



PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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Parliamentary Panel flays Planning Commission, DoP on Plan outlay

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Coming down heavily on the Pharmaceutical Department for failing to utilise the funds properly, the Parliamentary Standing Committee on Chemicals and Fertilisers has flayed the Planning Commission for its 'unrealistic approach' in allocations in the first three years of the current 11th Five Year Plan.

Out an outlay of `1,396.17 crore for the 11th Five Year Plan (2007-12) for the Department of Pharmaceuticals (DoP), actual allocation of funds for the first three years (2007-10) was just `402.27 crore, which is less than 30 per cent of the total plan allocation. Thus, an amount of `993.90 crore which comes to about 72 per cent, will have to be released and spent under plan expenditure during the last two years of the 11th plan, the panel said in its report on the grants for 2009-10.

"Regarding the uneven allocation of resources, the Department of Pharmaceuticals contended before the Committee that they had sought to undertake many new schemes in various fields of pharmaceuticals sector and consequently a higher allocation had been sought for 2009-10 (`302 crore). However, the Planning Commission conveyed its sanction for `155.25 crore only. Similar had been the situation in respect of the first two years of the 11th Plan, i.e. 2007-08 and 2008-09 where the outlays sanctioned by the Planning Commission were well below the amounts proposed by the Department. The Committee regret to conclude that the approach of the Planning Commission in the instant case has been totally unrealistic and not conducive at all to enable the Department of Pharmaceuticals to achieve the expected plan targets. The Committee, therefore, desire that the Planning Commission should address this issue in all its seriousness and ensure that the outlays are sanctioned in the remaining two years of the plan so that the Department of Pharmaceuticals can plan and utilize the resources for achieving the laid down targets," the report said.

However, the DoP also drew flaks from the panel for its failure in utilisation. "What has further caused concern to the Committee is that while sanction of outlays by the Planning Commission during the first three years of the 11th Plan was unrealistic, the actual utilization of the available funds by the Department of Pharmaceuticals had been rather uninspiring. The Committee's examination revealed that as against `91.77 crore sanctioned in 2007-08 (BE) and `155.25 crore sanctioned in 2008-09 (BE), the utilization was `77.07 crore and `109.83 crore respectively. This clearly shows that the Department of Pharmaceuticals had grossly failed in proper utilization of funds, raising doubts over their capacity to plan and execute schemes, which is unfortunate, to say the least," the report said.

During examination by the Committee, the Department contended that after their being created as a separate entity, they have now formulated several proposals which are being examined by the Planning Commission. They have now proposed an allocation of `1,694.16 crore for the remaining two years of the Plan. "The Committee desire that the Department of Pharmaceuticals should gear up their machinery and ensure that

the sanctioned outlays are utilized in a methodical manner so that the planned objectives are fully achieved. The Department should also undertake appropriate monitoring at various levels in order to ensure achievement of the plan targets,"it said.