

Secondly, the statement made by a Minister on the floor of the House is more reliable than the statement that appears in the newspaper.

In view of the fact that we are strengthening our Units, it has not been necessary for us to establish new Units.

As far as the Liquid Propellant System is concerned, we are trying to do it at Valiyamalai, by strengthening that Unit and other Units also are being strengthened for other purposes.

**SHRI T. BASHEER :** My second supplementary is, to my information, the ISRO Authorities have prepared a project report for the development of the ISRO Units in the country and submitted it to the Government.

I would like to know from the hon. Minister whether Government have approved it and, if so, what are the details regarding that ?

**SHRI SHIVRAJ V. PATIL :** I am talking about the decision taken by the Government. If some study is instituted and if some reports are received, that is a different matter. But, as things stand today, we have not taken any decision to establish any new unit in Kerala nor are we shifting any unit from Kerala to any other State. On the contrary, we are strengthening the existing units over there.

**SHRI SURESH KURUP :** I want to know and I want to get a specific answer. I want to know whether the ISRO does consider Kerala as not at all a suitable place for establishing further satellite launching stations and if so, the reasons therefor.

**PROF. MADHU DANDAVATE :** It is the other way.

**SHRI SHIVRAJ V. PATIL :** The entire space activity as far as the launching is concerned and satellite making and liquid propulsion schemes are concerned, they are all situated in Kerala State. So we do not think that Kerala is not a suitable place.

As far as launching facility is concerned we are launching some rockets from the Trivandrum launching pad also. But as far as other launching facilities are concerned, there are other sites also like Sri Harikota and other places and we are launching the satellites from there. Government does not think that Kerala is not a suitable place for space technology development.

**MR. SPEAKER :** It is one of the suitable places.

**SHRI SURESH KURUP :** It is one of the most suitable places.

**DR. CHINTA MOHAN :** Is it a fact that the HISTRAC unit of the Space Research Centre at Sriharikota of Andhra Pradesh is being shifted to Karnataka and if so, what are the reasons for that ?

**SHRI SHIVRAJ V. PATIL :** We are not shifting. This is the problem. Restructuring of the Department is treated as shifting. No facilities which are available at Sriharikota are shifted to Bangalore or any other place. On the contrary we are strengthening the facilities which are already available there. We have launched the SLV from there and other vehicles also are going to be launched from there.

#### **Diversión of Funds Allocated for Specific Schemes**

\*146. **SHRI K. RAMAMURTHY :** Will the Minister of PLANNING be pleased to state :

(a) the names of States which have diverted the funds allocated for hill development, agriculture and rural development and anti-poverty programmes and if so, for what purpose these funds are being utilised; and

(b) the details of plans reported to have been worked out by the Planning Commission for penalising the States which divert central funds earmarked for specific purpose in the Five Year Plan ?

**THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) :** (a) and (b) A statement is given below.

**Statement**

There have been short-falls in expenditure against the approved outlays over the Sixth Five Year Plan period under Agriculture & Allied Services and Rural Development sectors in some States as follows :

(Rs. crores)

| Sl. No. | Name of the State | Sectors in which shortfalls have occurred | Approved Outlays | Actual Expenditure (Latest Estimates) | Extent of shortfall |
|---------|-------------------|---|------------------|---------------------------------------|---------------------|
| 1       | 2                 | 3   | 4                | 5                                     | 6                   |
| 1.      | Andhra Pradesh    | Agriculture & Allied Services             | 105.58           | 93.29                                 | (—) 12.29           |
|         |                   | Rural Development                         | 227.89           | 205.88                                | (—) 22.01           |
| 2.      | Assam             | Agriculture & Allied Services             | 149.18           | 143.12                                | (—) 6.06            |
|         |                   | Rural Development                         | 89.22            | 84.53                                 | (—) 4.69            |
| 3.      | Bihar             | Agriculture & Allied Services             | 129.80           | 122.29                                | (—) 7.51            |
|         |                   | Rural Development                         | 309.19           | 302.31                                | (—) 6.88            |
| 4.      | Gujarat           | Rural Development                         | 188.54           | 186.07                                | (—) 2.47            |
| 5.      | Himachal Pradesh  | Agriculture & Allied Services             | 101.39           | 98.42                                 | (—) 2.97            |
|         |                   | Rural Development                         | 39.41            | 38.60                                 | (—) 0.81            |
| 6.      | Karnataka         | Agriculture & Allied Services             | 179.07           | 175.87                                | (—) 3.20            |
| 7.      | Kerala            | —do—                                      | 150.68           | 149.90                                | (—) 0.78            |
| 8.      | Maharashtra       | —do—                                      | 336.14           | 323.24                                | (—) 12.90           |
| 9.      | Meghalaya         | —do—                                      | 33.01            | 32.98                                 | (—) 0.03            |
|         |                   | Rural Development                         | 24.48            | 23.59                                 | (—) 0.89            |
| 10.     | Nagaland          | Agriculture & Allied Services             | 28.91            | 26.74                                 | (—) 2.17            |
| 11.     | Orissa            | Rural Development                         | 176.33           | 168.15                                | (—) 8.18            |
| 12.     | Punjab            | Agriculture & Allied Services             | 147.04           | 140.83                                | (—) 6.21            |
| 13.     | Sikkim            | —do—                                      | 32.16            | 30.25                                 | (—) 1.91            |
|         |                   | Rural Development                         | 3.92             | 3.74                                  | (—) 0.18            |
| 14.     | West Bengal       | Agriculture & Allied Services             | 182.40           | 160.20                                | (—) 22.20           |

Note : Provisions under Rural Development include provisions for anti-poverty programmes.

2. As regards Hill Area Development Programme, there have been shortfalls in the Sixth Plan from the Hill Area Development Sub-Plan in the case of Assam and West Bengal (Darjeeling) as follows :

(Rs. crores)

| Sl. No. | Name of the State        | Total Approved Outlay | Total expenditure over the Plan period | Shortfall |
|---------|--------------------------|-----------------------|--|-----------|
| 1.      | Assam                    | 166.54                | 153.22                                 | (—) 13.32 |
| 2.      | West Bengal (Darjeeling) | 77.87                 | 73.65                                  | (—) 4.22  |

For purposes of monitoring, shortfalls in actual expenditure against approved outlays are relevant. These shortfalls may amount to diversion. It is, however, not practicable to ascertain precisely where and to what extent diversion has actually taken place.

Prior to 1969, Central Assistance in the form of loans and grants was given for the State Plans for specific schemes/projects. In April, 1969, a system of block loans and grants was introduced under which Central Assistance is given in the form of lump sum amount for the State Plan as a whole according to a formula approved by the National Development Council. However, in order to ensure that the Plan expenditure is in accordance with the Plan priorities, a scheme of earmarking of outlays was introduced simultaneously with the system of block loans and grants. Under this scheme, funds are earmarked for Agriculture & Allied Services and Rural Development sectors, Minor Irrigation and Command Areas Development Programmes, specified Irrigation & Power Projects and various components of the Minimum Needs Programme. The States are required to adhere to these approved outlays, and any shortfall in expenditure entails a proportionate cut in Central Assistance.

**SHRI K. RAMAMURTHY :** My question is very clear. I asked 'the names of the States which have diverted the funds allocated for hill development, agriculture and rural development and anti-poverty programmes and if so, for what purpose these funds are being utilised.'

I am sorry to mention that the Minister has given a reply stating...

**MR. SPEAKER :** Are you sorry for getting the reply ?

**SHRI K. RAMAMURTHY :** I am sorry because it is a wrong reply. That is what I meant.

He has mentioned the names of various States which have not utilised the funds. That is the shortfalls he has mentioned. Also in the end he is mentioning that these shortfalls may amount to diversion. My

question was : which are all the States which have diverted the funds which are earmarked for the anti-poverty and other rural development programmes. He has not pin-pointed that. Contrary to this, on January 25 when he was addressing a meeting of the Chamber of Commerce in Calcutta he has mentioned while having a dig on the left-front Government :

“Strangely a sum of Rs. 58 lakhs all of a sudden has been spent on zoo development instead of utilising it for anti-poverty programmes.”

I want to know how he has come across this figure and how he is not able to give the correct answer to me. Apart from that I would like to ask the Minister through you whether this Rs. 58 lakhs or whatever he has said in the Calcutta Chamber of Commerce meeting, has been subsequently deducted as he was envisaging that whatever funds which were not utilised, will be automatically deducted in the coming year's funds. I would like to know from the Minister whether this has been deducted or not.

**SHRI A. K. PANJA :** So, far as the question of utilisation of diverted funds is concerned, it is not possible to know at this stage where it has been utilised. But we can find out sectorwise how far has been the shortfall. If there was Rs. 100 crores allotted and if we find that Rs. 100 crores total outlay has not been spent as actual expenditure, then we find that there is a shortfall. Then it is not possible to know from where diversion took place. But if it is Rs. 100 crores actual expenditure met out of the total outlay, then we find out the sectoral allocation, whether Rs. 9 crores allotted for Education has been spent or not and if not, what is the shortfall, whether in Agriculture the amount of Rs. 10 crores allotted has been spent or not and if not, what is the shortfall. Accordingly, those figures have been given. In Calcutta when I made the statement, it was regarding the spending on the Zoo for which nothing was allotted to the State of West Bengal in the 6th plan. We found out from the accounts given, and that was why I stated so.

**SHRI K. RAMAMURTHY :** The Minister has given the reply. I do agree that shortfall is the unutilised portion of the funds sanctioned to the States. Is it not possible for us to ascertain from those States which have not utilised the funds particularly earmarked for anti-poverty programme and other rural development programmes from which they have diverted the funds? If we are not in a position to find out, then to that extent we are handicapped. In future they will go on diverting the funds which are earmarked for these programmes. I want to know from the hon. Minister whether any monitoring is done in the Planning Commission to look after this diversion of funds which are mostly earmarked for anti-poverty and other rural development programmes and if not, whether he will come forward with a suggestion to set up a Monitoring Cell to look after this diversion of funds.

**SHRI A.K. PANJA :** So far as the Seventh Plan is concerned, there will be monitoring as there was before also. It is the primary duty and responsibility of the States and Union Territories. So far as the Planning Commission is concerned, we do have a Cell which collects this information from each of the States and Union Territories. Under the specific direction of the hon. Prime Minister, every three months, quarterly, monitoring has to take place. On that we are exercising so that wherever it has been utilised also—the shortfall—we can find out.

**SHRI C. MADHAV REDDI :** The allocations are mostly in the nature of block loans or block grants to the State Plans. What mechanism is in existence in the Planning Commission or in the Government to see that the allocations made are actually utilised for the purpose for which they are made? Since the system was introduced from 1969 that there should be block grants only to the State Plans, will the Government reconsider this and see that the earlier practice is restored?

**SHRI A. K. PANJA :** The early practice prior to April 1969 was that, according to the scheme of the Plan, allocation was made. But after discussion with the States, all agreed that it should be as a

matter of block loans but with a specific directions; so far as certain sectors are concerned like the anti-poverty programme, rural development programme, minor irrigation, they are also earmarked and so, there cannot be any possibility of diversion unless a special case is made out by the States and Union Territories and sent to the Planning Commission with reasons why they want this diversion, why they could not spend; if the Planning Commission thinks that the reasons given are proper, then that is allowed, but without permission it cannot be done.

**SHRI P. NAMGYAL :** I would like to ask a specific question about diversion of funds. According to the report of the Eighth Finance Commission, under para 12.55, a meagre sum of Rs. 2.48 crores has been allotted to Ladakh District for creation of infrastructure and other things. This sum was subsequently reduced to Rs. 198.4 lakhs. Subsequently half the amount has been diverted to Khargil district. Although that also falls in my constituency. With the result the planning already made for the creation of infrastructure in the other sector i.e. such as completely off balanced. So, may I have an assurance from the Hon. Minister whether the Government of India will make up the diverted amount which has already been sanctioned for Ladakh district and also supplement the amount diverted from Ladakh district to Khargil sector for creation of some more infrastructure? I would like to have an assurance.

**SHRI A.K. PANJA :** The question of assurance from me or from the Planning Commission does not arise for the reason that if the diversion is made in the respect of a fund earmarked for a particular purpose, then it is the fault of the State or the Union Territory. We have made out a formula so that a Damocles' Sword hangs over such defaulting States or the Union Territories. If there is such diversion in respect of the earmarked funds without prior permission of the Planning Commission then, there would be proportionate cut in so far as that year's central assistance is concerned.