

14

**STANDING COMMITTEE ON FINANCE
(2014-15)**

SIXTEENTH LOK SABHA

**MINISTRY OF STATISTICS AND
PROGRAMME IMPLEMENTATION**

**DEMANDS FOR GRANTS
(2015-16)**

FOURTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2015 / Vaisakha, 1937 (Saka)

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PROGRAMME IMPLEMENTATION**

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(2015-16)**

Presented to Lok Sabha on 24 April, 2015

Laid in Rajya Sabha on 24 April, 2015



**LOK SABHA SECRETARIAT
NEW DELHI**

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16 April, 2015

COMPOSITION OF COMMITTEE ON FINANCE – 2014-15

Dr. M. Veerappa Moily, Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Venkatesh Babu T.G.
4. Shri Sudip Bandyopadhyay
5. Shri Nishikant Dubey
6. Shri P.C. Gaddigoudar
7. Dr. Gopalakrishnan C.
8. Shri Shyama Charan Gupta
9. Shri Prataprao Jadhav
10. Shri Rattan Lal Kataria
11. Shri Bhartruhari Mahtab
12. Shri Prem Das Rai
13. Shri Rayapati Sambasiva Rao
14. Prof. Saugata Roy
15. Shri Jyotiraditya M. Scindia
16. Shri Gajendra Singh Sekhawat
17. Shri Gopal Shetty
18. Shri Anil Shirole
19. Shri Shivkumar Udasi*
20. Dr. Kiritbhai Solanki
21. Dr. Kirit Somaiya

RAJYA SABHA

22. Shri Naresh Agrawal
23. Shri Naresh Gujral
24. Shri A. Navaneethakrishnan
25. Shri Satish Chandra Misra**
26. Dr. Mahendra Prasad
27. Shri P. Rajeeve
28. Shri C.M. Ramesh
29. Shri Ajay Sancheti
30. Shri Digvijaya Singh
31. Dr. Manmohan Singh

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Shri P.C. Koul | - | Director |
| 2. | Shri Ramkumar Suryanarayanan | - | Additional Director |
| 3. | Shri Kh. Ginlal Chung | - | Committee Officer |

* Nominated w.e.f. 24.02.2015 vide Bulletin Part - II dated 24.02.2015 against the vacancy caused due to induction of Shri Jayant Sinha, MP to the Union Council of Ministers w.e.f 09.11.2014.

** Nominated w.e.f. 08.01.2015 vide Bulletin Part - II dated 12.01.2015 against the vacancy caused by retirement of Shri Brajesh Pathak, MP from Rajya Sabha.

INTRODUCTION

I, the Chairperson of the Committee on Finance, having been authorised by the Committee, present this Fourteenth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2015-16)' of the Ministry of Statistics and Programme Implementation.

2. The Demands for Grants (2015-16) of the Ministry of Statistics and Programme Implementation were laid on the Table of the House on 18 March, 2015 under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on 31 March, 2015. The Committee wish to express their thanks to the representatives of the Ministry of Statistics and Programme Implementation for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2015-16).

4. The Committee considered and adopted this Report at their Sitting held on 16 April, 2015.

5. For facility of reference, the Observations / Recommendations of the Committee have been printed in bold at the end of the Report.

**New Delhi;
16 April, 2015
26 Chaitra, 1937 (Saka)**

**DR. M. VEERAPPA MOILY,
Chairperson,
Committee on Finance.**

REPORT

PART I

1. INTRODUCTORY

1.1 The Ministry of Statistics and Programme Implementation came into existence as an Independent Ministry on 15 October, 1999 after the merger of the Department of Statistics and the Department of Programme Implementation. The Ministry has two wings, one relating to Statistics and other Programme Implementation.

1.2 The Statistics Wing, called the National Statistics Office (**NSO**), consists of the Central Statistics Office (CSO) and the National Sample Survey Office (NSSO).

1.3 The Programme Implementation Wing has three Divisions, namely, (I) Twenty Point Programme (ii) Infrastructure Monitoring and Project Monitoring and (iii) Member of Parliament Local Area Development Scheme.

1.4 Besides these two wings, there is National Statistical Commission created through a Resolution of Government of India and one autonomous Institute, viz., Indian Statistical Institute declared as an institute of National importance by an Act of Parliament.

1.5 The Ministry of Statistics and Programme Implementation attaches considerable importance to coverage and quality aspects of statistics released in the country. The statistics released are based on administrative sources, surveys and censuses conducted by the Centre and State Governments and non-official sources and studies. The surveys conducted by the Ministry are based on scientific sampling methods. Field data are collected through dedicated field staff.

1.6 In line with the emphasis on the quality of statistics released by the Ministry, the methodological issues concerning the compilation of statistics are overseen by Committees like Advisory Committee on National Accounts, Standing Committee on Industrial Statistics, Technical Advisory Committee on Statistics of Prices and Cost of

Living (TAC on SPCL), etc. The Ministry compiles datasets based on current data, after applying standard statistical techniques and extensive scrutiny and supervision.

1.7 India is a subscriber to the International Monetary Fund's (IMF) Special Data Dissemination Standards ([SDDS](#)) and is currently fulfilling its Standards. The Ministry maintains an 'Advance Release Calendar' for its data categories covered under the SDDS, which is disseminated on the Ministry's website as well as on the Dissemination Standards Bulletin Board ([DSBB](#)) of the IMF. The Ministry releases the datasets covered under the Real Sector of SDDS through press notes and its web-site simultaneously.

1.8 The Ministry has been designated as the nodal Ministry to facilitate the implementation of the SAARC Social Charter in India. The Ministry organizes technical meetings on a regular basis on various topics to assess the data-gaps in the system and the quality of statistics currently released.

1.9 The CSO staff participates in meetings and seminars organized by international and regional organizations such as the United Nations Economic and Social Commission for Asia and the Pacific, on statistical compilations and international practices. The Ministry's officials have been associated with international agencies on the development of methodologies, particularly in the areas of national accounts, informal sector statistics, large-scale sample surveys, conduct of censuses, service sector statistics, non-observed economy, social sector statistics, environmental statistics and classifications. The contribution of the Ministry's officials in international meetings on these subjects is highly appreciated.

1.10 The National Statistics Office (NSO):

(i) Acts as the nodal agency for planned development of the statistical system in the country, lays down and maintains norms and standards in the field of statistics, involving concepts and definitions, methodology of data collection, processing of data and dissemination of results;

(ii) Coordinates the statistical work in respect of the Ministries/Departments of the Government of India and State Directorates of Economics & Statistics

(DES) advises the Ministries/Departments of the Government of India and also DESs on statistical methodology and on statistical analysis of data;

- (iii) Prepares national accounts as well as publishes annual estimates of national product, government and private consumption expenditure, capital formation, savings, estimates of capital stock and consumption of fixed capital, as also the state level gross capital formation of supra-regional sectors and prepares comparable estimates of State Domestic Product (SDP) at current prices;
- (iv) Maintains liaison with international statistical organizations, such as, the United Nations Statistical Division (UNSD), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Statistical Institute for Asia and the Pacific (SIAP), the International Monetary Fund (IMF), the Asian Development Bank (ADB), the Food and Agriculture Organization (FAO), the International Labour Organization (ILO), etc.
- (v) Compiles and releases the Index of Industrial Production (IIP) every month in the form of 'quick estimates'; conducts the Annual Survey of Industries (ASI); and provides statistical information to assess and evaluate the changes in the growth, composition and structure of the organized manufacturing sector;
- (vi) Organizes and conducts periodic all-India Economic Censuses and follow-up enterprise surveys, provides an in-house facility to process the data collected through various socio-economic surveys and follow-up enterprise surveys of Economic Censuses;
- (vii) Examines the survey reports from the technical angle and evaluates the sampling design including survey feasibility studies in respect of surveys conducted by the National Sample Survey Organization and other Central Ministries and Departments;
- (viii) Conducts large scale all-India sample surveys for creating the database needed for studying the impact of specific problems for the benefit of different population groups in diverse socio-economic areas, such as employment, consumer expenditure, housing and environment, literacy levels, health, nutrition, tourism, family welfare, etc;
- (ix) Dissemination of statistical information on various aspects through a number of publications distributed to Government, semi-Government, or private data users/agencies; and disseminates data, on request, to the United Nations agencies like the UNSD, the ESCAP, the ILO and other international agencies;
- (x) Releases grants-in-aid to registered Non-Governmental Organizations and research institutions of repute for undertaking special studies or surveys, printing of statistical reports, and financing seminars, workshops and conferences relating to different subject areas of official statistics; and
- (xi) Organising in-service and induction courses to build the capacity of not only Central and State personnel but also international statisticians.

1.11 Programme Implementation Wing:

The Programme Implementation Wing have three functioning divisions namely Twenty Point Programme Division, Infrastructure and Project Monitoring Division and the MP Local Area Development Scheme Division.

(a) Monitoring of the Twenty Point Programme (TPP):

The 20 Point Programme Division monitors the progress on the implementation of TPP – 86 and evaluates the progress at macro level. The Management Information System developed by the Division consists of Monthly progress Report (MPR) and Half Yearly Progress Report (HYPR). The MPR covers achievements during each month against pre-set physical targets of carefully selected 20 items which have a direct and crucial bearing on the life and standard of living of the deprived and under privileged classes and those of living below the poverty line. The HYPR on all items indicates both the qualitative and quantitative aspects of performance in implementation of the programme which is aimed at elimination of poverty and improving the quality of life of the people, specially the under privileged and below the poverty line.

(b) Infrastructure and Project Monitoring Division (IPMD):

The IPMD Infrastructure and Project Monitoring Division monitors and facilitates the implementation of the projects costing Rs. 150 crores and above in the Central Sector. The important activities of this Division include (a) bringing out periodical reports, review notes, remedial measures and facilitating solution for problems of the projects (b) while all projects are monitored at a quarterly basis, major projects costing between Rs. 150 crores and Rs. 1000 crores and mega projects costing over Rs. 1000 crores are monitored on a monthly basis through flash report system. On the basis of the reports from Ministries / Departments, “Flash Report on Mega Project” for all projects costing above Rs. 1000 crores is drawn up before the end of each month. (c) The division assists (i) the public investment board by providing critical appraisal of the state of preparedness of projects, (ii) Committee of Secretaries by apprising the COS of the constraints and implementation and action taken or initiated by various agencies on its directions and (iii) Cabinet Committee on Investment etc.

The IPMD also collects relevant statistics of production and productivity from concerned Ministries / Department and compiles and analyses the information in the form of Monthly Progress Reports. This Division is entrusted with the monitoring of performance of the country's 11-key infrastructure sectors, namely, power, coal, steel, railways, telecommunication, ports, fertilisers, cement, petroleum and natural gas, roads and civil

aviation. The performance of these sectors are analysed with reference to the targets for the month / period for submission and intimated to the Prime Minister's office and the Cabinet Secretariat.

(c) Member of Parliament Local Area Development Scheme (MPLADS):

The MP local Area Development Scheme Division was created during 1994. The Programme Implementation Wing of the Ministry of Statistics and Programme Implementation is responsible for the implementation and monitoring of the MP Local Area Development Scheme.

1.12 Administration Division inter-alia:

- a. Functions as the Cadre Controlling Authority to manage the Indian Statistical Service and Subordinate Statistical Service including matters like training, career and manpower planning besides providing services to NSO and PI Wing; and
- b. Acts as the nodal Ministry for the Indian Statistical Institute and ensures its functioning in accordance with the provisions of the Indian Statistical Institute Act, 1959 (57 of 1959).

1.13 National Statistical Commission:

The main functions of the Commission is to evolve strategies for improving the statistical system of the country, besides serving as a nodal and empowered body for all core statistical activities of the country and evolving, monitoring and enforcing statistical

priorities and standards. The Commission has four part-time members. The Chief Statistician of India is the Secretary of the Commission.

II. Budgetary allocation

Budget 2015 – 2016

2.1 The Demands for Grants under Demand No. 94 for the Ministry include a budget proposal of Rs.4826.87 crore for the year 2015-16. The demand under Revenue is Rs.4816.72 crore and under Capital is Rs.10.15 crore. The Ministry proposes to

undertake five Plan Schemes (including MPLADS) with an estimated outlay of Rs. 4342.35 crore under Plan Revenue and Rs. 10.15 crore under Plan Capital.

Budget 2015-16

(Rs. in crore)

Revenue			Capital		
Plan	Non-Plan	Total	Plan	Non-Plan	Total
4342.35	474.37	4816.72	10.15	----	10.15

2.2 Budget Estimates, Revised Estimates and Actuals for 2012-2013, 2013-2014 and 2014-2015 (expenditure upto December, 2014) and Budget Estimates for 2015-2016 both under Plan and Non-Plan are given as under :-

(Rs. in lakh)

	2012-13			2013-14			2014-15			2015-16
	BE	RE	Actual	BE	RE	Actual	BE	RE	Expenditure upto December, 2014	BE
Non-Plan (Total MOSPI)	35,754.00	33,781.00	37,645.55	36,568.00	40,768.00	40,801.39	44,588.00	43,008.00	36,800.33	47,437.00
(%ge change)				(2.3%)	(20.7%)	(8.4%)	(21.9%)	(5.5%)	-(9.8%)	(6.4%)
Plan (Without MPLADS)	63,100.00	48,600.00	37,619.97	63,100.00	59,500.00	49,835.72	52,800.00	30,932.00	17,326.42	40,250.00
(%ge change)				(0.0%)	(22.4%)	(32.5%)	-(16.3%)	-(48.0%)	-(65.2%)	-(23.8%)
TOTAL (Plan + NP) without MPLADS	98,854.00	82,381.00	75,265.52	99,668.00	100,268.00	90,637.11	97,388.00	73,940.00	54,126.75	87,687.00
(%ge change)				(0.8%)	(21.7%)	(20.4%)	-(2.3%)	-(26.3%)	-(40.3%)	-(10.0%)
MPLADS	395,500.00	395,000.00	372,200.00	395,500.00	395,500.00	393,700.00	395,000.00	395,000.00	247,000.00	395,000.00
(%ge change)				(0.0%)	(0.1%)	(5.8%)	-(0.1%)	-(0.1%)	-(37.3%)	(0.0%)
TOTAL Plan (including MPLADS)	458,600.00	443,600.00	409,819.97	458,600.00	455,000.00	443,535.72	447,800.00	425,932.00	264,326.42	435,250.00
(%ge change)				(0.0%)	(2.6%)	(8.2%)	-(2.4%)	-(6.4%)	-(40.4%)	-(2.8%)
G. TOTAL MOSPI (Plan + NP)	494,354.00	477,381.00	447,465.52	495,168.00	495,768.00	484,337.11	492,388.00	468,940.00	301,126.75	482,687.00

(%ge change)				(0.2%)	(3.9%)	(8.2%)	-(0.6%)	-(5.4%)	-(37.8%)	-(2.0%)
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Note: %ge increase (+)decrease (-) has been calculated using figures of the current year over the corresponding figure of previous year.

NON-PLAN 2015-16

2.3 The Ministry's Non-Plan budget of Rs. 474.37 crore in 2015-16 is primarily salary oriented as the major function of the Statistics Wing (NSO) is to conduct surveys, collect, analyses and disseminate data, which is a staff intensive function. The major components of the Non-Plan budget for the Ministry during 2015-2016 are given below:

(Rs. in lakh)

<u>Object Head</u>	<u>Budget</u>	<u>% of total Non-Plan Budget</u>
Salaries	Rs. 28650.34 lakh	60.40 %
Domestic Travels	Rs. 613.01lakh	1.29 %
Foreign Travel	Rs. 16.47 lakh	0.03%
Office Expenses	Rs. 758.24 lakh	1.60 %
Rent Rates & Taxes	Rs. 259.83 lakh	0.55 %
Publications	Rs. 45.82 lakh	0.10 %
OAE	Rs. 43.98 lakh	0.09 %
Grants-in-aid to ISI,	Rs. 16417.10 lakh	34.61 %
Kolkata		
Others	Rs. 632.21 lakh	1.33 %

2.4 The Indian Statistical Institute (ISI) is engaged in conducting integrated programme of research, training and practical application of statistics in different disciplines through a large number of projects. By an Act of Parliament, known as the ISI Act (No. 57) of 1959, the Institute was declared as an 'Institute of National Importance' and was conferred with the right to hold examinations and grant degrees and diplomas in statistics and allied disciplines. By the 'Indian Statistical Institute (Amendment) Act 1995', the Institute has also been empowered to conduct courses, besides statistics, in Mathematics, Quantitative Economics, Computer Science and other subjects related to Statistics. Grants-in-aid to ISI are released on the basis of the recommendations of a Statutory Committee set up under Section 8(1) of the ISI Act.

From the budget of the Ministry, an amount of Rs.16417.10 lakh has been kept as grants-in-aid to the Institute, as Non Plan allocation during 2015-16.

2.5 National Statistical Commission Non Plan budget for the year 2015-16 has been kept at Rs. 1.39 crore.

2.6 Trend of Non-Plan expenditure indicates an increase in expenditure from Rs. 430.08 crore in 2014-15 (RE) to Rs. 474.37 crore (BE) during 2015-16 indicating an increase of **10.23%**.

PLAN 2015-16

2.7 The Plan budget proposal in 2015-16 is Rs. 4352.50 crore, to be spent on MPLAD Scheme and other Plan Schemes. MPLAD Scheme has a budget provision of Rs. 3950.00 crore which is 90.75% of total Plan outlay of Ministry. The remaining Rs. 402.50 crore is earmarked for other Plan Schemes, namely Salaries (Rs. 659 lakh), Grants-in-aid to ISI, (Rs. 12600 lakh), Domestic Travels (Rs. 1111 lakh), Foreign Travels (Rs. 63 lakh), Office Expenses (Rs. 2338 lakh), Rent Rates & Taxes (Rs. 105 lakh), Publications (Rs. 467 lakh), Other Administrative Expenses (Rs. 1168 lakh), Advertising & Publicity (Rs. 1227.50 lakh), Professional Services (Rs. 3593 lakh), Grants-in-aid to States & UTs (Rs. 10868 lakh), Information Technology (Rs. 722 lakh), Machinery & Equipment (Rs. 70 lakh), Major Works (Rs. 945 lakh), Lump sum provision for North-Eastern States (Rs. 4025 lakh) and Others (Rs. 288.50 lakh).

2.8 Grants-in-aid: The proposed outlay under grants-in-aid during 2015-16 is Rs. 4224.93 crore which includes i) Rs. 3950.00 crore for MPLAD Scheme, ii) Rs. 140.00 crore for ISI Kolkata for its Plan Schemes, iii) Rs. 50.00 crore for Support for Statistical Strengthening v) Rs. 10.94 crore for – Capacity Development, and vi) Rs. 73.99 crore for Economic Census.

2.9 Ministry operates five plan scheme in the XIIth Five Year including MPLAD (the plan Strengthening Monitoring and Evaluation for Projects and Programmes has been merged with Capacity Development from the financial year 2015-16) and from the financial year 2014-15, two centrally sponsored schemes namely ISSP and BSLLD have been merged together and renamed as Support for Statistical Strengthening Project Information in tabular form on the Plan provision (BE, RE and Actuals) during 2012-13, 2013-14, 2014-15 and 2015-16 of XIIth Five Year Plan is given below:-

**Plan Scheme-wise allocation of BE, RE & Actual Expenditure 2012-13, 2013-14, 2014-15 and 2015-16
(Plan Schemes only)**

(Rs. in lakh)

Sl. No.	Name of the plan scheme	11th Plan Outlay (2007-12) (in Crore)	2012-13	2013-14			2014-15			2015-16
			Actual expenditure	BE	RE	Actual expenditure	BE	RE	Expected Expenditure upto December, 2014	BE
Centrally Sponsored Schemes (1+2):										
1	# Basic Statistics for Local Level Development	*	178.36	300.00	200.00					
2	# India Statistical Strengthening Project (Modernisation of Statistical System in India)	*	2,245.50	5,000.00	4,728.00	2,511.73	10,000.00	2,000.00	10.11	5,000.00
Central Sector Schemes (3 to 8):										
3	Capacity Development	364.50	10,941.82	12,300.00	9,542.00	7,996.79	15,300.00	10,500.00	5,901.48	11,250.00
4	Sixth Economic Census	91.00	19,696.68	40,500.00	40,400.00	35,143.75	14,000.00	12,070.00	9,423.99	10,000.00
	Total NSO (1 to 4)	455.50	33,062.36	58,100.00	54,870.00	45,652.27	39,300.00	24,570.00	15,335.58	26,250.00
5	Grant in aid to ISI, Kolkata	120.00	4,138.64	4,300.00	4,030.00	3,865.82	12,500.00	5,853.00	1,916.00	14,000.00
P.I. Wing										
6	Strengthening, Monitoring and Evaluation for Projects & Programmes*	18.50	418.97	700.00	600.00	317.63	1,000.00	509.00	86.14	-
	Total MOSPI (without MPLADS)	594.00	37,619.97	63,100.00	59,500.00	49,835.72	52,800.00	30,932.00	17,337.72	40,250.00
7	MPLADS		372,200.00	395,500.00	395,500.00	393,700.00	395,000.00	395,000.00	247,000.00	395,000.00
	Grand Plan Total (MOSPI)	594.00	409,819.97	458,600.00	455,000.00	443,535.72	447,800.00	425,932.00	264,337.72	435,250.00

ISSP and BSLLD merged and became Support for Statistical Strengthening from the year 2014-15.

* The Scheme 'Strengthening, Monitoring and Evaluation for Projects & Programmes' has been merged with the Plan Scheme Capacity Development w.e.f. 2015-16.

2.10 The Member of Parliament Local Area Development Scheme (MPLADS) is in operation since 23rd December, 1993. Under this scheme, the Members of Parliament

(LS&RS both) have a choice to recommend to the concerned District Collectors(s) works of capital nature to the tune of Rs.5 crore per year to be taken up in their respective constituencies/States for creation of durable assets based on local needs. The amount is released by MPLAD Division in two installments every year. Since funds under the scheme are non-lapsable, funds earmarked for a financial year, if not released during a particular year, are carried forward to the next financial year(s). The District Authorities execute development works on the recommendation of Member of Parliament in accordance with the extant guidelines prescribed by the Government.

2.11 When asked about the reasons for huge increase in the budgetary allocations for certain Central Sector and Centrally Sponsored Scheme viz. Capacity Development, Grant-in-Aid to Indian Statistical Institute, Kolkata, Economic Census and India Statistical Strengthening Project / support for statistical strengthening, inspite of the fact that Actual Expenditure was very less even after reducing it at RE stage during Financial Years 2012-13,2013-14 and 2014-15, the Ministry in a written reply furnished the following information:-

Details of expenditure during 2014-15 under various schemes are as under:

(Rs. in crore)

Sl. No	Name of Scheme	Expenditure up to February 2015
1.	Capacity Development (Central Sector Scheme)	73.76
2.	Grant-in-Aid to ISI, Kolkata (Central Sector Scheme)	44.86
3.	Economic Census (Central Sector Scheme)	105.26
4.	India Statistical Strengthening Project (ISSP)/ Support for Statistical strengthening	0.12

For the Capacity Development scheme, allocation provided for 2015-16 is Rs 110 crore for undertaking the existing activities and it is consistent with Revised Estimate of Rs 105 crore. Expenditure during 2014-15 is slightly less due to non- realisation of amount by the Central Public Works Department and Directorate of Advertising and Visual Publicity towards construction and publicity respectively, even though authorisation letters were issued to them well in advance.

Regarding Grant –in- Aid to ISI, expenditure during 2014-15 was less as compared to Budget Estimate since the scheme is yet to be approved by the Expenditure Finance Committee. Construction works account for major share of Grant-in-Aid to ISI. These are expected to be taken up during 2015-16 after approval of the scheme by the Expenditure Finance Committee.

Regarding the scheme of Support for Statistical Strengthening, allocation provided for 2015-16 is for India Statistical Strengthening Project. After the revisiting exercise, allocation of fund has been made to all the 14 currently implementing States and allocation is also earmarked for the 19 remaining willing States/UTs. Steering Committee has approved revised MoU of six States. Ministry is in the process of signing the revised Memorandum of Understanding (MoU) with the currently implementing States. Requirement of fund for 2015-16 is much more than BE of Rs 50 crore.

2.12 When asked specifically as to what is the guarantee that allocations under the above mentioned Heads will not be underutilised once again and also regarding the mechanism evolved by the Ministry to prevent underutilisation of funds, the Ministry, in their post-evidence reply stated that for each of the plan scheme, quarter-wise physical and financial targets would be fixed and monitored. Review meetings would be conducted periodically to take remedial action wherever required. Scheme-wise details are as under:

Capacity Development

During 2015-16, preparation of satellite accounts of Non-Profit Institutions, improvement of district income estimates and private corporate sector estimates, compilation of rural/urban local and autonomous bodies accounts, integrated national accounts statistics information system, replacement of old servers, old Personal Computers etc. are proposed to be undertaken, in addition to the existing activities

Grant-in-Aid to ISI

On the basis of recommendations of the Expenditure finance Committee (EFC), revised note is being prepared for consideration of the EFC. It is expected that the EFC approval will be obtained in the first quarter of 2015-16 after which the expansion

and construction activities proposed by the Institute will be implemented. Hence more funds are proposed in 2015-16.

Economic Census

Expenditure under the Economic Census would be reviewed with State and UT Directorates of Economics and Statistics every quarter.

Support for Statistical Strengthening System

Expenditure during 2014-15 is Rs. 15.20 crore and the BE for 2015-16 is Rs. 50 crore. Revised Memorandums of Understanding (MOU) in respect of Sikkim, Telangana and Odisha have been approved by the High Level Steering Committee. These three States and balance payment to Gujarat together account for about Rs. 18 crore. Remaining eight of currently implementing States and eleven of new implementing States/UTs are now on the verge of finalising their revised MOUs/Plans. These are expected to be completed by June 2015. Considering the current progress of the scheme, the requirement of funds for 2015-16 is about Rs. 150 crore as against BE of Rs. 50 crore.

III. National Accounts Statistics

3.1 The system of National Accounts Statistics (NAS) consists of a coherent, consistent and integrated set of macro-economic accounts - current and accumulation accounts, balance sheets and tables based on agreed concepts, definitions and accounting rules. From the stage of production of goods and services to the stage of their final disposal, innumerable transactions take place. National Accounts help us to understand in a nutshell how these various transactions are inter-related and give us an idea of the working of an economy. The NAS are compiled to meet the needs of Government, private analysts, policy makers and decision takers. The major use of the NAS is to assess how a country's economy is performing over time. These data are immensely useful for the purpose of building-up macro-economic models for projecting long and short-term expectations about future prospects. The Gross Domestic Product (GDP), which is the value in monetary terms of all goods and services produced in the economy in a given period of time, is the most important macro-economic aggregate of

National Accounts. It is also used as a denominator for the estimation of rates of saving, capital formation, fiscal deficit, current account deficit, interest payments, expenditure on various social sectors, to name a few.

3.2 The Central Statistical Office (CSO) in the Ministry of Statistics and Programme Implementation is responsible for the compilation of NAS.

3.3 When asked about the reasons for introducing the new series of National Accounts with 2011-12 as the base year, how is it different from the old series and its Statistical implication including how they will be synergised with comparative data of old series, the Ministry, in a written reply stated that the reason for changing the base year of the national accounts periodically is to take into account the structural changes which have been taking place in the economy and to depict a true picture of the economy. These changes necessitate a comprehensive review of methodology for national accounts statistics - in terms of coverage of activities, incorporation of latest datasets and also the latest international guidelines.

The change of base year is more relevant in the case of India. GDP computations need to be based on the accounting information available with producing entities. However in India, with a large informal sector, there is a large segment of the economy for which regular accounts information is not available, and their contribution can only be assessed from surveys on unincorporated enterprises conducted usually with a five-year interval.

Faster changes in the economy require base revision with shorter intervals. Earlier it was 10 years now it is five years. The last four base year revisions are as following:

- i. From 1980-81 to 1993-94 in February 1999;
- ii. From 1993-94 to 1999-2000 in January 2006;
- iii. From 1999-2000 to 2004-05 in January 2010; and
- iv. From 2004-05 to 2011-12 on January 30, 2015.

The differences in the old and new series can be examined from the view point of the impact on the base year estimates as well as the impact in growth rates.

The New Series represents a structural break from the past and simple comparisons between old and new series are not possible. Since the MCA21 database which has now been incorporated is not available in the years preceding 2011-12, users cannot be provided a longer time series immediately. However, efforts are underway to provide users with methodological guidance on how to combine the earlier series with the new one, so as to enable a time series analysis.

3.4 When asked further to elaborate on the authenticity and credibility of the new revised series of National Accounts, the Ministry, in their post-evidence reply stated that the principle objective of National Accounts is to measure Gross Domestic Product (GDP), which is a measure of the aggregate value addition in an economy. Value Added, in simple terms, is derived by subtracting Value of Purchased Inputs from Value of Output. It gives an idea of the incomes generated in an economy during a specified period. GDP is also equal to the expenditures, by way of investment, saving or consumption. Further, as compared to the different indicators reflecting the status of a particular aspect of the economy, GDP is comprehensive and combines all these sectoral aspects to provide an indicator for the whole economy. Therefore, the growth of an economy is judged by the increase in GDP. In the majority of categories, the new series has made use of the current indices and data available and therefore, more precisely captures the underlying changes in value as compared to the old series.

The new method of compilation, since it follows an enterprise approach, captures value addition at enterprise level and is different from earlier method where value addition was being captured at the level of establishment. Difference in growth in value addition at the enterprise level indicates that efficiencies have been achieved by enterprises in the areas other than production. Thus, policy maker has to think whether the objective is to increase the output by addition or full utilisation of capacities or to obtain higher value addition by product improvement etc. For policies regarding output enhancement, volume indicators should be used and for policies regarding higher income generation, value indicators should be preferred.

IV. Project Monitoring

4.1 The Infrastructure and Project Monitoring Division (IPMD) monitors and facilitates the implementation of the projects costing Rs. 150 crore and above in the Central

Sector. The important activities of this Division include (a) bringing out periodical reports, review notes, remedial measures and facilitating solution for problems of the projects (b) while all projects are monitored at a quarterly basis, major projects costing between Rs. 150 crore and Rs. 1000 crore and mega projects costing over Rs. 1000 crore are monitored on a monthly basis through flash report system. On the basis of the reports from Ministries / Departments, "Flash Report on Mega Project" for all projects costing above Rs. 1000 crore is drawn up before the end of each month. (c) The division assists (i) the public investment board by providing critical appraisal of the state of preparedness of projects, (ii) Committee of Secretaries by apprising the COS of the constraints and implementation and action taken or initiated by various agencies on its directions and (iii) Cabinet Committee on Investment etc.

4.2 The IPMD also collects relevant statistics of production and productivity from concerned Ministries / Department and compiles and analyses the information in the form of Monthly Progress Reports. This Division is entrusted with the monitoring of performance of the country's 11-key infrastructure sectors, namely, power, coal, steel, railways, telecommunication, ports, fertilisers, cement, petroleum and natural gas, roads and civil aviation. The performance of these sectors are analysed with reference to the targets for the month / period for submission and intimated to the Prime Minister's office and the Cabinet Secretariat.

4.3 When asked to furnish a factual note on news reports that around 750 core sector project are having cost over-runs of over Rs. 2 lakh crore, the Ministry in a written reply stated that they monitor the Central Sector Projects on time and cost overruns costing Rs. 150 crore and above on the basis of information supplied by the project implementing agencies. As on 1st January 2015, there are 738 ongoing Central Sector Projects on the monitor of the Ministry. Of these, 315 projects are having time overruns, 224 Projects are having cost overruns and 76 projects are having both time and cost overruns with respect to original project implementation schedule. The original cost of 224 projects having cost overruns was Rs. 2,54,590.89 crore and the anticipated cost is Rs. 4,65,865.00 crore implying cost overrun of Rs 2,11,274.11 crore (82.99%). This Ministry flags the projects showing time or cost overruns to the concerned Ministries for taking appropriate remedial measures.

4.4 When enquired specifically as to whether it will not be prudent for the Ministry to develop some kind of mechanism to monitor private sector project to enable compilations of holistic account of important project, the ministry in their post-evidence reply stated that the Private Sector Projects are not monitored by Ministry of Statistics and Programme Implementation as it is not under the purview of the Ministry. The Private Sector Projects may have different mechanisms to meet their objectives of project implementation. Further, the monitoring parameters used by various project implementing agencies may vary depending on the nature and requirements of the implementing agencies. The Ministry does not monitor the Stalled Projects, Public Private Partnership (PPP) or Projects those are in pre-execution stage.

Project Monitoring Group (PMG)

With a view to putting in place an institutional mechanism to track stalled investment Projects, both in the Public and Private sectors, and to remove implementation bottlenecks in these Projects, a Cell in the nature of Project Monitoring Group (PMG) has been set up in the Cabinet Secretariat for all large (Rs 1000 crore and above) Projects, both Public and Private, since June 2013. The PMG has been set up to remove bottlenecks in the Projects at the time of initiation and during pre-execution stage of both Public & Private Sector Projects.

V. Shortage Of Manpower

5.1 There are 927 vacancies in Subordinate Statistical Service. 802 vacancies in Fields Operation Division (FOD) and 125 vacancies exist in Non-FOD as on 31.3.2014. In the absence of regular field staff as per requirement, the sample surveys to be undertaken by NSSO will have to be conducted through Contract Employees, which may affect the quality of data collected.

The National Statistical Systems Training Academy (NSSTA) is facing problem due to non-availability of qualified Faculty. Taking up of all the programmes envisaged for the NSSTA will depend upon the availability of qualified and competent Faculty.

The implementation of the prestigious scheme of "Support for Statistical Strengthening" which will be implemented by the States/ UTs, will also depend upon the availability of qualified manpower with States/ UTs, as the states are facing the same problem of manpower shortage. Drafting of State Strategic Statistical Plans by States would also depend upon availability of competent Consultants for the job.

The implementation of the scheme "Basic Statistics for Local Level Development", which has been crafted with the objective of developing the decentralized data base at village/ block level for local level planning in all the States, may also face similar constraints.

5.2 When asked about the present status of filling up of vacancies and the steps being taken in this regard, the Ministry furnished the following information:-

The manpower shortage in Subordinate Statistical Service and position as on 1.3.2015 is as under:

Sl. No.	Grade	Sanctioned	In Position	Vacant
1	Senior Statistical Officer	1756	1426	330
2	Junior Statistical Officer	2195	1439	756

597 posts of Jr. Statistical Officer were reported to Staff Selection Commission (SSC) vide our letter No. 11012/1/2013-SSS dated 28.10.2014. These vacancies had arisen on account of resignations, less number of candidates selected by SSC against higher demand by the Ministry and voluntary retirements etc. Due to large rate of attrition in Subordinate Statistical Service, there remains shortage of technically qualified man power to carry out surveys. As a short term measure, shortage of manpower in NSSO (FOD) for data collection work is met by engaging the services of Field Investigators on contract basis.

As per strategic plan, Ministry has requested SSC to recruit 597 candidates to fill the vacancies of JSOs. SSC had conducted the Examination for Common Graduate Level Examination (CGLE) 2013 and the results have been declared by SSC recently. However, the dossier of selected candidates is yet to be received by the Ministry.

Against Common Graduate Level Examination (CGLE) 2012, 712 vacancies were confirmed to SSC. However, only 432 dossiers were received from SSC and after completion of pre appointment formalities, offers of appointment issued to 431 candidates.

As regard vacancy position in the cadre of SSO is concerned, a DPC for promotion from JSOs to SSO have already been completed on 2.3.2015, the promotion to the post of SSOs would be effected shortly.

5.3 When asked as to whether there will ever be a solution to this perennial problem and as to why the Ministry is not taking up the issue with a prospective plan in mind, the Ministry, in their post-evidence reply stated as under:-

(i) 597 posts of Jr. Statistical Officer were reported to Staff Selection Commission (SSC) vide our letter No. 11012/1/2013-SSS dated 28.10.2014. These vacancies had arisen on account of resignations, less number of candidates selected by SSC against higher demand by the Ministry and voluntary retirements etc. Due to large rate of attrition in Subordinate Statistical Service, there remains shortage of technically qualified man power to carry out surveys. As a short term measure, shortage of manpower in NSSO (FOD) for data collection work is met by engaging the services of Field Investigators on contract basis.

(ii) Against Combined Graduate Level Examination (CGLE), 2012, 712 vacancies were confirmed to SSC. However, only 432 dossiers were received from SSC and after completion of pre appointment formalities, offers of appointment issued to 431 candidates.

(iii) As per strategic plan, Ministry had requested SSC to recruit 597 candidates to fill the vacancies of JSOs. SSC had conducted the Examination for Combined Graduate Level Examination (CGLE), 2013 and the results have been declared by SSC recently. As per the information available on the website of SSC, 512 candidates have been selected for the post of JSO. However, a formal communication to this effect is awaited from SSC.

(iv) As regard vacancy position in the cadre of SSO is concerned, a DPC for promotion from JSO to SSO have already been completed on 31.3.2015, the regular promotions to the post of SSOs would be effected shortly.

(v) To attract more candidates in SSS, the education qualification prescribed in the RRs of SSS dated 12.02.2002 has been relaxed vide revised RRs notification dated 31st May 2013. Details are reproduced below:

Sl. No.	Educational qualification in earlier RRs dated 12.02.2002	Educational qualification in revised RRs dated 31.05.2013.
1	Bachelor Degree in Statistics/ Economics / Mathematics / Commerce (with Statistics as one of the subjects)	(a) Bachelor's Degree in any subject from a recognised University or Institute with at least 60% in Mathematics at 12th standard level; Or (b) Bachelor's Degree in any subject with Statistics as one of the subjects at degree level.

(vii) To retain the newly recruited Junior Statistical Officer (JSO) in Subordinate Statistical Service (SSS), following has been proposed to 7th CPC:

a) Entry level Pay-scale for SSS: The Subordinate Statistical Service (SSS) be constituted as Group 'B' Service with the entry Grade Pay of Rs.4600 equivalent to Assistant of CSS cadre & others (CSS / CSSS, AFHQ, IFS Group B, and RBSS and SSS) cadre.

b) To reduce the attrition rate in SSS, it is also proposed that the officials of the Subordinate Statistical Service (SSS) should be given 10% field allowance of their Basic Pay.

VI. Indian Statistical Institute, Kolkata

6.1 The Indian Statistical Institute, Kolkata was established on 17th December 1931 and was registered as a non-profit learning society under the Societies Registration Act (XXI of 1860) on 28th April 1932 and subsequently came under the purview of the West Bengal Societies Registration Act (XXVI of 1961) which was amended in 1964. For its substantial contribution to the quality of theoretical and applied statistical work, the Institute was recognized as an "Institute of national importance" by The Indian Statistical Institute Act, 1959. By virtue of this Act, the Institute was empowered to award degrees and diplomas in statistics. As a result, Bachelor of Statistics {B.Stat. (Hons.)}, Master of Statistics (M.Stat.) and Ph.D. programmes were started in July 1960. Scope was further enlarged by the "Indian Statistical Institute (Amendment) Act, No.38 of 1995" of the

Parliament, when Institute was empowered to award degrees / diplomas not only in Statistics but also in Mathematics, Quantitative Economics, Computer Science and such other subjects related to statistics.

6.2 When enquired about the status of its pending projects in its branches located at Delhi, Chennai and Tezpur, as that was the reason for significant hike in BE 2014-15 for ISI, Kolkata, the Ministry in a written reply stated that in pursuance of the recommendations of the Expenditure Finance Committee, the Ministry constituted a Group of three officers to review the activities, achievements and future plans of all the centres other than the core centres of ISI (Kolkata, Delhi and Bengaluru). A proposal taking into account the recommendations of the Group is being prepared for submission to Ministry of Finance.

The processes for taking up construction activities at Kolkata, Bangalore and Chennai have been initiated in 2014-15 and are expected to progress at a faster pace in 2015-16. During the year 2015-16, the institute is expected to enhance scientific and academic activities of the Institute, especially in respect of R C Bose Centre for Cryptology and Security.

6.3 When asked for the Ministry's considered views on the feasibility of making ISI, Kolkata an independent economic body for high level studies in the discipline, the Ministry, in their post-evidence reply stated that Indian Statistical Institute (ISI) is an autonomous organisation created under an Act of Parliament. ISI grants degrees and diplomas in Statistics, Mathematics, Quantitative Economics, Computer Sciences, etc. The Ministry provides Grant-in-Aid to ISI on regular basis in fulfillment of the object of the ISI Act, 1959. Ministry's view is that the ISI may be placed under the Ministry of Human Resource Development as other institutes of national importance are under their purview.

VII. National Sample Survey Office (NSSO)

7.1 Since its inception in 1950, National Sample Survey Office (NSSO), is responsible for conducting large scale nation-wide sample surveys for generating statistics for bridging the data gaps on varied socio-economic aspects, crucial for planning, policy formulation and informed decision making. Primary data is collected

regularly through nation-wide household surveys. The National Sample Survey Office (NSSO) headed by the Director General and Chief Executive Officer (DG&CEO) conducts nation-wide sample surveys on various socio-economic aspects, provides technical guidance to states in the field of agricultural statistics for conducting crop area and yield estimation surveys under the Improvement of Crop Statistics (ICS) Scheme, undertakes the field work relating to Annual Survey of Industries (ASI) and collects monthly retail prices. NSSO functions under the overall direction of National Statistics Commission (NSC) with requisite independence and autonomy in the matter of collection, processing and publication of NSS data. It also maintains and updates frame of urban area units for use in sample surveys in urban areas.

7.2 The NSSO has four divisions, namely (i) Survey Design & Research Division (SDRD), (ii) Field Operations Division (FOD), (iii) Data Processing Division (DPD) and (iv) Coordination & Publication Division (CPD).

7.3 Results of NSSO surveys are brought out in the form of NSS reports.

7.4 When asked as to why the results of Sample Surveys Conducted by NSSO and State Governments are different, the Ministry, in their post-evidence reply stated that the possible reasons for the difference in the results revealed by a survey conducted by NSSO and similar survey conducted by the State Governments on the same subject could be inter-alia:

- (i) Difference in concepts and definitions and survey procedure/methodologies
- (ii) Difference in reference period
- (iii) Sampling Fluctuations
- (iv) Non-uniformity of coverage by different sources
- (v) Extent of non-sampling errors or quality of data

To ensure that estimates given by the NSSO are reliable, NSSO adopts appropriate scientific methods in conducting the survey. For each NSS Round, a Working Group comprising of eminent economists, statisticians and other experts is appointed to oversee the development of survey instruments, data processing instruments and also checking the reliability of survey results presented in NSS Reports. The results of the NSSO surveys are duly approved by the National Statistical Commission (NSC) before the release.

VIII. National Statistical Commission

8.1 The Government of India in a resolution dated 1st June, 2005 with the approval of the Cabinet, has set up a National Statistical Commission (NSC) in the Ministry of Statistics and Programme Implementation. The main functions of the Commission is to evolve strategies for improving the statistical system of the country, besides serving as a nodal and empowered body for all core statistical activities of the country and evolving, monitoring and enforcing statistical priorities and standards. The Commission has four part-time members. The Chief Statistician of India is the Secretary of the Commission.

8.2 When asked about the reasons for the inordinate delay in introducing the Bill in parliament to confer statutory status to NSC, despite the recommendation of the Committee in their 36th Report on Demands for Grants (2011-12) (15th LS) to expedite the process, the Ministry in a written reply stated that a draft Cabinet Note prepared on the basis of recommendations of Menon Committee on legislative measures on statistical matters and comments received on the draft Bill was circulated on 9th August 2012 to all the concerned Ministries/State Governments/UT Administrations. The updated Cabinet Note taking into account the responses received was submitted to the Ministry of Law and Justice for its examination and vetting. Since the new Government has taken over, the Law Ministry has requested the Ministry to initiate fresh pre-legislative consultation process as prescribed.

8.3 When enquired further regarding the present status of fresh pre-legislative consultation and how NSC is expected to be benefited from statutory backing, the Ministry, in their post-evidence reply stated that after completing the inter-Ministerial consultation process, a legislative proposal in the form of an updated draft Cabinet Note, which includes inter alia a Constitutional Amendment to bring the subject, 'census on any subject and statistics of national importance', into the Union List and a draft National Statistical Commission Bill purported to confer statutory status to the Commission, was submitted to the Ministry of Law and Justice in the year 2013 (to the Legislative Department on 21-1-2013 and to the Department of Legal Affairs on 8-2-2013). The Legislative Department, vide their note dated 20-10-2014, advised inter alia that this Ministry may finalise its policy after pre-legislative consultation process, as laid down by the Committee of Secretaries on 5-2-2014, and thereafter, the draft Cabinet

Note along with draft Bill incorporating necessary changes, if any, may be forwarded to the Dept. of Legal Affairs with a copy to the Legislative Department. Thereafter, this Ministry, having felt that the advice of the Legislative Department on legal and constitutional issues may be material in deciding the manner of fresh pre-consultation process, was in correspondence with that Department to elicit its advice. In response to these efforts, the Legislative Department, vide their note dated 6-2-2015, stated that the Department will take a view only after receiving a proposal from this Ministry after completing a fresh pre-legislative consultation process. The manner, in which pre-legislative consultation process has to be initiated, is under examination in this Ministry at present.

The proposed statutory backing to the National Statistical Commission provides inter alia constituting the Commission as a body corporate, with adequate financial independence, responsible to the Parliament, which will regulate on core statistics and advise Government on all matters relating to official statistics, to ensure independence of the official statistical system and public trust in statistics.

IX. Consumer price indices

Consumer Price Indices (CPI) measure changes over time in general level of prices of goods and services that households acquire for the purpose of consumption. CPI is widely used as a macroeconomic indicator of inflation, as a tool by governments and central banks for inflation targeting and for monitoring price stability, and as deflators in the national accounts. CPI is also used for indexing dearness allowance to employees for increase in prices.

The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation introduced a new series of Consumer Price Indices (CPI) on base 2010=100 for all-India and States/UTs separately for rural, urban and combined with effect from January, 2011.

PART- II

OBSERVATIONS/RECOMMENDATIONS

I. Budgetary Allocation

The Committee are surprised to note the spurt in budgetary allocations for certain Central Sector Schemes and Centrally Sponsored Schemes *Viz.* Capacity Development, Grant-in-Aid to ISI, Kolkata, Economic Census and India Statistical Strengthening Project/Support for Statistical Strengthening, despite gross under-utilisation of funds during the Financial Year (2014-15). In fact, with regard to the Actual Expenditure under various Heads *vis-à-vis* the BE and RE, of the last few financial years, especially Plan funds in the Ministry, under-utilisation has become a regular feature. In case of Basic Statistics for Local level Development and India Statistical Strengthening Project which have been merged together in 2014-15 and named a Support for Statistical Strengthening Project, the actual expenditure during 2013-14 was Rs 25.12 crore against the RE of Rs. 49.28 crore *i.e.* only 50% or so. During the year 2014-15 the BE was pegged at a very ambitious Rs 100 crore. This was, however, drastically pruned down to Rs. 20 crore at RE stage. The actual expenditure during the first nine months of the fiscal has been a measely Rs. 10.11 lakh. The BE for 2015-16 has still been kept at Rs. 50 crore. Like-wise in case of Capacity Development, a Central Sector Scheme the BE (2013-14) of Rs. 123 crore was scaled down to Rs. 95.42 crore at RE stage and the actual was still far lower at Rs. 80 odd crore. The Government still preferred to go ahead with an enhanced BE of Rs. 153 crore. This was brought down to Rs. 105 crore at RE stage and the actuals upto 31 December, 2014 are only Rs. 59 crore. The BE for 2015-16 is Rs. 112.50 crore. The Grant in aid to ISI Kolkata was of the tune of Rs. 43 crore at BE stage in 2013-14. It was reduced to Rs. 40.3 crore at RE stage and the actual expenditure was Rs. 38.66 crore. During the year 2014-15 the BE was increased almost three times to Rs. 125 crore. It was drastically brought down by more than half to Rs, 58.5 crore at RE stage and the actuals during the first three quarters of 2014-15 have been a paltry Rs. 19.16 crore. In spite of this spending record the Grant in aid for 2015-

16 has been again enhanced to Rs. 140 crore. In case of the Scheme 'Strengthening, Monitoring and Evaluation for Projects and Programmes a sum of Rs 7 crore was allocated as BE in 2013-14. This was brought down to Rs. 6 crore at RE stage. Incidentally, the actual expenditure during the year was Rs. 3.17 crore only, which is hardly 50% of the RE figure. In spite of this gross underspending the BE for 2014-15 was pegged at Rs. 10 crore. This was almost halved to Rs. 5.1 crore at RE stage and the spending during the first three quarters of the relevant fiscal has been Rs. 86 lakh only. Mercifully, this scheme has been merged, with Plan Scheme 'Capacity Development' in the ongoing Fiscal. The Committee deprecate this continuous failure of the Ministry to fully utilise the budgetary funds year after year in strongest terms. It depicts poor budgetary planning on the part of the Ministry and is also reflective of the inefficiency of the mechanism purportedly evolved by them to prevent underutilisation of the funds. Such a casual financial performance by the Ministry, whose primary responsibility is to monitor and report on large projects undertaken by various ministries/departments is not at all acceptable. The Committee, therefore, recommend them first put their own house in order before they can prevail upon other ministries/departments to meet time and cost deadlines of projects. The Committee expect remedial measures from the ongoing fiscal onwards.

As Members of Parliament have been asked to contribute towards certain Schemes announced by the Government from their MPLADS fund, the Committee recommend that it would be more useful if a separate fund/corpus is created in the concerned Ministry/Department itself on the lines of MPLADS fund, so that they can utilise the same for contributing towards Schemes, such as, Swachh Bharat Abhiyan, Adarsh Gram Yojana, Nirbhaya Centre-One Stop Centre for Women affected by Violence, etc.

II. National Accounts Statistics

The Committee note that the system of National Accounts Statistics (NAS) consists of a coherent, consistent and integrated set of macro-economic accounts - current and accumulation accounts, balance sheets and tables based on agreed concepts, definitions and accounting rules. The Committee also note

that the major use of the NAS is to assess how a country's economy is performing over time. However, the Committee are of the view that the new series of National Accounts with 2011-12 as the base year has raised more questions than answers. On the question of slow growth in production volumes regardless of whether value addition has increased or not, the Ministry in their written reply have done little to allay the concerns of the Committee. The reply of the Ministry regarding authenticity and credibility of the new series is also vague. The Ministry have stated that the new series of National Accounts is in accordance with the International standards and follows the best practices to the extent possible. However, the Committee are not convinced regarding the credibility of the figures which are showing a sudden jump in the growth rate of various sectors of the economy including GDP growth rate from 1 per cent to 1.5 per cent, Capital formation from -3 per cent to +3 per cent etc, which seem to contradict anecdotal evidence. Further, taking into account the fact that the changes in the National Accounts have come about due to change in the base year from 2004-05 to 2011-12 and due to change in the system of accounting from cost to market price, the Committee are of the view that there should be a linear way of working out these variations rather than doing it at an interval of five years or more. The Committee, therefore, recommend the Ministry to examine the possibility of revising the National Accounts annually to pre-empt the kind of controversies and debates that are being generated right now,

III. Project Monitoring

The Committee note that as on 1st January,2015, there are 738 on-going central sector projects being monitored by the Ministry. Of these 615 projects are having either time or cost over-runs or both. The Committee also note that the Ministry, apart from compiling and publishing data with regard to large projects, do not have the mandate to suggest/recommend to the Government or use any kind of leverage with those ministries/departments whose projects are being long delayed or struck for one reason or the other with a view to expedite them. The Committee are, therefore, of the view, that the Programme Implementation Division of the Ministry should be empowered to play a more pro-active role. The

Committee, therefore, strongly recommend that the Government of India (Allocation of Business) Rules, 1961, be suitably amended to empower the Ministry to examine and make recommendations regarding status of projects worth Rs. 500 crore and above to the PMO and Cabinet Secretariat, specifying the reasons as to why a particular project has been delayed or getting struck, and also provide inputs on way forward. The Committee desire that the Ministry must use the system of infographics to analyse the delayed projects and make their recommendations accordingly. It will be a significant value addition in terms of analytical process to remove bottlenecks, so that all such projects can progress as per the stipulated time-lines. The Committee find that as of now the Ministry are not monitoring infrastructural projects in the private sector. The Committee are of the view that with private sector destined to play an increasing role in the developmental process it is but imperative that the Ministry should have some information about the status of all such projects with them to factor them in the holistic development picture. The Committee therefore, desire that some kind of mechanism must be developed by the Ministry to monitor at least the major private sector projects.

IV. Shortage Of Manpower

The Committee note with deep concern the perennial shortage of manpower in the Ministry, especially in the senior and junior statistical office cadres, whereas on 1st March, 2015, 1086 vacancies exist, which is roughly around 30 per cent of the total strength. Such a depleted strength in statistical cadres can only give rise to on apprehension that it could seriously impact upon the reliability and credibility of data collected. The Committee are also dismayed to note that the process of recruitment to certain vacancies which started in the year 2012 is still to be completed. The Committee, therefore, recommend the Ministry to pursue the matter of recruitment with Staff Selection Commission (SSC) vigorously so that the vacancies can be filled within this financial year. With regard to shortage of manpower in Field Operations Division (FOD) in NSSO, the Committee, recommend the Ministry to undertake a review of the service conditions of the Subordinate Statistical Service cadre with a view to stop its

attrition. Such a review will help in attracting suitable candidates to the Division. Considering such unduly high number of vacancies, the Committee would take this opportunity to recommend to the Government to ponder over recruiting field-based staff on a mission mode basis through the concerned Ministry or Directorate on their own without approaching the SSC, as the latter has obviously failed to provide necessary human resource to the Ministry even after considerable lapse of time. Such a mission mode approach for recruiting field staff will provide the much needed element of flexibility in the recruitment process to tide over the present human resource crunch.

V. Indian Statistical Institute, Kolkata

The Committee note that the Indian Statistical Institute (ISI), Kolkata was recognised as an "Institute of National Importance" through the Indian Statistical Institute Act, 1959. The Committee are of the view that it is the need of hour to give ISI Kolkata its due as an institution of national importance, as this will pave the way for the Institute to be separated from the Ministry to enable it to develop as a premier academic institution for advanced statistical studies. The Committee desire that the Government should explore the feasibility of delinking ISI from the Ministry and place it under the purview of the Ministry of Human Resource Development for academic excellence. With regard to budgetary proposals for the Institute, the Committee are of the view that the big mismatch in the pattern of budgetary estimates and spending during the last few financial years do not augur well for an Institute of such stature. The Committee are not able to comprehend the high BE (2015-16) of Rs.140 crore for the Institute, considering the underutilisation of budgetary allocation during 2014-15, despite reduction in allocation by over 50 per cent at RE stage. The Committee, therefore, recommend the Ministry to get approval of the schemes/programmes for which investments have been envisaged for ISI, Kolkata expeditiously, so that the funds sought for the Institute are fully utilised at least this year. The Ministry must also fast-track the construction activities at Kolkata, Bengaluru and Chennai so that the work can be completed within this financial year.

VI. National Sample Survey Office (NSSO)

The Committee note that National Sample Survey Office (NSSO) is responsible for conducting large scale nation-wide sample surveys for generating statistics for bridging data gaps on various socio-economic aspects, crucial for planning, policy formulation and informed decision making. The Committee, are however, constrained to note the Ministry's continued engagement of contractual staff to collect primary data through field surveys despite its own admission that Sample Surveys conducted by contract employees may affect the quality of data collected. The Committee are also concerned on the wide variations in the results of sample surveys conducted by NSSO and various State Governments. There is over-lapping in most surveys, although the NSSO and the States employ the same person to conduct the surveys. The reply of the Ministry regarding the variations is not convincing. The Committee, therefore, recommend the Ministry to hold wide consultations with the State Governments to find ways to synergise the survey procedures and methodologies to put an end to such variations once and for all. The Committee, also, recommend the Ministry to depute senior officers to field to oversee the work of field investigators, especially that of contractual staff, to minimize the margin of error in data collection. Otherwise, the day may not be far when the very credibility of NSSO as an institution may be questioned.

VII. National Statistical Commission

The Committee note that the National Statistical Commission(NSC) was set up in the Ministry through a resolution of Government of India on 1st June,2005, to evolve strategies for improving the statistical system of the Country. The Committee are of the considered view that conferring statutory backing to NSC will *inter-alia* ensure independence of the official statistical system and restore public trust in statistics. The Committee, are however, unhappy to note that almost four years have passed since the Committee recommended the Ministry to expedite the process of conferring statutory status to NSC, there has been no forward movement on the issue. The matter is still shuttling between the Ministry of Statistics and Programme Implementation and Ministry of Law and Justice and the fresh pre-legislative consultation process is still to be initiated. The

Committee are of the view that both the Ministry of Statistics and Programme Implementation and Ministry of Law and Justice are responsible for this inordinate delay. The amount of time taken by both the Ministries to decide on the scope of pre-legislative process on the Bill is not acceptable at all. The Committee, therefore, recommend the Ministry to resolve the issues involved and immediately start the pre-legislative consultation process, so that the Bill can be introduced in Parliament without further delay in Monsoon Session 2015.

VIII. New Consumer Price Index

The Committee note that the Central Statistics Office (CSO) started compiling Consumer Price Index (CPI) (Rural, Urban, and Combined) with Base Year 2010 = 100 with effect from January 2011 and that the Base Year of the CPI has been revised from 2010 to 2012. The Committee also note that the basket of items and their weights have been prepared using the data of Consumer Expenditure Survey (CES), 2011-12 of the National Sample Survey (NSS). The Committee, however, do not agree with the Ministry's argument for an expanded list to determine Consumer Price Index. The Committee are of the view that CPI must include only those items which constitute the basic needs of majority of the people of the Country. The Committee, therefore, recommend that the list of items for CPI should be pruned and made more concise, rather than including a whole range of goods, which could distort the economic picture, particularly on the prices front. This will also enable the Government to have a more focused approach towards controlling consumer prices with the primary intent of ameliorating the lot of the marginalised and underprivileged sections.

New Delhi;
16 April, 2015
26 Chaitra, 1937 (Saka)

DR. M. VEERAPPA MOILY,
Chairperson,
Committee on Finance

Minutes of the Twenty - Third Sitting of the Committee on Finance

**The Committee sat on Tuesday, the 31st March, 2015 from 1100 hrs. to 1550 hrs.
in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.**

PRESENT

Dr. M. Veerappa Moily – Chairperson

MEMBERS

LOK SABHA

2. Shri Nishikant Dubey
3. Shri P.C. Gaddigoudar
4. Shri Shyama Charan Gupta
5. Shri Rattan Lal Kataria
6. Shri Bhartruhari Mahtab
7. Shri Prem Das Rai
8. Shri Rayapati Sambasiva Rao
9. Prof. Saugata Roy
10. Shri Jyotiraditya M. Scindia
11. Shri Gajendra Singh Sekhawat
12. Shri Gopal Shetty
13. Shri Anil Shirole
14. Dr. Kirit Somaiya

RAJYA SABHA

15. Shri Naresh Gujral
16. Shri Ajay Sancheti
17. Shri Digvijaya Singh
18. Dr. Manmohan Singh

SECRETARIAT

1. Shri P.C. Koul - Director
2. Shri Ramkumar Suryanaryanan - Additional Director

PART- I

(1100 hrs. to 1215 hrs.)

WITNESSES

Ministry of Statistics And Programme Implementation

1. Dr. T.C.A. Anant, Chief Statistician of India & Secretary

2. Shri P.K. Pujari, Special Secretary & Financial Adviser
3. Shri Dinesh Singh, Additional Secretary
4. Shri A.K. Yadav, Joint Secretary (Admn.)

Indian Statistical Institute (ISI) Kolkata

Prof. Bimal Kumar Roy, Director

National Sample Survey Office (NSSO)

1. Shri A.K. Mehra, Director General & CEO
2. Smt. Amarjeet Kaur, Addl. Director General, Field Operations Division
3. Smt. Sudha Mirdha, Addl. Director General, Data Processing Division
4. Shri Samiran Mallick, Addl. Director General, Survey Design and Research Division

Central Statistics Office (CSO)

1. Shri Ashish Kumar, Director General
2. Shri Gurcharan Manna, Addl. Director General, Economic Statistics Division
3. Shri G.M. Boopathi, Addl. Director General, Coordination and Publications Division

4. Shri S.N. Singh, Addl. Director General, Social Statistics Division
5. Shri T.V. Raman, Addl. Director General, training
6. Shri P.C. Mohanan, Dy. Director General, Computer Centre

Programme Implementation Wing

Dr. Davendra Verma, Dy. Director General

National Statistical Commission

Shri MVS Ranganadham, Dy. Director General

2. The Sitting commenced with the opening address of the Chairperson, who while welcoming the witnesses, noted the crucial place of the Ministry in the overall set up of planning and governance. The Committee then proceeded to take oral evidence of the representatives of the Ministry of Statistics and Programme Implementation in

connection with the examination of the Demands for Grants (2015-16). The major issues discussed included physical and financial performance of the Ministry in the context of Demands for Grants (2014-15), hike in BE under certain heads despite consistent underutilisation of funds, GDP Growth rate, sample surveys of NSSO, key projects in private sector, data on capital formation in New Series of National Accounts, new methodology of computing National Accounts, MPLADs Funds, performance and efficiency of ISI, Kolkata, working of the Ministry under huge shortage of manpower, new consumer price index, possibility of expanding the mandate of the Ministry *vis-a-vis* project monitoring , coordination with PMG, performance of SSS, etc.

3. Before the Sitting concluded, the Chairperson directed the representatives of the Ministry of Statistics and Programme Implementation to furnish written replies to the points which could not be responded to during the discussion within six days.

(The Witnesses then withdrew)

The Committee then adjourned for tea.

PART- II

(1230 hrs. to 1350 hrs.)

4. X X X X X

PART- III

(1415 hrs. to 1550 hrs.)

5. X X X X X

(The Witnesses then withdrew)

A verbatim record of proceedings has been kept.

The Committee then adjourned.

Minutes of the Twenty-Fourth Sitting of the Committee on Finance

The Committee sat on Thursday, the 16th April, 2015 from 1100 hrs. to 1315 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Dr. M. Veerappa Moily – Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia,
3. Shri Nishikant Dubey
4. Shri P.C. Gaddigoudar
5. Shri Prataprao Jadhav
6. Shri Rattan Lal Kataria
7. Shri Bhartruhari Mahtab
8. Shri Gajendra Singh Sekhawat
9. Shri Gopal Shetty
10. Shri Shivkumar Udasi
11. Dr. Kiritbhai Solanki
12. Dr. Kirit Somaiya

RAJYA SABHA

13. Shri Naresh Gujral
14. Shri A. Navaneethakrishna
15. Dr. Mahendra Prasad
16. Shri P. Rajeeve
17. Dr. Manmohan Singh

SECRETARIAT

- | | | |
|---------------------------------|---|----------------------|
| 1. Shri P.K. Misra | - | Additional Secretary |
| 2. Shri P.C. Tripathy | - | Director |
| 3. Shri Ramkumar Suryanarayanan | - | Additional Director |
| 4. Shri Kulmohan Singh Arora | - | Deputy Secretary |

2. X X X X X

3. Thereafter, the Committee took up the following draft Reports for consideration and adoption :

- (i) Draft Report on Demands for Grants (2015-16) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Disinvestment);
- (ii) Draft Report on Demands for Grants (2015-16) of the Ministry of Finance (Department of Revenue);
- (iii) Draft Report on Demands for Grants (2015-16) of the Ministry of Planning;
- (iv) Draft Report on Demands for Grants (2015-16) of the Ministry of Corporate Affairs; and
- (v) Draft Report on Demands for Grants (2015-16) of the Ministry of Statistics and Programme Implementation.

4. After some deliberation, the Committee adopted the draft Reports at Sl. Nos. (i) & (v) with minor modifications and Sl. Nos. (ii), (iii) & (iv) above without any modification and authorised the Chairperson to finalise them in the light of factual verification received from the concerned Ministries / Departments and present these Reports to Parliament.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.