008-09 and 2009-10 respectively remained entirely unutilized due to non-approval of the scheme.

23. On the Audit observation, Secretary, Department of Agriculture and Co-operation while deposing before the Committee, put forth his views as under:—

> "In this country maximum area is rainfed and this is a very important programme. We have been trying each and every year, for the last three years to introduce this scheme. In fact, it was announced in the Budget and that is how money was provided in 2007-08. Every year we tried to get it passed, but we could not get it passed. Finally, last year and again because of the flexible RKVY scheme both Planning Commission and Expenditure agreed to put RADP as a window in the RKVY and we could immediately roll it from this April."

The Secretary also submitted that Rainfed Area Development Programme was their priority and Ministry kept convincing the Planning Commission and Department of Expenditure about this and they could succeed only this year. He added that the Government had created the National Rainfed Authority primarily for this purpose.

24. During the course of examination of the representatives of Ministry of Agriculture, the Committee wanted to know if the RADP Scheme was started on the basis that sanction for the Scheme would come in due course and to this, the Secretary replied as:—

> "Sir, I agree to that."

25. Then the Committee sought to know if 3 years had been lost in getting the Scheme sanctioned and to this the Secretary deposed as under:—

> ''It is a pathetic thing. I admit it.''

26. When the Committee desired to know the reasons for inordinate delay in getting the RADP project cleared under RKVY, the Secretary, Department of Agriculture and Cooperation submitted as under:—

> ''RADP was doing the rounds of Planning Commission, Ministry of Finance and our Ministry, in the same year 2007-08, the Government did introduce Rs. 25,000 crore project, the Rashtriya Krishi Vikash Yojana and a Rs. 5,000 crore project, the National Food Security Mission. While the National Food Security Mission was targeted on wheat, rice and pulses, under the RKVY many of things which normally would have been taken up under RADP was getting done by the States because power to sanction is delegated to States through the RKVY. That does not ofcourse give me an excuse as to why RAPD project could not be cleared. For that certainly I am to blame, the Finance is to blame and planning Commission is to blame. No scheme should take three years to be cleared.''

27. When the Planning Commission was asked to explain the reasons for the inordinate delay in granting approval to RADP under RKVY, its Agriculture Division in a written submission explained:—

> ''The 11th Five Year Plan had kept an amount of Rs. 3500 crore for introducing a new scheme of Rainfed Area Development Programme (RADP). During the course of examining the proposal of RADP, it was observed that there were a number of watershed development programmes with similar content being implemented by different Departments. Department of Land Resources has been implementing Integrated Watershed Development Programme, Drought Prone Area Programme and Desert Development Programme for development of watersheds in rainfed farming areas. Department of Agriculture and Cooperation was implementing National Watershed Development Programme for Rainfed Areas (NWDPRA), and Enhancing Productivity of Degraded Lands, in the Catchments of River Valley Projects and Flood prone Rivers as part of the centrally sponsored Scheme of Macro Management of Agriculture. For the Eleventh Five-Year Plan Department of Land Resources proposed the Integrated Watershed Management Programme (IWMP), merging all their programmes, with an 11th plan Outlay of over Rs. 15,000 crore. While considering proposal of the Department of Land Resources on Integrated Watershed Management Programme the Cabinet referred the matter to a Group of Ministers to recommend, *inter alia,* measures for establishing linkages with other relevant programmes/schemes. The Group of Ministers in its meeting held on 18th February, 2009 recommended that all or most of the programmes may be brought under one centrally sponsored scheme supervised by one Ministry of Government of India. The National Rainfed Area Authority, which was constituted in 2006, was also assigned the task of looking into multiplicity of these programmes and formulate common guidelines for implementing watershed development programmes. The NRAA formulated

common guidelines in 2008. The proposal of RADP of the Department of Agriculture and Cooperation was considered in the light of the recommendation of the Group of Ministers and it was decided that in view of larger institutional presence of the Department of Land Resources sponsored State Level Nodal Agency (SLNA) only Department of Land Resources should implement Integrated Watershed Management Programme and other Programmes should be merged therein. In view of this, the Department of Agriculture and Cooperation recast its proposal in April, 2010 on RADP on a farmer-centric farming system driven approach in order to benefit from many points of convergence with IWMP. It was advised to the Department to operationalise the proposal through a window in RKVY. The Department is implementing RADP as a sub-scheme of RKVY for the year 2011-12."

28. To a question regarding time limit for granting approval to projects/schemes, the Planning Commission submitted as under:—

"The Planning Commission accords 'in-principle' approval for the projects/ schemes within four weeks. 'In-principle' approval is required for the projects/ schemes that are not included in the eleventh Plan document so as to avoid proliferation of schemes involving duplication and avoidable expenditure on implementing machinery. Planning Commission appraises schemes and projects for the approving authorities for which the time frame has again been stipulated at four weeks."

VII. PERSISTENT SAVINGS

29. Audit scrutiny revealed that there were persistent unspent provisions under various sub-heads during 2007-10 in the Appropriation Accounts of the Department Large/entire unspent provisions under these grants reflected deficient budgeting by the department affecting the proper implementation of scheme(s)/project(s).

(₹ in crore)

Sl. No.	Sub-head	Year	Budget provision	Actual expenditure	Savings	Reasons given by the Ministry
1	2	3	4	5	6	7
1.	2401.00.108.27 -Rainfed Area Development Programme	2007-08	40.00	Nil	40.00	Entire Provision remained unutilized due to non-approval of the schemes
		2008-09	25.00	Nil	25.00	-do-
		2009-10	25.00	Nil	25.00	-do-

1	2	3	4	5	6	7
2.	3601.04.436.12-Rainfed Area Development Programme	2008-09 2009-10	282.00 112.00	Nil Nil	282.00 112.00	-do- -do-
3.	2401.00.109.26-Support to State Extension Services	2007-08	206.00	149.38	56.62	Unspent balance of previous years was available with States
		2008-09	257.00	185.80	71.20	-do-
		2009-10	260.25	178.59	81.66	-do-
4.	2401.00.119.40-National Horticulture Mission	2007-08	1150.00	919.18	230.82	-do-
		2008-09	1100.00	1010.50	89.50	-do-
		2009-10	1100.00	800.00	300.00	-do-

30. When the Committee desired to know the reasons for persistent weakness in containing the unspent savings, the Ministry in its note replied that:—

> ''...savings were not due to un-realistic budget provisions but due to circumstances beyond the control of the department, such as delay in obtaining necessary approvals of competent authority *viz.* CCEA, EFC for some schemes, lesser demand of funds than anticipated from State/Implementing agencies, etc. Most of the schemes of the Department of Agriculture and Cooperation were implemented through the State Governments. Even though the department remained in regular touch with each State to ensure the implementation of each plan scheme, every State was not in a position to fully and effectively implement all schemes to the extent desired. States also underplayed their inability to effectively implement the schemes in the expectation that the situation in terms of their capacity to provide matching resources, manpower, etc. would improve. Further, when this did not happen, the pace of expenditure slowed and savings were generated.''

31. On being asked about the Action plan/programme that was put in place in coordination with the State Governments/ implementing agencies to arrest the trend of persistent savings, the Ministry submitted that:—

> "The Department issues administrative approval in respect of individual schemes every year in the month of April/May indicating annual Major Head-wise allocations, major activities to be implemented and incorporating general and scheme specific instructions. This administrative approval is addressed to all States/Implementing agencies. The States/implementing agencies accordingly submit their Annual Action Plans which include all details regarding the

implementation of the scheme such as outputs and outcomes, provisional UC etc. Based on detailed examination of AAP submitted by each State/Implementing Agency, Annual Action Plan is approved. In respect of major schemes the Annual Action Plan is approved after detailed discussions in which major issues/ difficulties/hurdled/challenges faced by States/Implementing Agencies are discussed before AAP is approved. The Department monitors implementation/ progress of schemes through field visits, periodic review meetings etc.... Based on the feedback and progress reports received from the States, the available funds are reallocated and released to good performing States as additional release. The unspent balances of previous years available with the States are fully adjusted against the releases of next financial year.''

32. When asked to enumerate the reasons for not phasing out the expenditure uniformly throughout the financial year, the Ministry replied that:—

''Expenditure was phased out in the Detailed Demands for Grants as per Monthly Expenditure Plan/Quarterly Expenditure Allocation and regulated accordingly. Wherever necessasry, approval of Ministry of Finance was also obtained.''

33. The Committee sought to know if the Ministry/Implementing agencies could spend constructively the amounts released during last quarter of financial year for the purpose for which it was actually sanctioned. To this, the Ministry submitted:—

''Funds were released after due assessment of actual requirement including provision of funds through Supplementary Demands with the approval of Ministry of Finance/Parliament. Any unspent funds at the end of the year were revalidated for utilization during the next financial year. First instalment of funds during subsequent financial year is released after receipt of Provisional UCs and Progress Report relating to the funds released during the preceding financial year. Any unspent funds at the end of the year are revalidated for utilization during the next financial year. Officials of the concerned Divisions in the Department review utilization through personal visits to the States as well as through meetings.''

34. When enquired about the oversight mechanism prevalent in the Ministry of Agriculture to ensure that there was accountability for financial management and appropriate use of public funds, the Ministry in its response stated as:—

''The expenditure is reviewed in weekly Senior Officers' meetings chaired by Secretary of this Department. The Internal Finance Wing headed by the Financial Advisor and supported by CCA scrutinizes each and every proposal for release of plan expenditure thoroughly as per GFR and other instructions issued by Ministry of Finance and only after concurrence of Integrated Finance Division (IFD) expenditure sanction is issued by the Division.''

35. The Committee desired to know the mechanism the Ministry had devised or proposed to devise to look into the progress of expenditure of individual States for implementation of scheme(s). The Ministry apprised the Committee as:—

''The instructions issued by Ministry of Finance are always kept in view while finalizing budget estimates. The progress of expenditure is regularly monitored at the level of AS & FA/Secretary and also discussed in the weekly senior officers meeting regularly. This activity is also included in the weekly audio-visual conferences held with the States for reviewing crop situation, availability of inputs, etc.''

VIII. OUTSTANDING UTILIZATION CERTIFICATES

36. Audit observed that 373 Utilisation Certificates (UCs) involving ₹ 1,757.70 crore were outstanding in respect of grants-in-aid released by the Department upto 31.3.2009. Large number of outstanding UCs involving huge amount of grants indicated that the Department had failed to devise any mechanism to tackle the phenomenon of non-submission of UCs by the entities receiving grants.

37. When the Committee wanted to know how the UCs were outstanding in respect of grants in-aid released, the Ministry informed as under:—

> ''State Governments and Implementing Agencies were regularly reminded to submit pending UCs. Second instalment of funds were generally released only on receipt of provisional UCs. Audited UCs were difficult to be obtained from the agencies who had taken one time grant-in-aid. However, the Department keeps reminding such institutions to submit pending UCs in accordance with prescribed rules.''

38. Regarding the timeline by which the State Governments/Implementing Agencies were supposed to submit the provisional UCs so that second instalment of funds could be released, the Ministry submitted that:—

> ''As per provisions of GFR 212(1) the Utilization Certificate should be submitted within twelve months of the closure of the financial year by the Institution or Organisation concerned to whom the grants have been released. Where such certificate is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such institution or Organisation from any future grant, subsidy or other type of financial support from the Government.''

39. On being specifically asked about the action taken in terms of GFR when the State Governments/Implementing Agencies did not comply with the timeline as prescribed for submitting provisional UCs, the Ministry in its written submission stated as under:—

> ''Direction had been issued to all Pay & Accounts Offices of the Ministry of Agriculture to closely monitor submission of UCs and not be make payment if UCs were due against any States/UT/Agency. IFD of the Ministry may not accord financial concurrence for further release of grants in such cases where UCs were due against any State/UT/Agency. Year-wise and State-wise UCs had been analysed and detailed list of Agencies and schemes had been prepared against whom UCs were outstanding. It has also been decided to conduct audit of the defaulting grantee units (Agencies) by the Internal Audit wing of CCA to verify actual utilization of Grants released to them. Special Audit Team was formed under the supervision of CCA/CA and the audit of major defaulting units

shall start from November, 2011. During such audit the expenditure related records and the target and outcome of the schemes for which the grants was released would be examined to ensure that the grants had been utilized properly for the purpose for which they were released."

40. The Secretary, Department of Agriculture and Cooperation in his deposition before the Committee on the issue of obtaining Utilization Certificates, submitted as:—

"This has been a big issue not only in Agriculture but in every Department, my understanding was that, suppose the Government is giving money to an outside agency, an NGO or a private entity, we look for a utilization certificate from that entity. But, when Government is giving it to the Government, in most of the schemes the money goes to the State Government. The States are audited by the CAG. There is no escape from that. So, it will be tracked down as to whether they are using that money for the correct purpose or not. What is more important, especially for Agriculture, is to see that, if you give money for the National Food Security Mission to produce 10 lakh tonnes of pulses, whether you produced those pulses or not. Can we have a re-look at insistence on UCs between Governments? That might save a lot of time for bureaucracy which should rather than look for the outcome."

He further elaborated that when money was given to State, it was transferred from Central Government to the State Government through a scheme of the Government of India and Government of India gave money to the States through plan exercise.

41. Putting forth the problem face in obtaining audited Utilisation Certificates from agencies which had taken one time grants-in-aid, the Ministry in its submission has admitted that:—

"Agencies which had taken one time grant were generally not forthcoming with UCs as they had no further interest in the matter."

It was added that:

"In order to overcome this problem, this Department has initiated Audit of such grants through internal audit party."

42. To a pointed query as to whether the release of 2nd instalment of funds in respect of those agencies which had not furnished provisional UCs had ever been withheld, the Ministry replied:—

"The Department released second instalment only after receipt of provisional UC and progress report for previous year plus progress report indicating utilization of funds released in the current year."

IX. FIELD VISITS

43. The Committee were apprised that the Ministry undertook field visits to oversee the actual implementation of Schemes/Projects. In this regard, the Committee sought

to know the field visits undertaken by the Ministry during last two years. It was replied as under:—

"The details of field vists undertaken in respect of Rashtriya Krishi Vikas Yojana (RKVY) and National Food Security Mission (NFSM) are given below:—

(i) RKVY was started in August, 2007 as a State Plan Scheme for implementation in the States/UTs. The National Institute of Rural Development (NIRD), Hyderabad was engaged as National Consultant for monitoring and implementation of RKVY in the States during the period 2008-09 to 2010-11. Officers of NIRD had been regularly visiting the States during these years and submitting reports on the basis of field visits made by their officers. Apart from this, senior officers of the Department are also making field visits to the States for assessment of the implementation of RKVY. Implementation of RKVY is also monitored during SLSC meetings of the States held under the Chairmanship of the Chief Secretary of the concerned States.

(ii) NFSM:— There are nine National Level Monitoring Teams (NLMTs) involving all the nine Crop Development Directorates consisting of eminent scientists/stakeholders constituted for monitoring the scheme during 11th Plan period. About 27 visits were undertaken by the NLMTs during last two years. Besides, a dedicated Project Management Team has been created for monitoring of NFSM scheme which frequently visit NFSM states for monitoring of implementation of the programme, in addition to zonal review meetings taken by this Ministry. The outcomes of the reports of the NLMTs/ tour reports of the PMT are communicated to the concerned States for taking appropriate action."

44. Regarding the preparation and submission of the report on the outcome of field visits and follow up action taken on the same, the Ministry submitted as under:—

"The Reports of the National Level Monitoring Teams (NLMT/Project Management Teams (PMT) conveying their feedback on the monitoring of National Food Security Mission (NFSM) were communicated to the concerned States for taking appropriate action. Based on these reports and the feedback received thereon from the States as per field level requirements, guidelines for implementation of the NFSM have been modified from time to time. For example, improved farm machineries like Laser Land Levelers, Ridge Furrows and Zero Till Multi-Crop Planters were included as admissible items of equipments/ machinery eligible for funds under NFSM on the basis of this feedback. Similarly, the pulse component of ISOPOM was merged with NFSM during 2010-11 on the basis of feedback received from these teams which helped avoid duplication of schemes/efforts.

The Team of officers from National Institute of Rural Development (NIRD) which was entrusted with the monitoring of implementation of RKVY during 2008-09—2010-11 submitted their report after each visit which were sent to the concerned States for taking necessary actions/steps for better implementation of the scheme. A document, Thought for Food, was compiled, printed and delivered to the States on the basis of these reports to help them prioritize interactions under RKVY."

PART II

OBSERVATIONS/RECOMMENDATIONS

1. The Department of Agriculture and Cooperation under the Ministry of Agriculture is responsible for formulating and implementing national policies and programmes aimed at achieving rapid agricultural growth and development through optimum utilization of India's land, water, soil and plant resources. The Department essentially supplements and complements the efforts being made by the State Governments to promote agricultural production and productivity as well as to raise farmers' income. It also directly intervenes in matters connected with trade, price policy, credit etc.

While examining the Grant No. 1 of Chapter 8 'Review of Selected Grants' of Audit Report No. 1 of 2010-11, the Committee found various deficiencies *viz.* **unrealistic and defective budgeting leading to entire/large amounts being saved; unnecessary supplementary grants which were entirely unspent; indiscriminate use of delegated powers of re-appropriation of funds, diluting the process of Parliamentary authorization; non-receipt of utilization certificates in time, weak internal audit control mechanism and so on. The Committee's examination of these deficiencies and their findings have been dealt with in detail in the succeeding paragraphs.**

2. The Committee observe that the Department surrendered a large part of its unspent provisions under revenue and capital sections on the last day of the financial years in all the three years *i.e.* **during 2007—2010. As per Rule 56(2) of the General Financial Rules, unspent provisions in a grant or appropriation are required to be surrendered to the Government as soon as these are foreseen, without waiting for the end of financial year. Asked to explain why the financial rule was defied, the representative of the Department while conceding the delay in surrender of unspent provision, attributed the delay to the States who informed the Department regarding savings only in the latter part of the financial year. The plea of the Department is unacceptable being violative of the General Financial Rules. The Committee, therefore, recommend that the Department should strictly monitor the release of funds and pace of expenditure so as to overcome situation of underspending or delays in surrender of unspent provisions.**

3. The Committee in their earlier Report (88th Report—10th Lok Sabha) had specifically recommended that supplementary grants be obtained in emergent cases only. Further, it was also recommended that supplementary demands were to be restricted and confined to genuine unforeseen expenditure which could not be envisaged at the time of preparation of annual budget. The Committee are perturbed to note that despite the instructions of the Ministry of Finance to that effect, the Ministry of Agriculture sought supplementary grants under sub-heads in anticipation of higher disbursement but a large portion of the grant remained unutilized at the end of the financial year. The Committee are appalled to note the cavalier approach of

the Ministry while seeking supplementary grants as the entire supplementary grant of ₹ 4 crore was surrendered during 2007-08 and ₹3.64 crore was surrendered as against the supplementary grant of ₹1.05 crore during 2008-09. The Committee wish to reiterate that the supplementary grants be obtained in exceptional circumstances and justify the same by appropriating the grants within required time and for approved purposes. Further, it is necessary that the Ministry project requirement of funds on realistic assumptions at the estimate stage itself which could thus prevent supplementary grants being sought.

4. The Committee deplore that during the year 2009-10, a total of 135 re-appropriation orders involving ₹3875.48 crore were issued between the different primary units of appropriations issued by the Department which had the effect of distorting the authorisation approved by the Parliament. Reasons for such large scale re-appropriations of funds by the Department were attributed to the vagaries of nature, straitjacketing of schemes and the procedural hurdles in dealing with the States. Taking cognizance of the reasons advanced by the Department, the Committee are sanguine that these hurdles can certainly be overcome if proper scientific studies of weather conditions are done with regular coordination with the Department of Agriculture, Research and Education (DARE), National Remote Sensing Agency (NRSA) and the Department of Meteorology. Taking note of such large scale-re-appropriations, the Committee hardly need to stress that there is an imperative need to streamline the budget allocation process and to re-orient the priorities given to different schemes based on ground realities and the ability of the implementing agencies to deliver within the given timelines. Further, based on the requirements, the Department need to convince the Planning Commission and the Ministry of Finance with regard to the number of Central Schemes and the flexibility needed by the Department for their successful implementation.

5. While examining the issue of unrealistic budgeting, the Committee observe that excessive provisions under various sub-heads had resulted in ₹233.96 crore remaining unutilized during the years 2007—2010. Strangely, the Ministry informed the Committee that non-utilisation of funds under some schemes such as Rainfed Area Development Programme was due to the non- approval of the Scheme. The Committee find that the Planning Commission accorded approval to the Scheme only after 3 years of budgetary provision for the same being approved by Parliament in 2007-08. Asked to explain the anomaly, the Secretary, Ministry of Agriculture admitted that it was pathetic that three years had been lost in getting a Scheme sanctioned. The Committee deplore that such an important scheme approved by Parliament was delayed in implementation. The Committee wish to caution the Government not to rush to Parliament for launching a new Scheme without necessary inter-departmental consultation and concurrence and ensure that once funds are approved for a Scheme by Parliament, the scheme must be implemented without delay. The Committee note with serious concern the delay on the part of the Planning Commission in approving the RADP Scheme and the unusually long time it took to merge the various watershed development programmes into one Centrally Sponsored Scheme, being implemented by different Departments. Further, the Secretary, Ministry of Agriculture while deposing before the Committee suggested that there

had to be flexibility in the Budget and Budget releases should be in two tranches which would match with the 'Rabi' and 'Kharif' crop patterns. Considering the merit of the observation, the Committee, recommend that the matter be taken up with the Ministry of Finance for feasibility of passing the budget during July-August so that money is released by October, thereby coinciding with the 'Rabi' season and the second allocation may be released in March-April coinciding with the 'Kharif' season.

6. Mindful of the crunch of resources and the competing claims of various Departments for allocation of resources, the Committee are perturbed to note that the Department of Agriculture could not spend funds to the tune of ₹1313.80 crore under various sub-heads during 2007—2010 thereby affecting adversely the implementation of the Schemes/Projects. The Committee are not inclined to accept the reasons advanced by the Department as there are always causes and reasons having their effect on the implementation of the scheme. In their considered view the Department need to adopt a deterministic approach based on causes and effects to avoid situations of underspending/overspending/reappropriation. The Committee also find that the Ministry has shifted the responsibility on the beneficiaries for Savings that were noticed during 2007—2010, and absolved itself of the responsibility of monitoring and overseeing the implementation *vis-a-vis* **utilization of earmarked funds. The Committee, therefore, consider it incumbent upon the Ministry to remove all infirmities and bottlenecks that slow down the pace of expenditure so that funds approved by Parliament are spent on the approved schemes and within the given financial year based on strict monitoring of the physical outcome.**

7. The Committee's examination of submission of Utilisation Certificates in respect of grants-in-aid released by the Department (upto 31.03.2009) revealed that 373 UCs involving ₹1757.70 crore were still outstanding. This clearly indicated that the Department had failed to devise any mechanism to tackle the phenomenon of non-submission of UCs by the organizations that were receiving grants. Though the Ministry has stated that State Governments and Implementing Agencies were being regularly reminded to submit pending UCs, the Committee find the reply rather routine without any assurance whether the grants disbursed by the Department were being utilized for the purposes for which they were meant. Further, the Committee also note that the Department's procedure in vogue about releasing the second instalment of funds only on receipt of provisional UCs is not being strictly followed. The plea of the Ministry to do away with the requirement of submission of UCs on the ground that the grants given to State Governments are audited by CAG is not acceptable, as the CAG conducts only test check. The Committee are apprehensive that doing away with utilization certificate would lead to financial indiscipline. The Committee therefore underline the need for simplification of procedure, strict adherence of the prescribed financial procedure and greater reliance on e-governance so as to bring transparency and efficiency. In respect of the problem faced by the Ministry in obtaining audited UCs from agencies which had taken one time grant-in-aid, the Committee recommend that all these cases be enquired into to ascertain whether there was any misappropriation. Appreciating the Ministry's efforts with regard to setting up of a Special Audit Team to audit defaulting units, the Committee would like to be apprised about the outcome of this measure.

8. Detailing the oversight mechanism that was prevalent in the Ministry in order to ensure accountability with regard to financial management and appropriate use of public funds, the Ministry apprised the Committee that expenditure was being reviewed through weekly Senior Officers' meetings chaired by Secretary of the Department. The Committee were apprised that each and every proposal for release of plan expenditure was thoroughly scrutinized by Internal Finance Wing headed by the Financial Adviser. About the progress of expenditure, the Committee find that regular monitoring at the level of AS&FA/Secretary was being carried out alongwith weekly audio-visual conferences held with States for reviewing crop situation, availability of inputs and so on. Inspite of all this, the Committee find that there are systemic deficiencies which have remained unaddressed for long. The Committee desire that the Ministry review the progress of expenditure more meticulously whereby the scope for defective internal budgeting is eliminated or drastically reduced. About implementation of Schemes, the Ministry informed the Committee that it organized field visits to monitor the progress. Asked to share the details of field visits, the representative of the Department conceded that most of these visits were confined to Universities rather than to farmers' fields. The Committee would like the Ministry to desist from such 'luxury visits' and instead the inspecting teams be directed to visit the farmers' fields across the country in different climatic zones and submit their detailed findings to the Government. The Committee would also like to be apprised of the names of officers who undertook field visits during the last three years, the fields they visited and the report they submitted to the Department and the follow up action taken thereon.

9. The Committee observe that agriculture has been a way of life in India over eons and continues to be the single most important source of livelihood of the masses. Notwithstanding the declining contribution to GDP, agriculture continues to be a critical component from the perspective of income distribution as it accounts for about 58 per cent employment in the country according to 2001 census. Given the enormity of the challenge of feeding the 1.2 billion plus people and their nutritional requirements, the Committee recommend that priority be accorded to agriculture as food security has implications for macro-economic stability, the national security and India's Standing in the comity of nations. The nation can ill afford to be oblivious of the 'ship to mouth' food crisis and the hard fact that food exports can be used to advance geostrategic aims by the supplier nation(s). Considering the implications of food security and the multiplier effect of agriculture sector on the economy, the Committee are of the considered view that comprehensive and coordinated strategies need to be evolved to enhance agriculture production and productivity with right admixture of traditional and modern farming practices with greater focus on sustainable agriculture. The Committee would like to be apprised of the action taken and the strategies evolved in this behalf.

NEW DELHI;
24 *April,* 2012
4 *Vaisakha,* 1934 (*Saka*)

DR. MURLI MANOHAR JOSHI
Chairman,
Public Accounts Committee.

APPENDIX I

MINUTES OF THE SEVENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2011-12) HELD ON 23RD SEPTEMBER, 2011

The Public Accounts Committee sat on Friday, the 23rd September, 2011 from 1500 hrs. to 1700 hrs. in Room No. '53', Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Anant Kumar Hegde
5. Shri Bhartruhari Mahtab
6. Shri Shripad Yesso Naik
7. Shri Sanjay Nirupam
8. Shri Jagdambika Pal
9. Shri Adhi Sankar
10. Shri K. Sudhakaran
11. Dr. Girija Vyas

Rajya Sabha

12. Shri Tariq Anwar
13. Shri Naresh Gujral
14. Shri Prakash Javadekar
15. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri Abhijit Kumar — *Director*
3. Shri M.K. Madhusudhan — *Additional Director*
4. Smt. A. Jyothirmayi — *Deputy Secretary*

Representatives of the Office of the Comptroller and Auditor General of India

1. Ms. Rekha Gupta — Deputy C&AG (RC)
2. Ms. Subha Kumar — Director General of Audit (Report Central)
3. Shri A.M. Bajaj — Principal Director of Audit (ESM)

Representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation)

1.	Shri P.K. Basu	—	Secretary (A&C)
2.	Shri Ashish Bahuguna	—	AS & FA

2. At the outset, the Chairman welcomed the Members and the representatives of the Office of C&AG to the Sitting of the Committee. The Chairman, then apprised the Members that the Sitting was convened to take oral evidence of the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) on Review of Selected Grants — Grant No. 1' based on C&AG Report No.1 of 2010-11 (Para Nos. 8.1 to 8.12)

3. The representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) were then called in. The Committee thereafter proceeded with the examination of the subject. The Secretary, Ministry of Agriculture informed the Committee that the Ministry had made a suggestion to the Planning Commission not to have 52 different schemes for agriculture sector. They, in fact, suggested that only 5 or 6 important national mission schemes may remain with the Ministry of Agriculture and the rest may be left to the States through the Rashtriya Krishi Vikas Yojana. The Secretary informed the Committee that discussions were held at the level of Member (Agriculture), Planning Commission and that in principal they were agreeable to the proposal. The Secretary further observed that though there were a lot of re-appropriations and surrender in the Budget, the Ministry had not allowed the funds to go waste.

4. The Secretary further informed the Committee that to keep an eye on the various schemes being implemented by the State Governments funded by the Centre, the Ministry of Agriculture sent officers to monitor the projects. The Committee asked the Secretary to send the names of the officers, the fields they visited and the report they submitted during the last three years to the Committee. The Committee also directed the officers visiting the States to meet the farmers in distant areas rather than restricting it to State Capitals/Universities.

5. The Committee emphasized the need for compilation of accurate statistics with regard to production of crops with the help of ISRO. The Committee were informed by the Secretary that through remote sensing method, efforts were being made for mapping the exact yield as every crop had a partricular surface temperature. The Committee cautioned the representatives of the Ministry not to be oblivious to the adverse consequences of new seeds, fertilizers and pesticides on India's centuries old good agricultural practices and the wisdom of our farmers.

6. The Secretary, Ministry of Agriculture suggested that the need for obtaining Utilization Certificates should be done away with as it would save a lot of time. The Committee were, however, of the opinion that this would lead to financial indiscipline.The Committee therefore underlined the need for simplification of procedure, reliance on e-governance so as to bring in greater transparency and efficiency.

7. The Secretary, Ministry of Agriculture informed the Committee that there had to

be flexibility in the Budget and the Budget releases should be in two tranches which would match with the Rabi and Kharif crop patterns. Some Members of the Committee suggested that the Budget should be passed during July/August so that money could be released by October coinciding with the Rabi Season and thereafter the next allotment made in March-April coinciding with the kharif season. The Secretary stated that the matter would be re-looked into. The representatives of the Ministry clarified the various other points raised by the Members.

8. The Chairman thanked the representatives of the Ministry for deposing before the Committee in a free and frank manner. The Chairman also thanked the representatives of the office of the C&AG of India for providing valuable assistance to the Committee in the examination of the subject.

The witnesses, then, withdrew.

9. After the witnesses and the officers of C&AG withdrew, a Member, referring to the media reports on the issue of 2G spectrum, stated that since the subject was still unfinished, the Committee need to look into the matter. The Chairman observed that it would not be proper to react on the basis of media reports and therefore took the view that a copy of the said note from Finance Ministry along with all connected documents/ correspondence would be called for and examined. He assured the Members that the matter would be looked into after the note was received.

A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee, then, adjourned.

APPENDIX II

MINUTES OF THE TWENTY-FIRST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2011-12) HELD ON 24TH APRIL, 2012

The Public Accounts Committee sat on Tuesday the 24th April, 2012 from 1500 hrs. to 1600 hrs. in Room No. '51' (Chairman's Chamber), Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Shri Bhartruhari Mahtab
4. Shri Shripad Yesso Naik
5. Dr. Girija Vyas

Rajya Sabha

6. Shri Prasanta Chatterjee
7. Shri Prakash Javadekar
8. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri Abhijit Kumar — *Director*
3. Shri D.R. Mohanty — *Deputy Secretary*
4. Smt. A. Jyothirmayi — *Deputy Secretary*

Representatives of the Office of the Comptroller and Auditor General of India

1. Shri A.M. Bajaj Pr. Director, Audit
2. Ms. Geetali Tare Pr. Director, Audit
3. Ms. Sudha Rajan Director

2. At the outset, the Chairman welcomed the Members and the representatives of the Office of the Comptroller and Auditor General of India to the sitting of the Committee. Apprising the Members that the meeting had been convened to consider and adopt four Original Draft Reports of the Committee, the Chairman desired that the said Reports be taken up one by one for consideration for appropriate incorporation of the views, if any, of the Members therein.

3. Accordingly, the Committee took up the following Draft Reports for consideration and adopted the same:

(i) 'Review of Grant No. 1—Department of Agriculture & Cooperation' based on the C&AG Report No. 1 of 2010-11 (Paras 8.1 to 8.12 of Chapter VIII);

(ii) **** **** ****

(iii) **** **** ****

(iv) **** **** ****

4. The Committee, then, authorized the Chairman to finalise the Draft Reports in light of the factual verifications, if any, received from Audit and present the Reports to the House on a date convenient to him.

5. The Chairman thanked the Members for their cooperation and active participation in the discussions. He also thanked the representatives of the Office of the C&AG for their valuable inputs and assistance to the Committee in the examination of the subjects. The Committee also appreciated the hard work put in by the Secretariat in drafting and finalising 25 Reports during the current term of the Committee.

The Committee, then, adjourned.

****Not related to this Report.

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