

SHRI SANTOSH BAGRODIA: Thank you, Sir. I will not take more time. I just want to know from the hon. Minister: Is it also a fact that audit by FAA is going on in the country? If it is going on for air-worthiness, whether he has details of such airlines and what corrective steps are being taken on that?

SHRI PRAFUL PATEL: Sir, the question pertains to security audit by FAA. I have only answered that there is no security audit which is conducted by FAA. We are not under their jurisdiction for conducting security audit. That is our view. We are to follow international best practices and norms. The question that you are trying to ask me is about FAA audit of the procedures which are being followed by the DGCA. There is an IASA Certification which is required. It is an International Airworthiness Certification. The norm which is to be followed by most countries, that FAA audit for India has been completed and we have got an IASA Category-1 Certification which means that all our systems are in place according to the best practices prevalent anywhere else in the world.

Investment in infrastructure

*269. SHRI SHYAMAL CHAKRABORTY:

SHRI MOINUL HASSAN:††

Will the Minister of FINANCE be pleased to state:

(a) whether Government has emphasized the need to increase investment in infrastructure to more than nine per cent of GDP by 2014; and

(b) if so, the details of proposed investments sector-wise?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) and (b) A statement is placed on the Table of the House.

Statement

(a) For sustaining a growth rate of 9% in GDP in the Eleventh Plan, investment in physical infrastructure has been targeted to increase from around 5% of GDP in the base year of the plan 2006-07 to 9% by the terminal year 2011.12. However, no targets have so far been set for the period beyond 2011-12.

(b) Sector-wise investments projected for the Eleventh Plan are as under:

(Amount in Rs crore at 2006-07 prices)

Sector	Eleventh Plan (Projected investment)		
	Amount		Share (%)
	Rs. (crore)	US\$ billion (@ Rs 40/\$)	
1	2	3	4
Electricity (incl. NCE)	666525.00	166.63	32.42

††The question was actually asked on the floor of the House by Shri Moinul Hassan.

1	2	3	4
Roads and Bridges	314152.00	78.54	15.28
Telecommunications	258439.00	64.61	12.57
Railways (incl. MRTS)	261808.00	65.45	12.73
Irrigation (incl. Watershed)	253301.00	63.32	12.32
Water Supply and Sanitation	143730.00	35.93	6.99
Ports	87995.00	22.00	4.28
Airports	30968.00	7.74	1.51
Storage	22378.00	5.59	1.09
Gas	16855.00	4.21	0.82
TOTAL	2056150.00	514.04	100.00

SHRI MOINUL HASSAN: Sir, power generation is one of the important sectors so far as the infrastructure is concerned. As we know, Sir, in the 11th Plan power generation in this infrastructure sector was targeted at 78,000 MW. Sir, report comes that 11th Plan is to be completed in 2012 and only 50 per cent of the target is completed which is by the public sector generation companies. May I know from the hon. Minister as to what is the present status of it? Is it possible that before completing the 11th Plan in 2012 full capacity or full targeted generation power will be completed?

SHRI PRANAB MUKHERJEE: Mr. Chairman, Sir, I am afraid it may not be possible to reach the target of 78,000 MW's addition to the existing power generation capacity. Though the Mid-Term Appraisal has not been finalised, but from the information which we are having, it appears that, of course, they have lowered the target from 78,000 MW to 62,000 MW. We are trying to reach that target, but after the Mid-Term Appraisal of the Plan being completed, then it would be possible to arrive at the firm figure.

SHRI MOINUL HASSAN: Sir, from the table which is supplied as an answer I can see that the investment in gas infrastructure happens to be the least though the inter-eastern region and also the major part of the southern region is starved of gas supply. Kindly let me know what the progress of the Jagdishpur-Haldia Pipeline is which is aimed to connect the eastern region with gas supply channel? I am asking this because this project was taken up before the 11th Plan. Is there any possibility of completing this project in this Plan period so that eastern India, at least, can get gas?

SHRI PRANAB MUKHERJEE: Sir, the question relates to the investment in the infrastructures. But the question relating to specific projects and conducted by the particular Department or Ministry will have to be addressed by ..(Interruptions)..

SHRI MOINUL HASSAN: Sir, the Minister may know this. ..(*Interruptions*)..

SHRI PRANAB MUKHERJEE: That is all right. But we have to put the notice and they will have to prepare and answer the question. But the general allocation in respects of the gas, as the hon. Member started by observing that it is minimum, is least. It is natural because regarding exploration work, we entered into the new Exploration Policy with the private sector - gas and oil - that if you strike it, you get it. You may try to get it at 40 places, 50 places, 60 places, but when it actually strikes, then, you get it. Therefore, we do not spend substantially of our own public sector resources for exploration. Exploration work is left to the private sector. And, thereafter, as per the New Exploration Licensing Policy, the administrative Ministry - Petroleum and Natural Gas Ministry - conduct and thereafter, the Government enters into arrangements with the private contractors and private sector. So far as the availability of gas is concerned, experts are saying, but unless we strike and identify the zones and are in a position, after exploration, for going to the exploitation, it would be difficult to continue.

SHRI SHYAMAL CHAKRABORTY: Sir, I would like to ask the hon. Finance Minister that you have a policy called 'Look East Policy'. It is a very good Policy. We appreciate it very much. But, for the development of the economy, infrastructure of ports is very much important. What we are observing is that one of the major ports is a riverine port, that is, Kolkata-Haldia, but dredging is very much inadequate. That is why, the Kolkata and Haldia port system is in distressed condition. So, the economic activity is coming down in Eastern India, particularly in West Bengal. Why inadequate money has been allocated for that?

SHRI PRANAB MUKHERJEE: Mr. Chairman, Sir, this is also a specific question in respect to the Department of Shipping and Transport who undertakes the job of dredging of different ports. My responsibility, as the Finance Minister, is to provide money for investment in infrastructure. And, thereafter, infrastructure which is spread in large number of administrative Ministries, they ought to spend project wise, and the Planning Commission makes allocations. Therefore, if you want to expand the canvas of the question, it would be extremely difficult. I can give the figure in respect of the allocation during the current Plan, that is, the Eleventh Five Year Plan. In terms of percentage, port allocation is 4.28 per cent. In absolute terms, it is Rs.87,995 crores. That would be the allocation for development of infrastructure facilities in ports during the Eleventh Plan starting from 2006-07 and coming to an end on 31st March, 2012.

DR. T. SUBBARAMI REDDY: Sir, I would like to know about airports, which is also a very important sector. Though the hon. Finance Minister does not deal directly, but I would like to know that why this sector's share in projected investment is only 1.51 per cent. The amount is hardly Rs.30,968 crores.

Secondly, I would like to know about irrigation.

MR. CHAIRMAN: Only one point please.

DR. T. SUBBARAMI REDDY: Allocation for irrigation, including watersheds, is Rs.2,53,301 crores. Irrigation comes under Central Government funds and State Government funds. I would like know that for irrigation, whether this amount of Rs.2,53,301 crores is exclusively invested by the Government of India. So, what is the modality? Every year, what is the approximate investment that we can expect in irrigation?

And, also, I want to know why such an insignificant investment is proposed in airports.

SHRI PRANAB MUKHERJEE: Sir, the question was for the investment during the Eleventh Plan in the infrastructure sectors, and the Plan investment consists of State-sector Plan and Centre-sector Plan. Therefore, this figure, which we are giving, that is, Rs.20,56,150 crores, the total investment, that is consisting of the Centre-sector investment and the State-sector investment in the infrastructure. And, when you distribute a hundred, when you talk of percentage, you cannot go beyond hundred, and if you give 32 per cent to power, then 15 per cent to road, 12.5 per cent to other important sectors, naturally, for certain other sectors, in the kitty of percentage, it will come down. Secondly, at the airports, substantial modernisation, expansion works and infrastructural activities are going on through the private sector routes.

SHRI M. VENKAIAH NAIDU: Mr. Chairman, Sir, it is a very important question. I would like to draw the attention of the hon. Finance Minister towards increasing the targets fixed for investment in physical infrastructure, from five per cent of GDP to nine per cent of GDP. But, Sir, on the expenditure side, on the implementation side, according to the answer given by the hon. Minister yesterday, we are lagging behind, for instance, in some projects, by 40 months, and, in some projects, by 60 months. The cost overrun is also increasing by leaps and bounds. That being the case, what is the mechanism, what is the system that has been evolved by the Ministry of Finance or the Prime Minister's Office — we read something about it in the newspapers — to see that they are regularly monitored and the targets are achieved. What is the system that has been adopted; what is the response so far; and, what are the results so far?

SHRI PRANAB MUKHERJEE: Sir, it is true that we are not so good and efficient in delivering, particularly, in implementing these projects. Particularly, from the conceptual stage to the implementation stage, there is a big gap. At the same time, with the establishment of the Cabinet Committee on Infrastructure and regular monitoring through the Prime Minister's Office in that Cabinet Committee, which is chaired by the Prime Minister himself, some improvement is noticeable. Already, there is some slippage, which is visible. For instance, there is an expectation, and, some sort of commitment has been made, with regard to construction of 20-kilometres road per day. If we want to construct 20-kilometres road a day, naturally, in the

pipeline, there should be almost 20,000-kilometres road for the year so that we can complete it. 20-kilometres a day means more than 7,000-kilometres a year, which means a minimum of 14,000-kilometres in two years. The preparation of the project report in a road takes almost twelve to fourteen months. Therefore, an attempt should be made to reduce this period, and, at different stages, these types of exercises are being made. Some improvement has taken place but it is not to the desirable extent.

SHRI TIRUCHI SIVA: Sir, while appreciating the target increase of the investment in physical infrastructure from five per cent of GDP to nine per cent of GDP, I would like to say that the share towards water supply and sanitation is only 6.99 per cent, which aims at fulfilling the basic needs of the common man. Would the Ministry of Finance consider enhancing the share towards water supply and sanitation?

SHRI PRANAB MUKHERJEE: Sir, these targets are fixed by the Planning Commission. The Planning Commission proposals are approved by the NDC. The NDC consists of the State Chief Ministers and the Cabinet Ministers. Therefore, it is not possible for any individual Ministry just to say that we will increase this, or, we will decrease this. During the course of five years, as and when we find, and, it is proved, that in certain sectors, the expenditure is not up to the expectations, or, in some areas, expenditure is picking up, in the mid-term appraisal, we make a course correction. That mid-term course correction is possible but that will have to be done in consultation with the Planning Commission.

Tax exemption of Obulapuram Mining Corporation

*270. SHRI D. RAJA: Will the Minister of FINANCE be pleased to state:

(a) whether service and other taxes have been collected from the Obulapuram Mining Corporation in Anantpur district of Andhra Pradesh during 2006-07, 2007-08 and current fiscal year upto October 31, 2009;

(b) whether it is a fact that Government has granted diverse exemptions to the Obulapuram Mining Corporation in Andhra Pradesh; and

(c) if so, the details of such concessions granted?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) and (c) The Central Government has not granted any specific exemption exclusively for M/s. Obulapuram Mining Company Ltd.

SHRI D. RAJA: Sir, our respected Finance Minister is the most senior Minister in the Government. He is a very experienced Minister. He will appreciate my question in the interest of the nation and in the interest of the democratic polity in the country. The Obulapuram Mining Corporation has earned the notoriety to be called as mines mafia in the recent times. The people of Andhra Pradesh and the people of Karnataka are agitated and are in a campaign against the illegal activities of these mines. My question is, Sir, this Obulapuram Mining Corporation had earned a whopping more than Rs. 10,000 crore, if my figures are correct. If they are not correct, I stand to be corrected.