

UPSC Civil Services Examination

Political Science & International Relations

Topic: Committee on Public Undertakings – Indian Polity Notes

What is Committee on Public Undertakings?

Introduced in 1964, Committee on Public Undertakings is a type of Financial Committee which came into existence on the recommendations of Krishna Menon Committee. It is a permanent standing committee in the Indian Constitution which was introduced to expand the parliamentary control over the PSUs.

The table briefly mentions everything about Committee on Public Undertakings, details of which will be given after it:

Committee on Public Undertakings	
Year of Establishment	1964 (On the recommendation of Krishna Menon Committee)
Members	22
Election of Members	By Parliament every year with proportional representation by means of a single transferable vote
Term of Office	One Year
Chairman	Speaker appoints him/her from amongst the members Note: Member from Rajya Sabha is not chosen as Chairman
Function	To examine the reports and accounts of the Public Sector Undertakings

Who are the members of the Committee on Public Undertakings?

This financial committee has 22 members. All the members are taken from the Indian Parliament. Out of 22 members, 15 are elected from Lok Sabha (Lower House) and 7 members are elected from Rajya Sabha (Upper House.) When the committee was introduced in 1964, it has 15 members (10 from Lok Sabha and 5 from Rajya Sabha.)

Mode of the election of Committee on Public Undertakings' members:

The members of the committee are elected annually by the Parliament from amongst its members. The principle of Proportional Representation (PR) by means of Single Transferable Vote (STV.) This election method gives equal representation to all the members of the Parliament.

Term of the office of members of the Committee on Public Undertakings:

Every member elected by the Parliament from both Lok Sabha and Rajya Sabha are a part of the committee for a year. After a year, a new election takes place and members are changed or re-elected.

Note: A minister cannot be elected as the member of the Committee on Public Undertakings.

Chairman of the Committee on Public Undertakings:

Lok Sabha speaker has the authority to appoint the chairman of the committee. The Chairman of Committee on Public Undertakings is appointed from amongst the members of Lok Sabha. Hence, there is no representation of Rajya Sabha members as a chairman of the committee.

What are the functions of the Committee on Public Undertakings?

This standing committee performs various functions. They are given below:

Functions of Committee on Public Undertakings	
S.No	Type of Functions
1	Reports and Accounts of Public Sector Undertakings (PSUs) are examined by the committee
2	Comptroller and Auditor General's reports on PSUs is also taken up by this committee
3	The committee checks upon the credibility of the business of public sector undertakings.
4	It checks the efficiency and autonomy of PSUs
5	It performs those functions related to PSUs that are given to it by the Lok Sabha speaker

There are a few functions that the committee on public undertakings is not to perform:

- The committee cannot examine any reports of government related to policies which are not concerned with PSUs.
- It has no role in matters of day-to-day administration.
- The committee also cannot take up reports of any such public sector undertakings which are established by a special statute and for which another machinery is responsible to report.

Limitations of the Committee on Public Undertakings

The limitations of the Committee on Public Undertakings are given below:

1. There is a cap on the number of PSUs it can examine reports of. The committee cannot take upon reports of more than 10-12 PSUs in a year.

2. It only examines the reports. It has no role in deciding the functioning of PSUs. Hence, its work is only in the nature of a post-mortem.
3. The committee is not concerned with any technical matters of PSUs as there are no technical experts as members of the committee.
4. All the recommendations put forward for by the committee are advisory in nature and ministers are not bounded by any of those.

