

1

9

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC
AFFAIRS)

ESTIMATES COMMITTEE

1996-97

FIRST REPORT

ELEVENTH LOK SABHA

232



LOK SABHA SECRETARIAT
NEW DELHI

FIRST REPORT
ESTIMATES COMMITTEE
(1996-97)

(ELEVENTH LOK SABHA)

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS) —
RAISING OF MONETARY LIMIT OF 'WORKS'
SHOWN IN THE WORKS ANNEXURE
APPENDED TO DETAILED DEMANDS FOR
GRANTS

Action Taken by Government on the Recommendations contained in the Fifty-Fourth Report of the Estimates Committee (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs) —Raising of Monetary Limit of 'Works' shown in the Works Annexure appended to Detailed Demands for Grants



सत्यमेव जयते

Presented to Lok Sabha on 17th December, 1996

LOK SABHA SECRETARIAT
NEW DELHI

December, 1996/Agrahayana, 1918 (Saka)

Price: Rs. 10/-

PARLIAMENT LIBRARY
Central Govt. Publications
Acc. No. 95817 (5)
Date:

LC
351.72225R
N6.1j4

CORRIGENDA TO
FIRST REPORT OF ESTIMATES
COMMITTEE (ELEVENTH LOK SABHA)
ON RAISING OF MONETARY LIMIT OF
'WORKS' SHOWN IN THE WORKS ANNEXURE
APPENDED TO DETAILED DEMANDS FOR
GRANTS

....

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
(v)	4	3 from bottom	II	III
10	8	7	Thier	Their

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE (1996-97).....	(iii)
INTRODUCTION.....	(v)
CHAPTER I Report.....	1
CHAPTER II Recommendation/Observations that have been accepted by Government.....	3
CHAPTER III Recommendation/Observations which the Committee do not desire to pursue in view of Government's reply.....	5
CHAPTER IV Recommendation/Observations in respect of which reply of Government have not been accepted by the Committee.....	6
CHAPTER V Recommendation/Observations in respect of which final reply of Government is still awaited.	7

APPENDICES

I Minutes of the Sitting of the Estimates Committee held on 4.12.1996.....	8
II Ministry of Finance O.M. No. F. 2(108)-B(D)/95 dated 3rd January, 1996.....	9
III Analysis of the action taken by Government on the recommendations contained in the 54th Report of the Estimates Committee (1995-96) ...	11

**COMPOSITION OF THE ESTIMATES COMMITTEE
(1996-97)**

CHAIRMAN

Shri Rupchand Pal

MEMBERS

2. Shri G.M. Banatwalla
3. Shri Pradeep Bhattacharya
4. Shri P.C. Chacko
5. Shri Ram Tahal Chaudhary
6. Shri Chandu Bhai Deshmukh
7. Dr. Ramchandra Dome
8. Shri Jagat Vir Singh Drona
9. Shri P. Pundlik Fundkar
10. Shri Udaisingrao Gaikwad
11. Shri Bijoy Krishna Handique
12. Shri Bhupinder Singh Hooda
13. Dr. G.L. Kanaujia
14. Shri Harinder Singh Khalsa
15. Shri Sanat Kumar Mandal
16. Shri Sanat Mehta
17. Shri C. Narasimhan
18. Shri Vishambhar Prasad Nishad
19. Shri Nitish Kumar
20. Shri Sarat Pattanayak
21. Shri Ramendra Kumar
22. Shri Kashiram Rana
23. Prof. Rasa Singh Rawat
24. Shri Basavaraj Rayareddy
25. Shri Mahadeepak Singh Shakya
26. Shri Mangat Ram Sharma
27. Col. Rao Ram Singh
28. Shri Thota Gopala Krishna
29. Shri Chun Chun Prasad Yadav
30. Shri Dinesh Chandra Yadav

SECRETARIAT

- | | |
|----------------------------|------------------------|
| 1. Shri S.N. Mishra | — Additional Secretary |
| 2. Smt. Roli Srivastava | — Joint Secretary |
| 3. Shri K.L. Narang | — Deputy Secretary |
| 4. Shri Raj Shekhar Sharma | — Under Secretary |
| 5. Shri R.C. Kakkar | — Assistant Director |

INTRODUCTION

I, the Chairman of Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this First Report on action taken by Government on the recommendations contained in the Fifty-fourth Report of Estimates Committee (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs) — Raising of Monetary Limit of 'Works' shown in the Works Annexure appended to Detailed Demands for Grants.

2. The Fifty-fourth Report was presented to Lok Sabha on 19th December, 1995. Government furnished their replies indicating action taken on the recommendations contained in that Report on 9th October, 1996. The Draft Report was considered and adopted by the Committee on 4th December, 1996.

3. The Report has been divided into the following Chapters:—

- I. Report;
- II. Recommendation/Observations which have been accepted by Government;
- III. Recommendation/Observations which the Committee do not desire to pursue in view of Government's replies;
- IV. Recommendation/Observations in respect of which replies of Government have not been accepted by the Committee; and
- V. Recommendation/Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in the Fifty-fourth Report of Estimates Committee (Tenth Lok Sabha) is given in Appendix-II. It would be observed therefrom that all the 4 observations/recommendations made in the Report, i.e., 100% have been accepted by Government.

NEW DELHI;
December 12, 1996

RUPCHAND PAL,
Chairman,
Estimates Committee.

Agrahayana 21, 1918(S)

CHAPTER I

REPORT

1.1 This Report of the Estimates Committee deals with action taken by Government on the recommendations contained in their Fifty-fourth Report (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs)—Raising of Monetary Limit of 'Works' shown in the Works Annexure appended to Detailed Demands for Grants which was presented to Lok Sabha on 19th December, 1995.

1.2 Action Taken Notes have been received from the Ministry in respect of all the recommendations contained in the Report.

1.3 Keeping in view of the steep increase in the cost of projects and the number of projects costing Rs. 50 lakh and above, the Committee recommended as follows:

"The Committee feel that in view of steep increase in cost of projects and the number of projects costing Rs. 50 lakhs and above having multiplied manifold, they have no objection to the present monetary limit of works shown in the Works Annexure being raised from Rs. 50 lakhs to Rs. 5 crores as proposed by the Ministry of Finance. In this connection, the Committee also note that under rule 310(d) of the Rules of Procedure and Conduct of Business in Lok Sabha, it is enjoined upon the Committee to suggest the form in which the estimates shall be presented to Parliament. The Committee, however, feel that since the Departmentally related Standing Committees have also been constituted under provisions of the Rules of the Procedure and Conduct of Business in Lok Sabha mainly to consider the Demands for Grants of the Ministries/Departments concerned and that the Ministry in their note to the Committee have given data in respect of Grants under three heads only, the fact of raising the monetary limit from Rs. 50 lakhs to Rs 5 crores might specifically also be brought to the notice of the Departmentally related Standing Committees for information and changes/modifications, if any, by them."

1.4 In their reply the Ministry have stated as follows:

"The recommendation of the Committee has been accepted for being implemented from 1996-97. A copy of this Ministry's circular office Memorandum dated January 3, 1996 containing the instructions issued in this connection to all Ministries/Departments is enclosed (Appendix II).

The Ministries/Departments were specifically advised to bring the recommendation of the Estimates Committee to the notice of their respective departmentally related Standing Committees, for information and changes/modifications, if any, to be suggested by them."

1.5 The Committee are satisfied to note that their recommendations have been accepted by the Government for being implemented from 1996-97 and necessary instructions issued to all the Ministries/Departments of the Government of India. It has also been noted that the Ministries/Departments having provision for works expenditure have specifically been advised by the Ministry of Finance to bring the recommendation of the Estimates Committee to the notice of their respective Departmentally related Standing Committees for the change, if any, in the Works Annexure being brought out from 1996-97.

CHAPTER II

RECOMMENDATION/OBSERVATION WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation/Observations (S. Nos. 1 to 4, Para Nos. 1.4 to 1.7)

The Committee note that they in Paragraph 45(c) of their Thirty-seventh Report 1986-87 (Eighth Lok Sabha) recommended that the existing limit in the Works Annexure, appended to the Detailed Demands for Grants, showing details of works be increased to Rs. 50 lakhs. Prior to it, the limit was Rs. 5 lakhs. Accordingly, effective from the Budget for 1987-88 the Detailed Demands for Grants of Ministries/Departments in charge of execution of Works included an annexure in their Detailed Demands showing estimates and progress of their expenditure of individual works costing Rs. 50 lakhs or above.

The Committee are now informed that with the passage of time and particularly with the all around escalation in costs, the number of such projects (costing Rs. 50 lakhs and above) has multiplied manifold. Under the Department of Telecommunications such projects numbered 2739 in 1987-88. These are now over 13000. In other Ministries also the number of such individual projects has similarly registered large increases.

The Ministry have further stated that this annexure is intended to facilitate an objective assessment of the progress of works expenditure related to the provision included in the Demands for Grants of the Ministry/Department concerned. It is, therefore felt that the annexure calls for a neater presentation in order to make it meaningful. The purpose would be adequately served if the limit is raised from Rs. 50 lakhs to Rs. 5 crores. All other works below this limit may be clubbed under 'other works'.

The Committee feel that in view of steep increase in cost of projects and the number of projects costing Rs. 50 lakhs and above having multiplied manifold, they have no objection to the present monetary limit of works shown in the Works Annexure being raised from Rs. 50 lakhs to Rs. 5 crores as proposed by the Ministry of Finance. In this connection, the Committee also note that under rule 310(d) of the Rules of Procedure and Conduct of Business in Lok Sabha, it is enjoined upon the Committee 'to suggest the form in which the estimates shall be presented to Parliament'. The Committee, however feel that since the Departmentally related Standing Committees have also be constituted under provisions of the Rules of the Procedure and Conduct of Business in Lok Sabha mainly to consider the Demands for Grants of the Ministries/Departments

concerned and that the Ministry in their note to the Committee have given data in respect of Grants under three heads only, the fact of raising the monetary limit from Rs. 50 lakhs to Rs. 5 crores might specifically also be brought to the notice of the Departmentally related Standing Committees for information and changes/modifications, if any, by them.

Reply of Government

The recommendation of the Committee has been accepted for being implemented from 1996-97. A copy of this Ministry's circular office memorandum dated January 3, 1996 containing the instructions issued in this connection, to all Ministries/Departments is enclosed.

The Ministries/Departments were specifically advised to bring the recommendation of the Estimates Committee to the notice of their respective departmentally related Standing Committee, for information and changes/modifications, if any to be suggested by them.

CHAPTER III

**RECOMMENDATION/OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF
GOVERNMENT'S REPLY**

—NIL—

—

CHAPTER IV

**RECOMMENDATION/OBSERVATIONS IN RESPECT OF WHICH
REPLY OF GOVERNMENT HAS NOT BEEN ACCEPTED BY THE
COMMITTEE**

—NIL—

CHAPTER V

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
FINAL REPLY OF GOVERNMENT ARE STILL AWAITED**

—NIL—

NEW DELHI;
December 12, 1996

Agrahayana 21, 1918(S)

RUPCHAND PAL,
Chairman,
Estimates Committee.

APPENDIX I
MINUTES OF SITTING OF THE ESTIMATES COMMITTEE
(1996-97)

THIRD SITTING

The Committee sat on Wednesday, the 4th December, 1996 from 1500 to 1530 hours.

PRESENT

Shri Rupchand Pal — *Chairman*

MEMBERS

2. Shri G.M. Banatwalla
3. Shri Pradeep Bhattacharya
4. Dr. Ramchandra Dome
5. Shri Jagat Vir Singh Drona
6. Shri Bijoy Krishna Handique
7. Dr. G.L. Kanaujia
8. Shri Sanat Kumar Mandal
9. Shri Sanat Mehta
10. Shri C. Narasimhan
11. Shri Vishambhar Prasad Nishad
12. Shri Sarat Pattanayak
13. Shri Kashiram Rana
14. Prof. Rasa Singh Rawat
15. Shri Mahadeepak Singh Shakya
16. Shri Mangat Ram Sharma
17. Col. Rao Ram Singh

SECRETARIAT

1. Shri K.L. Narang — *Deputy Secretary*
2. Shri R.C. Kakkar — *Assistant Director*

2. The Committee considered the following Draft reports and adopted them:—

- (i) Draft Report on action taken by Government on the recommendations contained in the Fifty-Fourth Report of EC (10th Lok Sabha) on the Ministry of Finance (Department of Economic Affairs) — Raising of Monetary Limit of 'Works' shown in the Works Annexure appended to Detailed Demands for Grants.

(ii)	XX	XX	XX
3.	XX	XX	XX
4.	XX	XX	XX
5.	XX	XX	XX
6.	XX	XX	XX
7.	XX	XX	XX
8.	XX	XX	XX

The Committee then adjourned.

APPENDIX II

(Vide reply to recommendations 1 to 4)

No. F. 2(108)-B(D)/95
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, the January 3, 1996

OFFICE MEMORANDUM

Sub: *Works Annexure appended to the Detailed Demands for Grants—raising of monetary limit for—effective from 1996-97.*

Reference item (iv) under paragraph 6.6 of this Ministry's Budget Circular bearing No. F.2.(117)-B(D)/95 dated September 14, 1995, on the above subject.

2. This matter was referred to the Estimates Committee of Parliament with the suggestion that going by the present day costs and multiplicity of works undertaken on Government account, the existing limit of Rs. 50 lakh in respect of individual works being shown in the Works Annexure may be raised to Rs. 5 crore. The works Annexure is intended to facilitate an objective assessment of the progress of works expenditure related to the provision included in the Demands for Grants of the Ministries/Departments concerned. The proposal for raising of the monetary limit was designed to improve the presentation so as to make it more meaningful.

3. This has been accepted by the Estimates Committee, The Committee in their 54th Report (10th Lok Sabha) have *inter-alia* expressed as follows:—

The Committee feel that in view of steep increase in cost of projects and the number of projects costing Rs. 50 lakhs and above having multiplied manifold, they have no objection to the present monetary limit of works shown in the Works Annexure being raised from Rs. 50 lakhs to Rs. 5 crore, as proposed by the Ministry of Finance.

4. Accordingly, all Ministries/Departments having provision for works expenditure in their Budget are advised that effective from 1996-97, the Works Annexure to be included in their book of Detailed Demands for Grants may show the estimates and progress of expenditure of individual works costing Rs. 5 crore and above distinctly. All other works below this limit may be clubbed under 'Other works'.

5. The items to be included in this Annexure should be 'original works', new or ongoing, and not maintenance works, and that these should be in relation to works with which the Ministries/Departments are in-charge of execution. This will not cover works expenditures of autonomous bodies, institutions, etc. even though these may be financed from Government grants.

6. This Annexure, however, may also cover outlay and expenditure on purchase of ready-built residential and non-residential buildings, provisions for which are now being made by the respective Ministries/Departments in their Demands for Grants. Accordingly, those Departments also (like Department of Revenue, etc.) may append the 'Works Annexure' in their Detailed Demands for Grants.

7. The form of the Works Annexure, subject to the change advised in this Memorandum, may be the same as at Appendix IX-D to the Budget Circular.

8. The Estimates committee have desired that Ministries/Departments having provision for works expenditure in their Demands for Grants may specifically bring to the notice of their respective Departmentally-related Standing Committee of Parliament, the change in the works annexure being brought about from 1996-97, for information and changes/modifications, if any to be suggested by them. This may also be done by Ministries/Departments which will be introducing the Works Annexure in their Detailed Demands for the first time from next year.

9. Receipt of this Memorandum may please be acknowledged.

(P.N. Bhattacharyya)
Additional Budget Officer,
Tel. No. 3011247

To
Sh.
The Financial Adviser,
Ministry/Department of

Copy forwarded to:—

1. Controller General of Accounts, New Delhi.
2. Director General of Audit, Central Revenues, New Delhi.
3. JS (Per.), Department of Expenditure, for information.

(P.N. Bhattacharyya)
Additional Budget Officer,
Tel. No. 3011247

APPENDIX III
(*Vide* Introduction to Report)

Analysis of the action taken by Government on the recommendations contained in the 54th Report of the Estimates Committee (Tenth Lok Sabha)

I. Total number of recommendations/observations	4
II. Recommendation/Observations which have been accepted by Government (Nos. 1, 2, 3 and 4)	4
Percentage	100%
III. Recommendation/Observations which the Committee do not desire to pursue in view of Government's reply	NIL
IV. Recommendation/Observations in respect of which Government's replies have not been accepted by the Committee	NIL
V. Recommendation/Observations in respect of which final replies of Government are still awaited	NIL

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		WEST BENGAL	
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500361.	13.	M/s. Manimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.
BIHAR		DELHI	
2.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi. (T. No. 351663 & 350806).
GUJARAT		15.	M/s. J. M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi- 110006. (T. No. 2915064 & 230936).
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006. (T. No. 79065).	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896).
MADHYA PRADESH		17.	M/s. Bookwell, 2/72, Sant Niran- kari Colony, Kingsway Camp, Delhi-110009. (T. No. 7112309).
4.	Modern Book House, Shiv Vilas Palace, Indore City. (T. No. 35289).	18.	M/s. Rajendra Book Agency IV-DR59, Lajpat Nagar, Old, Double Storey, New Delhi- 110024. (T. No. 6412362 & 6412131).
MAHARASHTRA		19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
6.	The International Book Service, Deccan Gymkhana, Poona-4.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus New Delhi-110001. (T. No. 344448, 322705, 344478 & 344508).
7.	The Current Book House, Maruti- Lane, Raghunath Dadaji Street, Bombay-400001.	22.	M/s. Amrit Book Co. N-21, Connaught Circus, New Delhi.
8.	M/s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications 585, Chira Bazar Khan House, Bombay-400002.	23.	M/s. Books India Corporation Publishers, Importers & Expor- ters, L-27, Shastri Nagar, Delhi-110052. (T. No. 269631 & 714465).
9.	M&J Services, Publishers, Repre- sentative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor 68, Jyotiba Fuele Road, Nalgaum-Dadar, Bombay-400014.	24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110002.
10.	Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400001.		
TAMIL NADU			
11.	M/s. M. M. Subscription Agen- cies, 14th Murali Street, (1st floor) Mahalingapuram, Nungam- bakkam, Madras-600034. (T. No. 476558).		
UTTAR PRADESH			
12.	Law Publishers, Sardar Patel Marg, P. B. No. 77, Allahabad, U.P.		