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PREFACE

The “**Outcome Budget**” reflects the endeavour of the Government to convert “**Outlays**” into “**Outcomes**” by planning expenditure, fixing appropriate targets and quantifying deliverables of each scheme. The “**Outcome Budget**” is an effort of the Government to be transparent and accountable to the people.

In addition to an Executive Summary, the Outcome Budget 2011-12 contains seven chapters relating to the Demands for which the Outcome Budget is to be prepared. These are Economic Affairs, Financial Services, Expenditure, Revenue, Direct Taxes, Indirect Taxes and Disinvestment. The chapters discuss the statement of outlays and outcomes; reform measures; policy initiatives and programmes initiated; review of past performance; financial review for three years and a review of the performance of statutory and autonomous bodies.

EXECUTIVE SUMMARY

The Ministry of Finance is responsible for the administration of the finances of the Central Government. It is concerned with economic and financial matters affecting the country as a whole. It mobilizes resources for development, regulates expenditure of the Central Government and deals with transfer of resources to States. It works with other Ministries/ Departments, States/UTs, Reserve Bank of India, Public Financial Institutions and other stake holders for evolving policies for economic development, setting priorities for expenditure, seeking Parliamentary approval to the Budget and ensuring propriety in utilisation of funds. The Ministry has strategic association with multilateral agencies and foreign Governments. The Ministry administers the following thirteen Demands:

DEMAND NO.	DEPARTMENT
32	Department of Economic Affairs
33	Department of Financial Services
34	Appropriation - Interest Payments
35	Transfers to State and Union Territory Governments
36	Loans to Government Servants, etc.
37	Appropriation - Repayment of Debt
38	Department of Expenditure
39	Pensions
40	Indian Audit and Accounts Department
41	Department of Revenue
42	Direct Taxes
43	Indirect Taxes
44	Department of Disinvestment

Six Demands, viz, 34 - Interest Payments, 35 - Transfers to State and Union Territory Governments, 36 - Loans to Government Servants, etc., 37 - Repayment of Debt, 39 - Pensions and 40 – Indian Audit and Accounts Department are specifically exempted from the purview of outcome budgeting. Summary of Budgetary Provisions for all 13 Demands under the Ministry is provided in the Annexure to this Executive Summary.

A brief summary of the Outcome Budget 2011-12 of the Ministry is presented below:

Demand No. 32- Department of Economic Affairs

The Department of Economic Affairs is the nodal Department of the Union Government which formulates the country’s economic policies and programmes and programmes having a bearing on domestic and international aspects of economic management. This Department prepares the Annual Union Budget (excluding the Railway Budget) and the Economic

Survey. Some key activities and programmes are mentioned below:-

- Contribution for Railway Safety Works (₹1040.63 crore) against additional levies on Motor Spirit & High Speed Diesel (Plan) - Under this scheme during 2011 – 12 the Ministry of Railways have targeted to strengthen safety at level crossings by manning 2500 locations, lifting 100 barriers and providing basic infrastructure at 1000 locations. All manned gates will be provided with telephones. It is also proposed to construct 225 limited height subways and 300 Road over/ under bridges.
- The total Viability Gap Funding (VGF) outlay for the XI Five Year Plan (2007-12) has been estimated at ₹6,973.00 crore. To promote Public Private Partnership (PPP) in infrastructure sector ₹480.26 crore (Plan) was provided in 2010-11. The total approvals for VGF grant till now is of the order of ₹8289.42 crore for the 67 proposals granted ‘in principle/final approval’. The actual level of VGF amount of these proposals will be known once the bidding process is completed.
- In 10 projects from Madhya Pradesh, financial closure was achieved. Out of these, negative grant was received from two projects. For the remaining eight projects of Madhya Pradesh, the VGF disbursal during 2007-08, 2008-09, 2009-10 and 2010-11 was of the order of ₹23.00 crore ; ₹54.07 crore , ₹41.28 crore and ₹29.30 crore till December 2010.
- Financial closure was achieved in respect of one proposal of Maharashtra and Ministry of Road Transport and Highways (MoRTH). An amount of ₹18.18 crore and ₹34.33 crore was disbursed during the current year. ₹499.37 crore was provided in BE 2011-12 based on sponsoring Authority requirements of ₹1928.67 crore. The requirement of VGF proposed by various State Governments are Madhya Pradesh (₹27.73 crore), Rajasthan (₹186.82 crore), Bihar (₹99.76 crore), Haryana (₹181.90 crore) , Karnataka(₹65.00 crore) ,Andhra Pradesh (₹927.10 crore) and Maharashtra (₹440.36 crore).
- A provision of ₹139.69 crore has been made for Interest Equalization Support to Exim Bank of India during 2011-12 under the India Development and Economic Assistance Scheme (IDEAS). The scheme, which started in 2003-04, has supported 137 lines of credit to 57 developing countries involving collective amount of credit of US \$ 6414.97 million. A sum of ₹191.57 crore, ₹118.87 crore, and ₹62.03 crore in 2008-09, 2009-10 and 2010-11 (upto December, 2010) respectively has been disbursed.

Demand No. 33- Department of Financial Services

The Department of Financial Services is responsible for issues relating to Public Sector Banks, Financial Institutions, Agricultural Credit, Public Sector Insurance Companies and Pension Reforms. The key activities are summarized below:-

- Under Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008, as against a budgetary provision of ₹12000.00 crore in 2010-11, an amount of ₹11340.47 crore was released upto December, 2010. There is a provision of ₹6000.00 crore for this scheme during 2011-12.
- For Strengthening Short Term Cooperative Credit Structure (STCCS), the provision of ₹984.65 crore at Budget Estimates (BE) 2010-11 was increased to ₹1014.65 crore in Revised Estimates (RE) 2010-11. ₹785.96 crore was released upto December, 2010.
- Under the scheme of Interest Subvention for providing Short Term Credit to Farmers, the provision of ₹3000.00 crore in BE 2010-11 was increased to ₹4000.00 crore in RE 2010-11. ₹1413.32 crore was released upto December, 2010. There is a provision of ₹4868.00 crore for this scheme during 2011-12.
- ₹16500.00 crore was provided for capitalization of Public Sector Banks (PSBs) in BE 2010-11 to enable the PSBs to maintain comfortable level of Capital to Risk Weighted Asset Ratio (CRAR). This was increased to ₹20147.00 crore in RE 2010-11. An additional ₹6000.00 crore has been provided in 2011-12 for the purpose of raising Government of India's holding in all PSBs to 58%. A sum of ₹5691.04 crore was released to needy PSBs upto December, 2010.
- Government provides equity support to Export Import (EXIM) Bank of India and India Infrastructure Finance Co. Ltd. (IIFCL) to raise their paid up capital to the level of their authorized capital. ₹300.00 crore was released to EXIM Bank upto December, 2010. There is a further provision of ₹300.00 crore for EXIM Bank during 2011-12. ₹200.00 crore was released to IIFCL upto December, 2010 as against the budget provision of ₹500.00 crore during 2010-11. ₹1000.00 crore is provided in BE 2011-12 for IIFCL.
- ₹350.00 crore was provided in RE 2010-11 and ₹500.00 crore in BE 2011-12 for recapitalization of Regional Rural Banks (RRBs) to help them bring their CRAR to 7% in a time bound manner and further to 9% by March, 2012.
- Two new schemes, viz., 'Swavalamban' and 'Swabhiman' were launched during 2010-11. 'Swavalamban Scheme' encourages people from unorganized sector to save for their retirement by enrolling under New Pension System (NPS). It provides for Government's contribution of ₹1000.00 in their NPS account. A budget provision of ₹110.00 crore in

RE 2010-11 and ₹220.00 crore in BE 2011-12 has been made for the Scheme. 'Swabhiman Scheme' is part of the Financial Inclusion Campaign to extend banking services in approximately 73000 unbanked habitations. A provision of ₹50.00 crore has been made for this Scheme during 2011-12.

Demand No. 38 – Department Of Expenditure

The Department of Expenditure is responsible for Public Expenditure Management System in the Union Government and for matters connected with State finances. It oversees expenditure management in the Central Ministries/Departments and monitors implementation of recommendations of the Expenditure Reforms Commission. It coordinates the Outcome Budget of different Ministries/Departments, releases funds to State Governments for implementing developmental work and monitors matters relating to the Central Plan. Key activities are summarized below:-

- An outlay of ₹5.00 crore (₹3.30 crore under Revenue section and ₹2.00 crore under Capital section) has been provided in 2011-12 for the Central Plan Scheme for enhancing training capacity of National Institute of Financial Management (NIFM). This provision is targeted to train 50 officers of the Central/State/UT Governments for the Post Graduate Diploma in Business Management (PGDBM) – Finance. In the previous year, 40 candidates sponsored by the Central Government and State Governments participated. The provision is also being utilized to create additional infrastructure of hostel facilities, class rooms etc. in the Institute.
- The important flagship schemes for which funds were provided under the Plan head in 2010-11 include Accelerated Irrigation Benefit Programme (AIBP), Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Externally Aided Projects, National Social Assistance Programme (NSAP), Border Area Development Programme, Hill Area/Western Ghats Development Programme, National E-Governance Programme, Backward Regions Grant Fund Scheme, Drought Mitigation in Bundelkhand Region, etc. Against an outlay (RE 2010-11) of ₹74,009.47 crore for Plan Schemes in the year 2010-11, ₹53,867.50 crore was released as on 11 February, 2011. A Budget provision of ₹80,741.61 crore for State Plan Schemes was made for the financial year 2011-12, which is an enhancement of 15.09% against BE 2010-11 of ₹70,156.25 crore.
- Department of Expenditure released ₹26,706 crore (as on 9 February, 2011) for various Finance Commission-XIII grants and ₹2,109.71 crore under NDRF, aggregating ₹28,815.71 crore. A Budget provision of ₹49,298.62 crore for Non Plan Grants has been made for the financial year 2011-12, which is an enhancement of over 48% against BE 2010-11.
- Between 1 January and 31 December 2010, 62 meetings of the Expenditure Finance Committee (EFC) chaired by Secretary (Expenditure) considered Plan Investment Proposals/

Schemes of various Ministries/Departments costing ₹3,88,061.00 crore. 6 meetings of Public Investment Board (PIB) cases were held involving an amount of ₹17,595.65 crore and recommended by the competent authority.

Demand No. 41- Department of Revenue

The Department of Revenue exercises control in respect of matters relating to all Direct and Indirect Taxes through two statutory Boards, namely, the Central Board of Direct Taxes (CBDT) and the Central Board of Excise and Customs (CBEC). Key activities are summarized below:-

- Major expenditure in the Department is towards Compensation to States/Union Territory Governments on account of phasing out of Central Sales Tax (CST) which is budgeted at ₹12000 crore for 2011-12. Other significant expenditure is towards VAT related expenditure which is budgeted at ₹734 crore for 2011-12. Other non-Plan expenditure included in the Outcome Budget includes expenditure related to implementation of VAT scheme, setting up of Tax Information Exchange System (TINXSYS) and on Government Opium & Alkaloid Works.
- The successful implementation of VAT in all States has been an achievement. VAT Compensation amounting to ₹17,856.45 crore was released to the States which include ₹2471.27 crore released in 2005-06, ₹4092.13 crore in 2006-07, ₹3880.48 crore in 2007-08, ₹4361.95 crore in 2008-09, ₹3002 crore in 2009-10 and ₹48.62 crore in 2010-11 (till 31 December 2010). Claims amounting to ₹717.62 crore were pending as on 31 December, 2010.
- CST rate was reduced from 4% to 3% w.e.f. 1 April 2007 and further from 3% to 2% w.e.f. 1 June 2008. Compensation amounting to ₹21249.92 crore was released to the States which includes ₹2168.88 crore released in 2007-08, ₹1950 crore in 2008-09, ₹8735.18 crore in 2009-10 and ₹8395.86 crore in 2010-11 (till 31 December 2010). Claims amounting to ₹1538.66 crores were pending at the end of December, 2010.
- A total of ₹12734 crore has been provided in BE 2011-12 for compensation of losses on account of CST & VAT, VAT implementation related expenditure and for modernization of State Tax Administration including setting up/upgradation of two institutes for taxation studies in States/UTs. The compensation to States/UTs towards implementation of VAT/CST Scheme and VAT related expenditure constituted about 95.97% of the total expenditure under the grant in 2010-11 and 95.34% in 2011-12.
- The Mission Mode Project for Computerization of Commercial Taxes Administrations of the State Government, with overall cost of ₹1133.41 crore was approved and an amount of ₹275.64 crore released as

Central share till 31 December 2010, which includes ₹145 crore released in 2009-10 and ₹130.64 crore in 2010-11.

- Government Opium & Alkaloid Works at Ghazipur and Neemuch are processing raw opium for exports, manufacturing of opium alkaloids and other related functions. They realized revenue of ₹299.86 crore in 2009-10 against the BE of ₹300.97 crore. In 2010-11, they realized a revenue of ₹180.87 crore (till December 2010) against the BE of ₹308 crore.
- The Smart Card Project for Poppy Cultivators has been expanded in 2007-08 to cover all 17 Opium Divisions. The project, once fully and successfully implemented, will enable monitoring of various cultivation activities and would also be useful for policy level decisions.
- A system of monthly report by Administrative and Coordinating Units of respective items under Outcome Budget has been introduced. Monthly and Quarterly review of trends of expenditure and progress under Outcome Budget is done at the Department/Ministry level. Project Monitoring/ Implementation Committee have been established to review the implementation of major project items. For coordinated efforts and faster decision making in massive computerization endeavours of CBDT and CBEC, an Empowered Committee is also functional where eminent experts from the private sector are also members.

Demand No. 42 – Direct Taxes

The Central Board of Direct Taxes (CBDT) is the apex body entrusted with the responsibility of administering direct tax laws in India. The CBDT is assisted by 16 Directorates which function as its attached offices. Various Chief Commissioners of Income Tax supervise collection of direct taxes and provide taxpayer services across the country. Directors General of Income Tax (Investigation) supervises the investigation machinery, which aims to curb tax evasion and unearth unaccounted money. There are also appellate machineries comprising of Commissioners of Income Tax (Appeals) who perform the quasi-judicial task of deciding appeals against orders of assessing officers. Key activities are summarized below:-

- An outlay of ₹225.00 crore has been provided in Budget Estimates 2011-12 under 'Information Technology' to be spent, inter alia, on following major programmes/schemes:
 - * Perspective Plan for Phase-III of Comprehensive Computerisation Programme in the Income Tax Department
 - * Tax Information Network (TIN)
 - * Taxpayers Services
 - * Centralised Processing Centre of Income Tax Returns at Bengaluru
 - * Refund Banker
 - * Business Process Re-engineering (BPR)

- An outlay of ₹877.70 crore has been provided under Capital section in BE 2011-12 for purchase/construction of office accommodation at various places including construction of an Advanced Training Centre and a new hostel at National Academy of Direct Taxes, Nagpur.
- An outlay of ₹27.00 crore has been provided under Capital section in BE 2011-12 for construction of residential quarters at Mumbai, Pune and Jammu.
- The initiatives and measures undertaken by the Department have focussed on simplification of tax laws and procedures, better facility to taxpayers and minimizing the human interface between the taxpayers and the officials. These, inter alia, include facilities for online preparation and filing of Income Tax Returns, Centralised Processing Centre at Bengaluru, Refund Banker scheme, Electronic clearance (ECS) of refunds, setting up of Large Taxpayers Units (LTU) at Mumbai and Delhi, Tax Return Preparer Scheme (TRPS), Knowledge Management System (KMS) etc.
- The Directorate of Infrastructure of the Income Tax Department has put in place a mechanism for preparation and monitoring of Asset Register detailing assets like land, office buildings, residential quarters, vehicles and furniture etc. whose book value is above ₹2.00 lakh each. The value of such assets as on 31.03.2010 is ₹2241.26 crore.
- The actual expenditure in 2009-10 under this grant was ₹2735.15 crore against the Revised Estimates of Rs.2840.40 crore which shows an utilisation of 96.30%. During the year 2010-11, actual expenditure till 31 December 2010 is ₹2615.18 crore against the Revised Estimates of ₹4345.31 crore which shows an utilisation of 60.18%.
- The Risk Management System (RMS) is operational in all major Customs Ports/ Airports, covering more than 85% of India's international trade. A new upgraded version of RMS is operational at 47 locations.
- Procurement of 7 more Container Scanners (3 Mobile Gamma Ray Scanners and 4 Fixed X-ray Scanners) for facilitating cargo clearance is underway. Mobile Scanners are expected to be commissioned in 2011-12 and Fixed Scanners in 2012-13. 109 Marine Vessels for strengthening anti-smuggling operations in the territorial waters are being procured and 95 vessels have been received up to December, 2010. All vessels are expected to be received by June, 2011. A total provision of ₹83.50 crores has been made for the year 2011-12. ₹27.42 crore, ₹99.88 crore and ₹78.64 crore have been spent for the years 2007-08, 2008-09 and 2009-10 respectively under these schemes. During 2010-11, Rs.24.48 crore have been spent up to December, 2010.
- Single Window Service for Large Tax Payers paying excise duty, income tax/corporate tax and service tax has been set up at Bengaluru, Chennai, Mumbai and Delhi. Any person or company who has paid income tax/corporate tax of more than ₹10 crore or excise duty of ₹5 crore or service tax of ₹5 crore during any previous year, can opt to function as large taxpayer by giving consent to the concerned Large Taxpayer Unit.
- Capacity building and improvement in infrastructure of various field units have been taken up by way of utilization of the 1% incremental revenues of ₹71.42 crore and ₹113.63 crore collected during 2005-06 and 2006-07 respectively. Expenditure of ₹29.41 crore, ₹.16.12 crore and ₹27.70 crore have been incurred on this account during 2007-08, 2008-09 and 2009-10 respectively. During 2010-11, funds of ₹33.28 crore have been released to field formations in respect of various schemes. For the year 2011-12, a provision of ₹.25.00 crore has been made.

Demand No.43-Indirect Taxes

This Demand relates to the establishment of field formations under Central Board of Excise & Customs, formulation of policy relating to levy and collection of Customs and Excise Duties, Service Tax, prevention of smuggling and evasion of duties. Key activities are mentioned below:

- The revised cost of ₹598.97 crore for the Information Technology Infrastructure Consolidation Project of CBEC was approved by the Cabinet Committee on Economic Affairs (CCEA) and is under implementation. Comprehensive computerization comprising of setting up of Wide Area/Local Area Network linking all Offices, Seaports, Airports, Container Depots, setting up of Data Warehouse, Automation of Central Excise and Service Tax, setting up of Risk Management Systems for easy clearance of imports etc. was taken up. Most of the components have been completed and remaining components are expected to be complete by March, 2011. ₹84.46 crore, ₹167.17 crore and ₹186.41 crore have been spent for the years 2007-08, 2008-09 and 2009-10 respectively. During 2010-11, ₹53.17 crore have been spent up to December, 2010.

Demand No. 44 – Department of Disinvestment

The Department of Disinvestment deals inter-alia, with all matters relating to disinvestment of Central Government equity in Central Public Sector Enterprises.

- The Government in November, 2005 constituted 'National Investment Fund' (NIF), to be maintained outside the Consolidated Fund of India into which the proceeds from disinvestment of Central Public Sector Enterprises would be channelized. The corpus of the Fund is of a permanent nature and is professionally managed to provide sustainable returns without depleting the corpus. The income of the fund is used to finance social sector schemes which promote education, health and employment and also to meet the capital investment requirements of profitable and revivable CPSEs to finance their expansion/diversification.

➤ However, in view of the difficult economic situation caused by the global slowdown of 2008-09 and a severe drought that was likely to adversely affect the 11th Plan growth performance, the Government, in November 2009, decided that all proceeds from disinvestment of CPSEs deposited in the NIF over a period of three years from April 2009 to March, 2012 will be utilized in full to meet capital expenditure requirements of social sector schemes decided by Planning Commission/Department of Expenditure. The status quo ante of NIF will be restored from April, 2012.

During the year 2010-11 (up to December, 2010), six Public Offerings were completed namely;

- Disinvestment of 10.03% pre-issue paid-up capital of Satluj Jal Vidyut Nigam Ltd. out of Government's shareholding through an Initial Public Offering. An amount of ₹1062.74 crore was realized by the Government.
- Disinvestment of 10% paid-up equity capital of Engineers India Ltd. out of Government of India shareholding through Follow-on Public Offer. An amount of ₹959.65 crore was realized by the Government.
- Disinvestment of 10% pre-issue paid up capital of Power Grid Corporation of India Ltd. in conjunction with issue of fresh equity of 10% by the company through a Follow-on Public Offer. An amount of ₹3721.17 crore was realized by the Government.
- Disinvestment of 20% paid-up capital of Manganese Ore India Ltd. - 10% by Government of India and 5% each by the Government of Madhya Pradesh and Government of Maharashtra through an Initial Public Offering. Government of India realized an amount of ₹.618.76 crore, while ₹309.38 crore each was realized by the Government of Madhya Pradesh and Government of Maharashtra.

- Disinvestment of 10% paid-up capital of Coal India Ltd. out of Government's shareholding through an Initial Public Offering. An amount of ₹15199.44 crore was realized by the Government.
- Disinvestment of 10% of Government of India equity in Shipping Corporation of India Ltd. in conjunction with issue of fresh equity of 10% in the company through Follow-on Public Offer. An amount of ₹582.45 crore was realized by Government.

All the above six Public Offerings were oversubscribed including the retail portion. An amount of ₹92.73 crore was received as interest on application money in these transactions.

- Besides, on 8 April 2010, Government approved 10% issue of fresh equity by Steel Authority of India Ltd. in conjunction with disinvestment of 10% paid up equity capital of the Company out of Government's shareholding through Public Offering in the domestic market in two tranches. The first tranche comprises of 5% of fresh issue by the Company along with 5% offer for sale by Government.
- On 15 June 2010, Government approved 10% issue of fresh equity by Hindustan Copper Ltd. in conjunction with disinvestment of 10% paid up equity capital of the company out of Government shareholding through a further Public Offering in domestic market.
- On 1 December 2010, Government approved disinvestment of 5% paid-up equity capital of Oil & Natural Gas Corporation Ltd. out of Government shareholding through a Follow-on Public Offering.
- On 10 February, 2011 Government approved disinvestment of 5% of pre-issue paid up Capital of Power Finance Corporation Ltd. in conjunction with fresh issue of 15% pre-issue paid up capital by the company through a Follow-on Public Offering.

SUMMARY OF BUDGETARY PROVISIONS UNDER MINISTRY OF FINANCE

(In Crores of Rupees)

Description	Actuals 2009-10			Budget Estimates 2010-11			Revised Estimates 2010-11			Budget Estimates 2011-12		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO.32												
DEPARTMENT OF ECONOMIC AFFAIRS												
Total-Revenue Section	1895.86	3431.92	5327.78	2753.46	4067.62	6821.08	2865.62	3512.38	6378.00	2581.26	4367.40	6948.66
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	1895.86	3431.92	5327.78	2753.46	4067.62	6821.08	2865.62	3512.38	6378.00	2581.26	4367.40	6948.66
Total-Capital Section	45.85	4573.50	4619.35	480.26	1370.14	1850.40	125.00	2168.73	2293.73	499.37	14184.19	14683.56
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	45.85	4573.50	4619.35	480.26	1370.14	1850.40	125.00	2168.73	2293.73	499.37	14184.19	14683.56
Total (Revenue & Capital)	1941.71	8005.42	9947.13	3233.72	5437.76	8671.48	2990.62	5681.11	8671.73	3080.63	18551.59	21632.22
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	1941.71	8005.42	9947.13	3233.72	5437.76	8671.48	2990.62	5681.11	8671.73	3080.63	18551.59	21632.22
DEMAND NO.33												
DEPARTMENT OF FINANCIAL SERVICES												
Total-Revenue Section	0.00	34598.82	34598.82	50.00	32234.10	32284.10	50.00	36554.65	36604.65	50.00	15841.94	15891.94
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	34598.82	34598.82	50.00	32234.10	32284.10	50.00	36554.65	36604.65	50.00	15841.94	15891.94
Total-Capital Section	0.00	3266.00	3266.00	0.00	17325.00	17325.00	7880.00	15752.12	23632.12	7800.00	14.00	7814.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	3266.00	3266.00	0.00	17325.00	17325.00	7880.00	15752.12	23632.12	7800.00	14.00	7814.00
Total (Revenue & Capital)	0.00	37864.82	37864.82	50.00	49559.10	49609.10	7930.00	52306.77	60236.77	7850.00	15855.94	23705.94
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	37864.82	37864.82	50.00	49559.10	49609.10	7930.00	52306.77	60236.77	7850.00	15855.94	23705.94
DEMAND NO.34												
APPROPRIATION - INTEREST PAYMENTS												
Total-Revenue Section	0.00	223700.84	223700.84	0.00	251664.00	251664.00	0.00	249202.14	249202.14	0.00	272330.28	272330.28
Charged	0.00	223700.84	223700.84	0.00	251664.00	251664.00	0.00	249202.14	249202.14	0.00	272330.28	272330.28
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total-Capital Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (Revenue & Capital)	0.00	223700.84	223700.84	0.00	251664.00	251664.00	0.00	249202.14	249202.14	0.00	272330.28	272330.28
Charged	0.00	223700.84	223700.84	0.00	251664.00	251664.00	0.00	249202.14	249202.14	0.00	272330.28	272330.28
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Description	Actuals 2009-10			Budget Estimates 2010-11			Revised Estimates 2010-11			Budget Estimates 2011-12		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO.38												
DEPARTMENT OF EXPENDITURE												
Total-Revenue Section	1.80	72.46	74.26	3.30	84.00	87.30	2.31	102.96	105.27	3.00	96.97	99.97
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	1.80	72.46	74.26	3.30	84.00	87.30	2.31	102.96	105.27	3.00	96.97	99.97
Total-Capital Section	3.20	0.00	3.20	7.20	26.35	33.55	7.20	0.00	7.20	2.00	0.00	2.00
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	3.20	0.00	3.20	7.20	26.35	33.55	7.20	0.00	7.20	2.00	0.00	2.00
Total (Revenue & Capital)	5.00	72.46	77.46	10.50	110.35	120.85	9.51	102.96	112.47	5.00	96.97	101.97
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	5.00	72.46	77.46	10.50	110.35	120.85	9.51	102.96	112.47	5.00	96.97	101.97
DEMAND NO.39												
PENSIONS												
Total-Revenue Section	0.00	17850.15	17850.15	0.00	16000.00	16000.00	0.00	16000.00	16000.00	0.00	17000.00	17000.00
<i>Charged</i>	0.00	67.35	67.35	0.00	69.71	69.71	0.00	69.71	69.71	0.00	80.00	80.00
Voted	0.00	17782.80	17782.80	0.00	15930.29	15930.29	0.00	15930.29	15930.29	0.00	16920.00	16920.00
Total-Capital Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (Revenue & Capital)	0.00	17850.15	17850.15	0.00	16000.00	16000.00	0.00	16000.00	16000.00	0.00	17000.00	17000.00
<i>Charged</i>	0.00	67.35	67.35	0.00	69.71	69.71	0.00	69.71	69.71	0.00	80.00	80.00
Voted	0.00	17782.80	17782.80	0.00	15930.29	15930.29	0.00	15930.29	15930.29	0.00	16920.00	16920.00
DEMAND NO.40												
INDIAN AUDIT & ACCOUNTS DEPARTMENT												
Total-Revenue Section	0.00	2382.61	2382.61	0.00	2079.95	2079.95	0.00	2258.49	2258.49	0.00	2388.88	2388.88
<i>Charged</i>	0.00	63.59	63.59	0.00	64.48	64.48	0.00	71.87	71.87	0.00	74.52	74.52
Voted	0.00	2319.02	2319.02	0.00	2015.47	2015.47	0.00	2186.62	2186.62	0.00	2314.36	2314.36
Total-Capital Section	0.00	2.70	2.70	0.00	10.20	10.20	0.00	18.35	18.35	0.00	9.68	9.68
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	2.70	2.70	0.00	10.20	10.20	0.00	18.35	18.35	0.00	9.68	9.68
Total (Revenue & Capital)	0.00	2385.31	2385.31	0.00	2090.15	2090.15	0.00	2276.84	2276.84	0.00	2398.56	2398.56
<i>Charged</i>	0.00	63.59	63.59	0.00	64.48	64.48	0.00	71.87	71.87	0.00	74.52	74.52
Voted	0.00	2321.72	2321.72	0.00	2025.67	2025.67	0.00	2204.97	2204.97	0.00	2324.04	2324.04

Description	Actuals 2009-10			Budget Estimates 2010-11			Revised Estimates 2010-11			Budget Estimates 2011-12		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO.41												
DEPARTMENT OF REVENUE												
Total-Revenue Section	0.00	12347.27	12347.27	0.00	11122.12	11122.12	0.00	15481.94	15481.94	0.00	13339.01	13339.01
<i>Charged</i>	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	12347.27	12347.27	0.00	11122.10	11122.10	0.00	15481.92	15481.92	0.00	13338.99	13338.99
Total-Capital Section	0.00	1.47	1.47	0.00	0.77	0.77	0.00	27.87	27.87	0.00	17.89	17.89
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	1.47	1.47	0.00	0.77	0.77	0.00	27.87	27.87	0.00	17.89	17.89
Total (Revenue & Capital)	0.00	12348.74	12348.74	0.00	11122.89	11122.89	0.00	15509.81	15509.81	0.00	13356.90	13356.90
<i>Charged</i>	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	12348.74	12348.74	0.00	11122.87	11122.87	0.00	15509.79	15509.79	0.00	13356.88	13356.88
DEMAND NO.42												
DIRECT TAXES												
Total-Revenue Section	0.00	2725.85	2725.85	0.00	2845.00	2845.00	0.00	2735.31	2735.31	0.00	2975.85	2975.85
<i>Charged</i>	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	2725.85	2725.85	0.00	2844.98	2844.98	0.00	2735.31	2735.31	0.00	2975.85	2975.85
Total-Capital Section	0.00	9.30	9.30	0.00	1679.00	1679.00	0.00	1610.00	1610.00	0.00	905.70	905.70
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	9.30	9.30	0.00	1679.00	1679.00	0.00	1610.00	1610.00	0.00	905.70	905.70
Total (Revenue & Capital)	0.00	2735.15	2735.15	0.00	4524.00	4524.00	0.00	4345.31	4345.31	0.00	3881.55	3881.55
<i>Charged</i>	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	2735.15	2735.15	0.00	4523.98	4523.98	0.00	4345.31	4345.31	0.00	3881.55	3881.55
DEMAND NO.43												
INDIRECT TAXES												
Total-Revenue Section	0.00	3043.43	3043.43	0.00	2743.30	2743.30	0.00	2984.66	2984.66	0.00	3251.34	3251.34
<i>Charged</i>	0.00	0.01	0.01	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50	0.50
Voted	0.00	3043.42	3043.42	0.00	2742.80	2742.80	0.00	2984.16	2984.16	0.00	3250.84	3250.84
Total-Capital Section	0.00	85.14	85.14	0.00	264.20	264.20	0.00	132.00	132.00	0.00	127.55	127.55
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	85.14	85.14	0.00	264.20	264.20	0.00	132.00	132.00	0.00	127.55	127.55
Total (Revenue & Capital)	0.00	3128.57	3128.57	0.00	3007.50	3007.50	0.00	3116.66	3116.66	0.00	3378.89	3378.89
<i>Charged</i>	0.00	0.01	0.01	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50	0.50
Voted	0.00	3128.56	3128.56	0.00	3007.00	3007.00	0.00	3116.16	3116.16	0.00	3378.39	3378.39

Description	Actuals 2009-10			Budget Estimates 2010-11			Revised Estimates 2010-11			Budget Estimates 2011-12		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO.44												
DEPARTMENT OF DISINVESTMENT												
Total-Revenue Section	0.00	41.48	41.48	0.00	63.36	63.36	0.00	63.36	63.36	0.00	62.63	62.63
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	41.48	41.48	0.00	63.36	63.36	0.00	63.36	63.36	0.00	62.63	62.63
Total-Capital Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (Revenue & Capital)	0.00	41.48	41.48	0.00	63.36	63.36	0.00	63.36	63.36	0.00	62.63	62.63
<i>Charged</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	41.48	41.48	0.00	63.36	63.36	0.00	63.36	63.36	0.00	62.63	62.63
<u>GRAND TOTAL</u>												
Total-Revenue Section	63255.08	339989.59	403244.67	73531.57	363087.45	436619.02	69245.96	369929.89	439175.85	82107.87	390827.92	472935.79
<i>Charged</i>	0.00	253425.87	253425.87	0.00	284437.73	284437.73	0.00	281493.24	281493.24	0.00	321783.94	321783.94
Voted	63255.08	86563.72	149818.80	73531.57	78649.72	152181.29	69245.96	88436.65	157682.61	82107.87	69043.98	151151.85
Total-Capital Section	7873.11	3093969.87	3101842.98	7650.90	3404640.22	3412291.12	18425.64	2780456.78	2798882.42	17301.37	3171775.94	3189077.31
<i>Charged</i>	7824.06	3085791.90	3093615.96	7163.44	3383664.56	3390828.00	10413.44	2760447.71	2770861.15	0.00	3155216.93	3155216.93
Voted	49.05	8177.97	8227.02	487.46	20975.66	21463.12	8012.20	20009.07	28021.27	17301.37	16559.01	33860.38
Total (Revenue & Capital)	71128.19	3433959.46	3505087.65	81182.47	3767727.67	3848910.14	87671.60	3150386.67	3238058.27	99409.24	3562603.86	3662013.10
<i>Charged</i>	7824.06	3339217.77	3347041.83	7163.44	3668102.29	3675265.73	10413.44	3041940.95	3052354.39	0.00	3477000.87	3477000.87
Voted	63304.13	94741.69	158045.82	74019.03	99625.38	173644.41	77258.16	108445.72	185703.88	99409.24	85602.99	185012.23

DEPARTMENT OF ECONOMIC AFFAIRS

INTRODUCTION

The Department of Economic Affairs (DEA) formulates and monitors the country's economic policies and programmes having a bearing on domestic and international aspects of economic management. One of the principal responsibilities of this Department is the preparation of the Annual Union Budget (excluding the Railway Budget) and the Economic Survey. Other key functions include:

- Formulation and monitoring of macro-economic policies, including issues relating to fiscal policy and public finance, inflation, public debt management and the functioning of Capital Markets, and Stock Exchanges; ways and means to raise internal resources through market borrowings and mobilization of small savings;
- Monitoring and raising of external resources through multilateral and bilateral Official Development Assistance and sovereign borrowings abroad, foreign investments and monitoring of foreign exchange resources including balance of payments;
- Production of bank notes and coins of various denominations, postal stationery, postal stamps etc.
- Cadre management, career planning and training of the Indian Economic Service (IES).

The work of the Department is carried out by the following Divisions/Units:

Aid Accounts & Audit Division

- Disbursement of loans and grants from multilateral/bilateral donor agencies; timely debt servicing of multilateral/bilateral donors; accounting of external assistance.
- Export promotion audit and supply of management information to credit Divisions.

Administration Division

- Administration and establishment matters of the Department including protocol, welfare measures for staff, implementation of the Official Language policy in the Department.

Bilateral Cooperation Division

- Bilateral Development Assistance from all G-8 countries.
- Monitoring progress of Externally Aided Projects (EAPs).
- Short term foreign training programmes.
- Extends concessional Lines of Credit to other developing countries.

Budget Division

- Preparation of the Union Budget and other allied issues

like market borrowings, accounting and auditing procedures and financial relationship with the State Governments.

- Mobilization of small savings through the National Savings Institute (NSI).

Capital Markets Division

- Policy issues relating to development of the securities market (ie. Share, debt and derivatives), External Commercial Borrowing. Administration of the Foreign Exchange Management Act (FEMA), 1999.
- Administrative matters of the Specified Undertaking of United Trust of India (SUUTI)/ the Securities and Exchange Board of India (SEBI) / Securities Appellate Tribunal (SAT) and Financial Action Task Force (FATF).

Economic Division

- Tendering of Economic advice on important policy issues relating to macro management of the economy.

Infrastructure and Investment Division (I&I)

- All policy related issues in infrastructure sectors including those concerning roads, ports, shipping, inland water transport, urban development, power, new and renewable energy, railways, telecom sector referred to DEA.
- Matters relating to infrastructure financing and promotion of investment in infrastructure sectors
- All policy matters relating to Public Private Partnerships (PPP's).
- All proposals for foreign direct investment, which are not on the automatic route, are processed for approval by Foreign Investment Promotion Board (FIPB).
- Bilateral Investment Protection and Promotion Agreements (BIPA).
- All matters relating to currency and coins.

Integrated Finance Division

- Tendering of financial advice on all matters involving government expenditure of the Department of Economic Affairs and Department of Financial Services, preparation of the budget and administering the Detailed Demands for Grants of these Departments.
- Preparation/compilation/printing of Detailed Demands for Grants and Outcome Budget of the Ministry of Finance.

IES Division

- All matters connected with cadre administration of Indian Economic Service (IES).

Multilateral Institutions Division

- Matters relating to International Monetary Fund (IMF), International Bank for Reconstruction & Development

(IBRD); International Development Association (IDA) and World Bank Group Institutions - International Fund for Agricultural Development (IFAD), Global Environment Facility (GEF).

- Matters relating to Asian Development Bank/ African Development Bank.

Multilateral Relations Division

- Matters relating to G-20/ G-24/ G-8.
- Matters relating to UN, UNDP, ESCAP, India - EU Macro Economic Dialogue

- Matters relating to SAARC; OECD; World Economic Forum (WEF)
- Russian Federation & CIS countries; Asia(except Japan);Central Asia; South and North America.
- Work related to Foreign Trade, SEZ, EPZ, GATT & WTO .

Middle Office (Debt Management)

- Enhancing Governments debt management capabilities and managing the risks in the governments' debt portfolio.

STATEMENT OF OUTLAYS AND OUTCOMES 2011 - 12

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2011-12 (₹ In Crore)			Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			4(i) Non-Plan	4(ii) Plan	4(iii) CEBR*				
1	2	3	4			5	6	7	8
1.	Major Head 3054 -Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel (Plan)	Under this Scheme, money under Central Road Fund is used for financing construction of railway over/ under bridges and railway safety works at unmanned railway crossings to ensure safety and provide smooth and safe passage for traffic.	...	1040.63	...	- Manning 2500 locations. - Lifting Barrier at 100 locations. - Basic infrastructure at 1000 locations. - all manned gates to be provided telephones. - interlocking at 325 locations - Construction of 225 Nos limited height Subways. - Construction of 300 Nos of Road Over / Under Bridges.	Ensure safety at unmanned level crossing and provide smooth passage for traffic. Fuel is saved and carbon emissions reduced where ROB/ RUBs are constructed.	- For manning of unmanned level crossing, gated/lifting barriers have to be erected at the locations and duty huts/ gate lodges constructed for gatekeepers. Medically qualified willing gate keepers are to be selected and posted at the gates. - Laying of cable from station to the level crossing location, connecting signalling system & telephones with level crossing system.	- Construction of ROB/RUB is the joint work of Railways and State Govts/Local bodies - Non-availability of material and contractors at remote locations. - contractual problems/delay in land acquisition and encroachment removal. - delay in recruitment of Gatemen
2.	Major Head 5475-Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure (Plan Scheme)	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF)	...	499.37	...	The total approvals for VGF grant till now is of the order of ₹8289.42 crore for the 67 proposals granted 'in principle/final approval'. The actual level of VGF for these proposals will be known once the bidding process is completed	Development of Infrastructure through Public Private Partnership mode.	There is time lag between grant of 'in principle' approval and the final disbursement. The requirement of Viability Gap Funding by the Sponsoring Authority is ₹1928.67 crore. The breakup of VGF requirement is as under: Madhya Pradesh (₹27.73 crore), Rajasthan (₹186.82 crore), Bihar (₹99.76 crore), Haryana	Disbursement of fund takes place after commencement of construction work of the project and only after the private party, selected through competitive bidding invests its share of equity.

CEBR* - Complementary extra budgetary resources, i.e. expenditures committed by entities other than the Central Government.

1	2	3	4			5	6	7	8	
			4(i) Non-Plan	4(ii) Plan	4(iii) CEBR					
3.	Major Head 3475 – Interest Equalisation Support to Exim Bank of India. (Non-Plan)	Indian Development and Economic Assistance Scheme (IDEAS). The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to EXIM Bank of India for GOI supported Lines of Credit.	139.69	Lines of Credit (LOCs) to other developing countries through EXIM Bank for Exports of Indian goods and services .	Interest equalization support to Exim Bank of India has to be given by GOI in respect of the GOI supported Exim Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship with developing countries like Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d' Ivoire, Djibouti, Guinea Bissau, Guyana, etc.	(₹181.90 crore), Karnataka (₹65.00 crore), Andhra Pradesh (₹ 927.10 crore) and Maharashtra (₹ 440.36 crore)	The provision is to be utilised upto 31 st March, 2012.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to EXIM Bank, as counter-guarantee of GOI, has been given to EXIM Bank for the lines of credit.
4.	Major Head-3605 - Technical and Economic Cooperation with other countries, Technical aid to South East Asia under the Colombo Plan; Contribution. (Non-Plan)	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	3.00	...	...	Work related to the Colombo Plan has been transferred to MEA w.e.f April, 2010. Budget provision is kept for meeting balance financial liabilities on students from various Colombo Plan countries who had undergone training in different institutes in India during 2009-10.	Development of long standing economic relationship through continued technical assistance to Colombo Plan countries.	The trainees are provided with airfare, tuition fee, accommodation and living allowance, for undergoing training in approved Institutes in India.	There is no risk factor involved as the funds are being utilized for the objective mentioned in Col.3.

Reform Measures and Policy Initiatives

1.1 Assistance for Infrastructure Development (Plan)

This scheme puts in place an innovative funding mechanism Public Private Partnership (PPP) in Infrastructure sector for Viability Gap support. The Government recognizes the need for significantly improving the availability and quality of critical infrastructure in the country in order to make the economy competitive and take it on to a high growth trajectory. It has been decided to encourage Public Private Partnership in infrastructure sectors in order to augment the pace of development of physical infrastructure through enhanced investment. Provision has been made for extending support for viability gap funding, for public private partnerships projects in various infrastructure sectors such as roads, seaports, airports, railways, convention centres, power, water supply, sewage and solid waste disposal in urban areas etc. To intensify and deepen the capacity building of public functionaries at the State and municipal level and integrate the capacity building programme on PPPs in the ongoing programmes at the State level, a comprehensive National Capacity Building Programme has been developed by DEA, in collaboration with the World Bank and KfW Development Bank, which would be delivered through Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie, and fourteen State Administrative Training Institutes and Central Training Institutes. Online Toolkits for PPP projects, risk and contingent liability frameworks and communication strategy for PPPs have been developed. They are available through DEA's website on PPPs, i.e. www.pppinindia.com. The PPP Toolkit is a web-based resource that has been designed to help improve decision-making for infrastructure PPPs in India and to improve the quality of the infrastructure PPPs that are implemented in India.

1.2 India Infrastructure Project Development Fund (IIPDF) (Non – Plan)

The Union Finance Minister, in his Budget Speech for 2007-08, announced the setting up of a Revolving Fund with a corpus of ₹ 100 crore to quicken the process of project preparation. The Government of India notified the Scheme and Guidelines for India Infrastructure Project Development Fund to operationalise financial support for quality project development activities to the States and the Central Ministries. The objective is to fund project development expenses of potential Public Private Partnership projects' including cost of engaging consultants and transaction advisor, thus increasing the quality and quantity of successful PPPs and allowing informed decision

making by the Government based on good quality feasibility reports. The IIPDF will assist projects that closely support the best practices in PPP project identification and preparation. So far, 27 project proposals have been granted approval with total project development cost of ₹27.19 crore and IIPDF assistance of ₹ 20.39 crore. ₹ 1.32 crore and ₹7.55 crore has been disbursed under the Scheme in 2008-09 and 2009-10 respectively. ₹ 1.38 crore has been disbursed during 2010-11, upto December, 2010.

1.3 Technical and Economic Cooperation with other Countries - Interest Equalisation support to EXIM Bank of India

Under the "Indian Development and Economic Assistance Scheme" (IDEAS), the part relating to extension of concessional lines of credit through Exim Bank of India is operational. Under this, GOI provides interest equalization support (i.e. the difference between Exim Bank's rate of interest and the concessional rate of interest on which LOC is extended). In most of the cases, GOI counter guarantee for repayment of principal and payment of interest is also given to Exim Bank. Interest equalization support was provided to the tune of ₹ 62.03 crore as of December, 2010 in the current financial year. During this period 14 GOI supported Exim Bank of India LOCs for a total amount of US\$ 1298.33 million were approved by this Department.

1.4 Directorate of Currency

The Directorate of Currency has been set up with a mandate to monitor and review the integrity of existing security features of Indian Bank Notes, study improvements and best practices in the related features of other countries; and periodically undertake an exercise to revise the security features based on an analysis of international best practices and the need for updating. The Directorate will be responsible for driving R&D and also act as a clearing house for research, and technology transfer for all key inputs required for indigenisation of currency and coinage eg. paper, ink, security features, high end machinery, software and technologies .

1.5 Economic and Commercial Wing, Embassy of India, Beijing

An Economic and Commercial wing in the Embassy of India Beijing, China headed by Counsellor (Economic) has been created in May, 2010. The Economic Wing is expected to support and enhance the negotiating capability of India and strengthen the institutional capabilities of our Mission for greater cooperation with China.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2009-10

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2009-10 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Statu as on 31st March 2010
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
1.	Major Head 3054- Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)	Under this Scheme money under Central Road Fund is used for financing construction of Road over/ under bridges in lieu of busy manned level crossings and railway safety works at unmanned railway crossings.	958.36 (plus ₹ 241.64 cr as additional budgetary support)	827.11 (plus ₹ 241.64 cr as additional budgetary support)	-Manning at 355 locations. -Lifting Barrier at 374 locations. -Basic infrastructure at 1310 locations. -Interlocking at 449 locations. -Telephones at 300 locations. -Construction of 139 Limited height subways . -Construction of 120 Road Over/Under bridges	-For manning of unmanned level crossing, gated/lifting barriers have to be erected and duty huts/ lodges constructed for gatekeepers. The qualified/ suitable willing gate keepers are to be selected and posted at the gates. -Laying of cable between station/level crossing location for connecting signalling system & telephones.	Construction of Road Over/Under bridges is the joint work of Railway and State Government/Local Bodies and sometime work is delayed due to State/ local bodies not starting the work in time because of encroachments/ financial crunch etc.	The entire outlay of ₹ 827.11 crore (plus ₹ 241.64 cr as additional budgetary support) has been released. The following output has been achieved: -Manning at 377 locations. -Lifting Barrier at 416 locations. -Basic infrastructure at 2572 locations completed. -Interlocking at 474 locations. -Telephones at 316 locations. -Construction of 102 Limited height subways completed. -Construction of 80 Road Over/ Under bridges completed including approaches done by the State Government.

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
2.	Major Head 5475- Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	150.00 (Plan)	45.95 (Plan)	53 proposals under the scheme were given 'in principle' approval by the Empowered Institution. Bidding has been completed in 25 proposals and in 9 proposals, after completion of bidding process there was premium in some projects and no VGF was required.	There is a time lag between 'in principle' approval and final disbursement and normally it takes 12 to 18 months from the process of bidding to financial closure after giving in - principle approval to a proposal.	Disbursement of fund takes place after commencement of construction work of the project, and the Private party selected through competitive bidding process invests its share of equity.	53 proposals under the scheme were given 'in principle' approval by the Empowered Institution till March, 2010. Out of these, 5 proposals were granted final approval. After examining the disbursement milestone suggested by the Sponsoring Authority of the projects, the total budget allocation of ₹ 150 crore in BE 2009-10 was restricted to ₹45.95 crore as RE 2009-10. An amount of ₹ 45.85 crore was disbursed in 2009-10 for the following projects: i) Bhopal Dewas Road Project – ₹21.93 crore ii) Matkuli Tamia Chindwara Road Project – ₹ 12.02 crore iii) Chandpur Alirajpur Kukshi Badwani Road Project ₹ 7.23 crore iv) Gomti-Beawar Road Project – ₹ 4.67 crore

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
3.	Major Head 3475 – Interest equalisation support to Exim Bank of India	The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to Exim Bank of India for GOI supported Lines of credit.	278.00	139.41	Interest equalization support to Exim Bank of India is given by GOI in respect of the GOI supported Exim Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship with countries like Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d'Ivoire, Djibouti, etc.	The provision is to be utilised upto 31 st March, 2010.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to EXIM Bank as counter-guarantee of GOI have been given to EXIM Bank for the lines of credit.	₹ 118.87 crore have been paid to Exim Bank of India as interest equalisation support during 2009-10.
4.	Major Head 3605 -Technical and Economic Cooperation with other countries, Technical aid to South East Asia under the Colombo Plan; Contribution	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	6.00	8.95	Human Resource Development through technical education to 410 students every year from Colombo Plan countries.	Development of long standing economic relationship through continues technical assistance to Colombo Plan countries.	There is no risk factor involved as the funds are being utilized for the objective mentioned in Col.3.	₹ 9.01 crore have been incurred for meeting financial liabilities on training of approx. 450 students from various Colombo Plan countries during 2009-10.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2010-11

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2010-11 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Statu as on 31st December 2010
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
1.	Major Head 3054- Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)	Under this Scheme money under Central Road Fund is used for financing construction of road over/ under bridges and railway safety works at unmanned railway crossings to provide smooth and safe passage for traffic.	876.73	932.81	- Manning at 800 (revised target 1000) locations. - Lifting Barrier at 272 locations. - Basic infrastructure at 1626 locations. - all manned gates to be provided telephones. - interlocking at 333 locations -Construction of 150 Nos limited height Subways. -Construction of 100 Nos of Road Over and Under Bridges.	-For manning of unmanned level crossing, gated/lifting barriers have to be erected and duty huts/ gate lodges constructed for gate-keepers. Qualified/ suitable willing gate keepers are to be selected and posted at the gates. -Laying of cable between station/level crossing location for connecting signalling system & telephones.	Construction of Road Over/Under bridges is the joint work of Railway and State Government / Local Bodies and sometime work is delayed due to contractual problems, non availability of land ,State/ local bodies not starting the work in time because of encroachments/ financial crunch etc.	An amount of ₹657.54 crore has been released upto December, 10. The following output has been achieved: -Manning at 1129 locations. -Lifting Barrier at 110 locations. -Basic infrastructure at 1402 locations completed. -Interlocking at 306 locations. -Telephones at 219 locations. -Construction of 178 Limited height subways completed upto Dec,10. -Construction of 41 Road Over/under bridges completed.

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
2.	Major Head 5475-Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure (Plan)	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	480.26 (Plan)	125.00 (Plan)	67 proposals were given 'in principle' approval by the Empowered Institution. Bidding have been completed in 25 proposals and in 9 proposals after completion of bidding process there was premium and no VGF is required.	There is a time lag between 'in principle' approval and final disbursement and normally it takes 12 to 18 months from the process of bidding to financial closure after giving In- principle approval to a proposal.	Disbursement of fund takes place only after commencement of construction of work of the project and the private party selected through competitive bidding process has invested its share of equity.	BE 2010-11 was framed on the basis of requirement sought by Sponsoring Authorities. As on December, 2010 ₹ 82.81 crores has been disbursed for the following projects : i) Damoh-Jabalpur Road Project – ₹12.63 crore ii) Bina-Khimlasa Road Project – ₹5.09 crore iii) Sagar-Damoh Road Project – ₹5.31 crore iv) Bhind-Gopalpur Road Project – ₹6.27 crore v) Gomti-Beawar Road Project – ₹34.33 crore vi) Jalna-Phatha Road Project – ₹19.18 crore The reduction is due to proposals of Government of Maharashtra, Andhra Pradesh and Haryana (where the bidding has been completed) having not been granted Final approval and bidding in respect of proposals of Government of Karnataka has failed. Hence, there is no requirement against these projects in 2010-11.

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
3.	Major Head 3475 –Interest equalisation support to Exim Bank of India (Non-Plan)	The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to Exim Bank of India for GOI supported Lines of credit.	130.00	127.77	Interest equalization support to Exim Bank of India has to be given by GOI in respect of the GOI supported Exim Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship with countries like Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d' Ivoire, Djibouti, etc.	The provision is to be utilised upto 31st March, 2011.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to EXIM Bank as counter-guarantee of GOI have been given to EXIM Bank for the Lines of Credit.	₹62.03 crore have been paid to Exim Bank of India as interest equalisation support during 2010 - 11 upto 31 st December, 10.
4.	Major Head 3605 -Technical and Economic Cooperation with other countries, Technical aid to South East Asia under the Colombo Plan. Contribution	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	8.45	7.95	Human Resource Development through technical education to 410 students every year from Colombo Plan countries.	Development of long standing economic relationship through continued technical assistance to countries like Afghanistan, Bangladesh, Bhutan, Fiji, Indonesia, Iran, Korea, Malaysia, Laos, Nepal, Maldives, Mangolia, Myanmar, Srilanka, Papua New Guinea, Thailand and Vietnam.	There is no risk factor involved as the funds are being utilized for the objective mentioned in Col.3.	Work related to the Colombo Plan has been transferred to MEA w.e.f April, 2010. ₹2.20 crore has been incurred during 2010-11 upto December, 2010 for meeting the balance financial liabilities on approx. 450 students from various Colombo plan countries who had undergone training in different Institutes in India during 2009-10.

SUMMARIZED POSITION OF SCHEMES UNDER DEMAND NO. 32 – DEPARTMENT OF ECONOMIC AFFAIRS

(₹ in Crore)

S.No	Scheme	2009-2010			2010 - 2011		2011-2012	
		BE	RE	Actual	BE	RE	Actual Up-to Dec. 10*	BE
1.	Public Private Partnership (PPP) In infrastructure, Provision of Viability Gap Funding (VGF) (MH 5475) – Plan	150.00	45.95	45.85	480.26	125.00	82.81	499.37
2.	Contribution for Railway Safety Works against additional levies on motor spirit and high speed diesel and ; Additional Budgetary Support (MH 3054) – Plan	958.36 241.64 1200.00	827.11 241.64 1068.75	827.11 241.64 1068.75	876.73 ... 876.73	932.81 ... 932.81	657.54 ... 657.54	1040.63 ... 1040.63
3.	Interest Equalisation Support to EXIM Bank of India (MH 3475) Non-Plan	278.00	139.41	118.87	130.00	127.77	62.03	139.69
4.	Technical Economic Cooperation with other Countries – Technical aid to South & South East Asia under Colombo Plan (MH 3605) Non-Plan	6.00	8.95	9.01	8.45	7.95	2.20	3.00
	Total	1634.00	1263.06	1242.48	1495.44	1193.53	804.58	1682.69

* Provisional

STATEMENT SHOWING ACTUAL EXPENDITURE VIS-À-VIS BE/RE PROVISIONS FOR THE YEARS 2008-09, 2009-10 AND 2010-11

₹ in crore (Gross)

Description	Major	2008-09			2009-10			2010-11		
		B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual upto Dec, 2010
1	2	3	4	5	6	7	8	9	10	11
PART - A NON-PLAN ITEMS										
Secretariat-General Services	2052	41.15	53.07	49.89	66.37	66.18	62.89	70.37	79.30	51.46
Other Fiscal Services										
National Savings Institute	2047	12.10	11.02	9.75	11.07	11.61	11.10	11.48	12.25	8.51
Interests on deposits under Compulsory Deposits (Income Tax Payers Scheme, 1974)	2047	0.20	0.15	0.03	0.15	0.10	0.05	0.10	0.05	0.02
Contribution to ESAF/PRGF Trust subsidy account to IMF	2047	3.93	4.26	4.26	0.00	0.00	0.00	0.00	0.00	0.00
Other Expenditure	2047	0.20	0.21	0.18	0.21	0.21	0.17	0.21	0.21	0.02
Total	2047	16.43	15.64	14.22	11.43	11.92	11.32	11.79	12.51	8.55
Other Administrative Services										
13th Finance Commission	2070	11.95	14.44	14.23	13.80	13.59	12.81	0.00	0.00	0.00
Investment Commission	2070	0.94	0.71	0.07	0.90	0.75	0.00	0.00	0.00	0.00
Other Expenditure (SAT)	2070	2.43	1.88	2.44	3.26	3.76	3.54	3.72	3.88	2.39
Total	2070	15.32	17.03	16.74	17.96	18.10	16.35	3.72	3.88	2.39
Miscellaneous General Services										
Guarantee Redemption Fund	2075	0.00	0.00	0.00	300.00	300.00	300.00	300.00	300.00	300.00
Other Programmes	2075	0.04	0.56	0.53	0.12	0.07	0.02	0.03	0.01	0.00
Total	2075	0.04	0.56	0.53	300.12	300.07	300.02	300.03	300.01	300.00
Social Security and Welfare										
Protected Savings Schemes (other charges)	2235	0.01	0.01	0.13	0.01	0.10	0.14	0.10	0.14	0.00
Total	2235	0.01	0.01	0.13	0.01	0.10	0.14	0.10	0.14	0.00
International Fund for Agricultural Development [IFAD]	2416	0.00	0.00	0.00	45.00	45.00	41.83	40.00	35.52	35.52
Addl. Complementary contribution to IFAD	2416	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Total	2416	0.00	0.00	0.00	45.01	45.00	41.83	40.00	35.52	35.52

1	2	3	4	5	6	7	8	9	10	11
Other Transport Services										
Subsidy to Railways towards dividend relief and other concessions	3075	1707.69	1735.17	1700.91	2086.43	2243.44	2155.86	2829.88	2190.87	1886.58
Losses on operation of Strategic Railway Lines	3075	500.00	646.00	646.00	600.00	654.48	654.48	600.00	648.97	400.00
Assistance to Ministry of Railways for settlement of the amount counter guaranteed to RITES for execution of projects in Iraq	3075	0.00	166.62	166.62	0.00	0.00	0.00	0.00	0.00	0.00
Assistance to Ministry of Railways for settlement of the amount counter guaranteed to IRCON in Iraq	3075	0.00	22.72	22.72	0.00	0.00	0.00	0.00	0.00	0.00
Total	3075	2207.69	2570.51	2536.25	2686.43	2897.92	2810.34	3429.88	2839.84	2286.58
International Financial Institutions										
Assessment Charges payable to international Monetary Fund [IMF]	3466	0.00	0.00	0.00	0.35	0.38	0.38	2.19	0.22	0.00
Emergency Assistance for Natural Disasters	3466	0.00	0.00	0.00	4.39	4.42	4.37	0.00	0.00	0.00
Afghanistan Reconstruction Trust Fund	3466	0.00	0.00	0.00	0.00	1.00	0.92	1.00	0.93	0.93
World Bank TA loan	3466	0.00	0.00	0.00	0.00	3.00	0.11	12.50	5.99	0.48
World Bank Cultural Heritage and Sustainable Tourism Trust Fund	3466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
South Experience Exchange Trust Fund (SEETF)	3466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	2.39
Total	3466	0.00	0.00	0.00	4.74	8.80	5.78	15.69	9.55	3.80
Other General Economic Services										
International Cooperation	3475	8.22	13.31	11.94	13.81	9.42	9.28	9.23	19.33	1.00
Other charges/IES/Embassy of India, Tokyo and Washington/Beijing	3475	9.20	9.44	7.94	12.80	12.34	10.40	11.61	16.58	5.26
Grant to India Investment Center	3475	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grant in aid to other institutions	3475	2.85	2.08	1.98	2.23	2.74	2.59	2.60	2.77	1.27
Custom and Import Duties on Non-Indian personnel in UN agencies	3475	0.03	0.03	0.00	0.03	0.03	0.03	0.03	0.01	0.00
Exchange loss under NRI Bonds	3475	0.50	0.50	0.13	0.50	0.50	0.03	0.50	0.50	2.81
World Bank Grant for PPP	3475	0.53	1.01	0.92	0.00	0.00	0.00	0.00	0.00	0.00
Interest Equalisation support to EXIM Bank	3475	232.00	209.75	191.57	278.00	139.41	118.87	130.00	127.77	62.03
Waiver of outstanding dues and interest on loans outstanding against LOC extended to Turkmenistan	3475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.50	0.00
Total		253.34	236.12	214.48	307.37	164.44	141.20	153.97	191.46	72.37

1	2	3	4	5	6	7	8	9	10	11
Technical and Economic cooperation with other countries										
Contribution to UNDP	3605	22.05	20.26	20.26	22.05	22.43	22.43	22.55	21.59	21.56
Cooperation with other countries (including GEF)	3605	16.01	16.88	18.37	16.56	20.01	19.62	19.51	18.58	12.29
Other Expenditure	3605	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Assistance	3605	5.00	1.00	0.00	0.01	0.01	0.00	0.01	0.01	0.00
Total	3605	43.07	38.14	38.63	38.62	42.45	42.05	42.07	40.18	33.85
Capital Outlay of Currency, Coinage and Mints										
Purchase of Coins from SPMCIL	4046	500.00	885.20	885.19	894.00	894.00	894.00	1063.20	1852.00	955.53
Capital Outlay on Miscellaneous General Services										
Purchase of Machinery for Budget Press	4075	3.00	2.04	2.04	3.00	3.00	0.25	3.00	2.50	0.04
Investment in General Financial and Trading Institutions										
National Skill Development Corporation (NSDC)	5465	0.00	1000.00	998.10	0.00	0.00	0.00	0.00	0.00	0.00
Investment in International Financial Institutions										
Subscription to International Development Association	5466	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00
Subscription to Asian Development Bank	5466	0.00	0.00	0.00	0.00	0.00	0.00	216.19	199.85	199.85
Subscription to African Development Fund	5466	0.00	0.00	0.00	14.51	14.51	14.50	14.93	37.37	13.39
Payment of Multilateral Debt Relief Initiative of African Development Fund	5466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subscription to African Development Bank	5466	0.00	0.00	0.00	0.00	0.00	0.00	0.01	5.21	0.00
Subscription to International Monetary Fund [In Securities]	5466	0.00	0.00	0.00	3035.60	3094.26	0.00	0.01	0.00	0.00
Maintenance of Value [MOV] Obligation	5466	0.00	0.00	0.00	3653.93	12836.26	3653.93	0.01	0.00	0.00
India's Contribution towards lending resources of IMF	5466	0.00	0.00	0.00	0.00	0.00	0.00	63.67	63.67	2.85
Total	5466	0.00	0.00	0.00	6704.04	15945.03	3668.43	294.83	306.11	216.09
Capital Outlay on Other General Economic Services										
Activities for mainstreaming PPPs	5475	0.00	0.60	0.32	2.10	2.10	0.66	2.10	1.12	0.30

1	2	3	4	5	6	7	8	9	10	11
India Infrastructure Project Development										
Fund (IIPDF)	5475	0.01	12.01	1.32	10.50	7.00	7.55	7.00	7.00	1.38
Total	5475	0.01	12.61	1.64	12.60	9.10	8.21	9.10	8.12	1.68
Interest free loan for Corporatisation of Security, Printing and Minting Corporation of India Limited(SPMCIL)	7465	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advances to Foreign Governments										
(a) Srilanka	7605	0.00	10.51	11.16	0.01	2.84	2.61	0.01	0.00	0.00
(b) Cambodia	7605	4.00	4.30	4.29	0.00	0.00	0.00	0.00	0.00	0.00
Total	7605	4.00	14.81	15.45	0.01	2.84	2.61	0.01	0.00	0.00
Total Non-Plan		3084.07	4845.74	4773.29	11091.71	20408.95	8005.42	5437.76	5681.11	3967.87
PART -B PLAN ITEMS										
Miscellaneous General Services										
National Social Security Fund for Unorganised Sector Workers	2235	0.00	0.00	0.00	0.00	0.00	0.00	1000.00	1000.00	0.00
Roads and Bridges	3054	1547.80	1547.80	1547.80	2158.36	1895.86	1895.86	1753.46	1865.62	1315.08
Assistance for infrastructure development - VGF	5475	92.10	61.67	54.07	150.00	45.95	45.85	480.26	125.00	82.81
TOTAL PLAN		1639.90	1609.47	1601.87	2308.36	1941.81	1941.71	3233.72	2990.62	1397.89
Grand Total		4723.97	6455.21	6375.16	13400.07	22350.76	9947.13	8671.48	8671.73	5365.76

ANALYSIS OF EXPENDITURE DURING 2008-09, 2009-10 and 2010-11

NON-PLAN

MH-2052 - Secretariat General Services

The provision under this head is kept for the Secretariat expenditure of the Department of Economic Affairs, G-20 Secretariat and Directorate of Currency. The RE at 2008-09 has been enhanced on account of implementation of the recommendations of the Sixth Central Pay Commission including payment of arrears. There has been an increase in BE 2009-10 due to payment of balance of 60% arrears as well as more funds required due to entitlement of travel by air. During 2010-11 the RE has been increased for the newly created Directorate of Currency. The flow of expenditure up to December, 2010 is satisfactory.

MH-2047 - Other Fiscal Services

The provision under this head is for expenditure of National Savings Institute with its network of regional offices. It also includes provision in respect of contribution to PRGF (earlier ESAF) Trust Subsidy account of IMF and interests on deposits under compulsory deposits (Income Tax Payers) Scheme, 1974. The decrease in BE 2009-10 and 2010-11 over BE 2008-09 is due to cut in Non-Plan expenditure in pursuance of economy instructions / reduction of staff in NSI and contribution to the PRGF Trust Subsidy Account of IMF being discontinued after 2008-09. The flow of expenditure up to December, 2010 is satisfactory.

MH-2070 - Other Administrative Services

The provision under this head is for expenditure of Investment Commission, 13th Finance Commission and Security Appellate Tribunal. The decrease in Expenditure in 2010-11 is due to winding up of 13th Finance Commission in January, 2010 as well as due to winding up of Investment Commission.

MH-2075 - Miscellaneous General Services

The provision is for interest payments on Central Securities in time barred cases and payment in connection with unclaimed securities credited to Government accounts. From 2009-10 onwards a provision of ₹ 300.00 crore is being kept for transfer to the Guarantee Redemption Fund. For earlier years the provision was in the Grant under Department of Financial Services. During 2008-09 a token provision of ₹ 0.01 crore was kept for making spill over payments for the Umbrella Support Project for Country Co-operation Framework-II under UNDP assistance. The project has since been completed. Under this Major Head a token provision of ₹ 0.01 crore for the year 2008-09 and ₹ 0.10 crore for the 2009-10 was kept for Institutional Strengthening & Capacity Building of Aid Accounts & Audit Division of this Department. The Project has since been completed.

MH-2235 - Social Security & Welfare

The provision has been kept for Protected Savings Schemes. A token provision has been kept during 2008-09 and 2009-10. The provision has been increased at RE 2009-10 at ₹ 0.10 crore and at RE 2010-11 at ₹ 0.14 crore against BE 2010-11 of ₹ 0.10 crore.

MH-2416 - Agriculture Financial Institutions

India is a founder member of IFAD and has so far contributed US \$ 79 million to IFAD resources till the 7th Replenishment. For the 8th Replenishment, India has committed to contribute US\$ 25 million. The payment is to be made in three instalments of US\$ 9 million in 2009-10 and US\$ 8 million each in 2009-10 and 2011-12. Two installments have been paid to the IFAD. The third and final instalment would be paid in 2011-12. Less expenditure incurred is due to exchange rate fluctuation.

MH - 3075: Other Transport Services (Subsidy to Railways towards Dividend Reliefs & Other Concessions)

The subsidy provided towards dividend relief and other concessions is dependent on capital work in progress. Similarly the reimbursement of losses on operating 'strategic' lines is dependent on the working expenses of the Railways on operating such lines. During 2008-09 ₹ 189.34 crore were also obtained in the First Batch of Supplementary for providing assistance to Ministry of Railways for settlement of amount counter guaranteed to RITES (₹ 166.62 crore) and IRCON International Ltd. (₹ 22.72 crore) for execution of projects in Iraq on deferred payment basis. The allocation under this Head has been steadily increasing.

MH - 3466 - International Financial Institutions

The provision is for annual Assessment charges payable to International Monetary Fund, Contribution to Emergency Assistance for Natural Disasters, Afghanistan Reconstruction Trust Fund (ARTF), World Bank Technical assistance loan and South South Experience Exchange Trust Fund (SEETF). All instalments of the committed amounts in respect of Emergency Assistance for Natural Disaster (ENDA) were paid by 2009-10. Hence no provision was kept in 2010-11. A token supplementary was obtained in the First Batch of 2009-10 for the provision of ₹ 1.00 crore for Afghanistan Reconstruction Trust Fund (ARTF) and ₹ 3.00 crore for the World Bank TA loan. At RE 2010-11 the provision for the World Bank TA Loan was reduced due to less requirement. A token Supplementary was obtained in the first batch 2010-11 for making a one-time payment of US \$ 500,000 as Indias' contribution to World Bank South - South Experience Exchange Trust Fund (SEETF).

MH - 3475 - Other General Economic Services

The provision under this Head includes contribution to Commonwealth Fund for Technical Cooperation and other international organisations, Economic Wing of the Embassy of India at Washington, Tokyo and Beijing, Training of Indian Economic Service Officers, India Trust Fund in ADB, Exchange Variation and Grants-in-Aid to Other Institutions and provision for Interest Equalization support to EXIM Bank. RE 2008-09 included a one time contribution towards creation of an India Trust Fund in the Asian Development Bank (ADB) (₹ 4.30 crore) for supporting technical programmes of the ADB relating to Information and Communication Technology (ICT) and Renewable Energy Projects. The provision for Interest Equalization support to EXIM Bank was ₹ 232.00 crore at BE 2008-09 which was reduced to ₹ 209.75 crore at RE 2008-09,

the provision of ₹ 278.00 crore at BE 2009-10 was reduced to ₹139.41 crore at RE 2009-10 due to less claims received. The provision for BE 2010-11 is ₹ 130.00 crore. The actual expenditure during 2008-09 and 2009-10 is ₹ 191.57 crore and ₹118.87 crore respectively. There is an overall increase under the Major Head at RE 2010-11 due to the newly created Economic and Commercial Wing of the Embassy of India, Beijing; enhanced expenditure on training of Indian Economic Service Officers; contribution (₹ 10.00 crore) towards technical cooperation with African Development Bank; Voluntary membership contribution of Euro 15000 (₹0.10 crore) to FATF for the year 2010; and waiver of outstanding dues, interest & penal interest (₹24.50 crore) against the concessional Line of Credit extended to Government of Turkmenistan by GOI.

MH-3605 - Technical & Economic Cooperation with Other Countries

The provision under this Head includes contribution to United Nations Development Programme (UNDP), Global Environment Facility (GEF) Technical Aid under Colombo Plan and for Development Assistance. The provision under the Development Assistance has been reduced from ₹ 5.00 crore at BE 2008-09 to ₹ 1.00 crore at RE 2008-09 as the scheme has been only partially implemented and has not become fully operational. Only a token provision of ₹ 0.01 crore has been kept during 2009-10 and 2010-11. The scheme relating to Technical Aid to South and South-East Asia under the Colombo Plan has been transferred to the Ministry of External Affairs w.e.f April, 2010. However, provision has been kept at RE 2010 -11 for settlement of pending bills relating to students from various Colombo Plan countries who have undergone training during 2009-10. The expenditure under the Head is satisfactory.

MH-4046 - Capital Outlay on Currency, Coinage & Mint

The provision is for purchase of coins from Security Printing and Minting Corporation of India Limited (SPMCIL). The provision of ₹ 500.00 crore kept at BE 2008-09 has been increased to ₹ 885.20 crore at RE 2008-09 and has been fully utilized. Similarly, for the year 2009-10 the provision of ₹ 894.20 crore was fully utilized. BE 2010-11 provision of ₹ 1063.20 crore has been increased to ₹ 1852.00 crore at RE 2010-11. There would be no cash outgo as the entire amount will be deducted as recovery from the credit received from Reserve Bank of India on circulation of coins.

MH-4075 - Capital Outlay on Miscellaneous General Services

A provision of ₹ 3.00 crore has been kept at BE 2008-09 for purchase of a three knife cutting machine. The provision was utilized to the extent of ₹ 2.04 crore being the cost of the machine. For the year 2009-10 a provision of ₹ 3.00 crore was kept for procurement of gathering machine. However, the amount could not be utilized as the tendering process required some more inputs. A provision of ₹ 3.00 crore has therefore been kept at BE and RE 2010-11 for purchase of gathering machine.

MH-5465 - Investment in General Financial and Trading Institutions

A provision of ₹ 1000.00 crore was kept at RE 2008-09 for the National Skill Development Corporation (NSDC). ₹ 4.90 crore was provided for Government of India Equity out of which ₹ 3.00 crore was utilized. ₹ 995.10 crore was provided towards

the corpus of NSDC which has been fully utilized. No further provisions were required to be kept in the subsequent years.

MH -5466 - Investment in International Financial Institutions

The provision is for subscription to International Development Association (IDA), Asian Development Bank (ADB), African Development Bank (AfDB), African Development Fund and for International Monetary Fund (IMF). These provisions have been transferred from the Department of Financial Services to DEA in 2009-10. The allocations of ₹ 3094.26 crore and ₹ 11327.15 crore during 2009-10 and 2010-11 respectively have been kept for the (one time) anticipated payment towards India's quota increase at the IMF. However due to non-ratification of the 'Voice and Participation' Amendment of IMF's Article of Agreement the amount has remained unspent so far. Provision of ₹ 3653.93 crore at BE 2009-10 was kept for subscription to IMF for Maintenance of Value (MoV) towards valuation adjustment of Indian Rupees receivable by IMF. The provision was increased to ₹ 12836.26 crore at RE 2009-10. However, ₹ 3653.93 crore has been utilized. For 2010-11 a token provision of ₹ 0.01 crore has been kept. This was not required to be enhanced as India has received payments due to the movement of SDR exchange rate in favour of the Rupee. For subscription to African Development Fund provision of ₹ 14.51 crore was kept during 2009-10. The BE 2010-11 provision of ₹ 14.93 crore has been increased to ₹ 37.37 crore at RE 2010-11. The Major Head also includes subscription to Asian Development Bank (ADB) for which the BE 2010-11 provision of ₹ 216.19 crore has been reduced to ₹ 199.85 crore at RE 2010-11 due to exchange rate fluctuation. In BE 2010-11 a provision of ₹ 63.67 crore has been kept for Contribution towards lending resources of IMF. This provision is made for transferring the Rupee equivalent of SDRs received as interest to the RBI. At RE 2010-11 a provision of ₹ 5.21 crore has been provided for subscription to African Development Bank.

MH-5475 - Capital Outlay on Other General Economic Services

The provision is for India Infrastructure Project Development Fund (IIPDF) and activities for mainstreaming Public Private Partnership (PPP) projects. Against a token provision of ₹ 0.01 crore at BE 2008-09 ₹ 12.01 crore was provided at RE 2008-09 for IIPDF. Due to non approval of the projects only ₹ 1.32 crore were spent. BE 2009-10 provision of ₹ 10.50 crore was reduced to ₹ 7.00 crore due to less requirements indicated by the sponsoring authorities and the status of projects. During 2010-11 the provision has been kept at ₹ 7.00 crore. ₹ 2.10 crore has been provided for activities for mainstreaming PPP in BE 2009-10 against ₹ 0.60 crore provided at RE 2008-09 through supplementary. During 2010-11 the provision of ₹ 2.10 crore has been reduced to ₹ 1.12 crore at RE 2010-11 due to non approval of consultancy services.

MH - 7465 - Loans for General Financial & Trading Institutions

A token provision of ₹ 1.00 lakh for the year 2008-09 was kept under this Head to accommodate the Interest free loan for corporatization of Security Press, Paper Mill and India Government Mints. Since there was no further requirement, no provision has been kept in the year 2009-10 and 2010-11.

MH-7605 -Advances to Foreign Governments

The provision is towards advances to Foreign Governments for promotion of exports goods and services from India through Government to Government Lines of Credit (LoCs). Since, this scheme of providing assistance to foreign countries has been discontinued from 2003-04, no fresh LoCs are being approved. Disbursements are going on in respect of previous LoCs. Therefore, there has been a gradual decrease in the provision during 2008-09 and 2009-10. During 2008-09 and 2009-10 provision of ₹ 10.51 crore and ₹ 2.84 crore respectively had been kept for settlement of claims pertaining to Government of Sri Lanka. Only a token provision of ₹ 0.01 crore has been kept at BE 2010-11, and no provision has been kept for RE 2010-11.

PLAN

MH-2235- Social Security and Welfare

As a follow up to the Unorganized Sector Workers Social Security Act, 2008, the National Social Security Fund for Unorganized sector workers has been setup with an initial allocation of ₹ 1000.00 crore at BE 2010 -11.

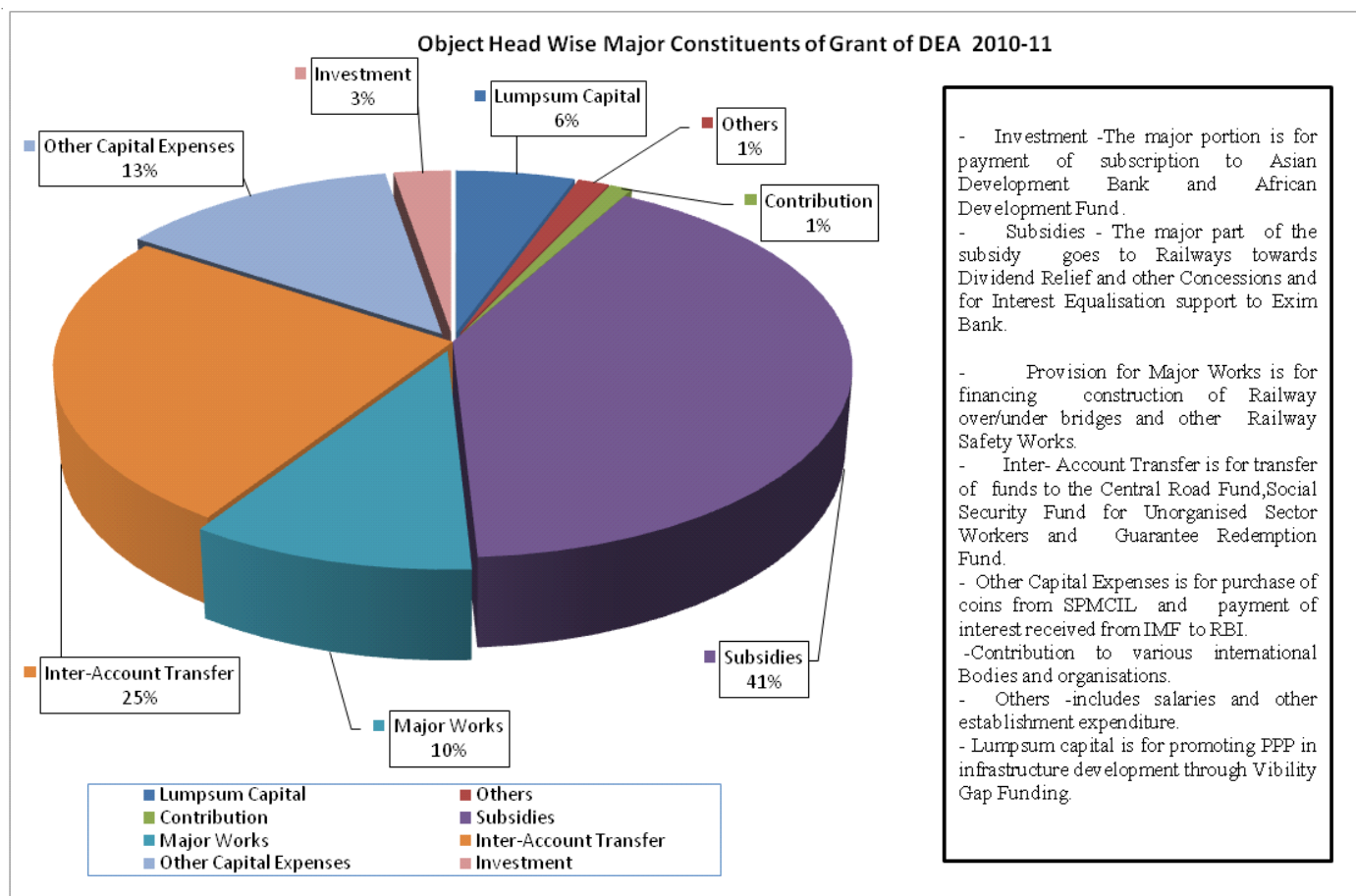
MH-3054 -Roads & Bridges

The provision is for Railway Safety Work. The cess being levied on petrol and diesel is allocated in terms of the Central Road Fund Act, 2000 for financing construction of Railway over/under bridges and other safety works. The provision is made strictly as per requirements from Railways and their share of cess collections. An equivalent amount is transferred to Central Road Reserve Fund as Inter Account transfer. The provision is

made strictly as per requirements from Railways in this regard. A provision of ₹ 958.36 crore has been kept during 2009-10 against a provision of ₹ 773.90 crore during 2008-09. An equivalent amount is transferred to Central Road Reserve Fund as inter account transfer. During BE 2009-10 an additional provision of ₹ 241.64 crore has been kept for Additional Budget Support for Railway Safety Work. The provision was reduced at RE 2009-10 to ₹ 827.11 crore. The provision has been fully utilized during 2008-09 and 2009-10. During 2010-11 there is a provision of ₹ 876.73 crore. At RE 2010-11 the provision has been enhanced to ₹ 932.81 crore on greater demand from the Railways. The expenditure during the current year is satisfactory.

MH-5475 - Capital Outlay On Other General Economic Services

The provision is for Assistance for Infrastructure Development - Viability Gap Funding (VGF). During 2008-09 the Budget provision of ₹ 92.10 crore was reduced to ₹ 61.67 crore at RE 2008-09 as there was premium bidding in all the projects. The actual expenditure was ₹ 54.07 crore as VGF for four road projects of Madhya Pradesh. During the year 2009-10 the BE provision of ₹ 150.00 crore was reduced to ₹ 45.95 crore due to general slowdown in the economy which resulted in failure of bids for three projects. The actual expenditure during 2009-10 was ₹ 45.85 crore. During 2010-11 the provision of ₹ 480.26 crore has been reduced to ₹ 125.00 crore at RE 2010-11. VGF support amounting to ₹ 82.81 crore has been expended up-to December, 2010.



Statutory and Autonomous Bodies under Department of Economic Affairs

Securities and Exchange Board of India (SEBI) is the only Autonomous Body under the administrative control of the Department of Economic affairs. No Government grant is given to SEBI. Security Printing and Minting Corporation of India Limited (SPMCIL) is a Government owned Corporation, under the administrative control of the Department of Economic Affairs. The details about this organisation are as under :-

Security Printing & Minting Corporation of India Ltd

- Security Printing & Minting Corporation of India Limited (SPMCIL) was incorporated on 13.1.2006 after corporatization of all nine Mints/ Presses/Mill. This is a wholly owned Public Sector Undertaking of Govt of India under Ministry of Finance, Department of Economic Affairs headed by Chairman and Managing Director. There are three functional directors on the board in addition to Directors representing Government and user departments.
- The total income and expenditure for the year 2009-10 stood at ₹3206.05 crore and ₹2409.00 crore respectively, with profit after tax of ₹542.25 crore. The corresponding figures of income, expenditure and profit after tax for the previous year 2008-09 were ₹2557.18 crore, ₹1912.44 crore and ₹433.83 crore respectively. The Profit after tax during the year 2009-10 has increased by 25% as compared to the year 2008-09. However, the corporation did not declare any dividend for the year 2009-10 because of its capital expenditure commitments on upgrading and modernising of production lines in all the nine units.
- The total assets of the Corporation as on March 31, 2010 were ₹ 4708.44 crore, comprising fixed assets of ₹884.68 crore and current assets of ₹3558.21 crore. Out of the current assets of ₹3558.21 crore, ₹931.09 crore and ₹ 946.16 crore, are shown against 'Inventories' and 'Sundry Debtors' respectively. In the year 2009-10, the Corporation was able to substantially reduce the level of 'Inventory', which is evident from the fact that the average inventory turnover has come down to 112 days in comparison to last three years (280 days in 2006-07, 171 days in 2007-08 and 159 days in 2008-09). The figures of sales per employee and PAT per employees for the year 2009-10 are ₹20.32 lakh and ₹3.63 lakh respectively as compared to figures of ₹14.72 lakh and ₹2.73 lakh during the year 2008-09.
- Nine units of SPMCIL are engaged in the production of security paper, printing of security documents and minting of coins, medals etc. Details of the production of major products during the current year is as under:

Details of Production for the period from 01.04.2010 to 31.12.2010

Sl. No.	Products	Production (in million pieces)
1.	Bank Notes	4308.177
2.	Coins	4573.71
3.	Post Cards	108.936
4.	Envelopes	31.986
5.	Regn. Envelopes	0.200
6.	Inland Letter Cards	40.344
7.	Postage Stamps & Indian Postal Orders	39.052
8.	Commemorative Stamps	6.271
9.	Adhesive Stamps	6.922
10.	Non Judicial & Allied Stamps	211.774
11.	Saving Instruments	35.136
12.	Non MICR Cheques	1.093
13.	MICR Cheques	39.734
14.	Misc. Security Forms & Court fee stamps	44.604
15.	Passport & Allied Booklets	3.788
16.	Stickers/Labels/ I.Cards/ Seals	4.463
17.	Security Paper	2145 MT

Details of Sales of major products for the period from 01.04.2009 to 31.12.2010

Sl. No.	Main Products	Sales (₹ in Crore)
1.	Bank Notes	606.37
2.	Coins and Medals	921.71
3.	Paper	128.11
4.	Other Security Products	341.26
TOTAL		1997.45

- SPMCIL has taken several steps for modernization of security paper mill, capacity enhancement of security paper production, modernization of mints and currency printing units and automation of various activities being carried out in a traditional manner. In order to meet strategic initiatives to prevent counterfeit currency, through indigenization of bank note paper, ink & R&D etc. a number projects have been undertaken. The details are as under :

Projects under implementation and sanctioned by the Board of SPMCIL

(₹ in crore)

Name of project	Sanctioned Cost	Scheduled date of completion	Total cumulative exp. till beginning of year	Total exp. planned during 2011-12	Likely date of completion	Output/ Outcome	Remarks
Stock preparation plant, SPM, Hoshangabad	59	31.12.2009	55	4	30.06.2011	25 MT/ Day	As replacement of old existing plant.
One line of paper mill at SPM, Hoshangabad	490	31.10.2013	89	-	31.10.2013	4000 MT/ Year	As replacement of one old existing line.
Lab equipment at SPM, Hoshangabad	2	30.06.2011	-	2	30.06.2011		Upgrading currency paper testing facilities as R&D effort.
J.V. with BRBNMPL for setting new security paper mill	1200 (SPMCIL share 50%)	30.04.2014	100	200	30.04.2014	6000MT/ Year	Production of Paper as import substitute in joint venture with BRBNMPL.
Gold Refining plant at Mumbai	10	31.03.2012	-	10	31.03.2012		To create refining capacity at Mumbai.
Installation & commissioning of one line of currency printing at BNP, Dewas	250	31.01.2012	-	250	31.01.2012		Replacement of one old existing line.
On line inspection system/ online jogging equipment at BNP / CNP	15	31.03.2012	-	15	31.03.2012		Upgrading currency printing machine.
Automatic Finishing Machine, Line-II	9	31.03.2012	-	9	31.03.2012		Modernisation to reduce manual work.
Multi medal press for proof medals & coins	7	31.03.2012	-	7	31.03.2012		Additional capacity creation for meeting increased requirements
10 coining presses at various units	70	30.09.2012	-	30	30.09.2012		Replacement of old machines combined with additional capacity
6 colour offset sheet fed machine	20	31.03.2012	-	20	31.03.2012		Replacement of outlived machine
Semi finishing machines (counting, banding, shrink wrap & labeling machine)	12	31.03.2012	-	12	31.03.2012		Modernisation to reduce manual handling of cut notes
Computer aided design (CAD)& computer to offset plate (CTOP)	14	31.03.2012	-	14	31.03.2012		Creating capacity to design bank notes in house as R&D effort
Computer to intaglio plate (CTIP)	12	31.03.2012	-	12	31.03.2012		Creating capacity to design bank notes in house as R&D effort
Total	2170		244	585			

DEPARTMENT OF FINANCIAL SERVICES

INTRODUCTION

The Department of Financial Services is responsible for issues relating to Public Sector Banks (PSBs), Agricultural Credit, Financial Institutions, Public Sector Insurance Companies, Pension Reforms etc.

The main functions of various Divisions/ Units of the Department are detailed below:

Establishment and General Administration - All matters relating to establishment, overall administration and management of the Department.

Banking Operations I – Appointment of Governor/Deputy Governor of Reserve Bank of India (RBI), Chairman & Managing Director (CMD) of State Bank of India (SBI), CMDs and Executive Directors (EDs) of Nationalised Banks, CMDs of National Bank for Agriculture and Rural Development (NABARD) and National Housing Bank (NHB), Board level appointments in Export-Import Bank of India (EXIM Bank), Small Industries Development Bank of India (SIDBI), constitution of Boards of Directors of RBI, PSBs and other Financial Institutions (FIs).

Banking Operations II – Functioning of PSBs, Banking sector reforms, disputes and arbitration between PSBs and between PSBs and other Government Departments/Public Sector Enterprises (PSEs), opening and shifting of administrative offices of banks including currency chests, Banking Ombudsman, redressal of complaints relating to Public/Private Sector and Foreign Banks including complaints regarding deficiency in service, Acts and laws relating to commercial banks (excluding those specifically dealt by other Division) and office of the Court Liquidator at Kolkata.

Banking Operations & Accounts – International Banking Relations, licensing, amalgamation, reconstruction, moratorium funds and acquisition of private sector banks, overseas branches of Indian banks, operation of foreign banks in India, annual consolidated review on the working of PSBs including annual financial reviews of PSBs conducted by RBI, taxation matters of PSBs/FIs, dividend payable to Central Government by PSBs, capital restructuring of banks and Government's contribution to share capital of PSBs.

Agriculture Credit – Matters relating to NABARD and Agriculture Finance Corporation (except service matters), co-operative banks, Banking Regulation Act 1949 and rural/agriculture credit.

Credit Policy – Priority Sector Lending by banks, lending to weaker sections including SC/ST & minorities, PM's New 15 – Point Programme for the Welfare of Minorities and all other related matters, National Minorities Development Finance Corporation (NMDFC), financial assistance under transport, education, employment generation scheme and other poverty alleviation programmes, educational loans and financial

assistance to persons affected by natural calamities and riots disturbances.

Financial Inclusion – Work relating to financial inclusion and branch expansion, Lead Bank Scheme and Service Area Approach, District and State Level Bankers' Committee (SLBC), Regional imbalances of banking network, matters related to Business Correspondents/Business Facilitators and Mobile Banking.

Regional Rural Banks (RRBs) – Legislative matters with regard to RRB Act, 1976 and framing of rules thereunder, nomination of non-official Directors on the Board of RRBs and appointment of Chairman, review of performance of RRBs, bank security and vigilance, manpower planning and service matters of RRBs and laying of Annual Reports of all RRBs.

Industrial Relations – Industrial relations in the Banking Industry, RBI and FIs, matters relating to Industrial Disputes Act, matters relating to Unions and Associations in the Banking Industry, service matters of PSBs/FIs, manpower in PSBs, bipartite settlements, policy of transfer, promotion and Human Resource Development (HRD) in banks, Officers Service Regulations, Discipline and Appeal Regulations and Pension Regulations of PSBs/FIs.

Industrial Finance-I – Operational policy, budgetary and other matters relating to EXIM Bank, India Infrastructure Finance Company Ltd. (IIFCL), Irrigation and Water Resources Finance Corporation (IWRFC), Industrial Finance Corporation of India (IFCI) Ltd, Industrial Development Finance Corporation (IDFC) Ltd, sector-specific cases like infrastructure, power, textiles etc., administration of EXIM Bank Act and Parliamentary/Legislative work relating to FIs.

Industrial Finance-II – Matters relating to NHB and Housing Policy, Board for Industrial and Financial Reconstruction (BIFR), Appellate Authority for Industrial and Financial Reconstruction (AAIFR), Sick Industrial Companies (Special Provisions) Act (SICA), Small and Medium Enterprises (SMEs), SIDBI, State Finance Corporations (SFCs), Credit Guarantee Fund for Micro and Small Enterprises, Credit Guarantee Scheme and other related matters.

Pension Reforms Division – Policies relating to pension reforms including the New Pension System (NPS), legislative issues regarding the Pension Fund Regulatory and Development Authority (PFRDA) and administrative issues concerning the Interim Pension Fund Regulatory and Development Authority (Interim PFDRA).

Insurance Division - Policies relating to the Insurance sector and performance of nationalized insurance companies, framing of rules under Insurance Regulatory and Development Authority (IRDA) Act 1999, terms and conditions of service and appointment of Chairperson and Members of IRDA, Chief

Executives and Directors on the Boards of nationalized insurance companies, administration of various Insurance Acts and administration of programmes and schemes like Universal Health Insurance Scheme (UHIS), Varishta Pension Bima Yojana (VPBY) etc.

Debts Recovery Tribunals (DRTs) – Establishment of Debts Recovery Tribunals (DRTs) and Debts Recovery Appellate Tribunals (DRATs) under the Recovery of Debts Due to Banks and Financial Institutions Act 1993, framing or amending rules for implementing provisions of the DRT Act, various administrative matters relating to DRTs/DRATs, progress and disposal of cases by DRT/DRATs.

Data Analysis – This unit deals with Reserve Bank of India Credit Policy – Busy Season -Slack Season and selective credit control, financial sector assessment and sectoral credit analysis, statistics on bank deposits and advances and interest rates, dissemination of results and important information relating to RBI, Indian Banks Association (IBA), studies on banking reforms, analysis of other international reports relevant to banking sector in India and analysis of reports of committees on Financial Sector Reforms.

Major Schemes

(i) Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for Farmers – In 2008-09, Government announced ADWDRS for farmers, covering all agricultural loans disbursed by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Cooperative Banks (including Urban Cooperative Banks) and Local Area Banks (LABs) upto 31 March, 2007, overdue as on 31 December, 2007 and that remained unpaid until 29 February, 2008. There is a complete waiver for 'small and marginal farmers' while there is a One Time Settlement (OTS) Scheme for 'other farmers' for the loans covered during these periods. The OTS Scheme offered a rebate of 25% against payment of the balance amount of 75%. The Scheme stipulated cleaning up of farmers' accounts by 30 June, 2008 so as to make them eligible for availing fresh credit from the lending institutions. The Scheme was implemented by its due date i.e. 30 June, 2008. However, the last date for payment of 75% by "Other Farmers" under OTS Scheme was extended upto 30 June, 2010.

Reimbursement of claims to the lending institutions is made in instalments on the basis of duly certified and audited claims through the respective nodal agencies, i.e. RBI and NABARD. An amount of ₹25,000 crore was reimbursed under the Scheme to the lending institutions during 2008-09, ₹15,000 crore during 2009-10 and ₹11,340.47 crore during 2010-11 (upto December, 2010).

(ii) Interest to lending institutions towards implementation of Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) - Due to staggered schedule drawn for reimbursing the claims of lending institutions, Government of India approved a proposal to pay interest to lending institutions, subsequent to reimbursement of the first instalment of the claims under the Scheme. A sum of ₹3,872 crore was approved for this purpose by the Government on 3 October, 2008. An amount of ₹149.79 crore was released as interest payment during 2008-09 and ₹458.85 crore during 2009-10. A budgetary provision of ₹1,434

crore was made for the year 2010-11 and a provision of ₹287.00 crore has been made in BE 2011-12.

(iii) Grant for strengthening the Short Term Cooperative Credit Structure (STCCS) - For the Revitalization of Short Term Cooperative Credit Structure in the States, a package of ₹13,596 crore was approved by the Government, on the basis of the recommendations of the Task Force headed by Prof. A. Vaidyanathan. The expenditure is to be shared by the Government of India, the State Governments and the Cooperative Credit Societies in the ratio of 68:28:4. This has gained momentum with the signing of MoUs by 25 States, viz., Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Rajasthan, Orissa, Punjab, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal with NABARD and the Government of India. As against GOI's share of ₹9245.28 crore, a sum of ₹9016.59 crore was released upto December, 2010.

(iv) Interest Subvention for providing Short Term Credit to Farmers - The Government subsidizes the interest rate on loans to farmers through an Interest Subvention Scheme, so that short-term crop loans upto ₹3.00 lakh are available to farmers at an interest rate of 7% per annum. In 2010-11, an additional subvention of 2 per cent was allowed as an incentive to those farmers who repay their short term crop loans on schedule. Thus, the interest rate for these farmers will effectively come down to 5 per cent. The Government of India approved this Scheme for the year 2010-11 and accordingly ₹3,000/- crore provided in BE 2010-11, was enhanced to ₹4000.00 crore at RE 2010-11. An amount of ₹1,413.32 crore has been released during 2010-11 (upto December, 2010).

(v) Revival of Long Term Cooperative Credit Structure (LTCCS) - Based on the recommendations of Vaidyanathan Task Force-II, a revival package for the Long Term Cooperative Credit Structure (LTCCS) was approved by the Government of India on 26 February, 2009. The total outlay for implementation of the LTCCS is ₹3070.00 crore (₹2206.00 crore for GoI, ₹482.00 crore for State Governments and ₹382.00 crore for Agriculture and Rural Development Banks). A sum of ₹20.00 crore was released to NABARD for implementation of this package during 2008-09. A provision of ₹1000.00 crore was made in BE 2010-11. However, the Government of India constituted a Task Force to assess the impact of the implementation of the ADWDRS, 2008 and STCCS package on the financial health of the LTCCS. The package for LTCCS is being finalised keeping in view the Report of the Task Force.

(vi) Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF) - The Government had constituted two Funds, viz. Financial Inclusion Fund' for meeting the cost of developmental and promotional interventions for ensuring financial inclusion and "Financial Inclusion Technology Fund" to meet the cost of technology adoption. The funds are housed in NABARD and consist of an overall corpus of ₹500.00 crore to be contributed by the GoI, RBI and NABARD in the ratio of 40:40:20 in a phased manner over five years depending upon utilization of funds. Accordingly, an amount of ₹10.00 crore each

for these two Funds was released to NABARD in 2007-08, as initial contribution of GoI for creation of these two Funds. In 2009-10 also, a sum of ₹10 crore each for these two Funds was released to NABARD. In BE 2010-11, ₹10 crore is available for each Fund.

(vii) Capital assistance to Public Sector Banks -To enable the Public Sector Banks (PSBs) to maintain a comfortable level of Capital to Risk Weighted Asset Ratio (CRAR), for supporting the credit requirements of the economy and to ensure compliance with the Basel-II regime, Government decided to infuse capital funds amounting to ₹4,600.00 crore in nationalized banks through investment in their Tier-I instruments – Central Bank of India (₹1,400.00 crore), UCO Bank (₹1,200.00 crore), Vijaya Bank (₹1,200.00 crore) and United Bank of India (₹800.00 crore). The entire amount was released to these banks upto December, 2010. Further, a sum of ₹15,000 crore was provided in the B.E. 2010-11 for capitalization of PSBs. A sum of ₹4191.04 crore was released for this purpose (upto December, 2010). Moreover, in order to infuse additional capital in needy PSBs through equity support to enable them to maintain their Tier 1 CRAR at 8% as also to raise Government of India's holding in all PSBs to 58%, additional provision of ₹6,000 crore each has been approved in RE 2010-11 and BE 2011-12 under Plan.

(viii) Recapitalisation of Regional Rural Banks (RRBs) - In accordance with the recommendations of a Committee on Recapitalisation of RRBs under the Chairmanship of Dr. K.C. Chakrabarty, Deputy Governor of RBI to suggest measures to bring CRAR of RRBs to at least 7% in a time bound manner and further to 9% by March, 2012, Government decided to recapitalize 40 RRBs. Accordingly, a provision ₹350.00 crore was made during 2010-11 and a sum of ₹500.00 crore has been provided in BE 2011-12.

(ix) Interest Subvention on Housing Loans upto ₹10.00 lakh- Under this Scheme, 1% interest subvention on housing loans upto ₹10.00 lakh is provided through nodal agencies, i.e. Reserve Bank of India and National Housing Bank to the scheduled commercial banks and the housing finance companies registered with the National Housing Bank. The interest subsidy will be available for a period of one and half years.

(x) Financial Inclusion Plan – Swabhiman Scheme- The Financial Inclusion Campaign has been named 'Swabhimaan'. The Banks have identified around 73,000 habitations across the country having a population of over 2000 for providing banking facilities by March, 2012. It is estimated that around 5 crore rural households shall open bank accounts under this Financial Inclusion Campaign. Banks will provide basic services like deposits, withdrawals and remittances using the services of Business Correspondents (Bank Saathi)

(xi) Swavalamban Scheme under New Pension System (NPS)- The pension sector reforms were initiated in India to establish a robust and sustainable social security arrangement in the country since only about 12-13 per cent of the total work-force was covered by any formal social security system. With a view to providing adequate retirement income, the NPS was introduced by the Government of India and made mandatory for all new recruits in the Government (except Armed Forces) with effect from 1 January, 2004.

To extend the benefit of NPS to the unorganized sector, 'Swavalamban Scheme' was approved by the Government as announced in the Budget Speech of 2010-11. The Scheme is aimed at encouraging the people from unorganized sector to voluntarily save for their retirement by enrolling themselves under the NPS. Any citizen in the unorganized sector, who joins NPS with an annual contribution of minimum ₹1000.00 and maximum ₹12000.00, will receive a Government contribution of ₹1,000 in his NPS account. The Government of India has, therefore, become a direct stakeholder in the old age income security of every citizen. The Scheme is available upto the year 2013-14.

(xii) Universal Health Insurance Scheme (UHS) - UHS, implemented through the Public Sector General Insurance Companies, provides for reimbursement of medical expenses up to ₹30,000/- towards hospitalization expenses on floater basis amongst the entire family, death cover due to an accident of ₹25,000/- to the earning head of the family and compensation due to loss of earning of the earning member @ ₹50/- per day upto a maximum of 15 days. UHS, admissible to BPL families, was specifically designed for implementation with an element of subsidy from Government. The Public Sector General Insurance Companies have further revised the UHS in September, 2008 wherein the premium has been reduced and the coverage of benefits has been expanded by providing maternity benefits, coverage upto 70 years of age, inclusion of pre-existing diseases and extending the benefit of loss of wages to the spouse of the insured also. **45,068** policies covering **6,85,571** families were issued upto **November, 2010**. This involved an expenditure of ₹19.23 crore. A provision of ₹20.00 crore was kept in BE 2010-11 which was increased to ₹25.00 crore at RE. ₹20.00 crore has been provided in BE 2011-12 with a view to covering **6.66** lakh families during the year.

(xiii) Varishtha Pension Bima Yojana (VPBY) : VPBY meant for senior citizens aged 55 years and above was launched on 14.7.2003 and withdrawn on 09.07.2004. Under the Scheme, the pensioner gets an effective yield of 9% per annum on the investment. The difference between the effective yield of 9% paid to the pensioner and that earned by LIC is compensated as subsidy to LIC by the Government of India. A provision of ₹175.70 crore was made in RE-2010-11 and ₹199.61 crore in BE 2011-12.

STATEMENT OF OUTLAYS AND OUTCOMES 2011-12

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2011-12 (₹ In Crore)			Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			4(i) Non-Plan	4(ii) Plan	4(iii) CEBR*				
1	2	3	4	5	6	7	8		
1.	MH 2235 – Farmers Debt Relief Fund for implementation of Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for Farmers.	On granting of debt waiver, the farmer would be entitled to fresh agricultural loans from the Banks in accordance with the normal rules.	6000.00	-	-	The Scheme covered all agricultural loans disbursed by the lending institutions upto 31 March, 2007, overdue as on 31 December, 2007 and that remained unpaid until 29 February 2008. There is a complete waiver for small and marginal farmers while there is a One Time Settlement (OTS) Scheme for other farmers for the loans covered during these periods. The OTS Scheme offers a rebate of 25% against payment of the balance amount of 75%.	Cleaning up of farmers' accounts by June 30, 2008 so as to make them eligible for availing fresh credit from the lending institutions. So far, 2.44 crore small and marginal farmers and 31.27 lakh other farmers have been benefited under the Scheme to the extent of Rs.49,889.60 crore.	The Scheme was implemented by its due date, i.e. 30 June, 2008 for the Debt Waiver. As regards the Debt Relief, an extension of time was given upto 30 June, 2010 to other farmers to make repayments and avail a rebate of 25% on the amount due.	This is a subsidy to farmers. No risk factor is involved.
2.	MH 2235 – Payment of interest to lending institutions towards Agriculture Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for Farmers.	Upon being granted, the payment of interest on the balance reimbursable claims, the lending institutions will not have to make provisions towards their reimbursable claims as required by RBI.	287.00	-	-	Due to staggered schedule drawn for reimbursing the claims of the lending institutions under ADWDRS, the Government decided to pay interest to these institutions for the 2 nd , 3 rd and 4 th instalments and approved ₹3872.00 crore for this purpose over a period of 2009-10 to 2011-12.	The payment is towards implementation of ADWDRS, 2008.	Upto March, 2012	This is a payment of interest to banks on the staggered reimbursement being made by the Government to banks under the Scheme. No risk involved.

* CEBR - Complementary extra budgetary resources, i.e. expenditures committed for the purpose by entities other than the Central Government.

1	2	3	4	5	6	7	8	
			4(i) Non- Plan	4(ii) Plan	4(iii) CEBR			
3.	Major Head 2416– Interest subvention for providing short term credit to farmers.	Interest relief to farmers on short term production credit.	4868.00	-	- To provide short term production credit at 7% interest rate to the farmers upto an amount of ₹3.00 lakh. Additional subvention of 3% will be provided to those farmers who repay their crop loans on time.	Farmers will benefit from the much needed interest relief on short term loans.	Period of implementation is extended on yearly basis.	This is a subsidy to farmers. No risk factor is involved.
4.	Major Head 2416 – Grants in aid for Short Term Cooperative Credit Structure (STCCS)	Revitalisation of Short Term Cooperative Credit Structure in the country	0.01	-	- To revitalize short term Cooperative Credit Structure in the States which agree to implement the package	25 States have executed MoU, with NABARD and Govt. of India for implementing the package. ₹785.96 crore has been released to NABARD during the year 2010-11 (upto December, 2010).	The revitalisation of the STCCS is to be completed within next 1-2 years depending upon the willingness and support of the States.	This is a grant to the Short Term Cooperative Credit Structure in the country. No risk factor is involved.
5.	Major Head 2416 – Grants in aid for revitalisation of Long Term Cooperative Credit Structure (LTCCS)	Revitalization of Long Term Cooperative Credit Structure in the country	1000.00	-	. To provide revival package for revitalization of Long Term Cooperative Credit Structure	Long Term Cooperative Credit Structure in the country shall be strengthened	The package required certain changes, which are yet to be approved by the Government.	This is a subsidy to the Cooperative Credit Structure in the country. No risk factor is involved. The Government of India had constituted a Task Force to assess the impact of the implementation of the ADWDRS, 2008 and STCCS package on the financial health of the LTCCS before

1	2	3	4	5	6	7	8	
			4(i) Non- Plan	4(ii) Plan	4(iii) CEBR			
							implementing the package. This Task Force has submitted its report which has been accepted by the Govt. The package is under finalization.	
6.	Major Head 2416 – Financial Inclusion Fund (FIF)	Support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections, low income groups and backward regions/hitherto unbanked areas.	10.00	-	-	To ensure access to timely and adequate credit and Financial Services to weaker sections and low income groups at an affordable cost with the objective of supporting professional and developmental activities with a view to securing financial inclusion.	The financially excluded groups will be provided with banking service. The Fund is being operated from the year 2007-08 onwards.	The Fund, being maintained by NABARD, has been constituted with share in the ratio of 40:40:20 by GOI, RBI and NABARD. ₹10.00 crore each released in 2007-08 and 2009-10 as GOI share.
7.	Major Head 2416 – Grants-in-aid Financial Inclusion Technology Fund (FITF)	To enhance investments in information communication technology aimed at promoting financial inclusion, stimulating transfer of research and technology in financial inclusion, increasing technological absorption capacity of financial service providers/users.	10.00	-	-	To extend facility under technological development to ensure access to timely and adequate credit and Financial Services to weaker sections and low income groups at an affordable cost with the objective of stimulating the transfer of research and technology in financial inclusion.	The financially excluded groups will be provided with banking service. The Fund is being operated from the year 2007-08 onward..	The Fund, being maintained by NABARD, has been constituted with share in the ratio of 40:40:20 by GOI, RBI and NAABRD. ₹10.00 crore each was released in 2007-08 and 2009-10 as GOI share.
8.	Major Head 4416- Recapitalisation of	To bring Capital to Risk Weighted Assets Ratio	-	500.00	-	Recapitalisation of 40 RRBs to help them bring	Improvement in One year financial health of	It is Government investment. No

1	2	3	4	5	6	7	8	
			4(i) Non- Plan	4(ii) Plan	4(iii) CEBR			
	Regional Banks (RRBs)	Rural (CRAR) of RRBs to at least 7% in a time bound manner and further to 9% by March, 2012.			their CRAR to at least 7%	RRBs so as to reduce their losses and increase their lending capacity	risk factor involved.	
9.	Major Head 3465 – Contribution to Securities Redemption Fund.	To contribute to Securities Redemption Fund for redeeming Marketable Securities issued against subscription in the Rights Issue of equity shares of State Bank of India, 2008.	625.00	-	- It is a contribution to the Securities Redemption Fund created for redeeming the Government Securities – 2024 issued to SBI towards subscription to its Rights Issue 2008, on due date.	A sum of ₹625 crore is to be contributed every year by the Government to this Fund created for redeeming these Securities.	Upto 2024	No risk factor is involved as it is only a contribution to the Securities Redemption Fund already created for the purpose.
10.	Major Head 5465 – Recapitalisation of Public Sector Banks (PSBs)	For recapitalisation of PSBs through equity support to maintain their Tier 1 CRAR at 8% as also to raise Government of India's holding in all PSBs to 58%.	-	6000.00	- To enable the PSBs to maintain a comfortable level of Tier 1 CRAR and to raise Government of India's holding in all PSBs to 58%.	Comfortable level of CRAR enables the PSBs to support the credit requirements of the productive sectors of the economy leading to, amongst others, increased employment opportunities and the overall GDP growth in the country.	--	It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit needs of the country.
11.	Major Head 3465 – Financial Support to the Banks for opening 'No Frills' accounts under 'S w a b h i m a n Scheme'.	This is to provide financial support to the Banks for around 5 crore 'No Frills' accounts in approx. 73,000 identified habitations.	-	50.00	- This is aimed at extending banking services through Business Correspondent (BC) and other models with appropriate technology backup as part of Financial Inclusion Plans.	To make available banking facilities to common man	Three years	No risk factor is involved as it is only to meet one-time fixed cost of opening 'No frills' Accounts

1	2	3	4	5	6	7	8
			4(i) Non- Plan	4(ii) Plan	4(iii) CEBR		
12	Major Head 4885 - Subscription to the share capital of India Infrastructure Finance Company (IIFCL) Ltd	To supplement the available long term finance for commercially viable infrastructure projects	-	1000.00	- IIFCL will fill the gap for long term infrastructure finance which banks and other institutions are unable to provide	To increase the paid-up capital of the company by ₹1000 crore. This will facilitate the company to expand its loan portfolio and strengthen its fundamentals.	As a financial intermediary, IIFCL faces credit risk, market risk and operational risk.
13	MH 4885 - Subscription to the share capital of EXIM Bank	Strengthening the equity base of EXIM Bank.	-	300.00	- Grow the Bank's disbursements under Export Lines of Credit (LOCs) during FY2011-12 to US \$ 600 million (About 20% growth over the estimated US \$ 500 million of disbursements under LOCs during FY 2010-11)	Will help promote India's exports to other countries	One year Credit risk, liquidity risk, interest rate risk and foreign exchange risk
14	Major Head 2235 - Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidising Pension Plan for Senior Citizens	199.61	-	- Under the Scheme pensioners get an effective yield of 9% p.a.	Approximately 3.5 lakh senior citizens, who had enrolled during the currency of the Scheme, are being provided benefits under the scheme.	Scheme has been discontinued 09.07.2004 No risk involved. w.e.f
15	Major Head 2235 - Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme (UHIS)	Four public sector general insurance companies have been implementing UHIS for improving the access of health care to BPL families	20.00	-	- To cover 6.66 lac families	Subsidized Health Insurance for people below poverty line (BPL)	It is a welfare scheme for the poor. No risk factor involved.

1	2	3	4	5	6	7	8	
			4(i) Non- Plan	4(ii) Plan	4(iii) CEBR			
16	Major Head 2235 - S w a v a l a m b a n Scheme.	To extend the coverage, under New Pension System (NPS), to 20 lakh subscribers	220.00	-	- The scheme is aimed at encouraging the people from unorganized sector to voluntarily save for their retirement by enrolling themselves under the NPS.	To enrol additional 10 lakh subscribers under the Scheme	The level of enrolment would depend upon the performance of aggre- gators. Three years.	1. Informal labour market conditions, low intermittent income and low f i n a n c i a l knowledge.
17	MH.2885 –Payment of Subsidy to Nodal Agencies i.e., Reserve Bank of India and National Housing Bank	The provision is for providing 1% interest subvention on housing loans upto ₹15.00 lakh through nodal agencies, i.e. Reserve Bank of India and National Housing Bank.	500.00	-	- The interest subsidy will be routed through the scheduled commercial banks and the housing finance companies registered with National Housing Bank.	Housing is a basic requirement of the population. The housing sector has a huge potential for generating employ- ment directly through labour intensive activities and indirectly by creating additional demand for industries like cement and steel.	Up to 31 March, 2012	No risk factor involved.

REFORM MEASURES AND POLICY INITIATIVES

Financial Sector reforms initiated by the Government are directed towards enhancing efficiency and productivity of banks, providing additional options for augmentation of capital for smooth transition to Basel – II norms, facilitating credit information, ensuring smooth and risk free functioning of payment and settlement systems, encouraging use of advanced technology in banking operations with minimum risk and according priority to financial inclusion.

Operational training on Centralised Public Grievance Redressal & Monitoring System (CPGRAMS)

Department of Administrative Reforms & Public Grievances (DARPG), with technical support from National Informatics Centre (NIC), has developed a portal called Centralised Public Grievance Redressal & Monitoring System for prompt and effective redressal of grievances of citizens. Department of Financial Services has been designated as one of the nodal agencies for the purpose of redressal of grievances. Scheduled Commercial Banks, Banking Ombudsman offices, RBI, NABARD etc. have been integrated with the portal.

Recapitalisation of Public Sector Banks

To enable Public Sector Banks (PSBs) to maintain a comfortable level of Capital to Risk Weighted Assets Ratio (CRAR) for supporting the credit requirements of the productive sectors of the economy and to ensure compliance with Basel-II regime, Government decided to infuse capital funds amounting to ₹4,600.00 crore in the nationalized banks through investment in Tier-I instruments – Central Bank of India (₹1,400.00 crore), UCO Bank (₹1,200.00 crore), Vijaya Bank (₹1,200.00 crore) and United Bank of India (₹800.00 crore). A sum of ₹15,000 crore was provided in B.E. 2010-11 for capitalization of those PSBs which require such funds for meeting the credit requirement of the economy while maintaining CRAR at around 8%. A provision of ₹6,000.00 crore each has been made in RE 2010-11 and BE 2011-12 under Plan for the purpose of recapitalisation of PSBs through equity support to maintain their Tier 1 CRAR at 8% as also to raise Government of India's holding in all PSBs to 58%.

Regional Rural Banks (RRBs)

To strengthen the RRBs for playing a greater role in agriculture, rural lending and financial inclusion, the following measures have been taken:-

(i) **Opening of new branches** - RRBs have been advised to undertake expansion of branches to cover the uncovered districts and un-served areas. It was decided that all RRBs would open 2000 new branches by March 2011. RRBs have opened 955 branches during the period from March, 2007 to March, 2010. To enhance/improve competitive efficiency, quality of customer service and further financial inclusion by RRBs, all sponsor banks have been advised to ensure the implementation of Core Banking Solution (CBS) in their sponsored RRBs by September 2011. Upto December, 2010 out of a total of 82 RRBs, CBS has been

fully implemented in 22 RRBs and the work is in progress in the remaining 60 RRBs.

(ii) **Recapitalization of RRBs** – Government has decided on recapitalization of 40 RRBs as recommended by the Committee on Recapitalization of RRBs under the Chairmanship of Dr. K.C. Chakarbarty, Deputy Governor of RBI set up to look into CRAR of RRBs and to suggest measures to bring the CRAR of RRBs to at least 7% in a time-bound manner and 9% by March, 2012. Accordingly, budgetary provisions of ₹350.00 crore and ₹500.00 crore have been made respectively in RE 2010-11 and BE 2011-12.

Pension Reforms

With a view to providing adequate retirement income, the New Pension System (NPS) has been introduced by the Government of India and made mandatory for all the new recruits in the Government (except Armed Forces) with effect from 1 January, 2004. There has been a paradigm shift, wherein a defined benefit system pension has been replaced by a defined-contribution based pension system. 25 States and 02 UT Governments have notified and joined the NPS for their employees. As of now, the subscriber base for the mandatory government sector has crossed 1.1 million with a corpus approaching ₹7000.00 crore. Pension Fund Regulatory and Development Authority (PFRDA) has recently introduced a lower cost version of NPS, known as NPS-Lite, which enables groups of people to join NPS at a substantially reduced cost. PFRDA has also authorized 9 aggregators to implement the NPS-Lite Scheme.

Government announced the **Swavalamban Scheme** in 2010 under which any citizen in the unorganized sector, who joins NPS with an annual contribution of minimum ₹1000.00 and maximum ₹12000.00, will receive a Government contribution of ₹1000.00 in his NPS account. With this Scheme, the Government of India has become a direct stakeholder in the old age income security of every citizen. The Scheme is presently available for three more years beyond 2010-11, i.e. upto the year 2013-14, and will go a long way in promoting a pension culture in the country. Efforts are under way to expand the reach of NPS to the new segments like Central and State Autonomous Bodies and organized sector. PFRDA is in dialogue with several State Government, Autonomous Bodies and Undertakings for extending NPS to their employees. There is a budgetary provision of ₹110.00 crore for Swavalamban Scheme in RE 2010-11 and ₹220.00 crore has been provided in BE 2011-12.

Financial Inclusion Plan - 'Swabhiman Scheme'

With a view to making available benefits of banking services to the 'Aam Aadmi', the Reserve Bank of India had set up a High Level Committee on the Lead Bank Scheme. After careful assessment of the recommendations of this Committee and in further consultation with the RBI, the Government launched the

Swabhiman Scheme in February, 2011 to provide appropriate banking facilities for habitations having population in excess of 2000. 73,000 habitations with a population of over 2000 have been identified for extending banking services through Business Correspondent (BC) and other models with appropriate technology backup in a phased manner by March, 2012. Around 48,000 habitations will be covered by the Public Sector Banks and 25,000 by Private Sector Banks/Regional Rural Banks/Cooperative Banks. It is also proposed to extend insurance and other services like remittances of wages under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

and other payments to the targeted beneficiaries through banking channels.

The Government will assist the banks for opening 'No Frills' account as part of this Financial Inclusion effort which will cover items like the cost of information technology backbone, hand-held Micro ATM devices, Core Banking Solution Services, One Time enrollment cost, Smart Card Cost etc. It is estimated that around 5 crore 'No Frills' accounts will be opened in 73,000 identified habitations.

REVIEW OF PAST PERFORMANCE

National Bank for Agriculture and Rural Development (NABARD)

NABARD facilitates credit for promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts. During 2008-09, as against farm credit target of ₹2,80,000 crore, Commercial Banks, Cooperative Banks and Regional Rural Banks had financed 456.10 lakh farmers with a credit of ₹3,01,908 crore. During 2009-10, as against farm credit target of ₹3,25,000 crore, they had disbursed credit to the tune of ₹3,84,514 crore covering 482.30 lakh farmers. During 2009-10, 90.92 lakh new farmers were brought into the fold of banking system.

RBI and NABARD have reported that 2.44 crore small and marginal farmers and 31.27 lakh 'Other Farmers' have benefited under the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 to the extent of ₹49,889.60 crore.

A package for Revitalization of Short Term Cooperative Credit Structure (STCCS) is being implemented by NABARD in 25 States, covering almost 96% of STCCS in the country. Upto December 2010, the Government has released a total of ₹9016.59 crore (₹1,425.00 crore in 2006-07, ₹2,045.37 crore in 2007-08, ₹3,960.26 crore in 2008-09, ₹800 crore in 2009-10 and ₹785.96 crore in 2010-11) to NABARD for implementation of the package.

Regional Rural Banks (RRBs)

Government had recapitalized 27 RRBs having negative networth during the years 2007 to 2009. The total amount of recapitalisation was ₹1795.97 crore. The Central Government released its share of contribution, amounting to ₹897.98 crore, along with the release of the share of contribution from the State Governments concerned and the sponsor banks.

Out of 82 RRBs, 79 RRBs have earned profit (before tax) to the extent of ₹2514.83 crore as on 31 March 2010. The total profit of the RRBs has increased from ₹1823.54 crore in 2008-09 to ₹2514.83 crore during 2009-10. The number of loss making RRBs had come down from six in 2008-09 to three during the year 2009-10. Losses decreased from ₹55.58 crore as on 31-03-2008 to ₹35.91 crore as on 31-03-2009 and further to ₹5.65 crore as on 31-03-2010 (provisional data).

Restructuring the liabilities of IDBI Bank Ltd.

Government had approved in February, 2005 for providing assistance amounting to ₹2,521.89 crore to IDBI Ltd. (now IDBI Bank Ltd.) for servicing their high cost liabilities over 2003-04 to 2007-08 by paying interest differential. An amount of ₹2,367.56 crore was released to IDBI Bank Ltd. upto the year 2007-08. The balance amount of ₹154.33 crore was released to the Bank during 2010-11.

Recapitalisation of Public Sector Banks

To enable the PSBs to maintain a comfortable level of CRAR for supporting the credit requirements of the productive sectors of the economy and to ensure compliance with Basel II regime, Government decided to infuse capital funds amounting to ₹4,600 crore in four nationalized banks, namely Central Bank of India (₹1400.00 crore), UCO Bank (₹1200.00 crore), Vijaya Bank (₹1200.00 crore) and United Bank of India (₹800.00 crore) through investment in their Tier 1 instruments. A sum of ₹1,900 crore was infused in these nationalized banks during the year 2008-09, ₹1200.00 crore in 2009-10 and ₹1500.00 crore in 2010-11 (upto December, 2010). As part of the Second Stimulus Package announced on 2 January, 2009, the Government decided to provide capital assistance to those PSBs which require such funds to be able to meet the credit requirement of the economy while maintaining CRAR at around 8% and accordingly ₹15000.00 crore was provided in BE 2010-11. In order to enable needy PSBs to maintain their Tier 1 CRAR at 8% through equity support as also to raise Government of India's holding in all PSBs to 58%, additional ₹6,000.00 crore each has been provided in RE 2010-11 and BE 2011-12 under Plan.

New Pension System (NPS)

With a view to providing adequate retirement income, NPS was introduced by the Government of India and made mandatory for all new recruits in the Government (except Armed Forces) with effect from 1 January, 2004. 25 States and 02 UT Governments have notified and joined NPS for their employees. The subscriber base for the mandatory government sector has now crossed 1.1 million with a corpus approaching ₹7000 crore.

To extend the benefit of NPS to the people from unorganized sector, 'Swavalamban Scheme' has been approved by the Government in pursuance of the announcement made in the Budget Speech of 2010-11. In the unorganized sector, nearly 34,000 subscribers had joined NPS as of December 2010 on voluntary basis. For all citizens including workers of unorganized sector, NPS is currently available through nearly 5000 service provider branches of 35 Points of Presence (PoPs).

Aam Aadmi Bima Yojana (AABY)

AABY was launched on 2 October, 2007 to provide insurance to the head of the family of rural landless household against natural death as well as accidental death and partial/permanent disability. The Scheme also envisages an add-on benefit of providing scholarship upto a maximum of two children of the beneficiary studying between 9th and 12th Standard at the rate of ₹300.00 per quarter per child. The annual premium payable per member is ₹200, of which 50% shall be paid by the Central Government and the balance of 50% by the State Government. Taking into account the annual cost of the Scheme, ₹1000.00 crore each was provided during 2007-08 and 2008-09 to the Corpus Fund for the Scheme.

Janshree Bima Yojana (JBY):

The Scheme provides life insurance protection to the rural and urban persons living below the poverty line and marginally above the poverty line. It provides coverage of ₹30,000 on natural death, ₹75,000 on the death or total permanent disability due to accident and ₹37,500 on partial permanent disabilities. A scholarship as a free add-on benefit is also provided to a maximum of two children of the beneficiary studying between 9th and 12th Standard @ ₹100.00 per month for each child. The premium under the Scheme is ₹200.00 per annum, 50% of which is contributed by the beneficiary/State Government/nodal agency and the balance of 50% is drawn from the Social Security Fund contributed by the Government of India and maintained by LIC.

Under this Scheme, Women Self Help Groups (SHGs) have been chosen for special attention with a view to rapidly scale up coverage of all women SHGs credit linked to Banks. LIC coordinates with Banks, NABARD and other State agencies in order to extend coverage to all credit linked Women SHGs. A sum of ₹500.00 crore was placed in 2008-09 by the Central Government in the Social Security Fund maintained by the LIC.

Universal Health Insurance Scheme (UHIS)

UHIS, meant for BPL families, provides for reimbursement of medical expenses up to ₹30,000/- towards hospitalization expenses on floater basis amongst the entire family, death cover due to an accident, of ₹25,000/- to the earning head of the family and compensation due to loss of earning of the earning member @ ₹50/- per day up to a maximum of 15 days. The Scheme was revised in September, 2008 wherein the premium has been reduced and the coverage of benefits has been expanded by

providing maternity benefits, coverage upto 70 years of age, inclusion of pre-existing diseases and extending the benefit of loss of wages to the spouse of the insured also. **45,068** policies covering **6,85,571** families have been issued under the Scheme up to **November, 2010**.

The Scheme was also extended to BPL families of Tsunami affected areas in Tamil Nadu, Andhra Pradesh, Kerala and Puducherry with a subsidy of ₹500.00 from the Prime Minister's Relief Fund and ₹300.00 by the Government of India. During the year 2010-11 (up to October, 2010), 38,284 families in Tamil Nadu (5 Districts), 65,126 in Andhra Pradesh (9 Districts), 1,26,888 in Kerala (7 Districts) and 10,979 families in Puducherry (2 Districts) have been covered.

Debt Recovery Tribunals (DRTs)/Debts Recovery Appellate Tribunals (DRATs)

33 DRTs and 5 DRATs have been established under the provisions of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 for expeditious adjudication and speedy recovery of debts. DRTs/DRATs are providing valuable services to the banks and financial institutions for effecting recovery of dues. The role of the DRTs has been further enhanced after enactment of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, which provides for aggrieved parties to make appeals before the DRTs.

As per the provisional data, 11,801 cases involving ₹21,079.33 crore were disposed of by the DRTs during the period from 1.01.2010 to 31.12.2010.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2009-10

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2009-10 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Achievements as on 31st March, 2010
1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
1	MH 2235 –Farmers Debt Relief Fund for implementation of Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for farmers	On granting of debt waiver, the farmers would be entitled to fresh agricultural loans from the Banks in accordance with the normal rules.	15000.00	15000.00	The Scheme covered all agricultural loans disbursed by the lending institutions upto 31 March, 2007, overdue as on 31 December, 2007 and that remained unpaid until 29 February, 2008. There is a complete waiver for small and marginal farmers while there is a One Time Settlement (OTS) Scheme for other farmers for the loans covered during these periods. The OTS Scheme covers a rebate of 25% against payment of the balance amount of 75%.	The Scheme was implemented by its due date i.e. 30 June, 2008 for the Debt Waiver. As regards the Debt Relief, an extension of time was given upto 30 June, 2010 to other farmers to make repayments and avail a rebate of 25% on the due amount.	This is a subsidy to farmers. No risk factor is involved.	Entire provision of ₹15,000.00 crore released during 2009-10.
2	MH 2235 –Payment of interest to lending institutions towards Agriculture Debt Waiver and Debt Relief Scheme (ADWDRS) for farmers, 2008	Upon being granted interest on the balance reimbursable claims, the lending institutions will not have to make provisions towards their reimbursable claims as required by RBI.	2151.00	2151.00	Due to staggered schedule drawn for reimbursing the claims of the lending institutions under ADWDRS, the Government had decided to pay interest to the tune of ₹3872.00 crore to these institutions for the 2nd, 3rd and 4th instalments of payment under ADWDRS.	By March, 2012.	This is a payment of ₹458.85 crore interest to banks on the staggered reimbursement being made by the Government to banks under the scheme. No risk involved.	₹458.85 crore released as per claims received from RBI and NABARD as on 31.3.2010.

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
3	MH 2235-- Payment to Public Sector General I n s u r a n c e Companies for Community Based Universal Health Insurance Scheme (UHS)	Four Public Sector General Insurance Companies have been implementing UHS for improving the access of health care to BPL families.	6.39	28.00	To cover 2.6 lakh families.	--	Being subsidy no risk factor is involved.	Entire provision of ₹28.00 crore released. 1,78,186 policies were issued covering 18,72,283 persons and 5,60,678 families.
4	MH 2235--Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidizing Pension Plan for Senior Citizens	172.00	270.82	Under the Scheme, pensioners get an effective yield of 9% p.a.	--	Being subsidy, no risk factor is involved.	₹270.76 crore released.
5	MH 2416 - Revitalization of Short Term Cooperative Credit Structure (STCCS)	Revitalization of Short Term Cooperative Credit Structure (STCCS).	0.00	800.00	To revitalize STCCS in the states which implements this package and enters into MoU for this purpose.	The revitalization of the STCCS is to be completed within next 1-2 years depending upon the willingness and support of the States.	This is a grant to the Short Term Cooperative in the country. No risk factor is involved.	Entire provision of ₹800.00 crore released during 2009-10
6	MH 2416 - Grants in aid for revitalization of Long Term Cooperative Credit Structure(LTCCS)	Revitalization of LTCCS in the country	1000.00	1.00	To provide a revival assistance for revitalization of LTCCS in the country.	A draft package for revitalization of LTCCS is under consideration of the Government	No risk factor	The Government of India had constituted a Task Force to assess the impact of the implementation of the ADWDRS, 2008 and STCCS package on the financial health of the LTCCS. Decision on support for LTCCS is yet to be finalized.

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
7	MH 2416 –Interest subvention for providing short term credit to farmers.	Interest relief to farmers on short term production credit	2011.00	2011.00	To provide short term production credit to the farmers upto an amount of ₹3.00 lakh @7% annual interest	Period of implementation is extended on yearly basis.	Farmers will get benefit of the much needed interest relief on short term loans. No risk factor.	Entire provision of ₹2011.00 crore released in 2009–2010.
8	MH 2416–Government’s Contribution towards constitution of Financial Inclusion Fund (FIF)	Support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections, low income groups and in backward regions/ hitherto unbanked areas.	0.00	10.00	To ensure access to financial services and timely and adequate credit facility to 649.54 lakh farmer households.	Five years	649.54 lakh farmer households will be provided with financial services and credit facility at an affordable cost.	₹10.00 crore was released as an initial contribution from Government in 2007–08. Another instalment of ₹10.00 crore released during 2009-10
9	MH 2416–Government’s Contribution towards constitution of Financial Inclusion Technology Fund (FITF).	Enhance investments in information & communication technology and stimulating transfer of research and technology in financial inclusion to improve absorption capacity of financial service providers/ users.	0.00	10.00	Extend facility under technological development to 649.54 lakh farmer households, who were hitherto excluded from the facility.	Five years	649.54 lakh farmer households will be covered under the Scheme.	₹10.00 crore was released as an initial contribution from Government in 2007–08. Another instalment of ₹10.00 crore released during 2009-10
10	MH 4885 – Subscription to Share Capital of EXIM Bank	Strengthening of equity base of EXIM Bank.	300.00	300.00	The Bank will have a standing in coordinating the working of institutions engaged in financing exports and imports.	To increase the paid up capital of the Bank	To maintain investment credit rating. Not much risk envisaged.	₹300.00 crore was released in 2009–10 to raise the paid up capital of the Bank to ₹ 1700.00 crore.
11	MH 4885 – Subscription to Share Capital of India Infrastructure Finance Company Limited (IIFCL)	Strengthening the programme of long-term infrastructure finance.	500.00	500.00	The Company would fill the gap for long term infrastructure finance which banks are not in a position to provide owing to concerns relating to mismatches in assets and liabilities.	To increase the paid-up capital of the Company by ₹500.00 crore	Not much risk envisaged.	₹500.00 crore released in 2009–10 to raise the paid-up capital of the Company to ₹1800.00 crore.

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
12	MH 5465	- To contribute to Securities Redemption Fund for Securities Redem- ption Fund towards subscription in the Right Issue of Equity Shares of the State Bank of India.	625.00	625.00	It is a contribution to the Securities Redemption Fund created for redeeming, on due date, the Government Securities-2024 issued to SBI towards subscription to its Rights Issue 2008.	Securities issued against subscription in the Rights Issue of equity shares of State Bank of India – 2008 are to be redeemed in 2024.	No risk factor is involved, as it is only a contribution to the Securities Redemption Fund already created for the purpose.	Amount of ₹625.00 crore transferred to the S e c u r i t i e s Redemption Fund during 2009-10.
13	MH 5465	- Transfer of RBI shareholding in NABARD, RBI stake in NABARD (Plan) to the Government in line with the recommendations of the Narasimhan Committee report on Banking Sector Reforms	1100.00	1450.00	With this transaction, stake of RBI in NABARD will stand transferred to the Government.	March, 2010	No risk factor is involved.	P r o c e d u r a l formalities for transfer of RBI shareholding in NABARD to Government could not be finalized to utilize this budget- ary provision.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2010-11

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2010-11 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Achievements as on 31st December, 2010
1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
1	MH 2235 – Farmers Debt Relief Fund for implementation of Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) 2008 for farmers	On granting of debt waiver, the farmers would be entitled to fresh agricultural loans from the Banks in accordance with the normal rules.	12000.00	12000.00	The Scheme covered all agricultural loans disbursed by the lending institutions upto 31 March, 2007, overdue as on 31 December, 2007 and that remained unpaid until 29 February 2008. There is a complete waiver for small and marginal farmers while there is a One Time Settlement (OTS) Scheme for other farmers for the loans covered during these periods. The OTS Scheme covers a rebate of 25% against payment of the balance amount of 75%.	The Scheme was implemented by its due date i.e., 30 June, 2008 for the Debt Waiver. As regards the Debt Relief, an extension of time was given upto 30 June, 2010 to Other farmers to make repayments and avail a rebate of 25% on the due amount.	This is a subsidy to farmers. No risk factor is involved.	₹11,340.17 crore has been released.
2	MH 2235 – Payment of interest to lending institutions towards Agriculture Debt Waiver and Debt Relief Scheme (ADWDRS) for farmers, 2008	Upon being granted interest on the balance reimbursable claims, the lending institutions will not have to make provisions towards their reimbursable claims as required by RBI.	1434.00	1434.00	Due to staggered schedule drawn for reimbursing the claims of the lending institutions under ADWDRS, the Government had decided to pay interest to the tune of ₹3872.00 crore to these institutions for the 2nd, 3rd and 4th instalments of payment under ADWDR Scheme.	By March, 2012.	This is a payment of interest to banks on the staggered reimbursement being made by the Government to banks under the scheme. No risk involved.	No fund has been released due to non-receipt of claim from RBI and NABARD as on 31.12.2010.

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
3	MH 2235.-. Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme (UHS)	To improve the access of health care to BPL families.	20.00	25.00	To cover 6.66 lakh families.	--	Being subsidy, no risk factor is involved. As on 30.12.2010, 45,068 policies were issued covering 6,85,571 families
4	MH 2235 -Payment to Life Insurance Corporation of India towards Pension Plan for Senior Citizens	Subsidizing Pension Plan for Senior Citizens.	209.32	175.70	Pensioners who availed of this Scheme, get an effective yield of 9% p.a	One Year The scheme has been discontinued w.e.f 09.07.2004	Subsidy under the scheme is provided to those pensioners who subscribed to this pension plan. No risk factor is involved. ₹70.05 crore released.
5	MH 2416 - Grants in aid for revitalization of Short Term Cooperative Credit Structure (STCCS)	Revitalization of Short Term Cooperative Credit Structure(STCCS).	984.65	1014.65	To revitalize STCCS in the states which implements this package and enters into MoU for this purpose.	The revitalization of STCCS is to be completed within next 1-2 years depend-ing upon the willingness and support of the States.	This is a grant to the Short Term Cooperatives in the country. No risk factor is involved. ₹785.96 crore released. 25 States have executed MoUs with NABARD and Govt. of India for implementing the package.
6	MH 2416 -Interest subvention for providing short term credit to farmers	Interest relief to farmers on short term production credit.	3000.00	4000.00	To provide short term production credit to the farmer upto an amount of ₹3.00 lakh at 7% annual interest. Interest subvention of 1.5% is provided to the lending Institutions during 2010-11 on credit provided to farmers from their own funds.	Period of implementation is extended on yearly basis.	This is a subsidy to farmers. No risk factor is involved. ₹1413.32 crore released. Farmers are benefiting due to much needed interest relief on Short Term Loans.

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
7	MH 2416 – Grants in aid for revitalization of Long Term Cooperative Credit Structure (LTCCS)	Revitalization of Long Term Cooperative Credit Structure in the country.	1000.00	500.00	To provide revival assistance for revitalization of LTCCS.	Draft modified package for revitalization of LTCCS is under consideration of the Government.	This is a subsidy to the Government of India had constituted a Task Force to assess the impact of the implementation of the ADWDR Scheme, 2008 and STCCS package on the financial health of the LTCCS. Task Force has submitted its report which has been accepted by the Govt. Accordingly, the modified package is under finalization.	
8	MH 2416-Financial Inclusion Fund (FIF)	Support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections, low income groups and backward regions/ hitherto unbanked areas.	10.00	10.00	To ensure access to financial Services and timely adequate credit facility to 649.54 lakh farmer- households.	The Fund is being implemented from the year 2007-08 onwards and timelines is 5 years.	Fund is being maintained by NABARD, with contribution in the ratio of 40:40:20 by GOI, RBI and NABARD. No risk factor is contemplated.	₹20.00 crore released by GOI (₹10.00 crore each in 2007-08 & 2009-10). No release made during 2010-11.
9	MH.2416-Financial I n c l u s i o n Technology Fund (FITF)	To enhance investments in information & communication technology and stimulating transfer of research and technology in financial inclusion to improve absorption capacity of financial service providers/ users.	10.00	10.00	To ensure access to financial Services and timely adequate credit facility through technological development to 649.54 lakh farmer households.	The Fund is being implemented from the year 2007-08 onwards and timelines is 5 years.	Fund is being maintained by NABARD, with contribution in the ratio of 40:40:20 by GOI, RBI and NABARD. No risk factor is contemplated.	₹20.00 crore released by GOI (₹10.00 crore each in 2007-08 & 2009-10). No release made during 2010-11.

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
10	MH 2885 –Payment of Subsidy to Nodal Agencies, i.e., Reserve Bank of India and National Housing Bank	The provision is for providing 1% interest subvention on housing loans upto ₹10.00 lakh through nodal agencies, i.e. Reserve Bank of India and National Housing Bank.	700.00	100.00	The interest subsidy will be routed through the scheduled commercial Banks and the housing finance companies registered with National Housing Bank.	One and half years	No risk factor involved.	₹8.41 crore has been released based on the claims received from nodal agencies.
11	MH 2885 – Grants to Industrial Development Bank of India (IDBI)	For providing assistance amounting to ₹2521.89 crore to IDBI Bank Ltd. in the form of interest differential for servicing their high cost liabilities.	154.33	154.33	This would help the bank to tide over the likely losses on account of servicing their high cost past liabilities.	--	No risk factor involved.	With release of ₹154.33 crore during 2010-11, GOI has released the total calculated interest differential of ₹2521.89 crore to IDBI Bank Ltd.
12	MH 3465-Contribution to Securities Redemption Fund	Contribution to Securities Redemption Fund for redeeming Marketable Securities issued against subscription in the Rights Issue of equity shares of State Bank of India – 2008.	625.00	625.00	It is a contribution to the Securities Redemption Fund created for redeeming the Government Securities -2024 issued to SBI towards subscription to its Rights Issue 2008, on due date.	16 years (upto 2024)	No risk factor is involved.	Release of this amount to the Fund is under consideration.
13	MH 3465 -Opening of bank branches in unbanked blocks in the country.	To open bank branches in each of the 129 unbanked blocks in the country.	50.00	50.00	To open bank branches in each of the 129 unbanked blocks in the country.	To be done through banks.	No risk factor is involved.	So far 2 unbanked blocks have been covered.
14	MH 4885 – Subscription to the share capital of EXIM Bank	Strengthening the equity base of EXIM Bank.	300.00	300.00	To improve the Bank's disbursements under Export Lines of credit (LOCs) during FY2010-11 by 20% over the FY 2009-10 LOC disbursements level US \$ 414 million.	--	Credit risk, liquidity risk, interest rate risk and foreign exchange risk.	₹300.00 crore released to increase paid up capital to ₹2000 crore. The bank has made disbursements aggregating to US \$ 365.64 mn under its Export Lines of

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
							Credit during the period April-December, 2010.
15	MH 4885 – Improving long term Subscription to the share capital of India Infrastructure Finance Company Limited (IIFCL)	financial assistance for infrastructure projects.	500.00	500.00	The Company would fill the gap for long term infrastructure finance, which Banks and other institutions are unable to provide.	--	As a financial intermediary the company faces credit risk, liquidity risk and operational risk. ₹200.00 crore released. At the end of December 2010, the cumulative sanctions made by the Company were ₹ 30,127 crore in 168 projects.
16	M H 4 8 8 5 – Subscription to Tier-I instrument of Nationalized Banks to augment their capital fund	To augment the funds of Central Bank of India, UCO Bank, Vijaya Bank & United Bank of India.	1500.00	1500.00	To augment the Share Capital of Central Bank of India, UCO Bank, Vijaya Bank, United Bank of India to maintain comfortable level of CRAR.	One year	It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit needs of the country. No risk factor is involved. Entire provision of ₹1500.00 crore released.
17	MH.5465 – Recapitalization of Public Sector Banks through World Bank Loan	To provide capital assistance to PSBs to meet the credit requirement of the economy and to maintain CRAR at around 8%.	15000.00	18657.00	To enable the PSBs maintain a comfortable level of CRAR at around 8% to ensure compliance with Basel II regime.	One year	It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit needs of the country. ₹4191.04 crore released.
18	MH. 5465 – Government's contribution towards capital for setting up of Central Electronic Registry under SARFAESI Act.	To help reduce frauds, improve securitization and mortgage markets.	25.00	25.00	For registration of the transactions relating to securitization and reconstruction of the financial assets and creation of security interest over property.	One year	No risk factor is involved. ₹0.05 crore released as initial contribution for setting up of Central Electronic Registry .

SUMMARISED POSITION OF SCHEMES UNDER DEMAND NO. 33-DEPARTMENT OF FINANCIAL SERVICES

(₹. in crore)

S.No.	Description of Items/Schemes	2009-10			2010-11			2011-12
		BE	RE	Actual	BE	RE	Actuals upto December, 2010	BE
1	Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS),2008 - Transfer to Farmers' Debt Relief Fund (MH - 2235)	15000.00	15000.00	15000.00	12000.00	16000.00	11340.47	2000.00
2	Debt Relief/Waiver of loans through lending institutions against ADWDRS, 2008 (MH-2235)	15000.00	15000.00	15000.00	12000.00	12000.00	11340.47	6000.00
3	Payment of interest to lending institutions towards ADWDRS, 2008 (MH- 2235)	2151.00	2151.00	458.85	1434.00	1434.00	0.00	287.00
4	Subsidy to Public Sector General Insurance Companies for Community based Universal Health Insurance Scheme (MH-2235)	6.39	28.00	28.00	20.00	25.00	13.53	20.00
5	Interest subsidy to LIC for Pension Plan for senior citizens (MH - 2235)	172.00	270.82	270.76	209.32	175.70	70.05	199.61
6.	Swavalamban scheme to encourage people from unorganized sector to join New Pension System (NPS)							
6.1	Government's co-contribution to subscribers of the New Pension System (NPS)under Swavalamban Scheme (MH-2235)	0.00	0.00	0.00	0.00	100.00	0.00	200.00
6.2	Funding support for promotional and developmental activities for enrolment and contribution under Swavalamban Scheme (MH-2235)	0.00	0.00	0.00	0.00	10.00	0.00	20.00
7	Grants through NABARD for strengthening Short Term Co-operative Credit Structure (STCCS) (MH-2416)	0.00	800.00	800.00	984.65	1014.65	785.96	0.01
8	Interest Subvention for providing short term credit to farmers (MH-2416)	2011.00	2011.00	2011.00	3000.00	4000.00	1413.32	4868.00
9	Revival of Long Term Cooperative Credit Structure (LTCCS) (MH-2416)	1000.00	1.00	0.00	1000.00	500.00	0.00	1000.00
10	Contribution to Financial Inclusion Fund (FIF) (MH-2416)	0.00	10.00	10.00	10.00	10.00	0.00	10.00
11	Contribution to Financial Inclusion Technology Fund (FITF) (MH-2416)	0.00	10.00	10.00	10.00	10.00	0.00	10.00
12	Payment of Subsidy to Nodal Agencies i.e., Reserve Bank of India and National Housing Bank as 1% subsidy for Housing Loan (MH-2885)	0.00	0.00	0.00	700.00	100.00	8.41	500.00
13	Redemption of securities issued to Stressed Assets Stabilization Fund (SASF) (MH-2285)	0.00	400.00	300.00	0.00	300.00	0.00	0.00

S.No.	Description of Items/Schemes	2009-10			2010-11			2011-12
		BE	RE	Actual	BE	RE	Actuals upto December, 2010	BE
14	Industrial Development Bank of India Ltd. (IDBI) (MH- 2885)	0.00	0.00	0.00	154.33	154.33	154.33	0.00
15	Equity support to India Infrastructure Finance Co. Ltd. (IIFCL) (MH-4885)	500.00	500.00	500.00	500.00	500.00	200.00	0.00
16	Interest Subsidy to Goan Banks (MH-2885)	0.08	0.08	0.08	0.08	0.08	0.00	0.08
17	Contribution towards Recapitalisation of Regional Rural Banks (RRBs) (MH-4416)	0.00	0.00	0.00	0.00	350.00	0.00	0.00
18	Contribution to Securities Redemption Fund towards subscription in the Rights Issue of equity shares of SBI (MH- 3465)	625.00	625.00	625.00	625.00	625.00	0.00	625.00
19	Subscription to share capital of Export Import Bank of India (MH - 4885)	300.00	300.00	300.00	300.00	300.00	300.00	0.00
20	Recapitalisation of Public Sector Banks (MH- 5465)	0.00	2466.00	2466.00	16500.00	14157.00	5691.00	0.00
21	Government's contribution towards capital for setting up of Central Electronic Registry under SARAFESI Act, 2002 (MH- 5465)	0.00	0.00	0.00	25.00	25.00	0.05	0.00
22	World Bank Assistance to Small Industries Development Bank of India (SIDBI) (MH- 5465)	0.00	0.00	0.00	0.00	420.12	0.00	14.00
	TOTAL NON-PLAN	36765.47	39572.90	37779.69	49472.38	52210.88	31317.59	15753.70
	PLAN							
23	Acquisition cost of RBI stake in NHB (MH - 5465)	442.00	0.00	0.00	0.00	450.00	0.00	0.00
24	Acquisition cost of RBI stake in NABARD (MH - 5465)	1100.00	1450.00	0.00	0.00	1430.00	1430.00	0.00
25	Recapitalisation of Public Sector Banks (MH- 5465)	0.00	0.00	0.00	0.00	6000.00	0.00	6000.00
26	Assistance to Public Sector Banks for Opening bank branches in unbanked blocks (MH -3465)	0.00	0.00	0.00	50.00	50.00	0.00	0.00
27	Financial Support to the bank for opening 'No Frills' accounts under Swabhiman Scheme as part of Financial Inclusion Plan. (FIP) (MH - 3465)	0.00	0.00	0.00	0.00	0.00	0.00	50.00
28	Subscription to share capital of Export Import Bank of India (MH - 4885)	0.00	0.00	0.00	0.00	0.00	0.00	300.00
29	Equity support to India Infrastructure Finance Co. Ltd. (IIFCL) (MH-2885)	0.00	0.00	0.00	0.00	0.00	0.00	1000.00
30	Contribution towards Recapitalisation of Regional Rural Banks (RRBs) (MH-4416)	0.00	0.00	0.00	0.00	0.00	0.00	500.00
	TOTAL PLAN	1542.00	1450.00	0.00	50.00	7930.00	1430.00	7850.00
	GRAND TOTAL	38307.47	41022.90	37779.69	49522.38	60140.88	32747.59	23603.70

**STATEMENT ON NET PROFITS EARNED AND DIVIDENDS PAID BY PUBLIC SECTOR ENTERPRISES UNDER
DEPARTMENT OF FINANCIAL SERVICES**

S.No.	Name of the Bank	Total paid up capital as on 31.03.2010	Govt. share in paid up capital as on 31.03.2010	Profit After tax 2009-10	Dividend paid for 2009-10	BE for payment of Dividend 2010-11	RE for payment of Dividend 2010-11	BE for payment of Dividend 2010-11
1.	Allahabad Bank	446.70	246.70	1206.33	135.69	60.00	135.69	115.00
2.	Andhra Bank	485.00	250.00	1045.85	242.50	105.00	242.50	210.00
3.	Bank of Baroda	364.27	196.00	3058.33	294.00	170.00	294.00	250.00
4.	Bank of India	525.18	338.58	1741.07	237.01	119.00	237.01	205.00
5.	Bank of Maharashtra	430.52	330.52	439.58	66.10	50.00	66.10	50.00
6.	Canara Bank	410.00	300.00	3021.43	300.00	215.00	300.00	250.00
7.	Central Bank of India	404.14	324.14	1058.23	71.31	30.00	70.90	60.00
8.	Corporation Bank	143.44	82.00	1170.25	135.30	90.00	135.30	120.00
9.	Dena Bank	286.82	146.82	511.25	29.36	15.00	29.36	25.00
10.	Indian Bank	429.77	343.82	1554.99	223.48	69.05	187.53	200.00
11.	Indian Overseas Bank	544.80	333.60	706.96	116.76	135.00	116.76	100.00
12.	Oriental Bank of Commerce	250.54	126.00	1134.68	116.48	85.00	116.48	100.00
13.	Punjab & Sind Bank	183.06	183.06	508.80	-	-	0.00	0.00
14.	Punjab National Bank	315.30	182.24	3905.35	400.93	170.00	368.69	350.00
15.	Syndicate Bank	521.97	346.97	813.32	104.09	95.00	104.09	80.00
16.	UCO Bank	549.36	349.36	1012.19	52.40	30.00	52.40	40.00
17.	Union Bank of India	505.12	280.00	2074.92	154.00	125.00	154.00	130.00
18.	United Bank of India	316.43	266.43	322.36	53.29	0.00	53.29	35.00
19.	Vijaya Bank	433.52	233.52	507.30	58.38	20.00	58.38	50.00
20.	State Bank of India	634.88	377.21	9166.05	1131.62	620.00	1004.41	1000.00
21.	IDBI Bank Ltd.	724.78	381.78	1031.13	114.53	85.00	114.53	100.0
22.	Life Insurance Corporation of India (LIC)	5.00	5.00	20618.45	1030.92	998.50	1077.47	1147.94
23.	General Insurance Corporation of India (GIC)	430.00	430.00	1774.61	352.60	137.60	177.00	190.00
24.	National Insurance Co. Ltd. (NICTL)	100.00	100.00	219.89	43.98	44.00	44.00	66.00
25.	New Indian Insurance Co. Ltd. (NIACL)	200.00	200.00	404.70	85.00	100.00	100.00	130.00
26.	United India Insurance Co. Ltd. (UIICL)	150.00	150.00	707.79	142.00	138.00	138.00	144.00
27.	Oriental Insurance Co. Ltd. (OICL)	100.00	100.00	-44.25	0.00	25.00	25.00	30.00
	Total	9460.68	6605.75	59671.56	5691.73	3731.15	5402.89	5177.94

FINANCIAL REVIEW

STATEMENT SHOWING ACTUAL EXPENDITURE VIS-A-VIS BE/RE PROVISIONS FOR THE YEARS 2008-09, 2009-10 AND 2010-11

S.No.	Description of Items/Schemes	Major Head	2008-09			2009-10			2010-11		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (as on Dec. 2010)
Part A – Non-Plan Items											
1	Secretariat General Services	2052	8.00	12.92	10.06	13.28	13.61	12.89	12.40	14.17	10.82
2	Other Expenditure (Special Court & Office of Custodian)	2047	5.19	8.05	6.91	10.42	8.56	7.52	8.44	7.64	5.39
Other Administrative Services											
3	Appellate Authority for Industrial and Financial Reconstruction	2070	2.18	2.77	1.99	3.21	2.23	2.18	2.20	2.45	1.55
4	Board for Industrial and Financial Reconstruction	2070	7.95	8.59	7.66	10.25	9.47	8.16	8.43	13.04	7.20
5	Debt Recovery Tribunals	2070	29.03	38.86	32.65	50.18	42.89	40.52	38.78	41.05	30.17
6	Pension Fund Regulatory and Development Authority	2070	6.30	5.20	4.50	16.00	16.00	11.70	16.00	16.00	8.00
Total Other Administrative Services			45.46	55.42	46.80	79.64	70.59	62.56	65.41	72.54	46.92
Other General Economic Services											
7	Other Expenditure (Office of Court Liquidator, Kolkata)	3475	0.82	1.00	0.80	1.10	0.57	0.56	0.47	1.54	0.36
8	Compensation for exchange loss to National Housing Bank	3475	36.66	36.66	36.66	0.00	0.00	0.00	0.00	0.00	0.00
Total Other General Economic Services			37.48	37.66	37.46	0.00	0.00	0.00	0.00	0.00	0.00
Capital Outlay on Public Works											
9	Debt Recovery Tribunal										
	9.01 Construction of buildings for DRT, Chandigarh	4059	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
	9.02 Purchase of land for construction of buildings for DRT, Chandigarh	4059	0.01	0.01	0.00	0.01	0.01	0.00	0.00	0.00	0.00
Industrial Financial Institutions											
10	Grants to Industrial Development Bank of India (IDBI)	2885	0.00	0.00	0.00	0.00	0.00	0.00	154.33	154.33	154.33
11	Payment of Subsidy to Nodal Agencies i.e., Reserve Bank of India and National Housing Bank for as 1% subsidy for Housing Loan	2885	0.00	0.00	0.00	0.00	0.00	0.00	700.00	100.00	8.41
12	Redemption of securities issued to Stressed Assets Stabilisation Fund (SASF)	2885	0.00	1500.00	1225.00	0.00	400.00	300.00	0.00	300.00	0.00
13	Grants to Industrial Finance Corporation of India Ltd.	2885	433.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Subscription to share capital of Export Import Bank of India	4885	100.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00

S.No.	Description of Items/Schemes	Major Head	2008-09			2009-10			2010-11		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (as on Dec. 2010)
15	Reimbursement of Expenditure and Equity support to India Infrastructure Finance Co. Ltd. (IIFCL)	2885	0.00	0.00	0.00	1.61	1.61	1.60	0.00	0.00	0.00
		4885	200.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	200.00
	Total Industrial Financial Institutions		733.40	2300.00	2025.00	801.61	1201.61	1101.60	1654.33	1354.33	662.74
	Agricultural Financial Institutions										
16	Grants to National Bank for Agriculture and Rural Development towards external aided component	2416	0.91	0.91	0.91	0.00	0.00	0.00	0.00	0.00	0.00
17	Grants through NABARD for strengthening Short Term Co-operative Credit Structure (STCCS)	2416	3542.00	3960.26	3960.26	0.00	800.00	800.00	984.65	1014.65	785.96
18	Interest Subvention for providing short term credit to farmers	2416	1600.00	2600.00	2600.00	2011.00	2011.00	2011.00	3000.00	4000.00	1413.32
19	Revival of Long Term Cooperative Credit Structure	2416	600.00	599.09	20.00	1000.00	1.00	0.00	1000.00	500.00	0.00
20	Contribution to Financial Inclusion Fund (FIF)	2416	25.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00	0.00
21	Contribution to Financial Inclusion Technology Fund (FITF)	2416	25.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00	0.00
22	Contribution towards recapitalisation of Regional Rural Banks (RRBs)	4416	594.87	594.87	594.87	0.00	0.00	0.00	0.00	350.00	0.00
	Total Agricultural Financial Institutions		6387.78	7755.13	7176.04	3011.00	2832.00	2831.00	5004.65	5884.65	2199.28
	General Financial and Trading Institutions										
23	Contribution to Securities Redemption Fund towards subscription in the Rights Issue of equity shares of SBI	3465	0.00	0.00	625.00	0.00	0.00	625.00	625.00	625.00	0.00
		5465	0.00	625.00	0.00	625.00	625.00	0.00	0.00	0.00	0.00
24	Recapitalisation of Public Sector Banks.	5465	0.00	0.01	1900.00	0.00	2466.00	2466.00	16500.00	14157.00	5691.04
25	Government's contribution towards capital for setting up of Central Electronic Registry under SARFAESI Act, 2002	5465	0.00	0.00	0.00	0.00	0.00	0.00	25.00	25.00	0.05
26	World Bank Assistance to Small Industries Development Bank of India (SIDBI)	5465	0.00	0.00	0.00	0.00	0.00	0.00	0.00	420.12	0.00
27	Interest Subsidy to Goan Banks	2885	0.08	0.23	0.08	0.08	0.08	0.08	0.08	0.08	0.00
	Total General Financial and Trading Institutions		0.08	625.24	2525.08	625.08	3091.08	3091.08	17150.08	15227.20	5691.09

S.No.	Description of Items/Schemes	Major Head	2008-09			2009-10			2010-11		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (as on Dec. 2010)
Social Security & Welfare											
28	Agricultural Debt Waiver and Debt Relief (ADWDR) Scheme, 2008										
	i. Transfer to Reserve Fund	2235	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
	ii. Relief/Waiver of loans through lending institutions	2235	0.00	15000.00	15000.00	15000.00	15000.00	15000.00	12000.00	16000.00	11340.47
			0.00	25000.00	25000.00	15000.00	15000.00	15000.00	12000.00	12000.00	11340.47
29.	Payment of interest to lending institutions towards ADWDR Scheme	2235	0.00	0.00	149.79	2151.00	2151.00	458.85	1434.00	1434.00	0.00
30.	Subsidy to Public Sector General Insurance Companies for Community based Universal Health Insurance Scheme (UHIS)	2235	25.00	8.00	2.00	6.39	28.00	28.00	20.00	25.00	13.53
31.	Interest subsidy to LIC for Pension Plan for senior citizens	2235	200.00	150.00	155.63	172.00	270.82	270.76	209.32	175.70	70.05
32.	Waiver of interest on overdue loans in debt stressed States of A P, Karnataka, Kerala & Maharashtra	2235	640.00	460.00	454.96	0.00	0.00	0.00	0.00	0.00	0.00
33.	Swavalamban scheme to encourage people from unorganized sector to join New Pension System (NPS)	2235									
	33.1 Government's co-contribution to subscribers of the New Pension System (NPS) under Swavalamban Scheme		0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00
	33.2 Funding support for promotional and developmental activities for enrolment and contribution under Swavalamban Scheme		0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00
	Total Social Security & Welfare		865.00	40618.00	40762.38	32329.39	32449.82	30757.61	25663.32	29744.70	22764.52
Loans for General Finance & Trading Institutions											
34	Government's share of contribution for premium payment for implementation of Aam Aadmi Bima Yojana (AABY)	7465	0.00	1000.00	1000.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous General Services											
34.	Transfer to Guarantee Redemption Fund 2075	125.00	300.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	

S.No.	Description of Items/Schemes	Major Head	2008-09			2009-10			2010-11		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (as on Dec. 2010)
35	Miscellaneous Schemes/ Programmes relating to Inter National Financial Institutions not Specifically mentioned		25.46	5002.46	1717.71	0.00	0.00	0.00	0.00	0.00	0.00
	Total Non-Plan		8232.87	57714.89	55607.44	36871.54	39667.84	37864.82	49559.10	52306.77	31381.12
	Part B-Plan Items										
1	Acquisition cost of RBI stake in NABARD	5465	1450.00	1450.00	0.00	1100.00	1450.00	0.00	0.00	1430.00	1430.00
2	Acquisition cost of RBI stake in NHB	5465	450.00	450.00	0.00	442.00	0.00	0.00	0.00	450.00	0.00
3	Assistance to Public Sector Banks for opening bank branches in unbanked blocks	3465	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00	0.00
4	Recapitalisation of Public Sector Banks.	5465	0.00	0.0	0.00	0.00	0.00	0.00	0.00	6000.00	0.00
	Total Plan		1900.00	1900.00	0.00	1542.00	1450.00	0.00	50.00	7930.00	1430.00
	Grand Total		10132.87	59614.89	55607.44	38413.54	41117.84	37864.82	49609.10	60236.77	32811.12
	Percentage w.r.t. RE				93.28%			92.09%			57.47%

OBJECT HEAD-WISE EXPENDITURE VIS-A-VIS BE/RE FOR THE YEARS 2008-09, 2009-10 AND 2010-11

(₹ in Crore)

S.No.	Description	2008-09			2009-10			BE 2010-11		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 2010)
1.	Salaries	28.39	42.38	38.04	54.60	50.49	49.17	43.12	48.14	39.12
2.	Wages	0.22	0.22	0.17	0.29	0.23	0.17	0.26	0.26	0.1
3.	OTA	0.22	0.17	0.14	0.25	0.15	0.11	0.18	0.16	0.07
4.	Medical Treatment	0.96	0.94	0.46	1.07	0.72	0.48	0.84	1.01	0.41
5.	Domestic Travel Expenses	1.12	1.09	1.10	1.43	1.21	0.96	1.40	1.31	0.70
6.	Foreign Travel Expenses	0.32	0.27	0.11	0.40	0.36	0.14	0.40	0.40	0.17
7.	Office Expenses	6.70	5.83	6.71	8.00	7.52	7.17	8.31	8.45	5.21
8.	Rent, Rates & Taxes	10.40	14.05	9.32	15.69	11.23	9.77	10.59	14.44	7.50
9.	Publications	0.30	0.23	0.15	0.33	0.25	0.20	0.30	0.30	0.09
10.	Other Administrative Exp.	0.23	0.25	0.46	0.25	0.23	0.20	0.25	0.25	0.15
11.	Advt. & Publicity	0.17	3.00	0.13	0.18	0.33	0.34	0.23	0.35	0.07
12.	Minor Works	0.30	0.06	0.04	0.28	0.25	0.19	0.27	0.26	0.14
13.	Professional Services	1.65	1.30	1.21	2.45	2.19	1.16	2.44	1.23	0.58
14.	Grants-in-Aid	3983.11	3966.37	3965.67	16.00	816.00	811.70	1204.98	1244.98	948.29
15.	Contribution	52.71	533.26	1159.55	0.00	20.00	645.00	645.00	745.00	0.00
16.	Subsidy	2432.76	3655.72	2862.71	3189.47	2310.90	2309.84	4929.40	4800.78	1505.31
17.	Lumpsum	0.82	1.00	0.80	1.10	0.57	0.56	0.47	1.54	0.36
18.	Exchange Variation	36.66	36.66	36.66	0.00	0.00	0.00	0.00	0.00	0.00
19.	Interest	0.01	0.00	149.79	2151.00	2151.00	458.85	1434.00	1434.00	0.00
20.	Other charges	641.59	26964.72	26683.82	15003.73	15403.23	15302.79	12001.67	12301.80	11341.26
21.	Inter Account Transfer	125.00	15300.00	15300.00	15000.00	15000.00	15000.00	12000.00	16000.00	11340.47
	Total Revenue Section	7323.64	50527.52	50217.04	35446.52	35776.84	34598.82	32284.10	36604.65	25190.01
	Capital Section									
22.	Investments	2809.25	8087.37	4390.40	2967.02	5341.00	3266.00	17325.00	23632.12	7621.04
23.	Loans	0.00	1000.00	1000.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Capital Section	2809.23	9087.37	5390.40	2967.02	5341.00	3266.00	17325.00	23632.12	7621.04
	Grand Total (Gross)	10132.87	59614.89	55607.44	38413.54	41117.84	37864.82	49609.10	60236.77	32811.12

**ANALYSIS OF BUDGET PROVISION AND ACTUAL EXPENDITURE
DURING 2008-09, 2009-10 AND 2010-11**

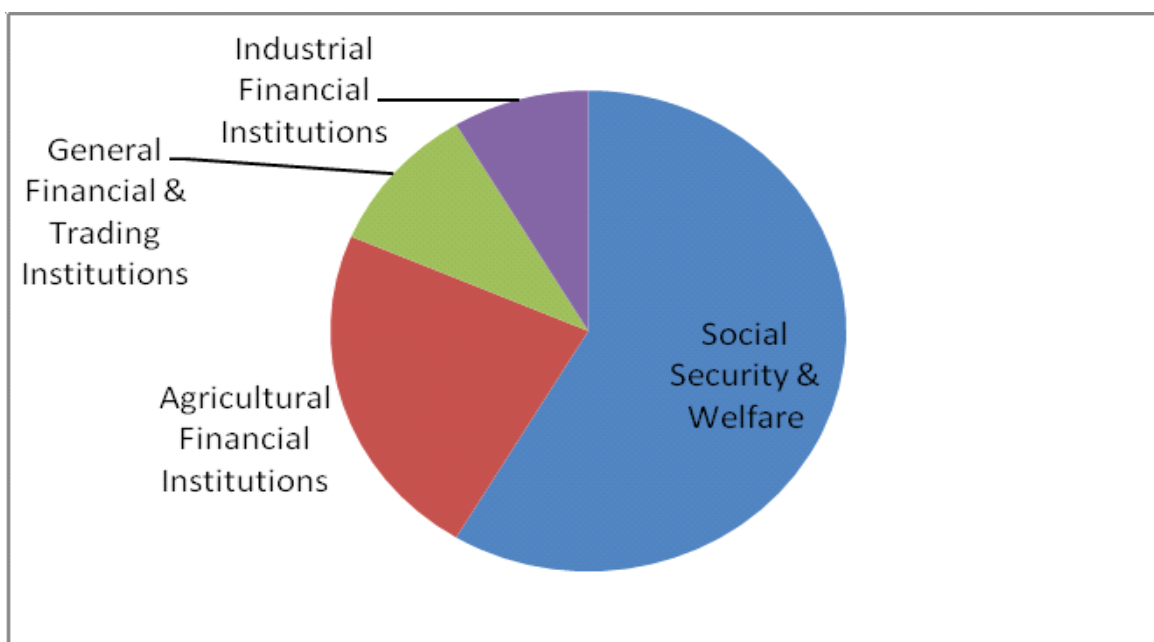
During 2008-09, the provision was ₹10,132.87 crore in BE (₹7,323.62 crore under Revenue Section and ₹2,809.23 crore under Capital Section). Provisions under Revenue Section and Capital Section were increased respectively to ₹50,527.52 crore and ₹9,087.37 crore in RE. Actual Expenditure was ₹55,607.44 crore (₹50,217.04 crore under Revenue and ₹5,390.40 crore under Capital Section) which was 93.28 % of the budgetary provision. Out of the total expenditure during 2008-09, more than 99% was towards different programmes relating to Industrial Financial Institutions, Agricultural Financial Institutions, General Financial & Trading Institutions and Social Security and Welfare and less than 1% towards secretariat and other administrative services.

During 2009-10, the provision was ₹38,413.54 crore in BE (₹35,446.52 crore under Revenue and ₹2,967.02 crore under Capital Section). This was increased to ₹41,117.84 crore in RE (Revenue Section increased to ₹35,776.84 crore and Capital Section to ₹5,341.00 crore). Actual Expenditure was ₹37,864.82 crore (₹34,598.82 crore under Revenue and ₹3,266.00 crore under Capital Section) which was 92.09 % of the budgetary provision. During 2009-10 also, more than 99 % expenditure

was towards different programmes relating to Industrial Financial Institutions, Agricultural Financial Institutions, General Financial & Trading Institutions and Social Security and Welfare and less than 1% towards secretariat and other administrative services.

During 2010-11, the provision was ₹49,609.10 crore in BE (₹32,284.10 crore under Revenue and ₹17,325.00 crore under Capital Section). This was increased to ₹60,236.77 crore in RE (Revenue Section was increased to ₹36,604.65 crore and Capital Section to ₹23,632.12 crore). Actual Expenditure upto December, 2010 was ₹32,811.12 crore (₹25,190.01 crore under Revenue and ₹7,621.04 crore under Capital Section). During 2010-11 also, more than 99% funds have been spent for different programmes relating to Industrial Financial Institutions, Agricultural Financial Institutions, General Financial & Trading Institutions and Social Security and Welfare and expenditure towards secretariat and other administrative services is less than 1%.

Overall trends of expenditure relating to various programmes during last three years (2008-09 to 2010-11) are depicted in the following Pie Chart.



REVIEW OF PERFORMANCE OF STATUTORY AND AUTONOMOUS BODIES

National Bank of Agriculture and Rural Development (NABARD)

NABARD promotes integrated rural development by providing credit for agriculture, small and cottage and village industries and allied activities in rural areas, refines loans granted for agricultural development by State Cooperative Banks (SCBs), State Cooperative Agriculture and Rural Development Banks (SCADRBs), Scheduled Commercial Banks and Regional Rural Banks (RRBs), and provides direct financial assistance to certain types of institutions as approved by the Central Government.

Short term credit is refinanced by NABARD to Cooperative Banks and Regional Rural Banks to finance seasonal agricultural operations, marketing of crops, marketing and distribution of agricultural inputs, production, procurement, marketing activities of cottage, village and small scale industrial cooperative societies, Individual weavers, Master weavers, handloom weavers groups, primary and apex weaver societies and State Handloom and Handicrafts Development Corporations. Short Term refinance is also extended to Commercial Banks for meeting the working capital requirement of State Handloom Development Corporation. The refinance during the last three years was as under:

(₹ in crore)						
Agency	2008-09		2009-10		2010-11	
	Sanctioned	Max O/S	Sanctioned	Max O/S	Sanctioned	Max O/S
(As on 12.02.2010)						
Cooperative						
Banks	20053.25	17412.37	18286.59	17617.44	22510.56	17965.59
RRBs	4829.26	4068.65	7374.13	7098.03	9550.78	7581.69
Total	24882.51	21481.02	25660.72	24715.47	32061.34	25547.28

Medium Term Conversion loan is also provided to Cooperative Banks and Regional Rural Banks to support farmers who are unable to repay production credit dues to the banks due to natural calamities. Refinance is provided to all Rural Financial Institutions including Commercial Banks for investment purposes in farm and off farm activities leading to increased production and incremental income to farmers and entrepreneurs. The investments financed include minor irrigation, land development, farm mechanization, allied agricultural activities such as plantation and horticulture, dairy, poultry, sheep/goat/piggery, fishery, storage and market yards, rural housing, non-farm sector activities etc. These investments lead to private capital formation in rural areas, The Bank has provided refinance for such purposes during the last three years [including Self Help Groups (SHGs) financing] as under:

(₹ in crore)

Agency	Disbursed during 2008-09	Disbursed during 2009-10	Target for 2010-11	Disbursement during 2010-11 (till 21.01.2011)
SCARDBs	1986.54	2221.30	2159.78	1801.91
SCBs	801.51	1251.95	1403.73	748.95
Commercial Banks	5867.19	6057.19	7051.91	7051.91
RRBs	1879.04	2457.46	2288.49	1832.98
PUBs/ADFCs	1.01	21.18	76.00	45.81
Total	10535.29	12009.08	12979.91	11481.56

Pension Fund Regulatory and Development Authority (PFRDA)

The New Pension System (NPS) was made mandatory for all new recruits to the Government (except armed forces) with effect from 1 January, 2004 and has also been rolled out to all citizens with effect from 1 May, 2009 on a voluntary basis.

Interim Pension Fund Regulatory and Development Authority (PFRDA), set up as a regulatory body for the pension sector, is engaged in consolidating the initiatives taken so far regarding the full NPS architecture and expanding the reach of NPS distribution network. The process of making NPS available to all citizens entailed the appointment of NPS intermediaries, including twenty eight institutional entities as Points of Presence (POPs) that will serve as pension account opening and collection centres, a Centralised Record Keeping Agency (CRA) and six Pension Fund Managers to manage the pension wealth of the investors. PFRDA adopted a transparent, non-discretionary and competitive bidding process for selection of NPS intermediaries, in line with best international practice, which ensured high quality service delivery for NPS subscribers at optimum cost.

So far, 25 States and 02 UT Governments have joined the NPS. Of these, 22 States / UT Governments have already signed agreement with NPS Trust and with CRA for carrying forward the implementation of the New Pension System. The other States are at different stages of preparation for roll out of NPS. In addition, around 12 lakh employees of the Central and various State Governments are already a part of the NPS. The corpus being managed under the NPS is approaching ₹7000 crore.

Under the NPS for all citizens, a subscriber has the facility to open NPS account at any of the registered branches (4948 branches so far) of the 35 Points of Presence (PoPs) including the Department of posts appointed by PFRDA. Initially, PoPs are offering NPS at limited number of branches. However, in due course, the number of such branches will grow and cover every part of the country. Since inception, the three pension fund managers appointed for the Government sector provided a weighted average annual return of 11.88% on the corpus managed by them.

PFRDA has taken keen interest in participating in international fora for the development of pension sector and has

been elected a member of the Executive Committee of the International Organization of Pension Supervisors (IOPS).

Insurance Regulatory and Development Authority

The insurance sector was opened up to private participation with the enactment of the Insurance Regulatory and Development Authority Act, 1999. The IRDA at present consists of the Chairman, 4 full-time members and 4 part-time members. The Authority is functioning from its Head Office at Hyderabad, Andhra Pradesh. The core functions of the Authority include (i) licensing of insurers and insurance intermediaries; (ii) financial and regulatory supervision; (iii) control and regulate premium rates; and (iv) protection of the interests of the policyholders. With a view to facilitating development of the insurance sector, the Authority has issued regulations on protection of the interests of policyholders; obligations towards the rural and social sectors; micro insurance and licensing of agents, corporate agents, brokers and third party administrators. This is in addition to the regulatory framework provided for registration of insurance companies, maintenance of solvency margin, investments and financial reporting requirements.

India Infrastructure Finance Company Ltd (IIFCL)

The India Infrastructure Finance Company Ltd (IIFCL), a wholly owned Government of India Company set up on 5 January, 2006 commenced operations from April, 2006. The Company, provides long term debt to viable infrastructure projects as per the Scheme for Financing Viable Infrastructure Projects through IIFCL (broadly referred to as SIFTI). The authorized and paid-up capital of the company is ₹2000.00 crore.

Since its commencement till December, 2010, IIFCL has sanctioned loans amounting to ₹30,127 crore to 168 projects involving a project cost of ₹2,56,970 crore. Out of these, 144 projects have achieved financial closure and 21 projects have achieved Commercial Operation Date (CoD). Cumulative disbursement of ₹10,240 crore has been made in 116 projects.

As part of the fiscal stimulus package, IIFCL was allowed to raise ₹10,000 crore by way of tax-free bonds to provide refinance to banks for their infrastructure loans for which bids have been submitted on or after 31 January 2009. Till 31 December 2010, the Company has provided refinance of ₹2000 crore to Power Finance Corporation and Rural Electrification Corporation.

To facilitate incremental lending to the infrastructure sector by addressing banks' exposure and asset-liability mismatch constraints, IIFCL has implemented the Takeout Financing Scheme. IIFCL has sanctioned seven projects under the scheme involving takeout amount of ₹1517 crore. Further, four Public Sector Banks have signed MoU with IIFCL for takeout financing.

Export-Import Bank of India (Exim Bank)

Export-Import Bank of India, set up in 1982, by an Act of Parliament for the purpose of financing, facilitating and promoting foreign trade of India, is the principal Financial Institution in the country for coordinating working of institutions engaged in financing exports and imports. It is wholly owned by the Government of India. Exim Bank lays special emphasis on extension of Lines of Credit (LOC) to overseas entities, national governments, regional financial institutions and commercial banks. During the year 2009-10, Exim Bank extended 22 LOCs, aggregating US\$ 753.31 million, to support export of projects, goods and services from India. Several of these lines have been extended at the behest of Government of India.

During the financial year 2009-10, the Bank approved loans of ₹38,843 crore as against ₹33,628 crore during 2008-09. Disbursements during the year amounted to ₹33,248 crore as compared to ₹28,933 crore during the previous year. Loan assets increased from ₹34,156 crore as on 31 March, 2009, to ₹39,036 crore as on 31 March, 2010. Exim Bank also actively supports and facilitates outward investments by Indian companies in their quest for enhanced access to global markets. During the year 2009-10, 18 corporates were sanctioned funded and non-funded assistance aggregating ₹10.54 billion for part financing their overseas investment in six countries. Exim Bank has provided finance to 259 ventures set up by over 209 companies in 64 countries so far, including Austria, Canada, China, Indonesia, Ireland, Italy, Malaysia, Mauritius, Morocco, Netherlands, Oman, Romania, Singapore, South Africa, Spain, Sri Lanka, UAE and USA.

National Housing Bank (NHB)

The NHB was set up by the National Housing Bank Act, 1987 as a principal agency to promote housing finance institutions (HFCs) and to provide financial and other support to such institutions. The main activities of NHB include re-finance to Banks and HFCs. At present there are 54 HFCs that are regulated by NHB. NHB also provides refinance to Banks and HFCs and project finance to Government agencies and SHGs besides initiatives for development and promotion of the housing finance system in India. The present paid-up capital of NHB is ₹450.00 crore, owned by the Reserve Bank of India.

(₹ in crore)

Performance

Financial Year (July - June)	2008-09	2009-10	2010-11
Loans & Advances	16,850.96	19836.66	Figures not available as the period is from July, 2010 to June 2011.
Disbursement	10,889.03	8,159.29	
Total Assets	24,476.35	22,471.72	
Net NPAs	...	...
Profit after Tax	235.62	280.25	
CRAR (%)	18.19	19.59	

The following programmes are presently under implementation of NHB:

Performance

(₹ in crore)

Programmes	Government Assistance	2008-09	2009-10	2010-11 (July-Dec.)
1. Goden Jubilee Rural Housing Refinance Scheme (GJRHS)- Monitoring & Refinancing	...	718.44	1680.00	2916.31
2. Regular Refinance Scheme	4760.33 (RHF)	439.89 3979.81 (SRF) 1761.48 (RHF)	4311.94 100.00 (SRF) 2015.82 (RHF)	3471.85 733.45 (RHF)
3. Project Finance Scheme including MFIs (mainly for EWS/LIG)		35.41	51.53	80.73

Information/status is in respect of (a) Rural Housing Fund (RHF) from NHB, (b) Reverse Mortgage Loan, (c) Reverse Mortgage Loan enabled Annuity (RMLeA) (d) 1% Interest Subvention on housing loans up to ₹10 lakhs (e) Residential Mortgage Backed Securitization is given below :-

(a) **Rural Housing Fund (RHF):** In the first year of RHF i.e. in the year 2008-09 (July to June), NHB disbursed the amount of ₹1761.48 crore against the amount of ₹1760.33 crore received during the period under RHF. During the year 2009-10, NHB had disbursed ₹2015.82 crore against the allocated amount of ₹2000 crore. During the current year 2010-11, NHB has so far disbursed ₹733.45 crore against the allocated amount of ₹. 2,000.00 crore.

(b) **Reverse Mortgage Loan (RML):** NHB has conceptualized the Reverse Mortgage Loan (RML) product, exclusively for covering house owning Senior Citizens. NHB notified Operational Guidelines for Reverse Mortgage Loan (RML) in May 2007, after extensive consultation with the Housing Finance companies (HFCs) and Banks. Further, NHB in consultation with reputed legal firms prepared and circulated model formats of the loan documents for adoption suitably by the HFCs and Banks in connection with their lending under RML.

The Budget Speech for the year 2008-09 contained two major announcements relating to the proposed amendments to the Income Tax Act. These are (i) a new sub-section (xvi) to Section 47 of the Income Tax Act providing that reverse mortgage would not amount to "transfer" and (ii) insertion of a new sub-section (43) under Section 10 of the Income Tax Act to the effect that the stream of payments received by the senior citizens under RML under a Scheme notified by the Central Government would not be "income", as they are in the nature of capital receipts.

Reverse Mortgage Scheme has since been notified by a Gazette notification by Government of India on 30-09-2008. Necessary amendment has also been made by the Income Tax Department that the stream of income received by the senior citizens under RML would not be income as they are in the nature of capital receipt.

23 Scheduled Commercial Banks and 2 Housing Finance Companies have launched the Scheme. And 7474 RML accounts amounting to ₹1516 crore have been sanctioned.

(c) **Reverse Mortgage Loan enabled Annuity (RMLeA) :**

With a view to extend the payments received under RML to residual lifetime of the borrower, a new product variant viz. Reverse Mortgage Loan enabled Annuity (RMLeA) was conceptualized by NHB and launched in December, 2009.

RMLeA is the result of direct product integration between the housing finance market and the insurance sector for the first time in India. The Scheme envisages the Banks/HFCs to source assured lifetime payments to the senior citizens borrower through the Insurance Company. NHB has formulated RMLeA's Operational Guidelines for implementation by Primary Lending Institution. The RMLeA Scheme has been implemented so far by the Central Bank of India and the Union Bank of India in association with Star Union Dai-ichi Life Insurance Co. Ltd (SUD Life).

NHB has been widely disseminating information on RML/RMLeA through regular seminars /Workshops/Interactions. NHB has also launched a Reverse Mortgage Loan Counselling Centres for Senior Citizens, adopting a 'partnership approach' with

reputed NGOs engaged in addressing the issues of senior citizens to operate the programme. Eight RML Counselling Centres have since been established under this programme.

22 accounts amounting to ₹60 crore have been sanctioned under the Scheme (upto December, 2010).

(d) **1% Interest Subvention Scheme on Housing Loan up to ₹10 lakhs :** An allocation of ₹700 crores was made in BE 2010-11 for Interest Subvention on Housing Loans up to ₹10 lakhs, provided the cost of unit does not exceed ₹20 lakhs. Department of Financial Services has issued Guidelines for implementation of the Scheme.

The objective of the Scheme is to provide Interest Subsidy on Housing Loan as a measure to improve affordability of housing to eligible borrowers and generate additional demand for credit. The Scheme is in operation from Oct 1, 2009 to March 31, 2011. It will be implemented through the Scheduled Commercial Banks (SCBs), including Regional Rural Banks which are SCBs and Housing Finance Companies (HFCs) registered with the National Housing Bank (NHB).

The Reserve Bank of India (RBI) and NHB are the nodal agencies for the implementation of the Scheme. After sanctioning and disbursing the eligible loans, the implementing agencies will claim disbursement of subsidy from from respective nodal agency.

The Status report of claims of 1% Interest Subvention Scheme from NHB is given below in the table:

Sl. No.	Particulars	Interest Subsidy Amount	No. of beneficiaries
1.	Total claims received from HFCs	₹28.61 crores	80186
2.	Total Claims sent to Ministry	₹13.49 crores	38150
3.	Amount Disbursed to HFCs	₹8.40 crores	23750

(e) **Residential Mortgage Backed Securitisation :** NHB has so far completed 14 Residential Mortgage Backed Securitization transactions involving 38,809 individual housing loans amounting to ₹862.20 crore of six Housing Finance Companies (HFCs) and one Scheduled Commercial Bank. The success of the issues of RMBS has significantly provided means to better understand and address the legal, regulatory, fiscal, accounting and other capital market related issues relating to such transactions as also various policy issues for a conducive environment for such issuances.

The structure of NHB's RMBS issues has been designed under the provisions of the National Housing Bank Amendment Act, 2000 (Sections 14 (ea), 14 (eb), 14 (ec) and 18), which authorize the Bank to carry out securitization transactions and issue mortgage backed securities as trust certificates of beneficial interest and act as Trustee for the holders of such securities.

Financial Performance in 2009-10: During the year 2009-10, Profit before tax was ₹422.10 crore as against ₹350.10 crore during the previous year, registering a growth of 20.50 per cent. The Profit after tax which stood at ₹280.24 crore as against ₹235.62 crore during the previous year, registered a growth of 18.94 per cent. As a result of plough back of Profit to Reserves, the Net Owned Fund of the Bank increased from ₹2,230.49 crore to ₹2,485.32 crore during the year. On an overall basis, the Bank's profitability during the year has improved over the previous year.

DEPARTMENT OF EXPENDITURE

INTRODUCTION

Organisation and Functions

The Department of Expenditure oversees the public expenditure management system in the Central Government and matters connected with State finances. Principal activities of the Department include pre-sanction appraisal of all major schemes/projects (both Plan and non-Plan expenditure); handling Central budgetary resources transferred to States; implementing the recommendations of the Finance Commission; overseeing the expenditure management in the Central Ministries/Departments through the interface with the Financial Advisors, modifications and issue of guidelines on Financial Rules, Regulations and monitoring of Audit comments / observations; preparation of Central Government Accounts; managing the financial aspects of personnel management in the Central Government; assisting Central Ministries/Departments in controlling the costs and prices of public services and organizational re-engineering by reviewing systems and procedures to optimize outputs and outcomes of public expenditure. The Department also coordinates matters concerning the Ministry of Finance including Parliament-related work of the Ministry. The Department has under its administrative control the National Institute of Financial Management (NIFM), Faridabad.

The business allocated to the Department is carried out through the following Divisions/Units:

Administration Division

- Looks after the secretariat work of the Department and comprises of Finance Minister's Office, Cadre Administration Section, Accounts and Budget, General and Personnel Administration, the Official Language Section and Internal Work Study Unit.

Establishment Division

- Responsible for matters like determination of salary structure and service conditions of all Central Government employees, wage policy determination, revision of pay scales, creation of posts, basic principles of fixation of pay, House Rent Allowance, Traveling/Daily Allowance, Dearness Allowance and various other compensatory allowances in respect of Central Government employees.

Policy and Coordination Wing

- Responsible for the Outcome Budget, Annual Report, the administration of General Financial Rules and Delegation of Financial Powers Rules; Defence acquisitions; Committee on Non-plan Expenditure; Government procurements systems and procedures; re-appropriation of establishment related expenditure; foreign deputation proposals; implementation of recommendations of the Expenditure Reforms Commission and of economy instructions on expenditure management; Public Accounts Committee; review of monthly accounts; Right to Information Act; legislative proposals received for vetting/comments;

reports/returns; departmental representation in various committees and autonomous bodies; Parliamentary coordination for Ministry of Finance; policy issues and proposals for Cabinet/Group of Ministers/Committee of Secretaries, which are not specifically dealt with in any other wing/division in the Department.

Plan Finance -I Division

- Deals with matters relating to finances and plan outlays of the States in close co-ordination with the Planning Commission, releases funds to State Governments for implementing developmental work in the States, clearance of overdrafts of States. It monitors the Ways & Means and resources position of States and also handles issues relating to calamity relief to States, Centre-State and Inter-State financial relations.

Plan Finance – II Division

- Primarily concerned with matters relating to the Central Plan and serves as a window within the Finance Ministry, which has an overview of the entire canvas of development activity of the Central Government, both at the project level and sectoral policy level. The focus has been on improving the quality of development expenditure through better project formulation, emphasis on outputs, deliverables, impact assessment, projectisation (Mission approach) and convergence. The Division also deals with financial restructuring of Central PSUs on the recommendations of Bureau for Restructuring of Public Sector Enterprises (BRPSE). It is also actively involved in working out modalities for financial assistance to CPSEs, quantification of I&EBR generation for preparation of budget, finalizing modernization of Plants & Equipments to ensure more efficiency in production. At micro level, Plan Finance-II Division deals with issues relating to Food, Fertilizers and Petroleum subsidies, including their quantification and extension of assistance to the Stake holders. At micro level, the division is actively involved, along with the concerned Department/Ministry, in shaping up future subsidy policy of the Government so as to ensure effective targeting coupled with minimum burden on the Government.

Finance Commission Division

- Concerned with the implementation of the recommendations of the Finance Commission.

Integrated Finance Unit

- Deals with the expenditure and Budget related proposals under Demand No.38 – Department of Expenditure which includes Secretariat General Services and Other Administrative Services and Demand No.39- Pensions which includes provision for various retirement benefits. In respect of two other Demands, namely, Demand No.35- Transfer to State and Union Territory

Governments and Demand No. 40- Indian Audit and Accounts Department, the budgetary estimates are directly dealt with by the respective divisions. However, the over all monitoring is done by the Integrated Finance Unit. This unit is also responsible for monitoring and control over expenditure of the Department and implementing the economy instructions for compliance by various organizations of the Department.

Miscellaneous Departments Division

- Functions under Financial Adviser (Finance) as associate finance to President's Secretariat, Vice-President's Secretariat, Supreme Court of India, Lok Sabha Secretariat, Rajya Sabha Secretariat and Ministry of Parliamentary Affairs.

Pay Research Unit

- Mainly responsible for collection, compilation and analysis of data on actual expenditure incurred on pay and various types of allowances as well as data pertaining to the strength of the Central Government Civilian employees and employees of Union Territory Administrations.

Staff Inspection Unit

- Set up in 1964 with the objective of securing economy in the staffing of Government organizations consistent with administrative efficiency and evolving performance standards and work norms, now also acts as a catalyst in assisting the line Ministries and Autonomous Organizations in improving their organizational effectiveness by conducting the studies of organizational analysis in five distinct fields viz. Organizational System, Financial Management System, Delivery System, Client-Customer satisfaction and Employees' concerns etc.

Cost Accounts Branch

- An independent agency set up to verify the cost of production and to determine the fair selling price for all Government purchases including Defence purchases and to fix prices for a number of products covered under the Essential Commodities Act, such as, Petroleum, Steel, Coal, Cement, etc. under the Administered Price Mechanism (APM). It renders professional assistance to different Ministries and Government agencies in cost, management and financial accounting in the Government.

Controller General of Accounts

- Apex accounting authority of the Central Government exercising the powers of the President under Article 150 of the Constitution for prescribing the form of accounts of the Union and State Governments on the advice of Comptroller and Auditor General of India.

Monitoring Cell

- Works under the Office of Controller General of Accounts. It is responsible for co-ordination, collection and monitoring the submission of corrective/remedial action taken notes on various paras contained in Comptroller & Auditor General (C&AG)'s Reports. It also monitors the settlement of paras/recommendations included in their reports of the Public Accounts Committee (PAC).

Central Pension Accounting Office

- Administers the "Scheme for payment of Pensions to Central Government Civil Pensioners by Authorized Banks". It is primarily responsible for preparation of budget for the Pension Grant and accounting thereof; issue of Special Seal Authorities (SSAs); and audit of pension payment made by Banks.

Chief Controller of Accounts

- Responsible for payment of salary bills and all other personal payments, pensionary payments, payment of loans and grants sanctioned by the Department to the State Governments and watching the receipts of principal and interest of the loans. It works as the internal audit of the Department and also renders technical advice relating to accounting matters. It also compiles the monthly accounts and Appropriation Accounts.

Institute of Government Accounts and Finance

- Headquarters at New Delhi and its three Regional Training Centres located at Calcutta, Chennai and Navi Mumbai impart in-service training to the Accounts Personnel and Civil Ministries/Departments in various disciplines of Financial Management and Govt. Accounts and Finance. Since 1995 it has started Public Financial Management programmes for officials from other countries.

STATEMENT OF OUTLAYS AND OUTCOMES 2011-12

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2011-12 (₹ In Crore)			Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			4(i) Non-Plan	4(ii) Plan	4(iii) CEBR*				
1	2	3	4			5	6	7	8
1.	MH 2070 -Other Administrative Services. Central Plan Scheme for enhancing training capacity of National Institute of Financial Management	High Level Professional Course covering basic elements of Post Graduate Diploma in Business Management (Finance) for the officers dealing with Accounts & Finance matters being offered by the National Institute of Financial Management Society and increasing the infrastructure of the Institute.	-	5.00	-	Training to 50 Officers of Central/ State/ UTs. The programme consists of six trimesters having 12-14 weeks duration each. This is a combination of class room teaching & project work.	Capacity building in financial managerial skill and in areas such as Commercial and Govt. Accounting, Public Finance, Budgeting, Financial Policy Formulation/ Decision Making and Project Management. In 2011, 50 officers are targeted for training under this scheme.	Two years	₹ 3.00 crore under Revenue Section which will cover the programme fees component and ₹ 2.00 crore under Capital Section to create additional infrastructure of the institute.

* CEBR - Complementary extra Budgetary Resources i.e. expenditures committed for the purpose by entities other than the Central Government.

REFORM MEASURES AND POLICY INITIATIVES

Department Of Expenditure

The Department of Expenditure has taken a number of measures to improve the systems and procedures of public financial management, thereby promoting the cause of good governance. The Prime Minister's Thrust Areas included five planks of Institutional reforms, viz., Decentralization, Simplification, Transparency, Accountability and e-governance. These were echoed in the Initiatives on Expenditure Management announced by the Finance Minister Fiscal Policy Strategy Statement (FPSS) prepared under the Fiscal Responsibility and Budget Management Act in Budget 2005-06 and became the guiding principles of setting the work plan.

Revised Guidelines for Outcome Budget/Performance Budget

Guidelines were issued vide O.M. No. 2(1)Pers/E-Coord/OB/2005 12th December, 2006 for integration of OUTCOME BUDGET and PERFORMANCE BUDGET documents into a single document, stipulating specific mention of the monitoring mechanism and the public information system put in place by the Ministry to regularly monitor physical and financial progress during the course of the year and inform general public about it as well. Guidelines in this respect were issued in May, 2009 wherein it has been emphasized that as far as feasible sub targets for coverage of women and SC/ST beneficiaries under various developmental schemes and the schemes for the benefit of North-Eastern region should be separately indicated. Latest guidelines have been issued in November, 2010

Rationalization of Expenditure

With a view to containing non-developmental expenditure, and thereby releasing additional resources for meeting the objectives of priority schemes, Ministry of Finance has been issuing guidelines on 'Austerity Measures' in the Government from time to time. Such measures are intended at promoting fiscal discipline, without restricting operational efficiency of the Government. The last set of instructions were issued vide OM No. 7(1)/E.Coord/2009 dated 7th September, 2009. These measures include, inter alia, cuts in Non Plan Expenditure (excluding interest payment, repayment of debt, Defence capital, salaries, pension and the Finance Commission grants to the States) and restrictions on purchase of new vehicles, foreign travel etc. While no fresh instructions were issued during 2010, Financial Advisers are expected to exercise due economy while conveying their concurrence to various expenditure proposals.

State Finances

Grants under State Plan Schemes-Releases for schemes on the Plan side are made on the recommendation of the Planning Commission/nodal Ministry concerned. The important flagship schemes for which funds are being provided under Plan in 2010-11 include Accelerated Irrigation Benefits Programme (AIBP), Jawaharlal Nehru National Urban Renewal Mission

(JNNURM), Externally Aided Projects, National Social Assistance Programme (NSAP), Border Area Development Programme, Hill Area/Western Ghats Development Programme, National E-Governance Programme, Backward Regions Grant Fund Scheme, Drought Mitigation in Bundelkhand Region, etc. Against an outlay (RE 2010-11) of ₹ 74009.47 crore for Plan Schemes in the year 2010-11, ₹ 53,867.50 crore has been released, as on 11.02.2011. A Budget provision of ₹ 80741.61 crore for State Plan Schemes has been made for the financial year 2011-12, which is an enhancement of 15.09% against BE 2010-11 of ₹ 70,156.25 crore.

Finance Commission grants-The year 2010-11 is the first year of the award period of the 13th Finance Commission (FC-XIII). The budget provision for 2010-11 for non-plan grants to cover revenue deficit and grants for local bodies, education, calamity relief (including capacity building), forests, justice delivery, UID, statistical system, employee & pension data base, National Disaster Response Force, state specific needs etc., as recommended by FC- XIII, is ₹ 32,639 crore, and ₹ 3,560 crore is being provided for the National Disaster Response Fund (NDRF). Department of Expenditure has released ₹ 26,706 crore (as on 09.02.2011) for various FC-XIII grants and ₹ 2,109.71 crore under NDRF, aggregating ₹ 28,815.71 crore. A Budget provision of ₹ 49298.62 crore for FC-XIII Grants has been made for the financial year 2011-12 which is an enhancement of over 51% against BE 2010-11.

Borrowings-The methodology for determining annual borrowing ceilings of States during 2010-15, has been devised in line with the FC- XIII report. The borrowing limits of States are being worked out and enforced by Ministry of Finance (MoF) in accordance with prescribed fiscal reform path for each State. From this year onwards MoF is working within the parameters of prescribed FD to GSDP ratio, as well as Debt to GSDP ratio. The latter would bring down overall debt to 24.3% of GDP by 2014-15.

Debt Consolidation and Debt waiver awarded to States-The Thirteenth Finance Commission (FC-XIII) has recommended that the benefit of debt waiver under the Debt Consolidation and Relief Facility (DCRF), provided for in the Twelfth Finance Commission Award, need not continue any further for any State. Therefore, the scheme came to an end on 31st March, 2010. However, the exercise to assess States' eligibility for debt waiver for the years 2008-09 and 2009-10 continues up to the end of 2011-12, as necessary adjustments are required to be done on the basis of fiscal performance of States, based on their Finance Accounts. The provision of ₹ 100 crore in BE 2010-11 for debt relief under DCRF is being enhanced to ₹ 1,100 crore in RE 2010-11 to provide for debt relief to Tripura, Andhra Pradesh and Orissa.

FC-XIII has extended the debt consolidation facility recommended by the Twelfth Finance Commission to the States of Sikkim and West Bengal during 2010-15, provided these States put in place their FRBM Acts (FRBMA), as stipulated by FC-XIII. On meeting this condition, the loans contracted by these States till 31st March 2004 and outstanding as at the end of the year preceding the year in which the Act is put in place shall be consolidated on the same terms and conditions as recommended by the Twelfth Finance Commission.

In addition, FC-XIII has recommended that central loans given to State Governments for Centrally Sponsored Schemes/Central Plan Schemes through ministries other than Ministry of Finance as outstanding at the end of 2009-10 be written off, subject to States legislating/amending FRBMAs in line with FC-XIII recommendations. State Governments are in the process of legislating/amending their FRBMAs. As and when these are received from the States, the Central loans for Centrally Sponsored Schemes/Central Plan Schemes through ministries other than Ministry of Finance, as outstanding at the end of 2009-10, would be taken up for write-off as eligible.

Ways and Means position of the State Governments-In contrast to sharp liquidity pressures faced by State Governments in the years prior to 2004-05, the Ways and Means position of a large number of States has been improving since 2005-06. This has happened primarily due to buoyancy in collection of Central and State Taxes, enhanced transfers to States, loan write-off by the Centre on the recommendation of the Twelfth Finance Commission, containment of expenditure by States and adherence to Fiscal Responsibility Legislations, etc.

The liquidity position of the State Governments as reported by RBI as on 10/02/2011, shows that States are comfortably placed with regard to finances and have invested to the extent of ₹72,327.73 crore in 14 days Treasury bills and to the extent of ₹19,911.90 crore in Auction Treasury Bills.

Projects clearance by EFC & PIB

During the period from 1st January to 31st December, 2010, 62 meetings of the Expenditure Finance Committee (EFC) chaired by Secretary (Expenditure) considered 62 Plan Investment Proposals/Schemes of various Ministries/Departments costing ₹ 3,88,061.00 crore. Also, 6 meetings of Public Investment Board (PIB) cases involving an amount of ₹17,595.65 crore were considered and recommended by the competent authority as per the following details:-

Sl. No.	Ministry/Department	No. of Projects recommended for approval	Cost (₹ crore)
1.	Power	5	1,999.87
2.	Coal	1	5,595.78
	Total	6	17,595.65

Computerization of State Loan Units

This has resulted in creation of centralized data base for loans, grants-in-aid and investments in respect of State Governments/Union Territories. It has improved data maintenance and data management and has helped in generation of MIS reports for internal control and end user requirements. The data base is displayed on the website of the Ministry of Finance as State Loan Data Release Initiatives (SLDRI) and is updated for release and repayment etc. on everyday basis.

Introduction of Electronic Inter Government Adjustment Advices

The State Loan Unit, Ministry of Finance has taken initiative to e-mail the digitally signed Inter Government Adjustment Advices to Central Account Section, Reserve Bank of India, Nagpur. These advices help in avoiding delays and manual errors and ensure the transfer of fund under various Plan and non-Plan Schemes to the State Governments as per sanction of Ministry of Finance, Government of India.

Implementation of E-lekha in Ministry of Finance

Consequent upon implementation of web based software called 'E-lekha', all PAOs of Ministry of Finance are now on-line and are daily uploading their expenditure etc. on 'E-lekha'. Further, they are also submitting their monthly account on-line through the above software. Principal Accounts Office is also submitting the monthly account to Controller General of Accounts (CGA) office on-line. With the help of the above web based software not only the expenditure can be watched, the state of work of the PAO can also be monitored.

Strengthening of Internal Audit

The office of Controller General of Accounts has taken effective steps to strengthen the Internal Audit mechanism in the Government of India. This includes establishment of a Centre of Excellence (CoE) with the objective of providing technical advice /guidance and sharing of best practices on Internal Audit, enhancing quality and assuring the management about the effectiveness of controls to counter the 'risks'.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2009-10

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2009-10 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st March, 2010
			4(i) BE	4(ii) RE			
1	2	3	4		5	6	7
1.	Major Head 2070- Other Administrative Services. Central Plan Scheme for enhancing training capacity of National Institute of Financial Management and infrastructural development of the Institute.	High level professional course covering basic elements of MBA (Finance) for officers dealing with Accounts and Finance matters to be offered by National Institute of Financial Management Society.	10.00 (Plan) (Rev. 3.60) (Cap.6.40)	8.20 (Plan) (Rev.1.80) (Cap. 6.40)	Training to 100 officers of Central/ State UT Governments. The programme consists of trimesters having 12-14 weeks duration each. This is a combination of class room teaching and project work.	Two years	(i) Under Revenue Section, 25 candidates joined the course at NIFM, Faridabad. The provision reduced at RE stage due to less participation than expected. This has been utilised fully. (ii) Under Capital Section, ₹. 3.20 crore released for strengthening the infrastructure in the institute. The rest was surrendered.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2010-11

Name of the Scheme/Program		Objective/Outcome	Outlay 2010-11 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st December, 2010
2	1	3	4		5	6	7
			4(i) BE	4(ii) RE			
<p>Major Head. 2070- Other Administrative Services.</p> <p>Central Plan Scheme for enhancing training capacity of National Institute of Financial Management and infrastructural development of the Institute.</p>	<p>High level professional course covering basic elements of MBA (Finance) for officers dealing with Accounts and Finance matters to be offered by National Institute of Financial Management Society.</p>	<p>10.50 (Plan) (Rev. 3.30) (Cap.7.20)</p>	<p>9.51 (Plan) (Rev.2.31) (Cap.7.20)</p>	<p>Training to 100 officers of Central/ State UT Governments. The programme consists of trimesters having 12-14 weeks duration each. This is a combination of class room teaching and project work.</p>	<p>Two years</p>	<p>(i) Under Revenue Section, 40 candidates joined the course at NIFM, Faridabad. Actual expenditure till 31st December, 2010 is ₹ 1.57 crore.</p> <p>(ii) Under Capital Section, the expenditure is ₹ 3.70 crore.</p> <p>The remaining amount will be released in the current financial year.</p>	

FINANCIAL REVIEW
STATEMENT SHOWING ACTUAL EXPENDITURE VIS-A-VIS BE/RE PROVISIONS FOR THE YEARS
2008-09, 2009-10 AND 2010-11

(₹ In Crore)											
SI No	Description	Major Head	2008-09			2009-10			2010-11		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto 31.12.2010)
1.	Secretariat – Gen. Services	2052	31.64	41.59	39.34	51.27	51.18	50.99	55.45	52.28	39.20
2.	Other Admn. Services	2070	10.22	17.37	11.43	20.33	24.36	23.27	31.85	52.99	24.57
	i) Training Centre for Civil Accounts Organization (INGAF)		3.64	3.42	3.28	3.32	3.14	3.12	3.14	3.27	2.35
	ii) Scheme for enhancing training capacity of NIFM Society		5.40	3.70	3.70	5.00	3.20	3.20	4.70	3.71	2.61
	iii) Contributions		0.01	0.01	0.00	0.01	0.02	0.01	0.01	0.01	-
	iv) Modernization of Office of Controller General of Accounts		0.35	0.85	0.66	-	-	-	-	-	-
	v) Sixth Central Pay Commission		0.82	0.39	0.39	-	-	-	-	-	-
	vi) Service charges to National Securities Depository Limited under New Pension Scheme		-	9.00	3.39	12.00	18.00	16.94	24.00	46.00	19.50
3.	Other General Economic Services										
	i) Development of National Institute of Financial Management	4070	6.00	3.00	3.00	6.40	6.40	3.20	7.20	7.20	-
	(ii) New accommodation for Office of Controller General of Accounts	4059	-	-	-	-	-	-	26.35	-	-
TOTAL			47.86	61.96	53.77	78.00	81.94	77.46	120.85	112.47	63.66

OBJECT HEAD WISE EXPENDITURE VIS-A-VIS BE/RE FOR THE YEARS 2008-09, 2009-10 AND 2010-11

		(₹ In Crore)								
Sl No	Description	2008-09			2009-10			2010-11		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals Upto Dec.10
Revenue Section										
1	Salaries	20.69	31.00	30.99	40.19	39.93	39.29	36.45	37.51	30.20
2	Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Overtime Allowance	0.18	0.15	0.16	0.18	0.15	0.15	0.18	0.17	0.12
4	Medical Treatment	0.64	0.40	0.42	0.54	0.57	0.45	0.54	0.65	0.33
5	Domestic Travel Expenses	0.81	0.62	0.69	0.80	0.70	0.63	0.78	0.81	0.46
6	Foreign Travel Expenses	0.88	1.07	0.99	0.57	0.52	0.38	0.60	0.58	0.24
7	Office Expenses	9.99	9.98	7.57	9.31	8.67	8.49	15.94	9.45	6.60
8	Rent, Rates & Taxes	0.30	0.14	0.13	0.00	0.00	0.00	0.00	0.00	0.00
9	Publication	0.24	0.21	0.22	0.23	0.21	0.01	0.23	0.44	0.31
10	Other Admn. Expenses	0.38	9.37	3.58	12.38	18.30	17.23	24.38	46.32	19.70
11	Advertising and Publicity	0.00	0.00	0.00	0.00	0.02	0.00	0.05	0.01	0.00
12	Minor Works	0.02	0.00	0.00	0.15	0.32	1.28	0.65	0.65	0.65
13	Professional Services	0.95	1.25	1.10	1.03	1.63	1.58	0.84	1.57	1.13
14	Grants-in-aid	5.40	3.70	3.70	5.00	6.40	3.20	4.70	3.71	2.62
15	Contribution	0.01	0.01	0.00	0.01	0.02	0.01	0.01	0.01	0.00
16	Inofmation Technology	1.37	1.06	1.22	1.21	1.30	1.56	1.95	3.39	1.30
	Total	41.86	58.96	50.77	71.60	78.74	74.26	87.30	105.27	63.66
Capital Section										
17	Major Works	6.00	3.00	3.00	6.40	3.20	3.20	33.55	7.20	0.00
	Grand Total	47.86	61.96	53.77	78.00	81.94	77.46	120.85	112.47	63.66

NATIONAL INSTITUTE OF FINANCIAL MANAGEMENT: REVIEW OF PERFORMANCE

OBJECTIVES

The National Institute of financial Management is an autonomous body (Society) registered under the Societies Registration Act 1860 headed by Finance Minister, Government of India. This institute has been set up with a view to establish itself as a premier knowledge partner in the country for Training, Research and Consultancy in Financial, Accounts & Audit, Public Economics, Human Resource Management and Information Technology. It is also mandated to organize training & continuing professional education to Group 'A' officers of participating Services.

PERFORMANCE

The Institute is functional since January, 1994 and has been conducting the following programmes:

Professional Training Course:

So far seventeen batches of probationers of various Accounts, audit and Finance Services have been successfully trained for 42 weeks training course. In the 17th Professional Training Course completed in November, 2010, 11 probationers completed the course. The 18th batch of probationers has commenced from 3rd January, 2011 in which 30 probationers (approx.) will be joining.

Management Development Programmes:

The NIFM conducts Management Development Programmes of varying duration every year. Some of these programmes are sponsored by different Government Departments, foreign Governments, World Bank etc. In addition, various Govt. Departments, PSUs etc. sponsor candidates for the specialized courses conducted by the Institute. In 2009-10, 42 programmes were conducted. In 2010-11, 31 programmes have been conducted till date. Currently, the focus of Management Development Programmes (MDPs) is in the following areas:

- (a) Budgeting & Public Expenditure Management
- (b) Accounting System & Financial Management in Government
- (c) Procurement of Goods & Services
- (d) Tendering & Contracting
- (e) Public Financial Management
- (f) Standard Rules & Procedures of the World Bank for Procedure of Good, Works & Services
- (g) Cyber Crime & Forensics

Post Graduate Diploma in Management (Financial Management):

The NIFM has been conducting Post Graduate Diploma in Management (Financial Management) since year 2002. The present batch of PGDM (FM) commenced from 5th May, 2010 in which 40 candidates have joined from various Central/State and PSUs. The new batch of PGDM (FM) shall be starting from 9th May, 2011 where in target is for 50 candidates.

Diploma in Govt. Accounting & Internal Audit:

The Diploma in Accounting & Internal Audit Program for one year is to upgrade the technical skills of officers of the organized Accounts services of the Union Government. The Course is designed to equip the newly recruited officers for taking up higher responsibilities in the field of Public Financial Administration. The present batch of DGA&IA commenced from 10th May, 2010 in which 33 participants have joined. The new batch of DGA&IA shall be starting from May/June, 2011 where in target is for 35 participants.

Fellow Program in Management:

This is an open program to pursue research work to produce competent researchers, teachers and consultants. The program is duly approved by AICTE. The second batch of the programme commenced from 10th May, 2010 with 5 participants.

Executive Programme in Capital Market with BSE

The NIFM in collaboration with BSE has launched one year Weekend Executive Programme, which focuses in developing trained professionals capable of occupying positions of responsibility in stock exchanges, commodity exchanges, regulatory bodies, market intermediaries, banks, mutual funds and asset management companies and other similar entities covering all financial markets like cash equity, equity derivatives, currency derivatives, commodities and foreign exchanges. The second batch of the programme commenced from 6th March, 2010 with 23rd participants. The next batch of the programme will commence from March, 2011 where in target is for 30 participants.

Consultancy Projects:

During the year 2010-11, two consultancy projects were completed. Currently, the project on 'Revision of Orissa General Financial Rules' and 'Delegation of Financial Power Rules' are in progress.

Financial StatementThe income & Expenditure Accounts as on 31st March, 2010 are as under:

(Amount in ₹)

Income	31.03.2010	31.03.2009
Income from Services	8,78,96,779	10,20,94,914
Grant	1,40,00,000	1,40,00,000
Interest Earned	89,91,311	71,75,564
Other Income	17,34,486	15,02,446
Total(A)	11,26,22,576	12,47,72,924
Expenditure		
Establishment Expenses	3,41,81,881	2,86,31,447
Other Administrative Expenses	6,08,68,382	6,01,69,163
Depreciation	93,06,251	88,96,977
Total(B)	10,43,56,514	9,76,97,587
Balance being Surplus/Deficit of	82,66,062	2,70,75,337
Income over Expenditure (A-B)		
Less: Prior Period adjustments(Net)		
Add: Amount transferred from Capital asset Fund Representing depreciation (for the year) on Assets acquired out of Govt. Grant	(7,54,824) 31,56,219	(2,11,195) 33,25,483
Net Surplus/Deficits	1,06,67,457	3,01,89,625
Balance being Surplus/Deficit carried over to Balance-Sheet	1,06,67,457	3,01,89,625

DEPARTMENT OF REVENUE

INTRODUCTION

1. The Department of Revenue exercises control in respect of matters relating to all the Direct and Indirect Taxes through two statutory Boards, namely, the Central Board of Direct Taxes (CBDT) and the Central Board of Excise and Customs (CBEC). A Chairman who is also ex-officio Special Secretary to the Government of India heads each Board. Matters relating to the levy and collection of all the Direct Taxes are looked after by CBDT, whereas those relating to levy and collection of customs and central excise duties and service tax fall within the purview of CBEC. The two Boards were constituted under the Central Board of Revenue Act, 1963. CBDT has six Members and CBEC has six Members.

2. The Department of Revenue is mainly responsible for the following functions:-

- All matters relating to levy and collection of Direct Taxes.
- All matters relating to levy and collection of Indirect Taxes.
- Investigation into economic offences and enforcement of economic laws.
- Framing of policy for cultivation, export and fixation of price of Opium etc.
- Prevention and combating abuse of Narcotic drugs and psychotropic substances and illicit traffic therein.
- Enforcement of FEMA and recommendation of detention under COFEPOSA.
- Work relating to forfeiture of property under Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 and Narcotics Drugs and Psychotropic Substances Act, 1985.
- Levy of Taxes on sales in the course of inter-state trade or commerce.
- Matters relating to consolidation/reduction/exemption from payment of Stamp duty under Indian Stamp Act, 1899.
- Residual work of Gold Control.

3. The Department of Revenue administers the following Acts: -

- Income Tax Act, 1961;
 - Wealth Tax Act, 1958;
 - Expenditure Tax Act, 1987; *
 - Benami Transactions (Prohibition) Act, 1988;
 - Super Profits Act, 1963;*
 - Companies (Profits) Sur-tax Act, 1964;*
 - Compulsory Deposit (Income Tax Payers) Scheme Act, 1974;*
 - Chapter VII of Finance (No.2) Act, 2004 (Relating to Levy of Securities Transactions Tax);
 - Central Excise Act, 1944 and related matters;
 - Customs Act, 1962 and related matters;
 - Medicinal and Toilet Preparations (Excise Duties) Act, 1955;
 - Central Sales Tax Act, 1956;
 - Narcotic Drugs and Psychotropic Substances Act, 1985;
 - Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988;
 - Smugglers and Foreign Exchange Manipulators (SAFEM) (Forfeiture of Property) Act, 1976;
 - Indian Stamp Act, 1899 (to the extent falling within jurisdiction of the Union);
 - Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974;
 - Foreign Exchange Management Act, 1999; and
 - Prevention of Money Laundering Act, 2002.
- * The administration of these Acts are limited to the cases pertaining to the period when these laws were in force.

4. The Department looks after the matters relating to above mentioned Acts through divisions and attached/subordinate offices whose functions are as follows :-

- **Central Board of Direct Taxes:**
All matters relating to levy and collection of direct taxes.
- **Central Board of Excise and Customs:**
All matters relating to levy and collection of indirect taxes.
- **States Taxes Wing:**
Administration of sales tax laws (Validation) Act, 1956, Central Sales Tax, State-level Value Added Tax (VAT), Indian Stamp Act, 1989 etc.

- **Narcotics Control Division:**
Framing of licensing policy for cultivation of Opium poppy, production of opium and export and pricing of opium & alkaloids. Coordination of the working of Committee of Management and issues relating to UN and International Organizations.
- **Committee of Management:**
Administering the departmental undertakings viz. Govt. Opium and Alkaloid Works, Neemuch (M.P.) and Ghazipur (U.P.) which are engaged in processing of raw opium for export purposes and also for extraction of alkaloids from opium, which are used by the Pharmaceutical industry.
- **Administration Division :**
All administrative matters of Department of Revenue. Maintenance of CR Dossiers of the staff and officers of the Secretariat proper of the Department IRS (Group-A), IRS (Customs & Central Excise) (Group-A). Coordination work and work relating to translation of languages and implementation of Hindi.
- **Revision Application Unit:**
Work relating to revision applications filed against the orders of Commissioners of Customs (Appeals) and Commissioners of Central Excise (Appeals) and the cases filed before 11.10.1982 against CBEC.
- **Integrated Finance Unit:**
Tendering advice in all financial matters pertaining to Department of Revenue and its constituent units & field formations under CDBT & CBEC. Deals with expenditure and financial proposals. Prepares expenditure budget for grants relating to Department of Revenue, Direct Taxes & Indirect Taxes.
- **Competent Authorities:**
Work relating to forfeiture of property under Smugglers and Foreign Exchange Manipulators (Forfeiture of property) Act, 1976 and Chapter V-A of Narcotics Drugs and Psychotropic Substances Act, 1985.
- **Appellate Tribunal for Forfeited Property:**
Adjudication of appeals filed by persons against orders of forfeiture of properties passed by Competent Authorities under the SAFEM (FOP) Act, 1976 and Chapter V A of NDPS Act, 1985. Another Appellate Tribunal under Section 25 of The Prevention of Money Laundering Act (PMLA) has also been notified with effect from 1st July, 2005 to hear appeals against the orders of Adjudicating Authority and the Authorities under the said Act.
- **Customs, Excise & Service Tax Appellate Tribunal:**
Hearing appeals against the orders of Executive Commissioners and Commissioners (Appeals).
- **National Committee for Promotion of Social and Economic Welfare:**
Recommending projects of social and economic welfare to the Central Government for issuance of notification under section 35 AC of the Income Tax Act, 1961.
- **Authority for Advance Rulings:**
Giving advance rulings on a question of law or fact specified in an application filed by Non-Residents in relation to transaction, which has been undertaken or proposed to be undertaken by the applicant.
- **Customs and Central Excise Settlement Commission:**
- Settlement of applications filed by the assesseees under the Customs Act and Central Excise Act.
- **Settlement Commission (IT/WT):**
Settlement of applications filed by the assesseees under the Income Tax Act, 1961 and the Wealth Tax Act, 1957.
- **Central Economic Intelligence Bureau:**
Coordinating and strengthening of the intelligence gathering activities, the investigative efforts and enforcement action by various agencies concerned with investigation into economic offences and enforcement of economic laws.
- **Enforcement Directorate:**
Responsible for enforcement of the provisions of Foreign Exchange Regulation Act. Recommending cases for detention under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974. Under Foreign Exchange Management Act, 1999, the Enforcement Directorate is mandated primarily as the investigation and adjudicating agency. Powers have also been conferred on the Director of

Enforcement under the relevant provisions of the Prevention of Money Laundering Act, 2002.

■ **Financial Intelligence Unit:**

To coordinate and strengthen collection and sharing of financial intelligence through an effective national, regional and global network to combat money laundering and related crimes. Powers have been conferred on the Director, Financial Intelligence Unit-India under the relevant provision of Prevention of Money Laundering Act, 2002

■ **Adjudicating Authority under PMLA:**

To exercise jurisdiction, powers and authority conferred by or under the Prevention of Money Laundering Act, 2002. The Authority is empowered to confirm the provisional attachment after hearing the aggrieved parties to ensure that property is not disposed-off during the pendency of trial for scheduled offence or offence of money laundering.

■ **Income Tax Ombudsman:**

Income Tax Ombudsmen have been posted in seven cities to look into taxpayers' grievances.

(vi) Directorate of Income Tax (Business Process Re-engineering)

(vii) Directorate of Income Tax (Human Resource Development)

(viii) Directorate General of Income Tax (Exemption)

(ix) Directorate General of Income Tax (International Taxation & Transfer Pricing)

Various Chief Commissioners of Income Tax, stationed all over the country, supervise collection of direct taxes and provide taxpayer services. Directors General of Income Tax (Investigation) supervise the investigation machinery, with the aim to curb tax evasion and unearth unaccounted money. Chief Commissioners of Income Tax / Directors General of Income Tax are assisted by Commissioners of Income Tax / Directors of Income Tax within their jurisdictions. There is also first appellate machinery comprising Commissioners of Income Tax (Appeals), who perform the task of disposal of appeals against the orders of assessing officers. The Principal Chief Controller of Accounts, CBDT with the assistance of the local Pay & Accounts Officers is responsible for accounting the revenue collections as well as expenditure incurred by the Department.

5. DIRECT TAXES

The Central Board of Direct Taxes (CBDT) is the apex body entrusted with the responsibility of administering direct tax laws in India, viz. income tax, wealth tax, banking cash transaction tax, securities transaction tax etc. The CBDT consists of a Chairman and six Members and is the cadre controlling authority for the Income Tax Department. In its functioning, the CBDT is also assisted by the following attached offices in Delhi:

- (i) Directorate General of Income Tax (Administration)
 - (a) Directorate of Income Tax (Public Relations, Printing, Publication and Official Languages)
 - (b) Directorate of Income Tax (Recovery)
 - (c) Directorate of Income Tax (Income Tax & Audit)
- (ii) Directorate General of Income Tax (Systems)
- (iii) Directorate General of Income Tax (Legal & Research)
- (iv) Directorate of Income Tax (Organization & Management Services)
- (v) Directorate of Income Tax (Infrastructure)

6. INDIRECT TAXES

The Central Board of Excise and Customs is the apex body for administering Indirect Taxes laws. The Board discharge its various functions through its field organizations which includes 23 Chief Commissioners' Zones for Central Excise and Service Tax, 11 Chief Commissioners' Zones for Customs, 12 Directorates General, 5 Directorates, a Chief Departmental Representative's setup for Customs, Excise and Service Tax Appellate Tribunal and a Chief Commissioner for Tax Arrear Recovery (TAR). The Chief Commissioners are assisted by Commissioners and DGs by ADGs, Directors etc. The Principal Chief Controller of Accounts, CBEC with the assistance of the local Pay and Accounts Offices is responsible for accounting the revenue collections as well as expenditure incurred by the Department.

7. Department of Revenue has three Demands for Grants:

Demand No. 41 –Department of Revenue

Demand No. 42 —Direct Taxes and

Demand No. 43 –Indirect Taxes.

- **Narcotics Control Division:**
Framing of licensing policy for cultivation of Opium poppy, production of opium and export and pricing of opium & alkaloids. Coordination of the working of Committee of Management and issues relating to UN and International Organizations.
- **Committee of Management:**
Administering the departmental undertakings viz. Govt. Opium and Alkaloid Works, Neemuch (M.P.) and Ghazipur (U.P.) which are engaged in processing of raw opium for export purposes and also for extraction of alkaloids from opium, which are used by the Pharmaceutical industry.
- **Administration Division :**
All administrative matters of Department of Revenue. Maintenance of CR Dossiers of the staff and officers of the Secretariat proper of the Department IRS (Group-A), IRS (Customs & Central Excise) (Group-A). Coordination work and work relating to translation of languages and implementation of Hindi.
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STATEMENT OF OUTLAYS AND OUTCOMES 2011-12

S. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2011-12 (₹ In Crore)		Physical Outputs/ Quantifiable Deliverables	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
1.	Major Head -2052 Implementation of VAT Scheme (The Budget provision is for VAT related computerization in NE States and Sikkim and for other VAT related Expenditure)	Setting up Modern VAT Administration System in NE States & Sikkim as also facilitating similar action in other States & IEC/ Training related to GST.	1.79	...	Computerization of VAT administration in NE States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura and Sikkim. Meghalaya also has recently requested for some assistance under the project.	E f f e c t i v e implementation and administration of VAT	The existing system will be maintained and upgraded.	
					IEC/Training related to GST		GST is likely to be rolled out in near future. Funds have been earmarked for IEC/training related to GST.	
2.	Major Head -2052 Setting up of Tax Information Exchange System etc. (The Budget provision is for grant-in-aid to Empowered Committee (EC) for implementing TINXSYS Project, VAT Computerization of J&K & HP and for EC's administrative expenditure)	Effective tracking of i n t e r - S t a t e transactions through TINXSYS and smooth functioning of the EC and VAT admn. of HP and J&K.	11.08	...	Implementation of TINXSYS Project. Smooth functioning of EC. VAT Computerization in J&K and HP.	of Effective tracking of inter-State transactions, which will enable checking of revenue leakage. Modern VAT Administration in J&K and HP	The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. J&K and HP VAT Computerization Project has been approved and is expected to be completed during 2011-12.	

1	2	3	4	5	6	7	8
			4(i)	4(ii)			
3.	Major Head -3601/ 3602 Compensation to States/UTs for revenue losses due to implementation of VAT and other VAT related expenditure (The Budget Provision is for providing grant-in-aid to States/UTs for (i) VAT compensation, and (ii) other VAT related expenditure and setting up/ upgradation of two Institutes for taxation studies in States/UTs)	Smooth and effective implementation of State VAT.	734.00	...	VAT Implementation by all States/ UTs.	Smooth and effective implementation of State VAT	As per agreed formula, VAT Compensation was to be provided for 2005-06 (100% of revenue loss), 2006-07 (75% of revenue loss) and 2007-08 (50% of revenue loss). Most of the claims have already been settled. Provision has been kept for settling the pending claims of Maharashtra and Tamil Nadu.
					Modernization of State Tax Administration.		Projects of States/UTs under Mission Mode Project for computerization of Commercial Taxes administration have already been sanctioned to facilitate improvement of service delivers and efficiency of State VAT administrations. Further grants will be released to the States for implementation of these projects.
					Setting up/ upgradation of two Institutes for taxation studies in States/UTs.		The proposal for upgradation of CTS into a National Institute of Public Finance has been approved and funds released to the State Govt. The proposal for setting up of a National Endowment Centre for training and research in Public Finance in the Centre for Studies in Social Sciences, Kolkata has also been approved recently and funds will be released to the Centre after signing of the MoU.

1	2	3	4	5	6	7	8
			4(i)	4(ii)			

<p>4. Major Head -3601/ 3602 Compensation to States/UTs for revenue losses due to phasing out of Central Sales Tax (CST). (The Budget Provision is for providing grant-in-aid to States/UTs for CST compensation.)</p>	<p>Grants-in-aid to States/UTs for CST compensation to facilitate introduction of Goods & Services Tax (GST).</p>	<p>12000.00</p>	<p>...</p>	<p>Implementation by all States/ UTs.— Phasing out of CST.</p>	<p>Smooth and effective implementation of phasing out of CST.</p>	<p>CST was planned to be phased out in three years time with effect from 1.4.2007. Rate of CST was reduced from 4% to 3% in 2007-08 and to 2% in 2008-09. As per agreed formula, CST compensation was to be provided to the States till 2009-10 and GST was to be introduced w.e.f. 1.4.2010. Since GST has not yet been introduced, it has been decided to provide compensation to the States for the year 2009-10 and claims of the State Govts in this regard will be processed in 2011-12.</p>
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1	2	3	4	5	6	7	8
			4(i)	4(ii)			
5.	Major Head 2875 Govt. Opium & Alkaloid Works	The Govt. Opium & Alkaloid Factories in Ghazipur and Neemuch are two departmental undertakings functioning under the Department of Revenue. Each of these undertakings has two separate units viz. Opium Factory and Alkaloid Plant. The Opium Factories are engaged in catering to the demand of opium and the major portion of raw opium received from the field is exported.	364.08	...	Procurement of 1114 MTs of raw opium Procurement of 42 MTs of Codeine Phosphate (Imported) Export of Opium(400 MT) Sales of alkaloids (66 MT). This will result into revenue receipt of ₹312 crore.	R e v e n u e Realization of ₹312 crore	The progress of revenue realization vis-à-vis expenditure will be reviewed monthly/quarterly. The revenue realization and expenditure incurred depends upon a number of factors like demand of Indian opium in the international market, fluctuation in rate of foreign exchange, production of alkaloids, quantity of opium for procurement etc.

Reform Measures and Policy initiatives

Implementation of Value Added Tax (VAT) Scheme

Introduction of State VAT is the most significant tax reform measure taken at States level in recent times. The decision to implement State VAT was taken in the meeting of the Empowered Committee of State Finance Ministers (EC) held on 18.06.2004, where a broad consensus was arrived at amongst the States to introduce VAT w.e.f. 01.04.2005. Accordingly, VAT has been introduced by all States/UTs except the Union Territories of Andaman & Nicobar Islands and Lakshadweep, which do not have Sales Tax/ VAT.

Since Sales Tax/VAT is a State subject, the Central Government is playing the role of a facilitator for successful implementation of VAT. The Central Government has been providing all necessary support to the States, in their endeavour to implement State level VAT. Some of the steps taken are as follows:

- a) A package for payment of compensation to States for any revenue loss on account of introduction of VAT has been implemented.
- b) Technical and financial support is being provided to North Eastern/Special-category States to enable them to take up VAT computerization.
- c) Financial support has been provided to the Empowered Committee as well as the States for undertaking VAT related publicity and awareness campaigns.
- d) 50% funding is being provided to the Empowered Committee of State Finance Ministers for implementation of the TINXSYS (Tax Information Exchange System) Project for tracking of inter-state transactions.

An amount of ₹17,856.45 crore has been paid as compensation related to loss because of introduction of VAT to the States/UTs up to 31st December 2010.

The Budget provision for 2011-12 for various VAT related schemes has also been proposed in the context of the role of the Central Government as facilitator in implementation of State level VAT.

Phasing Out of Central Sales Tax

This is a logical corollary of State VAT implementation. The Central Sales Tax, being a non-rebatable origin-based tax, is inconsistent with VAT and needs to be phased out. The phasing out of CST is also extremely important in the context of the plan to introduce a unified national level Goods and Service Tax (GST). At the stage of discussions regarding phasing out of the CST, the States had insisted that they should be compensated for revenue loss on this account. A broad consensus had eventually been arrived at with the States for phasing out the CST over 3 years i.e. reducing it by 1% every year so as to abolish it by 31.3.2010. As part of this, the CST rate was reduced from 4% to 3% w.e.f 01.04.2007 and further from 3% to 2% w.e.f. 1.6.2008.

A package of compensation to the States for revenue loss on account of phasing out of the CST has also been mutually agreed upon. Under this package, the States are being compensated through a combination of non-monetary and monetary measures. An amount of ₹21249.92 crore has been released to the States/UTs up to 31st December 2010 as CST compensation.

Mission Mode Project on Commercial Taxes

Under the National e-Governance Plan (NEGP) launched by the Department of Information Technology, the Department of Revenue is coordinating a Mission Mode Project on 'Commercial Taxes' (MMP-CT), which is an important e-Governance initiative in the field of State taxes. The Union Cabinet in February 2010 has approved Mission Mode Project for computerization of Commercial Taxes Administrations of State Governments under NeGP. This project, with an overall cost of ₹1133 crore, will help States to develop and upgrade the IT systems in their commercial taxes administrations. The focus of the project, on the one hand, is to provide improved set of services to the dealers and on the other, to improve the efficiency of the Commercial Taxes administrations of the State Governments. Under this project, Central Government and State Governments are required to share fund roughly in the ratio of 70:30. However, keeping the Special Category Status of North Eastern States, this ratio has been fixed at 90:10 (Central share: State Governments' share) whereas UTs without Legislature will be funded 100% by Central Government.

A Project Empowered Committee (PEC) under chairmanship of Revenue Secretary has been constituted for sanctioning of States' proposals of computerization of Commercial Taxes Departments. The meetings of PEC were held on 22.3.2010, 14.6.2010 and 27.8.2010 respectively, which cleared project proposals of 31 States/UTs, having overall cost of ₹936.50 crore. An amount of ₹275.64 crore has already been released to 31 States/UTs as part of Central share till 31st December, 2010.

In order to facilitate inter-state transactions, a Tax Information Exchange System (TINXSYS) has been put in place so that States can access information relating to issuance of Form-C and other inter-State sale related information. In this project, Central Government is funding 50% of the project cost while States collectively share the rest.

Goods & Service Tax (GST)

The proposal to introduce a national level Goods and Service Tax (GST) by April 1, 2010 was first mooted by the Finance Minister in his Budget Speech for the financial year 2006-07. Since the proposal involved reform/restructuring of not only indirect taxes levied by the Centre but also the States, the responsibility of preparing a Design and Road Map for implementation of GST was assigned to the Empowered Committee of State Finance Ministers (EC) chaired by Dr. Asim K. Dasgupta, Finance Minister of West Bengal.

In April 2008, the Empowered Committee submitted a report to the Central Government titled "A Model and Roadmap for Goods & Service Tax (GST) in India" containing broad recommendations about the structure and design of GST. A dual GST model with one component being Central GST and another State GST was proposed in this paper. In response to the report, the Department of Revenue made some suggestions to be incorporated in the design and structure of the proposed GST.

Based on inputs from Department of Revenue, Government of India and States, the EC released its 'First Discussion Paper on Goods & Service Tax in India' on 10th November, 2009 at New Delhi. This Discussion Paper was released with the objective of generating a debate and obtaining inputs from all stakeholders – taxpayers, including industry, trade and agriculture as also

consumers. Department of Revenue has also sent its response on the said paper to EC.

Draft Constitutional amendments required in connection with introduction of GST had been prepared by the Department of Revenue in consultation with the Ministry of Law. This draft had also been sent to the EC. Based on the feedback received from EC, a revised draft was prepared and sent to EC for their concurrence. Some of the States have raised certain concerns about the revised proposed Bill also. The draft Bill prepared by the Department envisages setting up of the GST Council headed by the Union Finance Minister having one Minister from each of the States. This Council is supposed to discuss and recommend key GST parameters like threshold, exemptions, rates of tax etc. to Central and State Governments. Centre and States are expected to follow the recommendations made. The draft also envisages creation of a GST Dispute Settlement Authority, which may be approached by any State or Centre, if such State or Centre is affected adversely by any action of a State or Centre, as the case may be, arising because of deviation from the recommendations made by the GST Council. Efforts are being made to develop consensus so that a mutually agreed upon draft of the Constitutional amendment bill could be finalized and could be introduced in the Parliament at the earliest. After such a Bill is introduced and passed by the Parliament, it will require ratification by at least 50% of the States before it becomes law of the land.

Three Sub-Working Groups of Officers have been constituted by the Department to work on various important elements of GST. One Sub-working group is working on finalization of the process regarding registration, return, payment etc. to be followed in GST regime. The second Sub-working group is working on drafting Central GST and Model State GST Legislation. Third Sub-working group is trying to finalize IT infrastructure related issues concerning GST. An Empowered Group for development of required IT systems for GST regime has been set up under the chairmanship of Dr. Nandan Nilekani. A Strategy Paper has been brought out by this Empowered Group, which has also been approved by the Empowered Committee of State Finance Ministers.

Support for upgradation to National level Institute of Public Finance & Policy

The proposal for upgradation of Centre for Taxation Studies into Gulati Institute of Finance & Taxation (GIFT) at a total cost of ₹33.13 crore has already been approved by the Government. Department of Revenue has agreed to provide grant-in-aid to the extent of ₹23.63 crore out of this. A Tripartite Memorandum of Understanding (MoU) has also been signed between Centre and State Government and the Institute and the first instalment of ₹4 crore, as Central share of assistance, has been released. Foundation Stone of the new building of this Institute has been laid by the Union Finance Minister in January, 2011.

The selection of second institute (Centre for Social Science and Studies, Kolkata) for upgradation to the National Institute of Public Finance has been done. The proposal to set up a corpus fund for this Institute has been approved in-principle.

Financial Intelligence Unit – India (FIU-IND)

The Financial Intelligence Network project (FINnet) of FIU-IND has been approved by the Government at a total cost of ₹60.01 crore. The System Integrator for implementation of the project has been selected and appointed. The total project timeframe is 5 years wherein the timeline for validation and acceptance of the complete solution is two years from the effective

date of contract. The SI would provide enhanced support for one year from the date of acceptance of the complete solution. The SI will also provide maintenance support for the software and hardware for additional two years (i.e. upto the end of 5th year). The project is under implementation.

Monitoring Mechanism for Outcome Budget

A system of monthly report by Administrative and Coordinating Units of respective items under Outcome Budget has been introduced. Monthly and Quarterly review of trends of expenditure and progress under Outcome Budget is done at the Department/Ministry level. Project Monitoring/Implementation Committee have been established to review the implementation of major project items. For coordinated efforts and faster decision making in massive computerization endeavors of CBDT & CBEC, an Empowered Committee is also functional where eminent experts from Private Sector are also members.

Government Opium & Alkaloid Works

The Government Opium & Alkaloid Works (GOAWs) at Ghazipur (U.P.) and Neemuch (M.P.) are responsible for processing of raw opium for exports, manufacturing of opiate alkaloids and other related functions through its two factories at Ghazipur (U.P.) and Neemuch (M.P.) Some of the major reforms and initiatives undertaken by GOAWs are as follows –

- a) A Project at National Botanical Research Institute, Lucknow is being undertaken for development of high yielding varieties of opium poppy and installation of climate control chamber. The objective of this project is to commercially develop and cultivate those varieties of opium poppy which would have a higher alkaloid content to facilitate production of higher quantities of alkaloids. This may lead to increase in revenue receipts and lesser dependence on imports. This may also lead to increased compensation/income for opium cultivators.
- b) The process of involvement of private pharmaceutical companies of the country for production of alkaloids and active pharmaceutical ingredients has progressed and after the bidding process, two companies have been identified for issue of license.
- c) A Committee has been constituted to identify the roadmap for cultivation of opium poppy for production of Concentrate Poppy Straw (CPS).

Implementation of Smart Card Project by Central Bureau of Narcotics for Opium Poppy Cultivators

A Smart Card Project to digitize the process of collection of data related to cultivation and transmission of the data for further compilation and generation of reports was tested for the crop year 2004-05 and 2005-06 in two Opium Divisions of Chittorgarh-I and Neemuch-I. The Project has been since expanded to cover all the 17 Opium Divisions located in the State of Madhya Pradesh, Rajasthan and Uttar Pradesh, Unit Headquarters at the Deputy Narcotics Commissioners' Offices of Neemuch, Kota and Lucknow and Central Bureau of Narcotics Headquarters at Narcotics Commissioner's Office, Gwalior.

Currently, the project is being designed in addition to the manual/regular mode of functioning and recording of data to test its efficacy. The project once fully and successfully implemented will enable monitoring of various cultivation activities and would also be useful for policy level decisions including optimum deployment of men and resources to strengthen controls.

SUMMARIZED POSITION OF SCHEMES UNDER DEMAND NO. 41 — DEPARTMENT OF REVENUE

(₹ in crore)

Scheme	2009-10			2010-11			2011-12
	BE	RE	Actuals	BE	RE	Actuals upto Dec, 10	BE
Implementation of VAT Scheme	8.00	8.00	5.71	20.00	5.97	0.10	1.79
Setting up of Tax Information Exchange System etc.	26.65	13.29	8.50	15.84	12.80	1.36	11.08
Compensation to States/UTs for revenue losses due to introduction of VAT and other VAT related expenditure	3020.50	3152.00	3151.00	401.00	884.95	179.25	734.00
Compensation to State/UTs for revenue losses due to phasing out of CST	6001.00	8735.18	8735.18	10000.00	14000.00	8396.24	12000.00
Govt. Opium & Alkaloid Works	355.32	283.27	247.71	477.44	350.32	194.64	364.08
Total	9411.47	12191.74	12148.10	10914.28	15254.04	8771.59	13110.95

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2009-10

S. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (₹ In Crore)		Quantifiable Deliverables	Processes/ Timelines	Status as on 31 st March, 2010
			B.E.	R.E.			
1	2	3	4		5	6	7
1	Major Head 2052 Implementation of VAT Scheme	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	8.00	8.00	Computerization of VAT administration in NE States & Sikkim.	The initial phase of implementation of the Project on Turnkey basis has been completed. The task during 2009-10 was to effectively utilize the systems already put in place and to add new need-based software applications and remove bottlenecks, if any.	Under this scheme, provision has been made for taking ahead the VAT Computerization in North-Eastern States and Sikkim and for other VAT related expenditure. The VAT computerization in Sikkim has been undertaken by NIC and in other NE states by TCS (on turnkey basis). The initial phase of implementation of these Projects has been completed The total expenditure till 31.3.2010 starting from 2004-05 including operations and maintenance expenditure is ₹32.53 crore.
2	Major Head 2052 Setting up of Tax Information Exchange System (TINXSYS)	Effective tracking of inter - State transactions through TINXSYS and smooth functioning of the Empowered Committee(EC)	26.65	13.29	Implementation of TINXSYS Project for effective tracking of inter-State transactions. Smooth functioning of EC.	The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation to be completed during 2009-10. Thereafter, it is to be run by the Service Provider for another about 2 years, before transfer to EC. J&K and HP VAT Computeriza-tion Project:	The TINXSYS Project is being implemented with cost sharing between the Centre and the State Governments on 50:50 basis with total outlay of ₹30 crores over 5 year period. Till 31.3.2010, the total expenditure on this project was ₹14.49 crore. The Project has been reviewed and monitored by EC. The period of implementation of the project was extended till 31.10.2010. The first instalment of ₹2 crore was released at the time of approval of the project. Second instalment of ₹5 crore has been released in March 2010. EC has signed the agreement with the vendors selected and the work has started in both the States.

1	2	3	4	5	6	7	
3	Major Head 3601/3602 Compensation to States/UTs for revenue loss due to implementation of VAT and other VAT related expenditure	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	3020.50	3152.00	To compensate States/UTs for revenue loss due to introduction of VAT with a view to ensure VAT implementation of all States/UTs as well as for meeting other VAT related expenditure of States/UTs	As per agreed formula, VAT Compensation is to be provided for 2005-06, 2006-07 and 2007-08. Claims of the last part of 2007-08 would need to be settled during 2009-10. Support for modernization of State VAT administration up to 2009-2010. Setting up/ upgradation of two Institutes for Taxation Studies in States/UTs	Under this Scheme, grant-in-aid is released to States/ UTs for compensating them for revenue loss due to introduction of VAT. The total amount released till 31.3.2010 was ₹17807.83 crore, out of which ₹2471.27 crore was released in 2005-06, ₹4092.13 crore in 2006-07, ₹3880.48 crore in 2007-08, ₹4361.95 crore in 2008-09 and ₹3002 crore in 2009-10. The Mission Mode Project for Commercial Taxation (MMP-CT) was approved by the Cabinet with an overall cost of ₹1133 crore, of which Central share is about ₹800 crore. An amount of ₹145 crore was released in March 2010 to various States/UTs for implementation of the project. The project proposal for financial assistance for upgradation of the Centre for Taxation Studies, Kerala into Gulati Institute for Finance & Taxation was approved at a total cost of ₹23.63 crore and first instalment of ₹4 crore was released to the Institute. The second Institute was also selected and proposal processed.
4	Major Head 3601/3602 Compensation to States/UTs for revenue loss due to phasing out of CST	Grant-in-aid to States/UTs for CST compensation	6001.00	8735.18	To compensate States/UTs for revenue loss due to phasing out of CST	CST is being phased out in 3 years time. As per agreed formula, CST compensation will need to be provided to the States till 2009-10. Under this scheme, grants-in-aid is released to States/UTs for compensating them for revenue loss due to phasing out of CST. An amount of ₹12854.06 crore was released to the State Govts till 31.3.2010, which included an amount of ₹2168 crore released in 2007-08, ₹1950 crore in 2008-09 and ₹8735.18 crore in 2009-10.	

1	2	3	4	5	6	7	
5	Major Head 2875 Government Opium & Alkaloid Works	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	355.32	283.27	<p>Procurement of Opium (559 MTs)</p> <p>Procurement of 30 MTs of Codeine Phosphate</p> <p>Export of Opium (400 MTs)</p> <p>Sale of alkaloids(46.300 MTs)</p> <p>This was to result into revenue receipt of ₹301 crore.</p>	The progress of revenue realization vis-à-vis expenditure was to be reviewed monthly/quarterly.	Against the projected quantity, only 408 MTs of opium and 20 MTs of Codeine Phosphate were procured till March 2010. The opium export was 336.43 MTs and sale of Alkaloids was 46.5 MTs till March 2010. Revenue Receipts in 2009-10 were ₹299.86 crore against projected revenue receipt of ₹300.97 crore at BE stage. The expenditure up to March, 2010 on Govt. Opium & Alkaloid Works was ₹247.71 crore.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2010-11

S. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (₹ In Crore)		Quantifiable Deliverables	Processes/ Timelines	Status as on 31 st December, 2010
			B.E.	R.E.			
1	2	3	4		5	6	7
1	Major Head 2052 – Implementation of VAT Scheme	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	20.00	5.97	Computerization of VAT administration in NE States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura, Sikkim and Meghalaya.	The initial phase of implementation of the Project on Turnkey basis has been completed.	Under this scheme, provision has been made for taking ahead the VAT Computerization in North-Eastern States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura and Sikkim and for other VAT related expenditure. The VAT computerization in Sikkim has been undertaken by NIC and in other NE states by TCS (on turnkey basis). The initial phase of implementation of these Projects has been completed. Expenditure of ₹6.21 crore has been incurred in the year 2009-10 and ₹4.08 crore in 2010-11. The total expenditure so far starting from 2004-05 including operations and maintenance expenditure is ₹36.61 crore. Presently, the focus is on making the best use of the facilities created under the Project, adding new software applications to enhance the usefulness of the Project. Standing Finance Committee headed by Revenue Secretary has approved the continuation of AMC Contract up to 31.3.2011. Payment for first two quarters of 2010-11 has been released.
2	Major Head 2052 Setting up of Tax Information Exchange System (TINXSYS)	Effective tracking of inter - State transactions through TINXSYS and smooth functioning	15.84	12.80	Implementation of TINXSYS Project for effective tracking of inter-State transactions.	The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial	The TINXSYS Project is being implemented with cost sharing between the Centre and the State Governments on 50:50 basis with total outlay of ₹30 crores over 5 year period.

1	2	3	4	5	6	7
		of the Empowered Committee(EC) and VAT computerization of HP and J&K			implementation to be completed during 2009-10. Thereafter, it is to be run by the Service Provider for another about 2 years, before transfer to EC.	The implementation of TINXSYS is progressing fairly well. The Project has been reviewed and monitored by the Empowered Committee (EC). At the request of the EC, project specific review/ monitoring meetings are now being held under the joint chairmanship of Additional Secretary (Revenue) and Member-Secretary, EC. As the current period of implementation of the project has expired on 31.10.2010, EC is likely to send formal proposal for extension of the project shortly. Efforts are being made by EC to demat 'C' Form for better tracking. An amount of ₹1.39 crore has been released to EC for this project up to 31.12.2010. HP and J&K VAT computerization Project: An amount of ₹7 crore has so far been released as Central share. EC has signed the agreement with vendors selected. The work has been started in these two States. The website has been launched for both the States. Two review meetings have been held in this financial year.
3	Major Head 3601/3602 Compensation to States/UTs for revenue loss due to implementation of VAT and other VAT related expenditure	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	401.00	884.95	To compensate States/ UTs for revenue loss due to introduction of VAT with a view to ensure VAT implementation of all States/UTs as well as for meeting other VAT related expenditure of States/UTs	As per agreed formula, VAT Compensation is to be provided for 2005-06, 2006-07 and 2007-08. Pending Claims of the last part of 2007-08 would need to be settled. Under this Scheme, grant-in-aid is released to States/ UTs for compensating them for revenue loss due to introduction of VAT. The total amount released so far is ₹17856.45 crore, out of which ₹2471.27 crore was released during 2005-06, ₹4092.13 crore during 2006-07, ₹3880.48 crore during 2007-08, ₹4361.95 crore during 2008-09, ₹3002 crore during 2009-10 and ₹48.62 crore during 2010-11 (till 31 st December 2010). Residual claims of Assam, Madhya Pradesh, Tamil Nadu

1	2	3	4	5	6	7
						and Maharashtra are only to be settled. Details of State-wise and year-wise releases and pending claims are given in Chapter-V.
					Support for modernization of State VAT administration.	The Mission Mode Project for Commercial Taxation (MMP-CT) for modernization of State VAT Administrations has been approved by the Cabinet. The project proposals of 31 States/UTs have already been approved with overall cost of ₹1133 crore, of which Central share is about ₹800 crore. So far, an amount of ₹275.64 crore (₹145 crore in 2009-10 and ₹130.64 crore in 2010-11) has been released as Central share.
					Setting up/ upgradation of two Institutes for Taxation Studies in States/UTs	<p>The project proposal for financial assistance for upgradation of the Centre for Taxation Studies into Gulati Institute for Finance & Taxation (GIFT) at a total cost of ₹23.63 crore has since been approved and first instalment of grant of ₹4 crore released to the Institute. MoU for upgradation of CTS, Kerala has been signed. Foundation stone of the new building of this Institute has been laid by FM in January 2011.</p> <p>Second Institute (Centre for Studies in Social Sciences, Kolkata) has been identified. The proposal to set up a corpus fund for this Institute has been approved in-principle. MoU with respect to this Institute is likely to be signed by March 2011. Funds for this Institute will be released immediately after MoU is signed.</p>

1	2	3	4	5	6	7	
4	Major Head 3601/3602 Compensation to States/UTs for revenue loss due to phasing out of CST	Grant-in-aid to States/UTs for CST compensation	10000.00	14000.00	To compensate States/UTs for revenue loss due to phasing out of CST	CST is being phased out in 3 years time. As per agreed formula, CST compensation will need to be provided to the States till 2009-10.	Under this Scheme, grant-in-aid is released to States/ UTs for compensating them for revenue loss due to phasing out of CST. An amount of ₹21249.92 crore has been released to the State Govts till December 2010, which include an amount of ₹2168.88 crore released in 2007-08, ₹1950 crore in 2008-09, ₹8735.18 crore in 2009-10 and ₹8395.86 crore in 2010-11 (till 31 st December). Pending claims of Maharashtra, Uttarakhand, Gujarat, Tamil Nadu and Nagaland are yet to be settled. Details of State-wise and year-wise releases and pending claims are given in Chapter-V.
5	Major Head 2875 Government Opium & Alkaloid Works	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	477.44	350.32	Procurement of Opium (641 MTs). Procurement of 38.5 MTs of Codeine Phosphate. Export of Opium (400 MTs). Sale of alkaloids(58 MTs). This will result into revenue receipt of ₹285.60 crore.	The progress of revenue realization vis-à-vis expenditure was to be reviewed monthly/quarterly.	Against the project quantity, only 641 MTs of opium and 13.5 MTs of Codeine Phosphate have been procured till December 2010. The opium export has been 309 MTs up to December, 2010 against the targeted export of 400 MTs. Revenue Receipts in 2010-11 (up to December 2010) have been ₹180.87 crore against projected revenue receipt of ₹301 crore at BE stage. The expenditure up to December, 2010 on Govt. Opium & Alkaloid Works is ₹194.64 crore.

FINANCIAL REVIEW
STATEMENT SHOWING ACTUAL EXPENDITURE VIS-À-VIS BE/RE PROVISIONS FOR THE YEARS 2008-09, 2009-10 AND 2010-11

(₹ in crore)

	Major Head	2008-09			2009-10			2010-11		
		B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Exp. (Prov.)
Secretariat-General Services	2052	87.89	103.79	86.86	140.73	123.40	110.00	144.50	132.03	65.88
Total	2052	87.89	103.79	86.86	140.73	123.40	110.00	144.50	132.03	65.88
Other Fiscal Services										
Enforcement Directorate	2047	27.45	37.74	28.57	51.42	36.91	35.34	34.51	38.40	28.86
National Institute of Public Finance & Policy	2047	3.63	8.67	8.67	11.19	10.17	10.17	6.94	7.30	6.74
International Cooperation	2047	0.36	0.51	0.51	0.59	0.70	0.62	0.72	0.76	0.60
Other Expdtr.(ATFP/CESTAT)	2047	11.51	14.84	13.91	20.29	19.84	17.72	18.55	19.91	12.40
Total	2047	42.95	61.76	51.66	83.49	67.62	63.85	60.72	66.37	48.60
Other Administrative Services										
Narcotics Control	2070	22.00	30.45	26.85	34.30	37.23	35.19	34.18	41.97	27.10
International Cooperation etc.	2070	1.80	2.22	1.87	2.26	1.46	1.96	1.46	3.55	0
Transfer to National Fund for Control of Drug Abuse	2070	1.00	0.01	0.00	0.01	2.00	2.00	2.00	2.00	0.00
Total	2070	24.8	32.68	28.72	36.57	40.69	39.15	37.64	47.52	27.10
Opium & Alkaloids Factories										
Revenue Expenditure	2875	237.50	218.86	203.11	354.55	282.61	247.05	476.87	349.60	194.02
Chief Controller, Govt. Opium & Alkaloid Factories	2875	0.50	0.65	0.62	0.77	0.66	0.66	0.57	0.72	0.62
Total	2875	238.00	219.51	203.73	355.32	283.27	247.71	477.44	350.32	194.64
Other Taxes & Duties on Commodities & Services										
Collection of Inland Air Travel Tax	2045	9.90	9.90	8.83	6.90	0.00	0.00	0.01	0.00	0.00

(₹ in crore)

	Major Head	2008-09			2009-10			2010-11		
		B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Exp. (Prov.)
Collection of Foreign Travel Tax	2045	0.10	0.10	0.00	0.10	0.00	0.00	0.01	0.00	0.00
Total	2045	10.00	10.00	8.83	7.00	0.00	0.00	0.02	0.00	0.00
Collection of Taxes on Income & Expenditure	2020									
Other Charges		0.36	0.36	0.30	0.45	0.42	0.38	0.45	0.40	0.16
Total	2020	0.36	0.36	0.30	0.45	0.42	0.38	0.45	0.40	0.16
Purchase of Ready-built Accommodation										
Residential Building	4216	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00
Capital Outlay on Public Works	4059	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.00	0.00
Grant in Aid to States (VAT)	3601	3275.00	4290.37	4361.95	3018.50	3151.00	3151.00	376.00	874.95	177.27
Grant in Aid to UTs (VAT)	3602	17.50	2.00	0.00	2.00	1.00	0.00	25.00	10.00	1.98
Grant-in-Aid to States (CST)	3601	2450.00	1950.00	1950.00	6000.00	8735.18	8735.18	10000.00	14000.00	8396.24
Grant-in-Aid to UTs (CST)	3602	50.00	50.00	0.00	1.00	0.00	0.00	0.00	0.00	
Total		5792.50	6292.37	6311.95	9021.50	11887.18	11886.18	10401.00	14884.95	8575.49
Aid Materials & Equipment	3606	0.50	0.50	0.00	0.50	0.35	0.00	0.35	0.35	0.00
Total (Revenue Section)		6197.00	6720.97	6692.05	9645.56	12402.93	12347.27	11122.12	15508.04	8911.87
Capital Section										
Capital Expenditure	4875	0.82	0.70	0.55	2.31	1.64	1.47	0.77	1.77	0.08
Total (Capital Section)	4875	0.82	0.70	0.55	2.31	1.64	1.47	0.77	1.77	0.08
Grand Total		6197.82	6721.67	6692.60	9647.87	12404.57	12348.74	11122.89	15509.81	8911.95
Less										
(I) Revenue Receipts		300.52	311.14	314.29	300.97	300.97	299.86	308.00	285.60	180.87
(ii) Recoveries		36.30	45.53	41.55	39.90	56.17	53.55	54.89	58.82	1.28
Net		5861.00	6365.00	6336.76	9307.00	12047.43	11995.33	10760.00	15165.39	8729.80

OBJECT HEAD-WISE EXPENDITURE VIS-À-VIS BE/RE FOR THE YEARS 2008-09, 2009-10 AND 2010-11

(₹ in crore)

	2008-09			2009-10			2010-11		
	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Exp. (Prov.)
Revenue Section									
Salary	88.96	135.62	123.05	172.96	166.88	160.43	143.45	150.46	115.00
Wages	0.30	0.37	0.37	0.42	0.49	0.48	0.50	0.49	0.30
Overtime Allowance	1.00	0.91	0.79	2.08	1.10	0.71	1.89	1.58	0.52
Pensionary Charges	0.82	1.21	1.33	1.51	1.47	1.53	1.25	1.23	0.00
Rewards	0.07	0.10	0.02	0.12	0.33	0.29	0.32	0.32	0.01
Medical Treatment	2.80	2.72	2.14	3.04	2.48	2.00	2.61	3.03	1.49
Domestic Travel Expenses	4.81	4.61	4.53	5.47	5.09	5.17	5.46	6.77	3.45
Foreign Travel Expenses	3.29	2.96	1.69	3.50	3.05	3.04	3.46	4.59	2.36
Office Expenses	22.99	21.33	21.37	24.32	23.16	21.85	23.87	30.38	22.61
Rent, Rates & Taxes	5.34	6.57	4.76	7.69	6.90	6.30	7.19	8.91	3.69
Publications	0.27	0.37	0.39	0.38	0.34	0.34	0.39	0.50	0.23
Banking Transaction Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Administrative Services	1.57	1.71	1.88	1.89	2.11	1.99	1.89	2.43	0.62
Supplies & Material(Voted)	153.77	124.84	112.90	259.54	171.06	141.00	371.64	245.59	163.56
Supplies & Material(Charged)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advertising & Publicity	0.09	0.18	0.10	0.20	0.45	0.39	0.24	0.57	0.05
Minor Works	1.06	1.02	0.85	1.39	1.53	1.43	1.20	1.75	0.73
Professional Services	8.53	8.53	9.25	11.32	11.61	11.26	11.58	12.38	9.32
Other Contractual Services	0.50	0.50	0.00	0.50	0.35	0.00	0.35	0.35	0.00
Grant-in-Aid	5811.53	6316.44	6324.86	9059.74	11912.85	11906.93	10426.07	14912.44	8584.87
Grant for creation of Capital assets	0.00	0	0.00	0.00	0	0.00	0.01	0.01	0.00
International Contribution	2.17	2.73	2.38	2.85	2.16	2.58	2.18	4.31	0.58
Secret Service Expenditure	1.92	1.56	1.43	1.94	1.56	1.45	1.92	1.90	1.63

(₹ in crore)

	2008-09			2009-10			2010-11		
	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Exp. (Prov.)
Interest on Capital	18.29	13.81	13.81	11.68	12.83	10.93	12.41	11.21	0.00
Other Charges									
Charged	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.00
Voted	18.11	19.45	16.28	17.02	9.75	7.25	21.76	7.42	0.85
Machinery & Equipment	0.04	0.04	0.04	0.04	0.03	0.03	0.04	0.04	0.00
Inter Account Transfer	38.68	46.39	43.17	40.77	57.45	55.33	56.3	55.15	0.00
Information Technology	10.07	6.98	4.66	15.17	7.88	4.56	24.12	18.11	0.00
Total - Revenue Section	6197.00	6720.97	6692.05	9645.56	12402.93	12347.27	11122.12	15481.94	8911.87
Charged	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.00
Voted	6196.98	6720.95	6692.05	9645.54	12402.91	12347.27	11122.10	15481.92	8911.87
Capital Section									
Machinery & Equipment	0.68	0.54	0.42	1.88	1.21	1.08	0.37	1.37	0.01
Major Works	0.14	0.16	0.13	0.43	0.43	0.39	0.40	26.40	0.07
Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00
Total - Capital Section	0.82	0.70	0.55	2.31	1.64	1.47	0.77	27.87	0.08
Grand Total	6197.82	6721.67	6692.60	9647.87	12404.57	12348.74	11122.89	15509.81	8911.95
Charged	0.02	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00
Voted	6197.80	6721.67	6692.60	9647.85	12404.55	12348.74	11122.87	15509.79	8911.95

ANALYSIS OF OVERALL TRENDS IN EXPENDITURE VIS-À-VIS BUDGET ESTIMATES/REVISED ESTIMATES

The position of expenditure in three years in respect of Demand No.41 – Department of Revenue has been, in nut-shell, as under:-

(₹ in crore)

	2008-09			2009-10			2010-11		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (till (31.12.10))
VAT* - MH2052	21.50	22.55	9.86	34.65	21.29	14.21	35.84	18.77	1.46
VAT/CST** - 3601/3602	5792.50	6240.37	6311.95	9021.50	11887.18	11886.18	10401.00	14884.95	8575.49
Non-VAT/CST	383.82	458.75	370.79	591.72	496.10	448.35	686.05	606.09	335.00
Total	6197.82	6721.67	6692.60	9647.87	12404.57	12348.74	11122.89	15509.81	8911.95
Non-VAT/CST	383.82	458.75	370.79	591.72	496.10	448.35	686.05	606.09	335.00
CCF(GOAWs)									
2875	238.00	219.51	203.72	355.32	283.27	247.71	477.44	350.32	194.64
4875	0.82	0.70	0.56	2.31	1.64	1.47	0.77	1.77	0.08
Others *** – Non-VAT/CST and Non –GOAWs	145.00	238.54	166.51	234.09	211.19	199.17	207.84	254.00	140.28
Total –Salary	88.96	135.62	123.05	172.95	166.88	160.43	143.45	150.46	115.00
Non-Salary	6108.86	6586.05	6569.55	9474.92	12237.69	12188.31	10979.44	15359.35	8796.95

* The budget provision is for Implementation of VAT Scheme and TINSXYS Project and grants to Empowered Committee of State Finance Ministers for its establishment expenditure.

** The budget provision is for Compensation to States/UTs for revenue loss due to Introduction of VAT and phasing out of CST & VAT related expenditure.

*** The budget provision is for establishment related expenditure on various constituents of the Department of Revenue including Central Bureau of Narcotics.

Trends in Expenditure

Salary expenditure increased in 2009-10 by 30.38% over 2008-09 due to implementation of the recommendations of the 6th Central Pay Commission and payment of arrears whereas non-salary expenditure increased by 85.53% during the same period mainly on account of VAT/CST related expenditure. During 2009-10, the VAT/CST related expenditure & grants to States towards VAT/CST compensation constituted the very major portion of expenditure i.e. 96.25% of total expenditure under Grant No.41 – Department of Revenue. In 2010-11, CST Compensation of ₹8396.24 crores has been released to various State Governments till 31st December 2010 whereas an amount of ₹179.25 crores has been released towards VAT and VAT related expenditure till 31st December 2010. Thus, up to 31st December 2010, total VAT Compensation of ₹17,856.45 crore has been provided to State Governments and CST Compensation amounting to ₹21,249.92 crore has been provided, as detailed below:

VAT Compensation*(₹ in crore)*

Sr. No.	Name of State Government	Compensation paid in 2005-06	Compensation paid in 2006-07	Compensation paid in 2007-08	Compensation paid in 2008-09	Compensation paid in 2009-10	Compensation paid in 2010-11	Total Compensation	Pending claims as on 31 st Dec, 10
1.	Andhra Pradesh	404.06	0	1.88	0	0	0	405.94	0
2.	Assam	0	0	30.06	38.73	150.10	0	218.89	78.12
3.	Bihar	165.87	78.23	0	0	0	0	244.10	0
4.	Chhattisgarh	0	0	75.00	281.59	31.91	0	388.50	0
5.	Haryana	0	0	0	27.84	59.85	0	87.69	0
6.	Karnataka	1038.92	625.36	354.71	369.05	180.30	0	2568.34	0
7.	Kerala	456.47	426.23	123.19	243.46	0	0	1249.35	0
8.	Madhya Pradesh	0	0	46.24	0	0	0	46.24	40.74
9.	Maharashtra	259.89	2814.72	1203.83	1895.00	1475.00	0	7648.44	277.40
10.	Sikkim	1.84	4.03	0	0	0	10.92	16.79	0
11.	Tripura	5.12	3.81	5.57	19.81	0	0	34.31	0
12.	West Bengal	139.10	139.75	0	0	0	0	278.85	0
13.	Tamil Nadu	0	0	2040.00	1000.00	0	0	3040.00	321.36
14.	Delhi	0	0	0	362.81	855.07	37.70	1255.58	0
15.	Orissa	0	0	0	18.93	163.32	0	182.25	0
16.	Jharkhand				104.73	86.45	0	191.18	0
Total		2471.27	4092.13	3880.48	4361.95	3002.00	48.62	17856.45	717.62

CST Compensation*(₹ in crore)*

Sr. No.	Name of State Government	Compensation paid in 2007-08	Compensation paid in 2008-09	Compensation paid in 2009-10	Compensation paid in 2010-11	Total Compensation paid	Pending claims as on 31 st Dec, 10
1.	Andhra Pradesh	0	905.24	1095.50	1540.86	3541.60	0
2.	Assam	70.89	0	228.79	150.90	450.58	0
3.	Chhattisgarh	101.37	48.64	794.95	463.97	1408.93	0
4.	Delhi	183.70	154.76	1052.00	1200.80	2591.46	0
5.	Gujarat	338.14	156.57	796.04	661.21	1951.96	0
6.	Haryana	150.00	400.00	1177.12	552.30	2279.42	689.60
7.	Jharkhand	69.47	35.55	394.58	418.76	918.36	0
8.	Karnataka	350.00	155.00	710.30	1098.87	2314.17	0
9.	Orissa	131.53	5.49	483.90	425.99	1046.91	0
10.	Punjab	0	24.32	9.95	324.55	358.82	0
11.	Rajasthan	126.24	18.56	311.78	373.39	829.97	0
12.	Tamil Nadu	647.54	0	759.00	469.61	1876.15	579.47
13.	Uttarakhand	0	0	131.00	0	131.00	9.46
14.	West Bengal	0	45.87	464.77	464.81	975.45	0
15.	Maharashtra	0	0	123.00	0	123.00	83.67
16.	Madhya Pradesh	0	0	110.96	106.06	217.02	55.96
17.	Nagaland	0	0	4.43	0	4.43	1.63
18.	Puducherry	0	0	86.91	143.78	230.69	0
19.	Uttar Pradesh	0	0	0	0	0	118.87
Total		2168.88	1950.00	8735.18	8395.86	21249.92	1538.66

The overall financial performance during 2008-09, 2009-10 and 2010-11 has been as under:-

(₹ in crore)

	2008-09			2009-10			2010-11		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (till (31.12.10))
Implementation of VAT Scheme	6.50	7.55	5.96	8.00	8.00	5.71	20.00	5.97	0.10
Setting up of Tax Information Exchange System etc.	15.00	15.00	3.89	26.65	13.29	8.50	15.84	12.80	1.36
Compensation to States/UTs for revenue losses due to introduction of VAT and other VAT related expenditure	3292.50	4292.37	4361.95	3020.50	3152.00	3151.00	401.00	884.95	179.25
Compensation to State/UTs for revenue losses due to phasing out of CST	2500.00	2000.00	1950.00	6001.00	8735.18	8735.18	10000.00	14000.00	8396.24
Total	5814.00	6314.92	6321.83	9056.15	11908.47	11900.39	10436.84	14903.72	8576.95

Government Opium and Alkaloid Works:

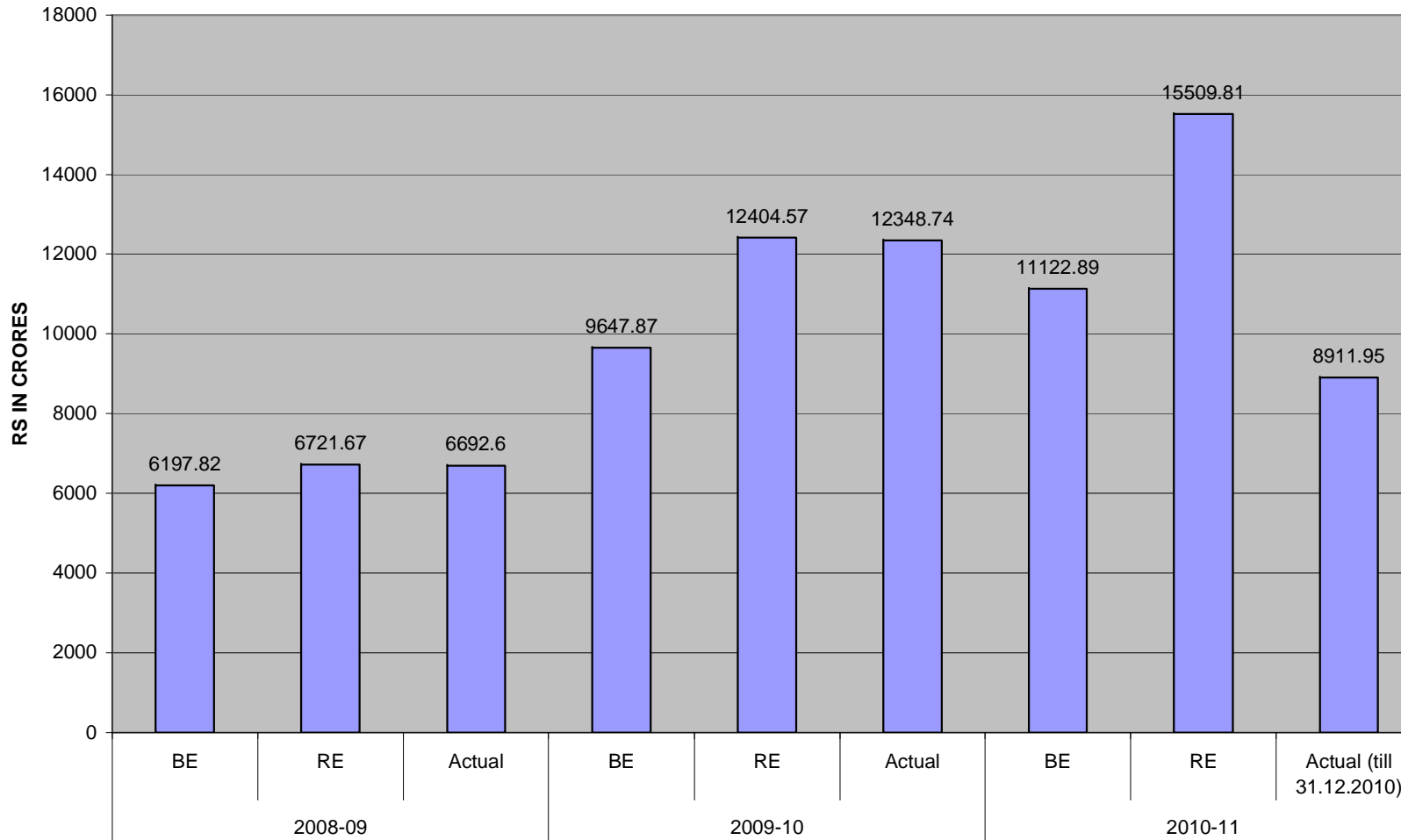
The position of actual expenditure in 2008-09, 2009-10 and 2010-11 on gross expenditure and revenue receipts has been as under:

(₹ in crore)

	Expenditure			Receipts		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
2008-09	238.00	219.51	203.72	300.52	311.14	314.29
2009-10	355.32	283.27	247.71	300.97	300.97	299.86
2010-11	477.44	350.32	194.64 (till Dec, 10)	308.00	285.60	180.87 (till Dec, 10)

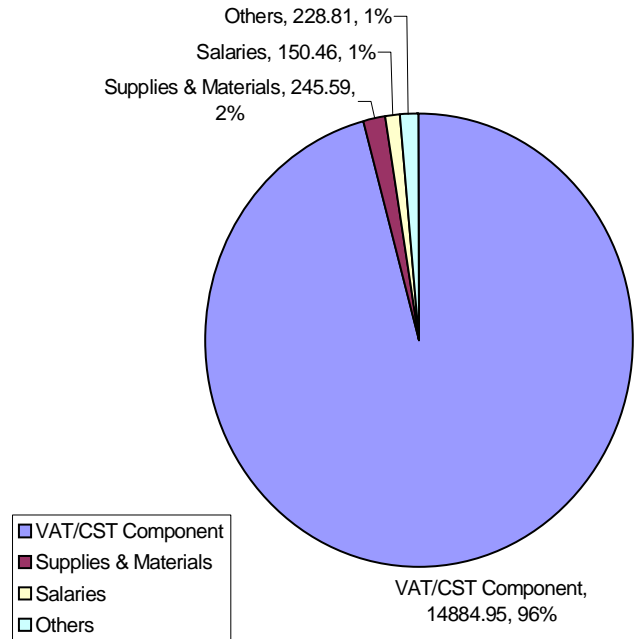
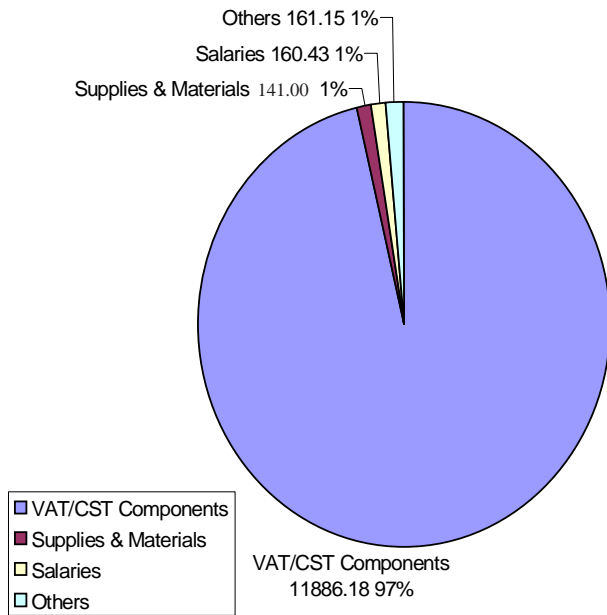
After VAT, the second major constituent of expenditure is on Govt. Opium & Alkaloid Works which constituted 2.02% of total expenditure in 2009-10. Reduction at R.E. stage in 2009-10 was due to less procurement of opium. Against the estimated revenue receipt of ₹300.97 crore for 2009-10, the revenue amounting to ₹299.86 crore was collected.

**4.6 THE DETAILS OF THE ALLOCATION MADE AND ACTUAL EXPENDITURE INCURRED DURING
2008-09, 2009-10 & 2010-11**



ACTUALS 2009-10 (₹ in crore)

REVISED ESTIMATES 2010-11 (₹ in crore)



The actual expenditure under the grant in 2009-10 amounted to ₹12348.74 crore. The Compensation to State Governments on account of Revenue loss due to introduction of VAT, phasing out of CST and VAT related expenditure amounted to ₹11886.18 crore constituting 96.25% of the expenditure. On Supplies and Materials an expenditure of ₹141.00 crore was incurred constituting 1.15% of the total expenditure. This expenditure is mainly on account of procurement of opium and import of Codeine Phosphate. The expenditure on salaries was 1.30% of the total expenditure whereas other items constituted 1.30% of the total expenditure.

In the 2010-11, the CST/VAT Compensation and VAT related expenditure has increased to ₹14884.95 crore constituting 95.97% of the total expenditure. The next major component is Supplies & Materials amounting to ₹245.59 crore which constitutes 1.58% of the total expenditure. Expenditure on salaries amounting to ₹150.46 crore also constitutes 0.97% and other items constitute 1.48% of the total expenditure.

REVIEW OF PERFORMANCE OF STATUTORY AND AUTONOMOUS BODIES

NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY

OUTCOME BUDGET

The National Institute of Public Finance and Policy, New Delhi was established in 1976 at joint initiative of Ministry of Finance, Planning Commission, several major State Governments, distinguished academicians and eminent persons as an independent, non-profit organization and was registered as a Society under the Societies Registration Act, 1860. It is an independent Research and Training organization.

The details of the Grant/Income of National Institute of Public Finance & Policy from various sources and expenditure incurred during the year 2009-10 are as under:-

Sl.No.	Source of Funding	Grant/Income (₹ in Crore)	Expenditure (₹ in Crore)
1	Ministry of Finance	10.17*	10.17*
2	Other Sources	6.85	2.36
3	Total	17.02	12.53

* [includes ₹2.00 crore as Endowment Grant for instituting Dr. Raja J. Chelliah Memorial Annual Lecture Series]

Details of the Grants provided by the Ministry of Finance since 2006-07

	(₹ in Crore)
Actual 2006-07	2.26
Actual 2007-08	5.58
Actual 2008-09	8.67
Actual 2009-10	10.17
Budget Estimates for 2010-11	6.94
Revised Estimates for 2010-11	7.30
Actual 2010-11 (till 31.10.2010)	7.30

The constituents of grants and objectives thereof are as follows:-

- The Institute has entered into Memorandum of Understanding (MOU) with the Ministry of Finance, Government of India on May 23, 2007 with respect to the annual recurring grant to the Institute.
- As per MOU, salary grant to meet 90% of the expenditure on salary, allowances like D.A., H.R.A. and

transport allowance or any other allowances or pay revision of the core staff of the Institute following release of D.A. Installments/or pay revision of Central Government employees or/and UGC as per the recommendations of the Pay Commission. Computation of 90% of the salary to be covered by this recurring grant will be based on the total expenditure on salary and allowances, calculated on the mid point of the Pay Scale attached to the Core Staff as indicated in Annexure 1 to IV without reference to the salary and allowances of core staff charged to various sponsored projects of the Institute.

- A core grant equivalent to 20% of the salary grant as calculated in para 3(a) to cover the non-salary expenditure of the Institute.
- A Tax Research Cell (TRC) has been set up in the Institute with effect from June 9, 2005 with financial assistance of ₹20.00 lakh per annum from Ministry of Finance.

The following are some of the completed/on-going studies/ Working Papers of the Institute:

STUDIES COMPLETED (2009-10)

- Inter-state Distribution of Central Expenditure and Subsidies
- India: Public Expenditure and Financial Accountability – PFM Performance Management Assessment Report
- Global Financial Crisis and Fiscal Policy Challenges in India
- India: Impact of Financial Crisis and Opportunity
- Cost Benefit Analysis of Area Based Exemptions in Backward States
- Impact on States of Central Tax Preferences: An Analysis of Important Tax Preferences
- Macroeconomic Policy Modeling (MPM) Phase-I
- Review of Fiscal Federalism in India
- Revenue Implications of GST and Estimation of Revenue Neutral Rates : Study of Karnataka
- Estimating Revenue Neutral GST Rates for States

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| <ul style="list-style-type: none"> 11. Study on Mobilization of State Taxes and State Potential to Raise Revenues: Jharkhand 12. Fiscal Performance of States in the Context of the Eleventh Five-Year Plan 13. Size of the Un-assessed and Under-assessed Urban Property Market 14. Slum Free Cities: A New Deal for the Urban Poor 15. Financing Human Development in India 16. Financing Human Development in Kerala: Issues and Challenges 17. Toolkit for Resource Mapping of HIV/AIDS Expenditure 18. Gender Responsive Budgeting in Asia Pacific and CIS/CEE Region: Technical Analysis and International Training Workshop 19. Gender Responsive Budgeting (GRB) in Rajasthan: Inventory Analysis and Training Workshop 20. Tax Incentives for Education: An Assessment 21. Public Expenditures on Elementary Education | <ul style="list-style-type: none"> 15. FRB-Sikkim Fiscal Responsibility and Budget Management Act 16. Pharma Promotion and Development Scheme Department of Pharmaceuticals for the year 2009-10 17. New Research on Business Cycle Phenomena In India 18. Econometric Model Of Fiscal Sector in India 19. Incidence of Taxes Levies and Fees On Indian Telecom Industry- TRAI 20. To Consider Ways of Increasing Effectiveness & Utilization of Funds by States/Agencies through Suitable Changes in Timing & Pattern of Releases by the Center 21. Public Expenditure in Elementary Education (August 20, 2010 to July 31, 2011) 22. Property Tax Act and Preparation of Property Tax Rules and Code in Accordance with the municipal corporation act 2000 and Municipal Act 2000 (J & K) 23. Appraisal of Urban Local Body (ULB) Level urban Sector Reforms in 9 UIDSSMT cities/ towns of Maharashtra 24. India Decentralization Literature Review and Workshop- Health and Education Service Delivery in India (May 20,2010 to December 30,2010) 25. Study of Revenue Potential and related reform Measures for Himachal Pradesh (Interim report 5 months for the date of initiation of the project and final report 6 month from the date of initiation of the Project 26. Health Care Expenditure in India |
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ON GOING STUDIES (status up to December 2010)

- 1. NIPFP-DEA Research Program on Capital Flows and their Consequences
- 2. Building Capacity and Consensus for Monetary and Financial Reform
- 3. Macroeconomic Policy Modeling Phase-II
- 4. A Leading-indicator-based Forecasting Model for India
- 5. Goods and Services Tax for India
- 6. Meghalaya: Vision 2030
- 7. India Municipal Finance
- 8. Functions and Finances of Urban Local Bodies in Jharkhand
- 9. Panchayats and Economic Development
- 10. Fiscal Decentralization in India
- 11. Insurance Schemes of the Government of India
- 12. Public Finance Information System
- 13. Economic and Social Cost Benefit Analysis of Refinery Projects: Case Study of Guru Gobind Singh Refinery in (Bhatinda) Punjab
- 14. Competitiveness of Zinc-Lead Mining in India: Role of Royalty Regime Commissioned by Sterile (Industries) Ltd.

TRAINING PROGRAMMES/WORKSHOPS (status upto December 2010)

- 1. Workshop on DSGE Modeling for India under the project Building Capacity and Consensus for Monetary and Financial Reform at NIPFP on January 25-29, 2010
- 2. Two-week Training Programme on Public Finance for Officer Trainees of the Indian Audit and Accounts Service, NIPFP, New Delhi during February 8-19, 2010
- 3. Two days programme on General Sales Tax for Tax Officials from States, NIPFP, New Delhi during March 4-5, 2010
- 4. International Conference on Economic Theory, Markets and Institutions of Governance, organized jointly by NIPFP, Centre for Economic Studies and Planning, JNU, and Centre for International Governance Innovation, Ottawa, NIPFP and JNU on March 22-24, 2010
- 5. Half day conference on Economics of Tobacco and Tobacco Taxation on April 08, 2010 in collaboration

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- with Centre for Global Health Research, St. Michael's Hospital, Toronto, Canada and the Public Health Foundation in India: hosted by NIPFP at New Delhi
6. Workshop on Financial Management and Procurement Manual for Rashtriya Madhyamik Shiksha Abhiyan, on June 02, 2010, organized jointly by NIPFP and Ministry of Human Resource Development at New Delhi
 7. Sixth Refresher Training Programme in Public Economics for College/University Teachers at NIPFP, May 10 June 4, 2010
 8. Workshop on Public Financial Management in India, June 8-9, 2010, World Bank-NIPFP, at New Delhi
 9. Two weeks Training Programme for IRS Probationers July 12 to 23, 2010
 10. 7th Research Meeting of NIPFP-DEA August 31 to September 01, 2010 at India Habitat Centre
 11. Two weeks programme for Indian Revenue Service Probationers at Mumbai from August 02 to 13, 2010
 12. Two Week Training Programme for Middle Level Officers engaged in Budget Formation September 13 to 24, 2010
 13. Goods & Service Tax Training Programme from September 30 to October 01, 2010 at India Habitat Centre
 14. IAS Training Programme at Mussorie from November 16 to 19, 2010
 15. International Conference on Federalism & Reform December 01 to 02, 2010 by Professor Stephen Howes-Director, International & Development Economics, Crawford School, Australian National University
 16. International Seminar on Economic Policies for Inclusive Developments by NIPFP & DEA on November 30 to December 01, 2010
 17. Goods & Service Tax Programme December 20 to 24, 2010.

DIRECT TAXES INTRODUCTION

The Central Board of Direct Taxes (CBDT) is the apex body engaged in the administration of Direct Taxes in India. It employs a work force of 42,791 officers and staff, of which around 19% are gazetted officers in Group 'A' and 'B' categories and the remaining are non-gazetted employees. In its functioning, the CBDT is also assisted by following attached offices:

- (i) Directorate of Income Tax (Public Relations, Printing, Publication and Official Languages)
- (ii) Directorate of Income Tax (Recovery)
- (iii) Directorate of Income Tax (Audit)
- (iv) Directorate of Income Tax (Income Tax)
- (v) Directorate of Income Tax (Organisation and Management Services)
- (vi) Directorate of Income Tax (Systems)
- (vii) Directorate of Income Tax (Investigation)
- (viii) Directorate of Income Tax (Vigilance)
- (ix) Directorate of Income Tax (Exemption)
- (x) Directorate of Income Tax (Legal & Research)
- (xi) Directorate of Income Tax (International Taxation)
- (xii) Directorate of Income Tax (Infrastructure)
- (xiii) Directorate of Income Tax (Tax Deduction at Source)
- (xiv) Directorate of Income Tax (Human Resources Development)

- (xv) Directorate of Income Tax (Business Process Re-engineering)
- (xvi) Directorate of Income Tax (Intelligence)

There are 19 cadre controlling Chief Commissioners of Income Tax, stationed all over the country who are overall in-charge of assessment and collection of direct taxes at regional level. Directors General of Income Tax (Investigation) are overall in-charge of the investigation machinery at regional level, with the aim to curb tax evasion and unearth unaccounted money. Chief Commissioners of Income Tax/ Directors of Income Tax are assisted by Commissioners of Income Tax / Directors of Income Tax within their jurisdiction. There are also appellate machineries comprising of Commissioners of Income Tax (Appeals) who perform the quasi-judicial task of deciding appeals against orders of assessing officers.

The National Academy of Direct Taxes (NADT) stationed at Nagpur along with Regional Training Institutes functions under overall supervision of a Director General of Income Tax to cater to the training needs of officers and officials.

The Principal Chief Controller of Accounts, CBDT with the assistance of Pay and Accounts Offices is responsible for accounting the revenue collections as well as expenditure incurred by the Department.

STATEMENT OF OUTLAYS AND OUTCOMES 2011 - 12

Name of the Scheme/Programme	Objective/Outcome	Outlay 2011-12 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
		4(i) Non-Plan Budget	4(ii) Plan Budget				
2	3	4	5	6	7	8	
1. Major Head 2020- Collection of Income Tax; Information Technology		225.00	-				
I. Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement			<ul style="list-style-type: none"> · Computing capacity to handle the projected workload up to 2014-15 · Single National Database to handle all Direct Taxes related transactions · Facilities management in the offices of Income Tax Department 	Setting up and maintenance of National Data Center, Consolidation of regional data bases into single national database.	Ongoing	Consolidation of the Database completed. The estimated expenditure during FY 2011-12 would be ₹ 39 crore (approx.)
	B) Modification of Aayakar Bhawan, Vaishali into a secure Information Technology Hub and its maintenance.			After modification of the Vaishali Building, National Computer Center will be established.		Project is nearing completion.	The committed expenditure to the consultants M/s EIL is approximately ₹ 1.30 crore. In addition, claims have been made on account of cost escalation and additional remuneration amounting to ₹ 1 crore which is under examination. In addition to the above, expenditure will be incurred on Facility management services

1	2	3	4	5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget			
							(FMS) i.e., House Keeping, Security, Transport, Canteen and allied services. The Committee on Non-Plan Expenditure has approved ₹ 13 crore for this purpose. It is also proposed to set up a Centralised Processing Centre (TDS) in this building.
		C) Establishment, Monitoring and Implementation of All India Tax Network		Network of Income Tax offices across the country	Officers and staff in 515 cities would be able to access the Central Data Center over the "Taxnet" to perform their functions. Faster and reliable transfer of data would ensure timely delivery of services to the taxpayers.	Ongoing	The work of LAN/WAN connectivity in all buildings has been completed. The estimated expenditure on this project for FY 2011-12 would be ₹ 60 crore.
		D) Hiring of Data Centers for primary, BCP & DR sites		<ul style="list-style-type: none"> Co-location of hardware equipments in Data Centers meeting industry standards. Security certification of BS 7799 for ensuring security of the equipment and data. 	Secured data will be available at national level for various management controls.	Ongoing	All the three data centers, PDC, BCP and DR are operational. The estimated expenditure on this project would be ₹ 62 crore (approx.).
II.	Tax Information Network (TIN)	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to : <ul style="list-style-type: none"> Online Tax Account System (OLTAS) Tax deductions coming from TDS returns 		<ul style="list-style-type: none"> Identification of potential high risk tax evasion cases Accurate and quick credit of TDS deductions, identification of non-filers/stop-filers and cases of short deductions 	Taxpayers will get details of tax deducted on their behalf on an ongoing basis during the financial year itself through 26AS. Business intelligence database from AIR to facilitate compute based selection of scrutiny cases		The projected expenditure on this project during FY 2011-12 is ₹ 53 crore (approx.).

1	2	3	4	5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget			
		<ul style="list-style-type: none"> Facility for generation of electronic TDS accounts High value financial transactions coming through Annual Information Returns. 		<ul style="list-style-type: none"> Processing of TDS returns Facilities to view tax payments made by the tax payers or by tax deductors on their behalf Dashboard facilities to the senior management of the Department for effective monitoring and collection of taxes. 			
III. Business Process Re-engineering (BPR)	Complete revamping of existing business processes to meet the needs of stake holders			<ul style="list-style-type: none"> Submission of the report of the consultant and BPR Rollout Plan Implementation of the feasible recommendations as contained in 4th Report of Administrative Reforms Commission on "Ethics in Governance". 		Ongoing	<p>The Report on BPR was submitted to the CBDT in the month of January 2008.</p> <p>Out of 64 recommendations made, 13 were modified and accepted, 47 accepted in Toto and 4 not accepted.</p>
IV. Tax payers' services	-To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar Sampark Kendra), Web-site of Income-Tax Department and e-friendly services			<ul style="list-style-type: none"> Deliverables from Aayakar Sampark Kendra (ASK) are <ul style="list-style-type: none"> Provision of PAN, Challan, Return Forms and related information Facility to send forms by e-mail Handling of PAN grievances 	<ul style="list-style-type: none"> Easy and convenient dissemination of information Enhanced convenience reducing manual interface and increased tax-payers' satisfaction 	<ul style="list-style-type: none"> Ongoing Activities No targets. Volume of transaction is based on the end users and tax-payers 	

1	2	3	4	5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget			
		-To provide the taxpayers online facilities for e-filing of Income tax returns, -e-payment of taxes		· Provision of tax related information facility for downloading of various forms/challans and return preparation software		-	
		-online tracking of Refund status.		· Countrywide facilities for e-filing of income tax returns			
				· Centralized issue of refunds through designated refund banker			
				· Facilities for e-payment of direct taxes			
V. Refund Banker	(A) Determine, generate, issue, dispatch, credit and safe delivery of Income Tax refunds. (B) Make the refund process completely automated, speedy and transparent and to achieve a faster Turn Around Time.			A system driven process for determination, generation, issue, dispatch and credit of refunds and enables efficient and safe delivery of Income Tax refunds. It introduces a third party into the physical issue or credit of refunds so as to make the process completely automated, speedy and transparent, and to achieve a faster Turn Around Time.	Under Refund Banker Scheme, refunds to the tax payers are directly sent through Electronic Clearing Scheme (ECS) by the State Bank of India (SBI), which has been designated as agent of the Department. In these models refunds are credited to the taxpayers account within 1 to 3 days of data being delivered to SBI.	Ongoing.	i) After completion of pilots at Delhi and Patna, the Scheme was extended to 4 (four) more stations viz., Kolkata, Mumbai, Bangalore and Chennai. ii) With effect from October 2009, the Scheme was further extended to 9 (nine) more stations. iii) Further since August/September 2010, the Scheme has been extended to all non-corporate charges across the country in phased manner. iv) The number of refunds sent through Refund Banker Scheme in F.Y. 2010-11 (till 31.12.2010) is
				A web based status tracking facility for delivery of refund.	The Assessing Officer's role in issuing refunds is limited to processing the return of income on computer.		

1	2	3	4	5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget			
VI. Centralized Processing Centre (CPC) Project	(A) Centralized processing of both paper based and e-filed Income Tax Returns (ITRs). (B) The CPC would enable the Department to cope with rapid growth in the number of taxpayers and consequently the volume of work for employees. (C) It would allow the Department to bring in more efficient processes and modern citizen services offered by the best Tax Administrations across the globe.			(i) The CPC would initially process transactions for all e-filed Income Tax Returns (ITRs) countrywide and physical ITRs for Bangalore. (ii) As the CPC stabilizes, the physical ITRs from Karnataka and Goa and an adjoining state would also be given to the CPC to scale up the operation. (iii) The CPC at Bangalore will have scalability to process 20 lakh paper returns and 60 lakh e-filed returns from the Zone. (iv) Eventually, it is envisaged that the CPC model would be replicated across the country, having gained experience and learning from the CPC in Bangalore.	· Better Taxpayer Services and reduced grievances. · Lower Compliance cost for taxpayers. · Reduced administrative cost for Department. · Faster processing leading to speedy delivery of refunds and hence lower interest outgo. · Efficient use of manpower and office space.	Ongoing at Bangalore.	37 lakh (approx.) and constitutes 69% of total refunds issued all over India, during this period. · CPC at Bangalore has been dedicated to the Nation by the Hon'ble Finance Minister on 29 th May 2010. The CPC, Bangalore is fully operational now. Two more CPCs to be set up at Manesar and Pune respectively. · The estimated expenditure on the CPC project is ₹ 45 crore during the FY 2011-12.
VII. Biometric Project	PAN (A) To put in place a biometric solution to ensure that no duplicate PAN is issued i.e. same person does not get more than one PAN number.			· Capture biometric features (face +4 fingers) of PAN applicants to prevent allotment of duplicate PANs.	· Uniqueness of PAN established. · Easier detection of duplicate PAN.	Project was kept in abeyance pending clarification from the UIDAI.	The Biometric PAN Project is being revived in view of the UIDAI, deciding to take biometrics of the existing database of individuals with various agencies. The

1	2	3	4	5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget			
		(B)Biometric information, being more stable with time and difficult to change, would be able to detect duplicate PAN application with greater accuracy.		<ul style="list-style-type: none"> Verify biometric features of applicants who apply for reprint of cards or change in PAN data. Composite and scalable solution without vendor lock-in to be procured. Solution to be integrated with new PAN application and also prospective use for the existing PAN holders. 	Strengthen reliability of the PAN data.		Project consultant's scope of work is being redefined. The Project may take off in the FY 2011-12.
2	MH 4059 – Capital outlay on public works – Office Building		877.70	-			
I.	Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi.			Office space measuring about 51,768 sq. metre of super built up area will be available to mitigate the shortage of office accommodation at Delhi .	Improvement in the availability of office accommodation to the Department.	31.3.2012	Outlay in FY 2011-12 for this work is ₹ 680 crore. The outcome will be subject to I. Timely handing over of the building by the MCD. II. Timely execution of furnishing by the vendor.
II.	Construction and furnishing of Office Building at Saket, New Delhi.	To mitigate the shortage of office space.				-	Outlay in FY 2011-12 for this work is ₹ 20 crore. The Department is intending to set up Revenue Service Research Institute. The execution of the project is dependent on necessary approvals of the competent authority.

1	2	3	4		5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget				
III.	Construction of Advance Training Centre, Mess/Hostel at National Academy of Direct Taxes (NADT), Nagpur.	To conduct advanced courses including training of foreign officials and to meet the increasing need for accommodation facilities at NADT.					31.03.2013	The project has been sanctioned in August, 2010 at the estimated cost of ₹ 101 crore. Outlay in FY 2011-12 for this work is ₹ 60 crore. Completion of the project is dependent on timely execution of the work by M/s NBCC.
IV.	Construction of new hostel at NADT, Nagpur.	To expand infrastructure for training at NADT.					30.06.2011	Outlay in FY 2011-12 for this work is ₹ 14.10 crore. The project was sanctioned at the cost of ₹ 24.10 crore in December, 2007. Construction is in progress.
V.	Construction of guest house at Golf Links, New Delhi.	To mitigate the shortage of guest house facility for visiting officials.					31.03.2013	Outlay in FY 2011-12 for this work is ₹ 4 crore.
VI.	Construction of Office building at Noida.	To mitigate the shortage of office space.					31.03.2013	Outlay in FY 2011-12 for this work is ₹ 10 crore.
VII.	Construction of Office building at Firozabad, U.P.	To mitigate the shortage of office space.					31.03.2013	Outlay in FY 2011-12 for this work is ₹ 5 crore.
VIII.	Purchase of ready built office premises at Thane, Maharashtra.	To mitigate the shortage of office space.					30.09.2011	Outlay in FY 2011-12 for this work is ₹ 52.05 crore.
IX.	Construction of building for Direct Taxes Regional Training Institute (DTRTI), at Mohali, Chandigarh	To mitigate the shortage of office space.						Proposal is at formulation stage, therefore, target date is not indicated. Outlay in FY 2011-12 for this work is ₹ 10 crore.

1	2	3	4		5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget				
3	MH 4216 – Capital Outlay on public works - Housing		27.00	-				
I.	Construction of residential cum office building at Nariman Point, Mumbai.	To mitigate the shortage of residential and office accommodation at Mumbai.						Project is at formulation stage. Outlay in FY 2011-12 for this work is ₹ 15 crore.
II.	Construction of residential complex including a community hall at Hadapsar, Pune	To mitigate the shortage of residential accommodation.						The project at an estimated cost of ₹ 40 crore (approx.) is under consideration stage. Outlay in FY 2011-12 for this work is ₹ 8 crore.
III.	Construction of Type V and Type VI quarter at Jammu.	To mitigate the shortage of residential accommodation.						The project at an estimated cost of ₹ 12 crore (approx.) is under consideration stage. Outlay in FY 2011-12 for this work is ₹ 2 crore.

REFORM MEASURES AND POLICY INITIATIVES

Central Board Of Direct Taxes

Initiatives for better Taxpayers Services

The Income tax Department has undertaken a number of initiatives in recent years to improve taxpayer services. These measures are aimed to introduce objectivity and reduce human interface between the taxpayer and the officials. Some important measures undertaken are as under:

- **Outsourcing of PAN related service for better Service-** PAN Interface with applicants outsourced to UTITSL and then to NSDL. The service providers, through their network of 6478 front offices (PAN centres), receive and process applications. 1.52 crore PANs were allotted in FY 2009-10. Number of PAN holders have now gone up to 11.37 crore as on 31.12.2010. Average time to issue new PAN cards has been reduced to 15 calendar days. PAN related service is also available through a link Aayakar Sampark Kendra (ASK) and at the official portal of the Income Tax Department.
- **Centralized Processing Centers (CPCs) to enable centralized processing of Income Tax returns at a single location-** To augment processing capacity of the department and to issue refunds in a tight turnaround time frame, the department has set up a centralized processing center at Bangalore which was dedicated to the nation by the Finance Minister on 29th May, 2010. CPC is a state of the art facility which would process the returns in an automated manner. The output volume of processing till 31.12.2010 has been 73 lakh returns of Income Tax. Over 16 lakh refunds have been generated by the CPC. The Centre will also have a dedicated call center to address tax payer grievances. As per the Budget announcement 2010-11, two new CPCs have been planned to be set up at Manesar and Pune respectively.
- **Electronic Filing of Returns and complete digitization of Income tax Returns (ITRs) -** Web based e-filing of Income tax returns was launched in FY 06-07. It is a 24 X 7 X 365 facility which eliminates the interface between tax payer & tax officials. It is jurisdiction free filing scheme and is compulsory for corporate & 44AB assesseees. E-filing has been extremely popular with the tax payer. In the Financial Year 2010-11 more than 60.44 lakh returns were received by 31st December, 2010 as compared to 52.53 lakh e-returns received in FY 2009-10. More than 80% of the returns received are from voluntary category and around 34% of the returns were received beyond office hours. The e-filing portal has now proven to be a powerful gateway for not only receipt of Income Tax Returns but also as a key channel for delivery of taxpayer services.
- **Refunds Banker scheme** –A scheme of ‘Refund Banker’ was implemented as a pilot at Delhi and Patna. Based on its positive impact, the scheme was extended to Mumbai,

Chennai, Kolkata, Bangalore, Ahmedabad, Allahabad, Bhubaneswar, Cochin, Hyderabad, Kanpur, Patiala, Pune and Chandigarh. Since 02.08.2010, the scheme has been extended to all non-corporate charges across the country in the phased manner. Refunds issued till 31.12.2010 under this scheme are as under –

	Paper	ECS
Number –	45,96,467	17,62,847
Amount – ₹	7,433.56 crore	₹ 4,369.87 crore

A web based status tracking facility in collaboration with India Post and National Securities Depository Ltd, (NSDL) has also been launched during the year. Refund Status is also available on Internet through ITD website. The information on paid refunds is also available in the ‘Tax Credit Statements’ (Form No. 26AS) being given to taxpayers.

- The **Business Process Re-Engineering (BPR)** Directorate has undertaken a study for identifying processes and mechanisms to improve the functional efficiency and effectiveness of the Department in the changed environment of the increased dependency on information technology based business process. The majority of recommendations of the BPR committee have been accepted by the CBDT. Major initiatives under Business Process Re-Engineering are as under –
 - **Front Office (FO)** – Front office is a project to make Income Tax Department (ITD) more citizen friendly. A common service centre is proposed to be set up in all ITD buildings for single window interface. FO is to take care of all the receipt and dispatch of Dak (including internal correspondence) & would have tracking and monitoring facilities.
 - **Central Appeals Registry (CAR)** – Central Appeals Registry is an initiative to streamline the functioning of Commissioners of Income Tax (Appeals), the first appellate authority, at centers having more than 3 CsIT(A) posted. CAR is aimed at automation of appellate process and augmentation of tax litigation.
 - **Record Management (RM)** - Regarding the formulation of an Archival and Weeding out policy, recently a committee on Record Management was formed and the Committee has submitted its report on 29.10.2010. The report is under consideration.
 - **Paperless office/e-office** - BPR is also running a pilot on scanning and computerisation of paper records of Directorate of BPR, use of itaxnet and digital signatures for correspondence etc. between officers & staff and other offices. Later, this concept is proposed to be extended all over the ITD centers for paperless office / e-office, once the pilot is successful.

- A **Knowledge Management System (KMS)** has been set up to augment the resources related to learning, best practices orders and recovery measures undertaken by the officials of the department. The KMS is designed to better the decision making process of officers and facilitating them in discharging their duties of passing informed and objective orders. The Income Tax Department has also compiled a compendium of best orders and practices titled “*Let Us Share*” which will go a long way in strengthening the skills of the officials and thereby enable them to serve the tax payers in a more diligent ways.
- The ‘**Sevottam**’ Scheme has been introduced with the view to bring in excellence in public service delivery and based on a newly rewritten *Citizens’ Charter*. This involves creation of effective grievance redressal mechanism and capacity building. ‘Aayakar Sewa Kendras’, a single window Computerised service mechanism for centralized receipt, registration and distribution of dak, are being launched at 12 stations in FY 2010-11.

E-Governance Initiatives

The vision document 2010 of the Income Tax Department identified quality taxpayer service as a key area. In this connection the main objective of the department has been defined as “to enable taxpayers to meet their normal tax obligations in a convenient manner without visiting Income Tax Office”. The computerization programme of the department has accordingly been aligned to achieve the aforesaid objective by way of following measures:

- (i) E-delivery of taxpayer services;
- (ii) Augmentation of departmental computer infrastructure and consolidation of Database
- (iii) Setting up Tax Information Network (TIN).

Electronic delivery of taxpayer services

The initiative includes:

- Dissemination of tax information and tax facilitation services through the website.
- Services related to online filing and allotment of PAN
- Online preparation and e- filing of Income Tax Returns (ITRs).
- E- payment of taxes
- ECS facility for electronic clearing of refunds directly in taxpayers’ bank account
- Issue of refunds by a designated nationalize bank (Refund Banker)
- Electronic filing of TDS/TCS returns
- Computer assisted selection of cases (CASS) for scrutiny to achieve objectivity.

Augmentation of Departmental Computer Infrastructure

Under this initiative, major activities taken up by the department are:

- Setting up Single National Data Base by consolidating 36 regional data bases into a single *Primary Data Center (PDC)*.
- Setting up of a Business Continuity Process (BCP) center and Disaster Recovery (DR) sites, replica of PDC to secure any loss of data and uninterrupted services.
- Establishment of National Data Centre to house the National Data Base
- Setting up of TAXNET- a highly secure and efficient All India Virtual Private Network (VPN) to link 715 Income Tax offices in 510 cities across the country
- Setting up of a Centralized Processing Center (CPC) to enable centralized processing of returns of income.

Setting up Tax Information Network (TIN)

Tax information Network has been set up as a repository of information relating to business intelligence in the following manners:

- Tax payments received and uploaded by the banks through TIN
- Returns of TDS filed electronically and digitized from paper returns
- Data relating to high value financial transactions files under Annual Information Returns (A.I.R.)
- Individual accounts of tax payments, through OLTAS

1% Incentive Scheme for Strengthening Infrastructure in the Department

In pursuance of Department of Expenditure guidelines dated 22.07.2006 on expenditure management permitting revenue generating departments to prepare schemes to utilize 1% of incremental revenue towards enhancing organizational efficiency, infrastructure and wherewithal, an amount of ₹ 195 crore was sanctioned for exceeding collection targets 2006-07 in respect of direct taxes. This provision has been spent in three years i.e. 2007-08, 2008-09 and 2009-10 on following items –

- Hiring/purchase of operational vehicles/staff cars
- Hiring of mid-size vehicles
- Petrol allowance to Notice servers
- Reimbursement of mobile phone charges in ranges
- Model Ranges/modernization of canteens
- Lap top computers to officers of ITO level and above

Subsequently, in-principle approval has been granted by the Finance Minister for utilisation of ₹ 470 crore being 1% of incremental collection over budgetary targets 2007-08. During FY 2010-11, following items have been approved under this scheme –

- Provision of audio-visual training aids at Direct Taxes Regional Training Institute, Bangalore
- Modernization of 100 range offices of the Income Tax Department
- Advanced Mid-Career Training Programme of IRS Officers

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2009-10

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2009-10 (₹ In Crore)		Quantifiable Deliverables/Physical Outputs	Processes/ Timelines	Status as on 31st March, 2010
1	2	3	4	5	6	7	
			4(i) BE	4(ii) RE			
1.	Major Head 2020- Collection of Income Tax; Information Technology		225.00	213.75			Actual expenditure as on 31.03.2010 – ₹ 191.02 crore
	I. Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement			<ul style="list-style-type: none"> · Computing capacity to handle the projected workload up to 2014-15 · Single National Database to handle all Direct Taxes related transactions · Facilities management in the offices of Income Tax Department 	Ongoing	Consolidation of Database completed. Acceptance of the project has been completed in May, 2009 after evaluation of implementation of the terms of contract by the vendor. During FY 2009-10, more than 2.54 crore returns were processed.
		B) Modification of Aayakar Bhawan, Vaishali into a secure Information Technology Hub and its maintenance.			After modification of the Vaishali Building, National Computer Center will be established.	30.09.2009	Work is in progress and is likely to be completed shortly. The timeline is dependent on successful execution of contract.
		C) Establishment, Monitoring and Implementation of All India Tax Network			Network of Income Tax offices across the country	Ongoing	The work of LAN/WAN connectivity in all identified buildings across 510 cities has been completed. Accordingly, officers/staff of the department available on the network can now access the Central Data Center.
		D) Hiring of Data Centers for Primary, Business Continuity Planning and Disaster Recovery sites.			<ul style="list-style-type: none"> · Co-location of hardware equipments in Data Centers meeting industry standards · Security certification of BS 7799 for ensuring security of the equipment and data 	Ongoing	All the three Data Centres, namely, Primary Data Centre (PDC), Business Continuity & Planning (BCP) and Disaster Recovery (DR) sites are operational.

1	2	3	4	5	6	7
			4(i) Non-Plan Budget	4(ii) Plan Budget		
II. Tax Information Network (TIN)	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to : · Online Tax Account System (OLTAS), · Tax deductions coming from TDS returns · High value financial transactions coming through annual Information Returns and facility for generation of electronic TDS accounts.			· Identification of potential high risk tax evasion cases · Accurate and quick credit of TDS deductions, identification of non-filers/stop-filers and cases of short deductions · Facilities to view tax payments made by the tax payers or by tax deductors on their behalf	On-going	During FY 2009-10, total 2,71,89,644 number of challans were received through OLTAS amounting to ₹ 4,27,624.73 crore of Direct Tax collection.
III. Tax payers' services	To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar Sampark Kendra), Web-site of Income-Tax Department and e-friendly services			· Deliverables from Aayakar Sampark Kendra (ASK) are ➤ Provision of PAN, Challan, Return Forms and related information ➤ Facility to send forms by e-mail ➤ Handling of PAN grievances · Provision of tax related information facility for downloading of various forms/ challans and return preparation software · Countrywide facilities for e-filing of income tax returns · Centralized issue of refunds through designated refund banker · Facilities for e-payment of Direct Taxes.	On-going	· The call centre 'Aayakar Sampark Kendra', set up by the Department, received more than 4 lakh calls during the current fiscal. · The website of the department www.incometax.india.gov.in had been good response in terms of hits per day on the site. · During FY 2009-10, 52.53 lakh e-returns have been received.
(IV) Centralized Processing Centre (CPC) Project	(A) Centralised processing of both paper based and e-filed Income Tax Returns (ITRs).			(i) The CPC would initially process transactions for all e-filed Income Tax Returns (ITRs) and physical ITRs for Bangalore.	01.09.2009	CPC has been set up at an estimated cost of ₹ 255.56 crore spread over a period of five years.

1	2	3	4	5	6	7
			4(i) Non-Plan Budget	4(ii) Plan Budget		
		(B) The CPC would enable the Department to cope with rapid growth in the number of taxpayers and consequently the volume of work for employees.		(ii) As the CPC stabilizes, the physical ITRs from Karnataka and Goa and an adjoining state would also be given to the CPC to scale up the operation.		CPC has started giving output since October 2009.
		(C) It would allow the Department to bring in more efficient processes and modern citizen services offered by the best Tax Administrations across the globe.		(iii) The CPC at Bangalore will have scalability to process 20 lakh paper returns and 60 lakh e-filed returns from the Zone.		
				(iv) Eventually, it is envisaged that the CPC model would be replicated across the country, having gained experience and learning from the CPC in Bangalore.		
V. Biometric PAN Project	(A) To put in place a biometric solution to ensure that no duplicate PAN is issued i.e. same person does not get more than one PAN number.			<ul style="list-style-type: none"> • Capture biometric features (face +4 fingers) of PAN applicants to prevent allotment of duplicate PANs. • Verify biometric features of applicants who apply for reprint of cards or change in PAN data. • Composite and scalable solution without vendor lock-in to be procured. • Solution to be integrated with new PAN application and also prospective use for the existing PAN holders. 	31.03.2010	The project has been kept in abeyance and RFP has not been issued due to recent developments of UID project. It has been decided to postpone the Biometric PAN Project till the Business Rules of UID project are finalised to avoid duplication of efforts.
	(B) Biometric information, being more stable with time and difficult to change, would be able to detect duplicate PAN application with greater accuracy.					
2. Major Head 4059 – Capital outlay on public works – office buildings			602.00	17.00		Actual Expenditure till 31.03.2010 is ₹ 7.42 crore
(i) Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi.	To reduce shortage of office accommodation.			Office buildings and trainee hostel as mentioned under column 2 will be the physical assets created and owned by the Department.	31.03.2010	The work is at consideration stage. The outlay of ₹ 575 crore provided in BE 2009-10 has been surrendered at RE stage and work deferred to next year.

1	2	3	4	5	6	7
			4(i) Non-Plan Budget	4(ii) Plan Budget		
(ii)	Construction of office building at Saket, New Delhi	To reduce shortage of office accommodation.			31.03.2010 (for award of work)	The project has been put on hold during the current fiscal.
(iii)	Construction of office building at Bhopal.	To reduce shortage of office accommodation.			31.03.2010 (for award of work)	Preliminary Estimate has been received and is under processing for further consideration of the Committee on Non Plan Expenditure (CNE). It is likely to be taken up during next year.
(iv)	Construction of advanced training centre at NADT, Nagpur.	To expand infrastructure for training at National Academy of Direct Taxes, Nagpur.			31.03.2010 (for award of work)	Proposal is under process. It is likely to be taken up during next year.
(v)	Construction of new hostel at NADT, Nagpur.				31.03.2010 (for award of work)	The work has been sanctioned at an estimated cost of ₹ 24.10 crore. An amount of ₹ 5 crore has been released. Further execution of the work will be taken up during next year.
3.	Major Head 4216 – Capital outlay on public works – Housing.		15.00	3.10		No expenditure has been incurred during the year.
(i)	Construction of guest house at Golf Links, New Delhi.	To mitigate the shortage of guest house accommodation.		Assets creation	31.03.2010 (for award of work)	The proposal is under process.
(ii)	Residential quarters at Nariman Point, Mumbai.	To bridge the shortfall in residential accommodation.		Assets creation	31.03.2010 (for award of work)	The preliminary estimate (PE) is being modified due to increase in FSI. The work will be taken up during next year.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2010-11

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2010-11 (₹ In Crore)		Quantifiable Deliverables/Physical Outputs	Processes/ Timelines	Status as on 31st December, 2010
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1.	Major Head 2020- Collection of Income Tax; Information Technology		275.00	200.00			
	Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement			<ul style="list-style-type: none"> · Computing capacity to handle the projected workload up to 2014-15 · Single National Database to handle all Direct Taxes related transactions · Facilities management in the offices of Income Tax Department 	<p>Ongoing. No transaction targets can be fixed. Offices process income tax returns as per their pendency.</p>	<p>Consolidation of the Database completed. Six monthly BCP drills were conducted in 2010-11 to test the switching over of system from PDC to BCP site located at different stations in case of any unforeseen eventuality.</p> <p>The System is providing online facilities to 4000 concurrent users of Income Tax Department, in addition to data support for e-filing and Central Processing Centre (CPC).</p> <p>The Facility Management Services (FMS) through SI project is also being provided to 13000 ITD application users at 752 locations.</p> <p>Acceptance of Project has been completed in May 2009 after evaluation of implementation of the terms of contract by the vendor.</p> <p>After –SI completed in FY 2009-10, more than 2.54 crore of returns of Income Tax were processed. During FY 2010-11 upto 31.12.2010, 1.5 crore returns were processed at the data centre.</p>

1	2	3	4	5	6	7
			4(i) Non-Plan Budget	4(ii) Plan Budget		
		B) Modification of Aayakar Bhawan, Vaishali into a secure Information Technology Hub and its maintenance.		After modification of the Vaishali Building, National Computer Center will be established.	Project is under advanced stage of completion.	Project has come to the stage of occupation.
		C) Establishment, Monitoring and Implementation of All India Tax Network		Network of Income Tax offices across the country	Ongoing activity	The work of LAN/WAN connectivity in all buildings has been completed.
		D) Hiring of Data Centers for primary, BCP & DR sites		<ul style="list-style-type: none"> Co-location of hardware equipments in Data Centers meeting industry standards Security certification of BS 7799 for ensuring security of the equipment and data 	Ongoing activity No targets	All the three data centers, PDC, BCP and DR are operational and change requests have been issued to augment them as per hardware requirement.
II. Tax Information Network (TIN)	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to :	<ul style="list-style-type: none"> Online Tax Account System (OLTAS), Tax deductions coming from TDS returns Facility for generation of electronic TDS accounts. High value financial transactions coming through Annual Information Returns. 		<ul style="list-style-type: none"> Identification of potential high risk tax evasion cases Accurate and quick credit of TDS deductions, identification of non-filers/stop-filers and cases of short deductions Processing of TDS returns Facilities to view tax payments made by the tax payers or by tax deductors on their behalf Dashboard facilities to the senior management of the Department for effective monitoring and collection of taxes. 	Ongoing Activities No specific milestones set	<p>During FY 2010-11 upto 31.12.2010, 2,02,16,560 number of challans were received in OLTAS for ₹ 3,44,834.00 crore of the tax collection.</p> <p>During FY 2009-10, 2,71,89,644 number of challans were received in OLTAS for ₹ 4,27,624.73 crore of the tax collection.</p>
III. Business Process Re-engineering (BPR)	Complete revamping of existing business processes to meet the needs of stake holders			<ul style="list-style-type: none"> Submission of the report of the consultant and BPR Rollout Plan Implementation of the feasible recommendations as contained in 4th Report of Administrative 		The Report on BPR was submitted to the CBDT in the month of January 2008, presented to full Board on 18 th / 19 th and 24 th March 2008.

1	2	3	4	5	6	7
			4(i) Non-Plan Budget	4(ii) Plan Budget		
				Reforms Commission on "Ethics in Governance".		Out of 64 recommendations made, 13 were modified and accepted, 47 accepted in Toto and 4 not accepted.
IV. Tax payers' services	<p>-To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar Sampark Kendra), Web-site of Income-Tax Department and e-friendly services</p> <p>-To provide the taxpayers online facilities for e-filing of Income tax returns,</p> <p>-e-payment of taxes,</p> <p>-online tracking of Refund status</p>		<ul style="list-style-type: none"> · Deliverables from Aayakar Sampark Kendra (ASK) are <ul style="list-style-type: none"> ➤ Provision of PAN, Challan, Return Forms and related information ➤ Facility to send forms by e-mail ➤ Handling of PAN grievances · Provision of tax related information facility for downloading of various forms/ challans and return preparation software · Countrywide facilities for e-filing of income tax returns · Centralized issue of refunds through designated refund banker. Facilities for e-payment of direct taxes 	<p>-Ongoing Activities</p> <p>-No targets. Volume of transaction based on the end users and taxpayers</p> <p>-Software release and enablement of e-filing:</p>	<p>i). The department has set up one call centre, Aayakar Sampark Kendra which received 4,75,301 calls upto 31.12.2010 during the FY 2010-11.</p> <p>ii). The Website is witnessing on average 13 lakh hits per day and the peak hits of more than 55 lakh during 2010-11.</p> <p>iii). The website is being re-developed though a new tender with enhanced functionalities & bilingual/ disabled features.</p> <p>iv) For FY 2010-11, till 31st December 2010 60,44,104 number of e-returns have been received.</p> <p>v) e-filing is undergoing through a new tender for appointment of a new SI for next 5 year.</p>	
V. Refund Banker	<p>(A) Determine, generate, issue, dispatch, credit and safe delivery of Income Tax refunds.</p> <p>(B) Make the refund process completely automated, speedy and transparent and to achieve a faster Turn Around Time.</p>		<p>A system driven process for determination, generation, issue, dispatch and credit of refunds and enables efficient and safe delivery of Income Tax refunds. It introduces a third party into the physical issue or credit of refunds so as to make the process completely automated, speedy and transparent, and to achieve a faster Turn Around Time.</p> <p>A web based status tracking facility for delivery of refund.</p>		<p>i) After completion of pilots at Delhi and Patna, the Scheme was extended to 4 (four) more stations viz., Kolkata, Mumbai, Bangalore and Chennai.</p> <p>ii) With effect from October 2009, the Scheme was further extended to 9 (nine) more stations.</p> <p>iii) Further since August/September 2010, the Scheme has been extended to all non-corporate charges across the country in phased manner.</p> <p>iv) The number of refunds sent through Refund Banker Scheme in F.Y. 2010-11 (till 31.12.2010) is 37 lakh (approx.) and constitutes 69% of total refunds issued all over India, during this period.</p>	

1	2	3	4	5	6	7
			4(i) Non-Plan Budget	4(ii) Plan Budget		
VI. Centralized Processing Centre(CPC)Project	(A) Centralized processing of both paper based and e-filed Income Tax Returns (ITRs).			(i) The CPC would initially process transactions for all e-filed Income Tax Returns (ITRs) countrywide and physical ITRs for Bangalore.	· CPC to start pilot output by 1.9.2009.	· By January 2010, digitization and processing of paper filed salary returns of assessment year (AY) 2008-09 of Bangalore were commenced.
	(B) The CPC would enable the Department to cope with rapid growth in the number of taxpayers and consequently the volume of work for employees.			(ii) As the CPC stabilizes, the physical ITRs from Karnataka and Goa and an adjoining state would also be given to the CPC to scale up the operation.	· Volume Production by March 2010.	· By April 2010, processing of E-filed returns of AY 2009-10 was taken up.
	(C) It would allow the Department to bring in more efficient processes and modern citizen services offered by the best Tax Administrations across the globe.			(iii) The CPC at Bangalore will have scalability to process 20 lakh paper returns and 60 lakh e-filed returns from the Zone.		· In November 2010, e-returns of AY 2010-11 had also been taken up for processing.
				(iv) Eventually, it is envisaged that the CPC model would be replicated across the country, having gained experience and learning from the CPC in Bangalore.		· Over 73 lakh I.T returns processed (of AY 2008-09, AY 2009-10 and AY 2010-11).
						· Over 16 Lakh refunds generated (of AY 2008-09, AY 2009-10 and AY 2010-11).
						· Over 80 Lakh ITR-Vs (1 page verification form signed and submitted by taxpayers to validate their E-return) has been received at the CPC from taxpayers for AY 2009-10 and AY 2010-11 and acknowledged back via email.
						· Over 75 Crore TDS and Tax payment data entries from FY 2007-08 onwards and 932,000 outstanding arrear demand entries totaling to ₹ 1.64 lakh crore imported into financial accounting system.
						· Over 2000 business rules for tax processing of I.T returns designed and implemented.
						· Over 1.5 lakh I-T returns verified case by case for variations and for testing purposes.
						· Over 1.5 lakh taxpayer calls attended by call center.
						· Over 1 lakh returns processing capacity per day.

1	2	3	4		5	6	7
			4(i) Non-Plan Budget	4(ii) Plan Budget			
	Major Head 4059 – Capital outlay on public works – office buildings		1663.00	1561.59			· Additionally, a complete new software system including a comprehensive financial accounting system has now supplanted the old system.
2	Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi.	To reduce shortage of office accommodation.			Office space measuring about 51,768 sq. metres of super built up area will be available to mitigate the shortage of office accommodation at Delhi.	31.3.2011	The first instalment of ₹ 600 crore has been paid to Municipal Corporation of Delhi as per agreed terms. MCD is yet to handover the building.
I.	Construction of office building at Saket, New Delhi	To reduce shortage of office accommodation.			Asset creation	31.3.2011	The project has been put on hold pending the final decision to be taken on construction of Revenue Service Research Institute on this land.
II.	Construction of office building at Bhopal.	To reduce shortage of office accommodation.			Assets creation	-	Project has been withdrawn from M/s NBCC and is likely to be handed over to CPWD for which the preliminary estimate from them is awaited.
III.	Construction of advanced training centre at NADT, Nagpur	To expand infrastructure for training at National Academy of Direct Taxes, Nagpur.			Assets creation	31.12.2011	Administrative approval and financial sanction has been granted on 4 th August, 2010 and the work is under progress.
IV.	Construction of new hostel at NADT, Nagpur.	- do -			Assets creation	30.06.2011	The project is under execution by M/s NBCC and is expected to be completed by 30.6.2011.
V.	Construction of office building at Sector 24, Noida.	To reduce shortage of office accommodation.			Assets creation	31.3.2012	Proposal is under consideration stage.
VI.	Construction of office building with boundary wall at Asansol.	To reduce shortage of office accommodation.			Assets creation	-	The project has been withdrawn from this Grant and will now be executed by CPWD under the Grant pertaining to the Ministry of Urban Development.
VII.	Construction of office building and staff quarters at Chowkinghee, Dibrugarh.	To reduce shortage of office accommodation.			Assets creation	-	The project has been withdrawn.

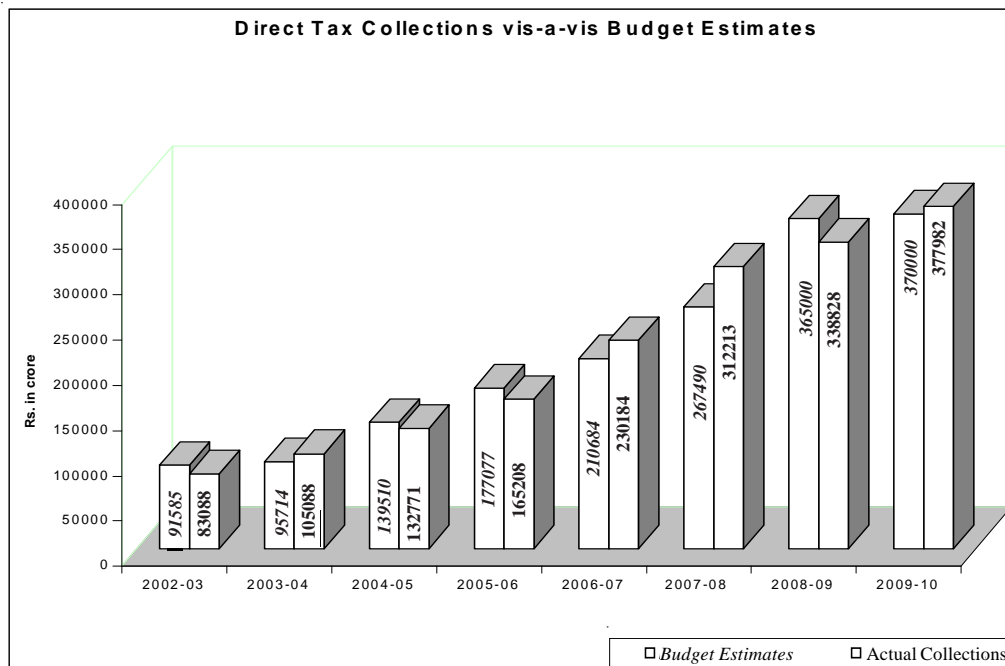
Salient Features of overall performance of the Central Board of Direct Taxes (CBDT)

The physical performance of the Income Tax Department as a whole in various key areas over recent years has been as under:

- (i) The collection of direct taxes has tripled from Rs. 1,32,771 crore in 2004-05 to ₹ 3,77,982 crore in 2009-10 at an average annual growth of 25.75% during this period.

continued in the year 2008-09 and also in 2009-10 contributing around 65% of the central taxes.

- (iii) The Direct Tax – GDP ratio has significantly increased from 3.81% in 2003-04 to 6.07% in 2009-10.
- (iv) The cost of collection of direct taxes has been steadily declining over the years. It came down drastically from 1.35 paisa per rupee collected in 2001-02 to 0.72 paisa per rupee collected in the year 2009-10.



- (ii) In the year 2007-08, the share of direct taxes exceeded the share of indirect taxes for the first time and contributed around 52.6% of Central taxes. This trend

- (v) As on 31st March, 2010, the physical assets owned by the Department were to the tune of ₹ 2241.26 crore. The break-up of the assets is depicted as under:

**Summarized position of Schemes under Outcome Budget 2010-11
Grant No. 42 – Direct Taxes**

(₹ in crore)

S.No.	Scheme	2009-10			2010-11			2011-12
		BE	RE	Actual	BE	RE	Actual as on 31.12.2010	BE
1	Schemes under 'Information Technology' in respect of Major Head 2020 – Collection of Income Tax – Non Plan	225.00	213.75	191.02	275.00	200.00	96.16	225.00
2	Purchase of Office Accommodation	602.00	17.00	7.42	1663.00	1561.59	643.44	877.70
3	Purchase of ready built flats	15.00	3.10	0	15.00	47.41	43.40	27.00
Total		842.00	233.85	198.44	1953.00	1809.00	783.00	1129.70
Percentage with reference to RE							43.28	

FINANCIAL REVIEW

STATEMENT SHOWING ACTUAL EXPENDITURE VIS-A-VIS BE/RE PROVISIONS FOR THE YEARS 2008-09, 2009-10 AND 2010-11

(₹ in Crore)

Description	2008-09			2009-10			2010-11			
	Major Head	B.E	R.E.	Actual	B.E	R.E.	Actual	B.E	R.E	Actual Up to 31.12.10
Revenue Section										
Collection of taxes on income and expenditure	2020	1620.49	2128.17	2052.96	2637.42	2748.91	2488.66	2773.88	2666.93	1927.65
Collection of Estate Duty, Taxes on Wealth and Gift Tax	2031	151.51	198.96	195.45	246.58	70.49	237.19	71.12	68.38	0.00
Total Revenue Section		1772.00	2327.13	2248.41	2884.00	2819.40	2725.85	2845.00	2735.31	1927.65
Capital Section										
Purchase of ready built office building	4059	198.00	188.25	82.88	602.00	17.00	7.42	1663.00	1561.59	643.44
Purchase of ready built residential building	4216	3.00	1.00	0.00	15.00	3.10	0.00	15.00	47.41	43.40
Acquisition of immovable property under Income Tax Act	4075	2.00	1.25	0.61	1.00	0.90	1.88	1.00	1.00	0.69
Total Capital Section		203.00	190.50	83.49	618.00	21.00	9.30	1679.00	1610.00	687.53
Grand Total		1975.00	2517.63	2331.90	3502.00	2840.40	2735.15	4524.00	4345.31	2615.18

OBJECT HEAD-WISE EXPENDITURE VIS-A-VIS BE/RE FOR THE YEARS 2008-09, 2009-10 AND 2010-11

(₹ in Crore)

Description	2008-09			2009-10			2010-11		
	B.E	R.E.	Actual	B.E	R.E.	Actual	B.E	R.E	Actual Up to 31.12.10
Revenue Section									
Salaries	958.00	1431.00	1399.95	1859.40	1859.40	1833.85	1700.00	1710.25	1401.18
Wages	12.00	14.00	14.10	18.00	17.10	16.05	18.00	17.00	11.37
Overtime Allowance	1.20	1.08	0.72	1.20	1.05	0.69	1.00	0.80	0.35
Medical Treatment	21.00	19.95	17.55	21.00	19.95	17.82	21.00	21.00	12.52
Domestic Travel Expenses	25.00	25.00	23.83	29.00	35.00	33.76	35.00	35.00	23.84
Foreign Travel Expenses	0.75	0.68	0.23	1.00	1.00	0.37	1.10	1.10	0.39
Office Expenses (Charged)	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.00	0.00
Office Expenses (Voted)	319.98	399.98	392.83	461.98	400.04	398.59	499.98	450.94	255.33
Rent, Rates & Taxes	100.00	100.00	94.58	180.00	180.00	147.28	200.00	160.00	76.94
Publications	2.50	2.50	2.27	2.70	2.43	2.00	2.80	2.50	1.52
Banking Cash Trans. Tax	0.10	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Other Administrative Expenses	5.75	7.68	6.83	10.50	11.35	10.60	10.30	17.42	8.37
Advertising and Publicity	30.00	30.00	29.91	38.00	40.00	39.13	40.00	80.00	24.25
Minor Works	7.00	7.00	7.17	7.50	7.10	5.67	9.00	7.50	1.47
Professional Services	15.00	15.00	14.55	20.00	23.00	21.96	23.00	23.00	9.30
Contributions	0.20	0.20	0.17	0.20	0.19	0.15	0.30	0.30	0.00
Secret Service Expenditure	4.00	3.80	3.23	4.00	3.80	3.69	4.00	4.25	3.07
Other Charges	4.50	4.22	2.56	4.50	4.22	3.21	4.50	4.25	1.59
Inter Account Transfer	40.00	40.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	225.00	225.00	197.92	225.00	213.75	191.02	275.00	200.00	96.16
Total Revenue Section	1772.00	2327.13	2248.41	2884.00	2819.40	2725.85	2845.00	2735.31	1927.65

(₹ in Crore)

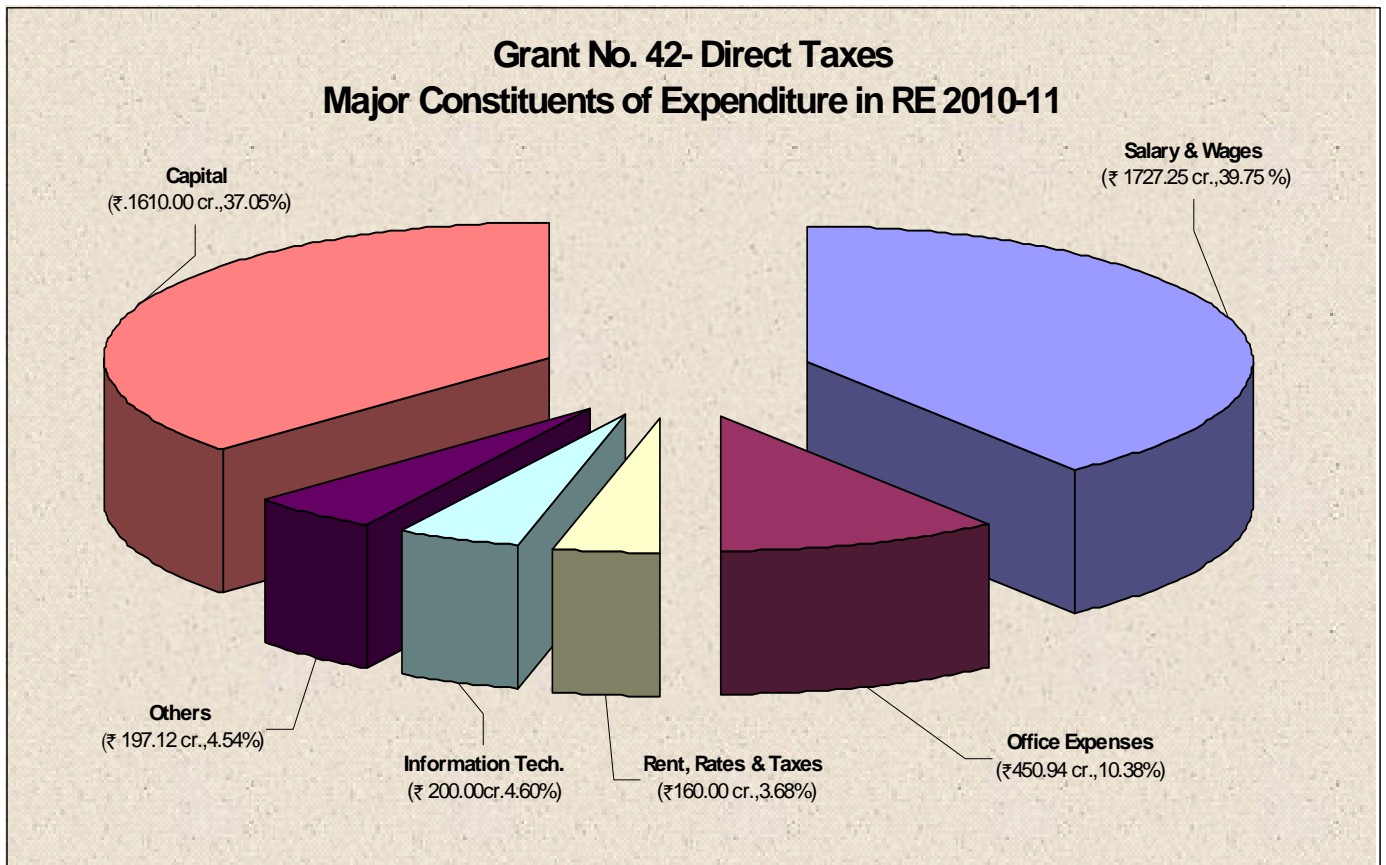
Description	2008-09			2009-10			2010-11		
	B.E	R.E.	Actual	B.E	R.E.	Actual	B.E	R.E	Actual Up to 31.12.10
Capital section									
MH-4059 Acquisition of Ready Built Office Accommodation	198.00	188.25	82.88	602.00	17.00	7.42	1663.00	1561.59	643.44
MH-4216 Acquisition of Ready Built Flats	3.00	1.00	0.00	15.00	3.10	0.00	15.00	47.41	43.40
MH-4075 Acquisition of Immovable Property under Chapter XXC of Income Tax Act 1961	2.00	1.25	0.61	1.00	0.90	1.88	1.00	1.00	0.69
Total Capital Section	203.00	190.50	83.49	618.00	21.00	9.30	1679.00	1610.00	687.53
GRAND TOTAL	1975.00	2517.63	2331.90	3502.00	2840.40	2735.15	4524.00	4345.31	2615.18

Analysis of Expenditure Trends in Grant No. 42 – Direct Taxes

During 2010-11, total expenditure incurred up to 31 December 2010 is ₹ 2615.18 crore which works out to 58% of total BE provision. Out of this, the expenditure under Revenue Section is ₹ 1927.65 crore which is 68% of BE 2010-11 under this section. Provision for ‘Salaries’ is ₹ 1700 crore against which the expenditure till December is ₹ 1401.18 crore. Another major constituent of expenditure under Revenue Section is ‘Office Expenses’ with a BE provision of ₹ 500 crore against which expenditure incurred upto December 2010 is ₹ 255.33 crore. A

BE provision of ₹ 275 crore has been provided under ‘Information Technology’ against which the expenditure till December 2010 is ₹ 96.16 crore. Under ‘Capital Section’, the expenditure till December 2010 is Rs.687.53 crore which works out to 41% of BE provision under this section.

In view of the current trend of expenditure and also the physical progress of works, the provision in RE 2010-11 has been kept at ₹ 4345.31 crore. Major constituents of RE 2010-11 are depicted below -



INTRODUCTION
DEMAND NO.43-INDIRECT TAXES

This Demand deals with the establishments of field formations under Central Board of Excise & Customs which is responsible for formulation of policy concerning levy and collection of Customs and Central Excise duties, Service Tax, prevention of smuggling and evasion of duties. The assigned task is done with the help of 94 Commissionerates of Central Excise, 35 Commissionerates of Customs and 6 Commissionerates of Service Tax. There is Appellate and Tax Recovery Machinery for performing quasijudicial task of deciding appeals against orders passed by the officers lower in rank than the Commissioner. In its functioning, the Board is assisted by the following attached/subordinate offices:

- i. Directorate of Central Excise Intelligence
- ii. Directorate of Revenue Intelligence
- iii. Directorate of Inspection
- iv. Directorate of Human Resource Development
- v. National Academy of Customs, Excise and Narcotics
- vi. Directorate of Vigilance
- vii. Directorate of Systems

- viii. Directorate of Data Management
- ix. Directorate of Audit
- X. Directorate of Safeguards
- xi. Directorate of Export Promotion
- xii. Directorate of Service Tax
- xiii. Directorate of Valuation
- xiv. Directorate of Publicity and Public Relations
- xv. Directorate of Logistics
- xvi. Directorate of Legal Affairs
- xvii. Office of Chief Departmental Representative
- xviii. Central Revenues Control Laboratory

The Principal Chief Controller of Accounts for CBEC is responsible for accounting the revenue collections as well as expenditure incurred by the Department.

The Demand covers provision for a work force of 56,233 officers and staff, of which 29.79% are gazetted officers and the remaining are non-gazetted employees.

The activities indicating 'outlays' and 'outcomes' for the financial year 2011-12 are given in the subsequent statement.

STATEMENT OF OUTLAYS AND OUTCOMES 2011-12

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2011-12 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4	5	6	7	8	
			4(i) Non-Plan	4(ii) Plan				
1.	Major Head 2037 and 2038 - Information Technology	Strengthening of IT capability for e-governance	150.00	NIL	- Setting up of an All-India Wide Area Network. - Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	- Country-wide connectivity of all offices under CBEC to the National Data Centre, Business Continuity and Disaster Recovery Sites. - The Department would be acquiring new generation servers and storage to provide computing, data storage, systems security infrastructure, Central Facilities Management and related functionalities to all departmental and external users accessing the CBEC/ system. These would be located at national data centre, business continuity and disaster recovery sites. All relevant applications would be hosted on this central infrastructure.	506 sites out of 539 sites have been delivered. Implementation Work comprising Phase-I and Phase-II has been declared closed. Other sites will be delivered by the vendor soon. Equipment has been installed and commissioned. System Acceptance milestone reached i.e. software applications for customs, central excise and service tax have been ported and are running from the three national data centres.	Massive effort is required in change management C N E / C C E A approval for revised cost was obtained on 09.08.2007 and 29.11.2007 respectively.

1	2	3	4	5	6	7	8
			4(i) Non-Plan	4(ii) Plan			
				- Provision of local area network to all departmental users	- All applications in Customs, Central Excise and Service Tax will be accessed by the departmental users using this network.	Out of 1210 sites, LAN connectivity has been provided in 1154 sites, except for the sites facing shifting or other force majeure issues.	C N E / C C E A approval for revised cost was obtained.
				- Establishment of Data Warehouse	- CBEC would become a centralized repository of all Customs, Central Excise and Service Tax Data. This data would be available to all user groups over the web with a user friendly interface, for analytical reporting purposes, including data mining.	All the Customs, Central Excise and Service Tax reports required by the users have been published in the departmental portal which is now accessible to selected users. The User Acceptance Test is complete and the project is in the process of being rolled out to identified CBEC users.	
				- Automation of Central Excise & Service Tax (ACES)	- Ensuring a large degree of transparency and reduced interface with the Central Excise and Service Tax assesseees through automated workflow of all business processes.	All India roll out of ACES with all modules has been completed on 23.12.2009 in all 104 Commissionerates of Central Excise and Service Tax.	----
				- Gateway Project for Customs upgradation	- A system for Electronic Data Interchange for Customs was operational at local levels. With a view of	Work has been almost completed. Electronic Data Interchange facilities are in operation at 90 automated Customs locations. 37	Availability of ICES 1.5 application for Sea and readiness of trading partners.

1	2	3	4	5	6	7	8
			4(i) Non-Plan	4(ii) Plan			
					<p>linking the Customs locations at Airports and community through a ICDs have been migrated single network, into centralized database Gateway Project was running on ICES 1.5. launched. E-filing of Remaining work is Customs document mainly pertaining to through this project integration of maps has improved the on- developed with the back line assessment, duty end ICES 1.5 application, payment and especially messages clearance procedure. related to Seaports and The upgradation trading partners' exercise for the applications. gateway project is for development of capabilities to handle electronic transaction in a consolidated environment and for enhancement of quality of service delivery to the Customs Trading Partners.</p>		
				<p>- Setting up of Risk Management System (RMS)</p>	<p>RMS is operational in all major Customs Ports/ Airports, covering more than 85% of India's international trade. RMS in 24 Export Promotion Schemes is also operational at all these locations.</p>	<p>Project is likely to be completed by March, 2011. Availability of ICES 1.5 application.</p>	

1	2	3	4	5	6	7	8
			4(i) Non-Plan	4(ii) Plan	<p>A new version of RMS application (RMS 3.1) has been deployed on central server and is in operation at 47 locations. Launching of RMS 3.1 at remaining locations is dependent on rolling out of ICES 1.5 at these locations.</p> <p>The Accredited Client Programme (ACP) is a major feature of the RMS, whereby certain importers are identified as highly compliant and these ACP clients are given assured facilitation by the RMS.</p>	<p>- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.</p>	<p>- The portal facilitates tax payers in their interaction with Central Excise & Service Tax and Income Tax/ Corporate Tax. There will be single point</p> <p>- An LTU specific Website for LTU website has been developed. The LTUs are currently operational at Bangalore, Chennai, Delhi and Mumbai.</p> <p>- An LTU specific Website for LTU website has been set up.</p>

1	2	3	4	5	6	7	8	
			4(i) Non-Plan	4(ii) Plan				
					interface between Tax Administration of CBEC/CBDT and Large Taxpayers.			
2.	Major Head 4047 - Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	13.50	NIL	In Category-II, 08 vessels are expected to be delivered to the Department during 2011-12.	Modern fast vessels will strengthen anti-smuggling capability of Customs Department. Improved coastal security will greatly help in curbing smuggling of dangerous/prohibited goods, prevention of environment hazards and protection of endangered species.	<p>The orders for procurement of Category I, III A and III B vessels numbering 87 were placed to the Boat Builders in the month of March, 2007. Order for supply of Category II vessels numbering 22 was placed with the Boat Builder in December, 2008.</p> <p>In Category-III A and IIIB, all vessels (30 in III-A and 33 in III-B) have been delivered by the Boat builder by June, 2009.</p> <p>In Category-I, delivery of all 24 vessels has been completed by August, 2010.</p> <p>In Category-II, 08 vessels have been received up to December, 2010. Delivery of all 22 vessels in this category will be completed in 2011-12.</p>	-----

1	2	3	4	5	6	7	8	
			4(i) Non- Plan	4(ii) Plan				
3.	Major Head 4047 - Acquisition of Anti-smuggling equipments	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improved Customs control through non-intrusive examination.	70.00	NIL	Installation of 3 Mobile Gamma Ray Scanners, placement of order and start of civil construction for 4 Fixed X-Ray Scanners at a total project cost of Rs.172.94 crore (recurring) and Rs.18.61 crore per annum (non-recurring) The purchase of office accommodation will bridge the shortfall in requirement of office space.	Non-intrusive scanning of containers would start at Tuticorin, Chennai and Kandla Ports. Fixed scanners would be installed at Tuticorin, Chennai, Kandla and Mumbai Ports. The Scanning Systems will help in detection of large number of cases of irregularities. This will also result in increased revenue collection and fast clearance of cargo etc.	3 mobile scanners and 4 fixed scanners are likely to be installed in 2011-12 and 2012-13 respectively. Sanctions for award of contract to eligible bidders have been issued on 6th August, 2010 in respect of mobile scanners and on 24th September, 2010 in respect of fixed scanners. Supply orders have not been placed with the selected bidders as land for installation of scanners is yet to be handed over to the Customs Department by the concerned Port Authorities.	Progress of the project depends on acquisition of land from the Port authorities and timely approval from statutory authorities. The progress is being monitored by the Project Implementation Committee.
4.	Major Head 4059 - Acquisition of Office Accommodation	To meet shortfall in office accommodation	40.00	NIL	The purchase of office accommodation will bridge the shortfall in requirement of office space.	The availability of adequate own office space would increase the efficiency of the department.	-Further payment in respect of office space in NBCC building, Saket, New Delhi purchased in March, 2008.	Payment in such cases depends on various formalities involving consultation with different concerned authorities.

1	2	3	4	5	6	7	8
			4(i) Non-Plan	4(ii) Plan			
5.	Major Head 4216 - Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	4.00	NIL	The purchase of residential accommodation will bridge the shortfall in requirement.	The availability of residential accommodation will lead to better staff satisfaction resulting in enhanced motivation and productivity.	<p>-Payment of stamp duty and other charges to be made to local authority i.e. Municipal Corporation of Greater Mumbai in respect of building purchased from Specified Undertaking of Unit Trust of India in November, 2006 at Mumbai.</p> <p>-Payment for purchase of office accommodation at Guwahati and for other small proposals likely to be made.</p> <p>Payment for purchase of residential premises at Aizawl and other payments in respect of other ongoing projects likely to be made.</p> <p>The proposals involve obtaining clearance from CPWD, Ministry of Urban Development, SFC etc. after following the due procedure prescribed in GFRs.</p>

REFORM MEASURES AND POLICY INITIATIVES
CENTRAL BOARD OF EXCISE & CUSTOMS

Initiatives on Computerization and Automation

A futuristic and ambitious project of computerisation has been taken up to consolidate the Customs, Excise and Service Tax Servers, to bring all the system on a single network/platform, to set up a Data Warehouse and Disaster Recovery site and is currently under implementation. A Risk Assessment/Management software has been developed for identification of potential duty evaders/smugglers and facilitate compliant trade. A Risk Management Division has been established to give focused and specified attention to this area.

The above measures, intended to provide benefit to both the Department and its clients, are to facilitate the assessment and collection of duty and to further consolidate the strength of Department in the following ways:

- a) Speedier Clearance of Cargo.
- b) Reduction in number of stages, transaction time and costs.
- c) E-filing of customs documents through the Gateway, on line assessment, duty payment and clearance procedures.
- d) E-payment of customs duty through Nationalised banks with Core Banking Solution.
- e) Electronic Credit of drawback into the bank.
- f) Interactive voice response systems like tele-enquiry, touch screen kiosks, SMS etc.
- g) Encouraging Voluntary Compliance.
- h) Simplification of procedures.
- i) Synergy between various tax systems.
- j) Transparency.
- k) Minimization of manual interface.

The consolidation project of computerisation at a cost of Rs.598.97 crore was cleared by the Cabinet in November, 2007. The contracts for execution of various components of the project were given to various vendors and work is in progress.

Large Tax Payers Units (LTUs)

As an important measure for trade facilitation, the concept of Single Window Service for Large Tax Payers paying excise duty, income tax/corporate tax and service tax has been initiated. First LTU was operationalised in Bengaluru during 2006-07. Second LTU at Chennai became operational during 2007-08. In 2008-09, LTUs were operationalised at Mumbai and Delhi.

Help Centres

The opening of the Help Centres since July 2005 at all Customs and Central Excise Zones is a pioneering venture in public private partnership in the sovereign function of tax collection. These centres provide an institutional mechanism for small tax payers, assesseees, importers, exporters and service providers in the form of guidance and education to them.

Container Scanners

With the successful completion of Pilot Project with the installation of one Mobile Gamma Ray Container Scanner and

one Fixed X-Ray Container Scanner at Jawaharlal Nehru Port Trust (JNPT), Nhava Sheva, Mumbai, a major step was taken towards facilitation of cargo clearance, efficient handling of increased volume of container traffic and improved customs control through non-intrusive examination. In view of encouraging results, the procurement process for 3 Mobile Gamma Ray Scanners and 4 Fixed X-Ray Scanners at other major ports at a cost of Rs.172.94 crores (non-recurring) and Rs.18.61 crore per annum (recurring) has started after obtaining Cabinet clearance in October, 2006. Tender for acquisition of 3 Mobile Scanners for installation at Kandla, Chennai and Tuticorin was re-floated in January, 2009 and tender for procurement of 4 Fixed Scanners for installation at Kandla, Chennai, Tuticorin and Mumbai was floated in November, 2008. Sanction for acquisition of Mobile Scanners has been issued on 6th August, 2010 and for acquisition of Fixed Scanners on 24th September, 2010. However, contracts have not been awarded to the selected bidders as the land for installation of scanners is yet to be handed over to the Customs Department by the concerned Port Authorities. For this, matter has been taken up with the Ministry of Shipping for finalisation of lease deed format which is to be signed before transfer of the land to the Customs Department.

Marine Fleet

The strategic importance of Customs Maritime Fleet along the Coast as a preventive arm of the Department to protect the country's maritime trade and enforce Import/Export provisions of Customs Act has been duly acknowledged, especially in view of the growing threats of smuggling of arms and ammunition for terrorism and anti-national activities and that of narcotics drugs. A review of the existing fleet and future requirements was made and proposal for replacing outlived, old and dilapidated vessels with modernized and fast moving vessels in a phased manner at a cost of Rs.277.27 crore was cleared by the Cabinet in February, 2007. Under the plan, customs organization was to get 109 modern vessels of different categories with the following features and purposes:-

Category of Vessels	Features	Purpose
Category-I (24 vessels)	Speed – 25 knots, 20M length with high endurance	Coastal patrolling and surveillance
Category-II (22 vessels)	High Speed-40 knots, 12M length with less endurance	Immediate interception of suspected vessels
Category-III-A (30 vessels)	Speed – 30 knots, 9M length with low endurance	Useful in shallow waters, creeks and harbours
Category-III-B (33 vessels)	Speed – 35 knots, 6M length with low endurance	Useful in shallow waters, creeks and harbours

All vessels in Category-I, Category-IIIA and Category-IIIB have been received and deployed under user Commissionerates to carry out anti smuggling operations. In Category-II, 08 vessels have been received and delivery of remaining vessels is likely to be completed by June, 2011.

Utilization of 1% Incremental Revenue as Incentive Provision

In pursuance to Department of Expenditure's guidelines/instructions on expenditure management permitting revenue generating departments to prepare scheme to utilize 1% of incremental revenue to encourage greater efforts at garnering revenue, enhancing organizational efficiency, infrastructure and wherewithal, proposal for earmarking 1% incremental revenues collected during 2005-06 and 2006-07 amounting to Rs.71.42 crore and Rs.113.63 crore respectively (total amount of Rs.185.05 crore) towards such schemes have been approved. Out of this amount, expenditure of Rs.73.23 crore has been incurred during 2007-08 to 2009-10. Year-wise break-up is given below:-

(Rs. in crore)

Year	Expenditure incurred
2007-08	29.41
2008-09	16.12
2009-10	27.70
Total	73.23

During 2010-11, funds of Rs.33.28 crore have been released to field formations for schemes sanctioned under 1% incremental revenues. In the expenditure budget of 2011-12 also, Rs.25.00 crore have been provided on this account.

Some of the schemes sanctioned for improvement in infrastructure are given below:-

- Capacity building/improvement of infrastructure in Central Excise and Customs Ranges.
- Capacity building towards training facilities at NACEN.
- Capacity building for PAOs.
- Reimbursement of Mobile Phone charges to officers working in the field so as to remain in touch with senior officers at Headquarters.
- Provision of Laptops to officers in the field formations towards improvement in monitoring of tax collection, investigation and intelligence work.
- Hiring of vehicles for increasing organisational efficiency and outdoor preventive activities.

Review of Past Performance

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2009-10

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2009-10 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31st Mar 2010
1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
1.	Major Head 2037 and 2038 - Information Technology	Strengthening of IT capability for e-governance	200.00	200.00				Against RE of Rs.200.00 crore, the expenditure incurred during 2009-10 was Rs.186.41 crore.
					- Setting up of an All-India Wide Area Network.	Work on Phase-I and Phase-II is likely to be completed by October, 2009.	Massive effort is required in change management.	Contract for Establishment of a Data Centre and All India Wide Area Network at a total cost of Rs.77 crore was awarded to the consortium of BSNL, VSNL and HP. Out of 539 sites, 506 sites have been delivered. Implementation phase has been declared closed. Remaining sites are likely to be delivered by the vendor soon.
					- Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	Equipment has been installed and commissioned. System Acceptance milestone reached.	CNE/CCEA approval for revised cost was obtained on 09.08.2007 and 29.11.2007 respectively	Equipment has been installed and commissioned and System

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			<p>A c c e p t a n c e milestone reached i.e. software applications for customs, central excise and service tax have been ported and are running from three national data centres.</p> <p>A Network Operations Centre has been set up for providing support for applications users and pro-active monitoring of the infrastructure.</p> <p>A helpdesk is in operation for infrastructure and applications support for operations and resolution of the end user problems.</p> <p>A Single Sign-on application has also</p>

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
							been configured and rolled out for providing policy based access for officers to different applications.
				- Provision of local area network to all departmental users	- LAN connectivity has been provided to CBEC users spread over 175 buildings. Phase-II covering 1035 buildings in over 200 cities is under implementation and is likely to be completed by June, 2009, barring exceptions and force majeure issues.	CNE/CCEA approval for revised cost was obtained.	Implementation of LAN is underway. Out of 1210 sites, LAN has been implemented in 1114 sites while work is in progress in 44 sites. At 52 sites, there are force majeure issues which are being addressed.
				- Establishment of Data warehouse	Based on timelines of other projects, both Phase-I(Customs data) and Phase-II (Central Excise and Service Tax data) are likely to be implemented by May, 2010.	Work has commenced on low level design. The data extraction and loading into the Data Warehouse will commence only after production data from ACES and ICES 1.5 becomes available at the Data Centre. Central hardware for development became available. It has been configured.	Data base modeling is completed for the Central Excise and Service Tax phase and the reports have been developed. Initial set of reports as part of the Pilot have been published on the portal of CBEC for users to view. A Training cum

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
							Workshop to give orientation to users was also conducted.
							For Customs phase, design and data base modeling progressed to a large extent and likely to be completed soon.
			- Automation of Central Excise & Service Tax (ACES)	ACES has been rolled out on a pilot basis in six Commissionerates namely, LTU Bangalore, LTU Chennai, Service Tax Commissionerate Chennai and Central Excise Commissionerates of Coimbatore, Belapur and Bhubaneshwar-II with Registration, Return and CLI Modules. ACES is expected to be rolled out to other locations by September, 2009.	The timeline is dependent on LAN/WAN as well as availability of related Hardware at all locations.	ACES has been rolled out nationally in all 104 Commissionerates of Central Excise and Service Tax on 23.12.2009.	

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
				- Gateway Project for Customs upgradation	80% work has been completed. Remaining work is mainly pertaining to integration of maps developed with the back end ICES 1.5 application and trading partners' applications and is expected to be completed by September, 2009.	Availability of ICES 1.5 application for Air, Sea and ICD and readiness of trading partners.	Work has been almost completed. Remaining work is mainly pertaining to integration of maps developed with the back end ICES 1.5 application and trading partners' applications.
				- Setting up of Risk Management System (RMS)	- The Import module of RMS has been rolled out in all the 23 locations, in 13 cities. Export module has been ported in Data Centre. For container selection, RMS at Nhava Sheva is working.	Availability of ICES 1.5 application.	RMS has been implemented/commissioned at 23 ICES locations in 13 cities. Centralised application for RMS has been developed and User Acceptance Testing is in progress. Four sites have migrated to Data Centre.
				- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	- An LTU specific website has been developed. The LTUs		Website for LTU has been set up. LTUs are currently

1	2	3	4	5	6	7	8													
			4(i) BE	4(ii) RE																
					are currently operational at Bangalore, Chennai, Mumbai and Delhi. Other LTU at Kolkata is planned to be operationalised by the end of 2009.		operational at Bangalore, Chennai, Delhi and Mumbai.													
2.	Major Head 4047 - Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	120.00	102.00	<p>The number of vessels that have been delivered to the Department up to December, 2009:</p> <table border="1"> <thead> <tr> <th>Cate- gory</th> <th>No. of Vessels</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>15</td> </tr> <tr> <td>II</td> <td>Nil</td> </tr> <tr> <td>III A</td> <td>30</td> </tr> <tr> <td>III B</td> <td>33</td> </tr> <tr> <td></td> <td>78</td> </tr> </tbody> </table> <p>Three vessels in the Category II are expected to be delivered up to 31.03.2010.</p>	Cate- gory	No. of Vessels	I	15	II	Nil	III A	30	III B	33		78	The orders for procurement of Category I, III A and III B vessels numbering 87 have been placed to the Boat Builders in the month of March, 2007. Order for supply of Category II vessels numbering 22 has been placed with the Boat Builder in December, 2008. The expected time of completion of delivery of the vessels is as follows:-	----	For acquisition of marine vessels, revised proposal for acquiring 109 vessels at a cost of Rs.277.27 crores was approved by CCEA on 22.02.2007. Orders for procurement of 24 vessels in Category-I were placed with M/s Gold Bridge, Malaysia and for procurement of 30 vessels in Category-III A and 33 vessels in Category-III B with M/s Brunswick, Singapore. Contract for supply of 22 vessels of Category-II was
Cate- gory	No. of Vessels																			
I	15																			
II	Nil																			
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Cate- gory	Expected time																			
I	June, 2010																			
II	Sep., 2011																			
III A	Completed																			
III B	Completed																			

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
							<p>signed with M/s Al Dhaen Crafts, Bahrain.</p> <p>In Category-I, delivery commenced by the Boat Builder in September, 2008 and 18 vessels were received up to March, 2010. Delivery of Category-III A and III B vessels commenced from January, 2008 and all vessels in these categories have been received by June, 2009. In Category-II, 2 vessels have been received up to 31.03.2010.</p> <p>Against RE of Rs.102.00 crore, the expenditure incurred during 2009-10 was Rs.78.65 crore.</p>

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
3.	Major Head 4047 - Acquisition of Anti-smuggling equipments	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improved Customs control through non-intrusive examination.	100.00	57.00	Installation of 3 Mobile Gamma Ray Scanners, placement of order and start of civil construction for 4 Fixed X-Ray Scanners at a total project cost of Rs.172.94 crore (recurring) and Rs.18.61 crore per annum (non-recurring).	3 mobile scanners would be installed and commissioned during 2009-10. Supply order for installation of 4 fixed scanners would be placed during 2009-10. After installation, fixed scanners are expected to be commissioned in 2010-11.	Progress of the project depends on acquisition of land from the Port authorities and timely approval from statutory authorities. The progress is being monitored by the Project Implementation Committee.	For acquisition of scanners, Project Implementation Committee is functioning. For acquisition of land from Port Authorities for installation of scanners at 4 locations at Tuticorin, Chennai, Mumbai and Kandla, lease rent to be paid to the Ports has been quantified as 30% of normal rates by Ministry of Shipping and lease agreement with Port Authorities is in the process of finalization. Global tender for acquisition of 3 Mobile Gamma Ray Scanners was re-floated in January, 2009,

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			<p>technical bids were opened on 03.03.2009 and price bids on 07.12.2009. Evaluation of bids was done by Tender Evaluation Committee on 22.12.2009. Proposal for acceptance of L-1 bid was under consideration. Global tender for 4 X-ray Scanners was floated in November, 2008 and technical bids were opened on 23.03.2009 and considered by Technical Evaluation Committee on 22.12.2009. Price bids for fixed scanners were opened on 29.03.2010.</p> <p>Against RE of Rs.57.00 crore, no expenditure incurred during 2009-10.</p>

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
4.	Major Head 4059 - Acquisition of Office Accommodation	To meet shortfall in Office Accommodation	50.00	12.00	The purchase of office accommodation will bridge the shortfall in requirement of office space.	<p>-Further payment for acquisition of office space in NBCC building, Saket, New Delhi.</p> <p>-Payment of stamp duty and other charges to be made to local authority i.e. Mumbai Municipal Corporation in respect of building purchased from S p e c i f i e d Undertaking of Unit Trust of India in November, 2006 at Mumbai.</p> <p>-Payment for purchase of office accommodation at Chennai from TNSCB, purchase of office space for LTU at Kolkata and for other small proposals are likely to be made.</p>	<p>Payment in such cases depends on various formalities involving consultation with different concerned authorities.</p> <p>For purchase of office space from NBCC in New Delhi for use by CBEC, an advance payment of Rs.30.00 crore was made in March, 2008. Part payment of Rs.7.95 crore has also been made to NBCC up to March, 2010 on completion of 75% of interior work in the office space. Other payment has not been made as the completion certificate has not been obtained by the NBCC which is necessary for execution of sublease agreement between NBCC and CBEC.</p> <p>Payment of stamp duty and other charges in respect of building purchased from SUUTI at Mumbai</p>

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
							payable to local authority i.e. Municipal Corporation of Greater Mumbai is still pending as dispute regarding rate of stamp duty is yet to be settled.
							Other proposals for purchase of office accommodation from TNSCB at Chennai and office space for LTU, Kolkata have not been finalized.
							Against RE of Rs.12.00 crore, the expenditure incurred during 2009-10 was Rs.6.05 crore.
5.	Major Head 4216 - Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	19.80	1.80	The purchase of residential accommodation will bridge the shortfall in requirement.	Part payment in respect of purchase of flats from Allahabad Development Authority, balance payment for purchase of flats at Ranchi, payment for purchase of residential	The proposals involve obtaining clearance from CPWD, Ministry of Urban Development, SFC etc. after following the due procedure prescribed in GFRs. For acquisition of 134 flats at a cost of Rs.11.04 crore from Allahabad Development Authority (ADA) under a MOU signed on

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
					premises at Shillong and other payments in respect of other ongoing projects are likely to be made.		31.03.2005, payment of Rs.4.97 crore (Rs.2.76 crore on 31.03.2005 and Rs.2.21 crore on 08.11.2006) was made. Thereafter, ADA had unilaterally enhanced the cost of flats to Rs.14.97 crore in contravention of the MOU. The Department has, therefore, decided not to purchase the flats from ADA. The ADA has since returned the amount of Rs.4.97 crore which was paid by the Department.
							For purchase of 67 flats at National Games Housing Complex at Ranchi, payment of Rs.12.04 crore was made in two

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
							instalments. Balance payment of Rs.1.24 crore would be made at the time of taking possession.
							Against RE of Rs.1.80 crore, the expenditure incurred during 2009-10 was Rs.0.30 crore.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2010-11

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2010-11 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31st Dec 2010
1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
Major Head 2037 and 2038 - Information Technology	Strengthening of IT capability for e-governance	IT e-	150.00	106.00	- Setting up of an All-India Wide Area Network (WAN).	506 sites out of 539 sites have been delivered. Implementation Work comprising Phase-I and Phase-II has been declared closed. Other sites will be delivered by the vendor soon.	Massive effort is required in change management	Against RE of Rs.106.00 crore, the expenditure up to December, 2010 is Rs.53.17 crore.
					- Installation of Central servers (hardware, storage	Equipment has been installed and	CNE/CCEA approval for revised cost was obtained	Equipment has

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
				and security infrastructure) i.e. Systems Integration	commissioned. System Acceptance milestone reached i.e. software applications for customs, central excise and service tax have been ported and are running from the three national data centres.	on 09.08.2007 and 29.11.2007 respectively.	been installed and commissioned and System Acceptance milestone reached i.e. software applications for customs, central excise and service tax have been ported and are running from three national data centres. A Network Operations Centre has been set up for providing support for applications users and pro- active monitoring of the infrastructure. A helpdesk is in operation for infrastructure and applications support for operations and resolution of the end user problems. A Single Sign-on application has also

4(i) BE	4(ii) RE
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been configured and rolled out for providing policy based access for officers to different applications.

Mail messaging solution has been made online from Data Centre to provide official mail accounts.

- Provision of Local Area Network (LAN) to all departmental users

Under Phase-I, LAN connectivity has been provided to CBEC users spread over 175 buildings.

CNE/CCEA approval for revised cost was obtained.

Out of 1210 sites, LAN connectivity has been provided in 1154 sites. By using LAN, the offices under CBEC are able to connect/access the central computing facility. With this, LAN Project has been completed except for sites facing shifting or other force majeure issues. Helpdesks have been provisioned to address user complaints.

- Under Phase-II, LAN connectivity has been provided at 900 sites. Work is in progress in 70 sites including 65 sites where there are force majeure issues which are being addressed.

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
				<p>- Establishment of Data Warehouse</p>	<p>Based on timelines of other projects, both Phase-I (Customs data) and Phase-II (Central Excise and Service Tax data) are likely to be implemented by May, 2010.</p>	<p>First set of reports showing collections in Central Excise and Service Tax time-wise, assessee-wise, location wise, minor account head-wise etc. has gone live.</p> <p>Data base modeling for pilot is completed and the development of Pilot ETL (Extraction of data from source systems and loading into the Data Warehouse) as well as Reports has commenced. The strategy for Pilot User Acceptance Testing is underway.</p> <p>The Data Warehouse is also implementing, as an addition to its scope, a prototype on data exchange between CBEC, CBDT and State VAT/CST.</p>	<p>Various analytical reports on Customs, Central Excise and Service Tax have been developed and hosted on the portal of CBEC.</p> <p>The User Acceptance Testing phase is complete and the project is in the process of being rolled out to identified CBEC users.</p> <p>Various data mining reports for determining reference price for imports and Central Excise have been prepared. Automated cluster formation exercise for sensitive commodities has been done. Supplier profiling has also been accomplished.</p>

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
				- Automation of Central Excise & Service Tax (ACES)	All India roll out of ACES with all modules has been completed on 23.12.2009 in all 104 Commissionerates of Central Excise and Service Tax.	-----	ACES has been rolled out nationally with all modules on 23.12.2009 in all 104 Commissionerates of Central Excise, Service Tax and Large Taxpayer Units. The self learning online tutorial called Learning Management Software has also been developed and is available at ACES website.
				- Gateway Project for Customs upgradation	Work has been almost completed. Remaining work is mainly pertaining to integration of maps developed with the back end ICES 1.5 application and trading partners' applications.	Availability of ICES 1.5 application for Air, Sea and ICD and readiness of trading partners.	Work has been almost completed. Out of 104 prominent Customs locations, Electronic Data Interchange (EDI) facilities in 90 locations are in operation. 37 locations (Airports & ICDs) have been migrated to centralized database running on ICES 1.5. Messages relating to Custodian and

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
							Airlines have been developed.
							Remaining items of work are mainly pertaining to integration of maps, developed with the back end ICES 1.5 application, especially messages relating to Seaports.
				- Setting up of Risk Management System (RMS)	The Import module of RMS has been successfully commissioned in all the 23 locations, in 13 cities. Export module has been ported in Data Centre and User Acceptance Testing is in progress. For container selection, RMS at Nhava Sheva Custom House is working.	Availability of ICES 1.5 application.	RMS is operational in all major Customs Ports/ Airports, covering more than 85% of India's international trade. RMS in 24 Export Promotion Schemes is also operational at all these locations.
							A new version of RMS application (RMS 3.1) has been deployed on

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			central server and is in operation at 47 locations including 20 old RMS sites and 27 other EDI locations.
							The Accredited Client Programme (ACP) is a major feature of the RMS, whereby certain importers are identified as highly compliant and these ACP clients are given assured facilitation by the RMS.
				- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	- An LTU specific website has been developed. The LTUs are currently operational at Bangalore, Chennai, Delhi and Mumbai. Other LTU at Kolkata is planned to be operationalised during 2010.		Website for LTU has been set up. LTUs are currently operational at Bangalore, Chennai, Delhi and Mumbai.

1	2	3	4	5	6	7	8									
			4(i) BE	4(ii) RE												
2.	Major Head 4047 - Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	48.00	42.00	<p>Following vessels are expected to be delivered to the Department during 2010-11:-</p> <table border="1"> <thead> <tr> <th>Cate-gory</th> <th>No. of Vessels</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>06</td> </tr> <tr> <td>II</td> <td>12</td> </tr> <tr> <td></td> <td>18</td> </tr> </tbody> </table>	Cate-gory	No. of Vessels	I	06	II	12		18	<p>The orders for procurement of Category I, III A and III B vessels numbering 87 were placed to the Boat Builders in the month of March, 2007. Order for supply of Category II vessels numbering 22 has been placed with the Boat Builder in December, 2008. In Category-III A and IIIB, all vessels (30 in III-A and 33 in III-B) have been delivered by the Boat builder.</p> <p>Out of 24 vessels in Category-I, delivery of 15 vessels have been received so far and 3 more vessels are expected to be delivered by March, 2010. Delivery of all vessels in this category will be completed in 2010-11.</p> <p>In Category-II, 3 vessels are expected to be received by March, 2010. Delivery of all 22 vessels in this category will be completed in 2011-12.</p>	-----	<p>For acquisition of marine vessels, revised proposal for acquiring 109 vessels at a cost of Rs.277.27 crores was approved by CCEA on 22.02.2007. Orders for procurement of 24 vessels in Category-I were placed with M/s Gold Bridge, Malaysia and for procurement of 30 vessels in Category-III A and 33 vessels in Category-IIIB with M/s Brunswick, Singapore. Contract for supply of 22 vessels of Category-II was signed with M/s Al Dhaen Crafts, Bahrain.</p> <p>In Category-I, delivery commenced by the</p>
Cate-gory	No. of Vessels															
I	06															
II	12															
	18															

1	2	3	4	5	6	7	8	
			4(i) BE	4(ii) RE				
							Boat Builder in September, 2008 and all 24 vessels have been received by August, 2010. Delivery of Category-III A and III B vessels commenced from January, 2008 and all vessels in these categories have been received by June, 2009. In Category-II, 8 vessels have been received up to 31.12.2010 including 2 vessels received during 2009-10.	
							Against RE of Rs.42.00 crore, the expenditure up to December, 2010 is Rs.13.15 crore.	
3.	Major Head 4047 - Acquisition of Anti-smuggling equipments	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improved Customs control through non-intrusive examination.	73.00	36.95	Installation of 3 Mobile Gamma Ray Scanners, placement of order and start of civil construction for 4 Fixed X-Ray Scanners at a total project cost of Rs.172.94 crore	3 mobile scanners are likely to be installed and commissioned during 2010-11. Supply order for installation of 4 fixed scanners would be	Progress of the project depends on acquisition of land from the Port authorities and timely approval from statutory authorities. The progress	For acquisition of scanners, Project Implementation Committee is functioning.

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
				(recurring) and Rs.18.61 crore per annum (non-recurring)	placed during 2010-11. After installation, fixed scanners are expected to be commissioned in 2011-12.	is being monitored by the Project Implementation Committee.	For acquisition of land from Port Authorities for installation of scanners at 4 locations at Tuticorin, Chennai, Mumbai and Kandla, lease rent to be paid to the Ports has been quantified as 30% of normal rates by Ministry of Shipping . However, lease agreement with Port Authorities, which is different the earlier lease deed format consented by Customs Department, has not been signed. The revised lease format which contains some impractical clauses has been taken up with Ministry of Shipping for deletion of the said clauses.

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			<p>Global tender for acquisition of 3 Mobile Gamma Ray Scanners was re-floated in January, 2009, technical bids were opened on 03.03.2009 and price bids on 07.12.2009. Evaluation of bids was done by Tender Evaluation Committee on 22.12.2009. Sanction for acquisition of 3 mobile scanners through selected bidder has been issued on 06.08.2010. Global tender for 4 X-ray Scanners was floated in November, 2008 and technical bids were opened on 23.03.2009 and considered by Technical Evaluation Committee on</p>

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
							22.12.2009. Price bids were opened on 29.03.2010 and Sanction for acquisition of 4 fixed scanners through selected bidder has been issued on 24.09.2010.
							Against RE of Rs.36.95 crore, expenditure incurred up to December, 2010 is Rs.11.32 crore.
4.	Major Head 4059 - Acquisition of Office Accommodation	To meet shortfall in Office Accommodation	132.00	51.00	The purchase of office accommodation will bridge the shortfall in requirement of office space.	-Further payment in respect of office space in NBCC building, Saket, New Delhi purchased in March, 2008. -Payment of stamp duty and other charges to be made to local authority i.e. Mumbai Municipal Corporation in respect of building purchased from Specified Undertaking of Unit	Payment in such cases depends on various formalities involving consultation with concerned authorities. For purchase of office space from NBCC in New Delhi for use by CBEC, an advance payment of Rs.30.00 crore was made in March, 2008. Part payment of Rs.7.95 crore was also made to NBCC up to March, 2010 on completion of 75% of interior work in the office space. Other

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
					Trust of India in November, 2006 at Mumbai.		payment has not been made as the completion certificate has not been obtained by the NBCC which is necessary for execution of sublease agreement between NBCC and CBEC.
					-Payment for purchase of office accommodation at Chennai from TNSCB, purchase of office space for LTU at Kolkata and for other small proposals likely to be made.		Payment of stamp duty and other charges in respect of building purchased from SUUTI at Mumbai payable to local authority i.e. Municipal Corporation of Greater Mumbai is still pending as dispute regarding rate of stamp duty is yet to be settled.
							Other proposals for purchase of office accommodation from TNSCB at Chennai and office space for LTU, Kolkata have been dropped.
							Against RE of Rs.51.00 crore, no

1	2	3	4	5	6	7	8
			4(i) BE	4(ii) RE			
5.	Major Head 4216 - Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	11.00	2.00	The purchase of residential accommodation will bridge the shortfall in requirement.	Payment for purchase of residential premises at Shillong and other payments in respect of other ongoing projects likely to be made.	<p>The proposals involve obtaining clearance from CPWD, Ministry of Urban Development, SFC etc. after following the due procedure prescribed in GFRs.</p> <p>expenditure has been incurred up to December, 2010.</p> <p>For purchase of 67 flats at National Games Housing Complex at Ranchi, payment of Rs.12.04 crore was made in two instalments. Balance payment of Rs.1.24 crore would be made at the time of taking possession.</p> <p>Proposal for purchase of residential accommodation at Shillong has not been finalised.</p> <p>Against RE of Rs.2.00 crore, no expenditure has been incurred up to December, 2010.</p>

OVERALL PERFORMANCE

Salient features on overall performance of the Central Board of Excise and Customs (CBEC)

- Total Indirect Tax Revenues amounted to Rs.2,45,540 crore in 2009-10. Union Excise Duties collection accounted for 42.33% (Rs.1,03,946 crore), Customs: 33.92% (Rs.83,275 crore) and Service Tax: 23.75% (Rs.58,319 crore).
- Indirect Tax Revenues have increased by 67.14% from Rs.1,46,910 crore in 2003-04 to Rs.2,45,540 crore in 2009-10.
- There has been 16.62% decrease in Customs Duties collections and 4.30% decrease in Union Excise Duties collections in 2009-10 with reference to previous year.
- Service Tax collections have decreased by 4.30% in 2008-09 over previous year. However, Service Tax collections have shown phenomenal growth of 639% from 2003-04 (Rs.7,891 crore) to 2009-10 (Rs.58,319 crore). The share of Service Tax in Indirect Tax Revenues has increased from 1% in 1995-96 to 23.75% in 2009-10.
- In 2010-11 up to December, 2010, Indirect Tax Revenue collections amounted to Rs.2,26,882 crore constituting Union Excise Duties - Rs.85,923 crore, Customs Duties - Rs.96,703 crore and Service Tax - Rs.44,256 crore.
- Total Indirect Tax collection up to December, 2010 have shown growth of 43.48% over the comparative period of previous financial year. Union Excise Duties, Customs Duties and Service Tax collections respectively have increased by 37.37%, 65.04% and 19.65% over the collections in the comparative period of previous year.
- The cost of collection for Customs Duties had come down from 0.93% in 2003-04 to 0.51% in 2007-08 and now increased to 1.09% in 2009-10. The cost of collection for Central Excise & Service Tax had also come down from 0.76% in 2003-04 to 0.63% in 2006-07 and now increased to 1.32% in 2009-10. The cost of collection of Indirect Taxes are tabulated below:-

Cost of Collection

Head of Duty	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Customs	0.93%	0.77%	0.72%	0.56%	0.51%	0.72%	1.09%
Central Excise & Service Tax	0.76%	0.73%	0.67%	0.63%	0.64%	0.98%	1.32%

- Indirect Tax Revenues have fallen from 5.3% of GDP in 2004-05 to about 4.0% of GDP in 2009-10.
- Average expenditure on pay and allowances and average collection of revenue per employee for last three years is

given below:-

Year	Average expenditure on pay and allowances per employee (Rs. in lakh)	Average collection of revenue per employee (Rs. in crore)
2007-08	2.08	5.07
2008-09	3.22	4.91
2009-10	4.20	4.37

E-Governance:

There are various components of e-governance in the CBEC which are outlined below:-

- i) Wide Area Networking:- This project envisages setting up an All India Wide Area Network linking 20,000 users (departmental as well as external) across the country to National Data Centre, Business Continuity and Disaster Recovery Sites. This is an outsourced services model in which the vendor will provide the Department with reliable, secure and high standard network and Data Centre services. Vendor was selected in August, 2006 and the contract was signed in March, 2007. Out of 539 sites, 506 sites have been delivered by the vendor. Remaining sites are likely to be delivered soon.
- ii) Installation of Central Servers:- The Department would be acquiring new generation of servers and storage to provide computing, data storage, systems security infrastructure, Central facilities management and related functionalities to all departmental and external users accessing the CBEC system. These would be located at National Data Centre, Business Continuity and Disaster Recovery Sites. All relevant applications would be hosted on this central infrastructure. Installation and commissioning of equipment has been completed. System Acceptance milestone reached i.e. software applications for customs, central excise and service tax have been ported and are running from the three national data centres.
- iii) Provision of Local area Network to all Departmental Users:- All applications of Customs, Central Excise and Service Tax will be accessed by the departmental users using this network. The connectivity of local area network has been provided at 1154 sites, except for the sites facing shifting or other force majeure issues.
- iv) Establishment of Data Warehouse:- CBEC would become a centralized depository of all Customs, Central Excise and Service Tax Data. The data would be available to all user groups over the web with a user friendly interface, for analytical reporting purposes including data mining. All the Customs, Central Excise and Service Tax reports required by the users have been published on the departmental portal accessible to selected users.
- v) Automation in Central Excise and Service Tax:- Ensuring a large degree of transparency and reduced

interface with the Central Excise and Service Tax assesses through automated work flow of all business processes. ACES has been rolled out nationally on 23.12.2009 in all 104 Commissionerates of Central Excise and Service Tax.

vi) Gateway for Customs upgradation:- A system for Electronic Data Interchange (EDI) for Customs was operational at local levels. With a view to linking the Customs community through a single network, Gateway Project was launched. The upgradation of this Project is for development of capabilities to handle electronic transaction in a consolidated environment and for enhancement of quality of service delivery to the Customs Trading Partners. E-filing of Customs documents through this Project has improved the on line assessment, duty payment and clearance procedure. EDI facilities at 90 Customs locations are in operation. Further, 37 locations at Airports and ICDs have been migrated into centralized database. Remaining work is mainly pertaining to integration of maps developed with the back end application, especially messages related to Seaports and trading partners' applications.

vii) Setting up of Risk Management System (RMS):- Transition from a consignment based control to 'intervention by exception' through identification of risk associated with imports. Facilitation of low risk, compliant trade and optimized use of resources for computer aided scrutiny of high risk consignments. RMS is operational in all major Customs Ports/Airports, covering more than 85% of India's international trade. RMS in 24 Export Promotion Schemes is also operational at all these locations. A new version of RMS application has been deployed on the central server and is operational at 47 locations. Launching of new version of RMS at other locations is dependent on migration of these locations to the central server.

viii) Setting up of a portal for Large Tax Payer Units to facilitate tax payers:- The portal facilitates tax payers with their interaction with Central Excise and Service Tax and Income Tax/Corporate Tax. There will be single point interface with Tax Administration of CBEC/CBDT and Large Tax Payers. An LTU specific website has been developed. LTUs are operational at Bangalore, Chennai, Mumbai and Delhi.

Computerisation Initiatives by Principal Chief Controller of Accounts, CBEC.

Office of the Pr. CCA has initiated a number of IT projects. A number of software applications are running and few are under pilot stage.

COMPACT SOFTWARE covers most of the functions of Pay and Accounts Offices. This software captures data at bill entry stage. The software has been developed by NIC in consultation with the Office of the Controller General of Accounts. The software has been functional in all Pay and Accounts Offices under CBEC.

E-Lekha is a web-based application that facilitates an ONLINE Financial Information System for fact based fiscal

management. All the Pay and Accounts Offices under CBEC upload COMPACT data to this web-based application maintained by the Office of the CGA.

Office of PCCA compiles monthly accounts based on monthly accounts uploaded by the PAOs through this software every month.

Electronic Accounting System in Central Excise and Service Tax (EASIEST) is for "Online Transmission of Tax Payment Data from Banks to Central Excise Department". It is aimed for obtaining a complete, correct and useful database that can be used at accounting, reconciliation and for other MIS purposes. EASIEST has been rolled out throughout the Country w.e.f. 01.04.2007.

REVACT SOFTWARE i.e. Revenue Accounting Software exclusively used by the Central Excise and Service Tax Pay and Accounts Offices has been redesigned by the NIC as a functional module of COMPACT with advanced features. The software is synchronized with the Central Server of Principal Chief Controller of Accounts. The salient features of the REVACT module are as follows:-

- Data Entry from physical challans and scrolls in case of manual payments and Data incorporation through electronic files received from Banks in case of e-Payments (i.e. electronic challans, electronic Main Scrolls).
- Automatic reconciliation of challans, scrolls and remittance.
- Calculation of delayed remittances.
- Detailed level of accounting of challans and all associated processes.
- Preparation of separate Monthly Accounts, Daily Data Abstract for e-lekha and MIS reports.
- Upload of reconciled challan data to central VPN server for centralized MIS for CBEC.

Electronic Accounting Solution for e-Receipts (EASeR) is conceived to further facilitate and support the entire Business Process especially in the areas of Accounting and Banking, in smooth, efficient, effective and user friendly manner. It is aimed to put in place a proper electronic accounting and reconciliation process. The project also aims to have a "zero error database" that will contribute to the Tax Information Network (TIN). The core concept of EASeR is to have a proper system of accounting of all e-Receipts of Central Excise and Service Tax. Two e-PAOs have been established w.e.f. 1.08.08 for Central Excise in Chennai and for Service Tax in Mumbai.

Centralized Delay Monitoring Module (CDMM) is the software for monitoring the delay in remittance of CBEC revenues from the date of realization to the date of credit of the same into the Government Account. The output information from REVACT uploaded by the Central Excise/Service Tax PAOs becomes the input for CDMM. The delay monitoring module has been integrated into the Central Revenue application running on the Central Server.

e-Payment of Central Excise and Service Tax is on-line payment of Tax to the Banks by the taxpayers. e-Payment of Central Excise and Service Tax has been made mandatory w.e.f.

01.04.2010 in respect of those assessee who have paid Central Excise duties or Service Tax of rupees ten lakh or above in the preceding year. All authorized Public Sector Banks and IDBI Bank have been allowed to collect Central Excise and Service Tax payments electronically for all Central Excise, Service Tax and LTU Commissionerates without the restriction of Commissionerate-wise authorisation.

e-Payment of Customs Duty Collection was conceived to provide e-Payment facility to the importers and exporters. The matter is under process in consultation with NIC under the e-trade project of Department of Commerce.

Multi Protocol Level Switching Virtual Private Network (MPLS VPN) has been established. The VPN will connect all the field offices with the Central Server of Pr. CCA and will provide for updating and maintaining all the softwares running at field Pay and Account Offices. The required application software for the Central Server is being developed in consultation with PCCA by a software company hired by NIC.

Procurement of Scanners

Towards procurement of scanners for scanning the import and export cargo containers arriving for customs clearance so as to detect contraband drugs, arms and ammunition and other undeclared cargo, a Pilot Project involving installation of one Mobile Gamma Ray Scanner and one re-locatable X-Ray Scanner at Jawaharlal Nehru Port Trust (JNPT), Nhava Sheva was taken up and completed by June, 2005. With the successful completion of the Pilot Project, a major step was taken towards facilitation of cargo clearance, efficient handling of increased volume of container traffic and improved customs control through non-intrusive examination have been achieved. In view of the encouraging results, the process of further procurement has progressed with the floating of tender for acquisition of 3 Mobile Scanners for installation at Kandla, Chennai and Tuticorin and 4

Fixed Scanners for installation at Mumbai, Kandla, Chennai and Tuticorin. Ministry of Shipping has approved allocation of land for installation of scanners at Mumbai, Kandla, Chennai and Tuticorin. The Mobile and Fixed Scanners are expected to be installed in 2011-12 and 2012-13 respectively.

The scanners installed at JNPT are working satisfactorily and operating at the level of 95% availability. The number of containers scanned by these scanners during last three years are as under:-

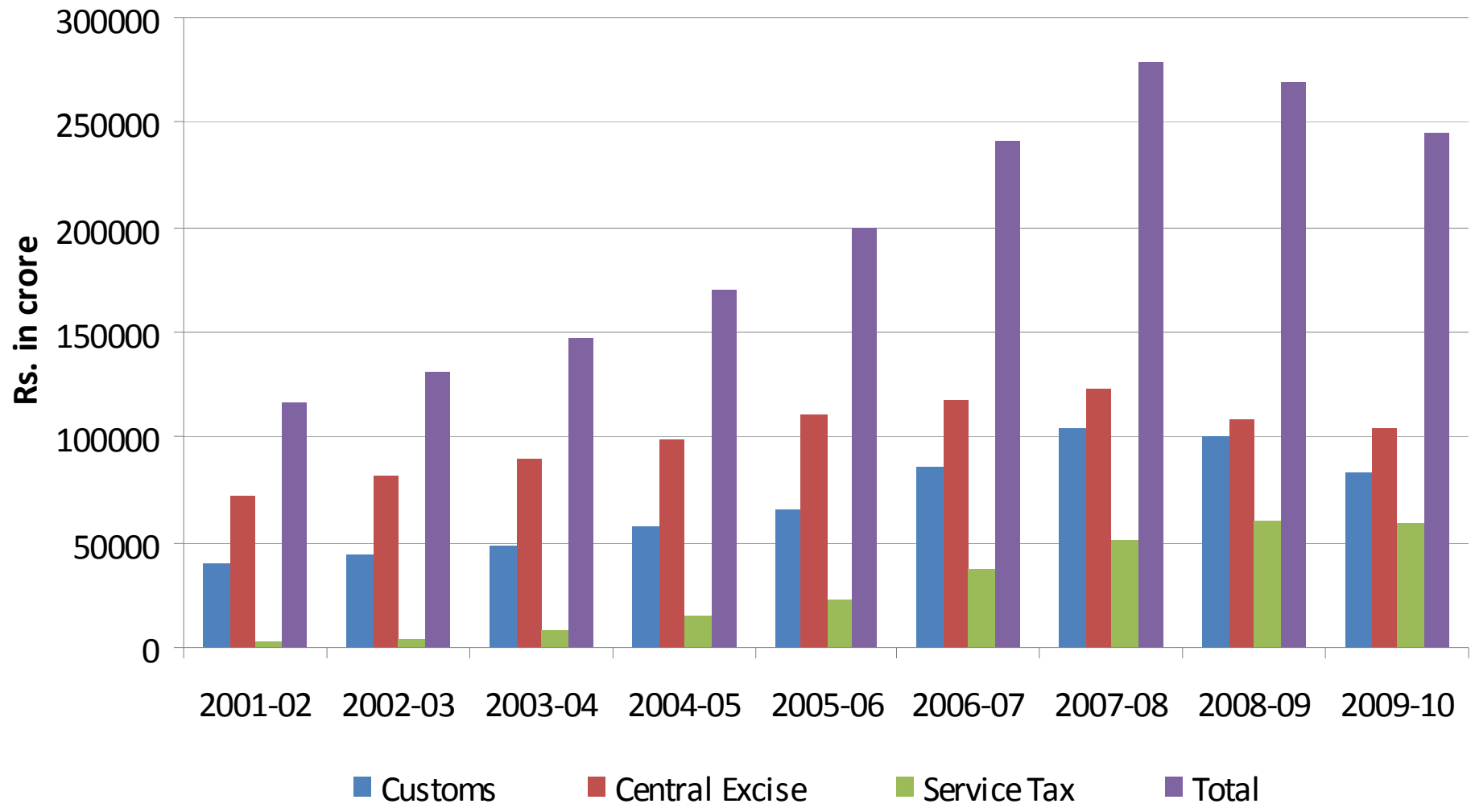
Year	Containers scanned through	
	Mobile Scanner	Fixed Scanner
2008	79,109	38,112
2009	83,828	38,943
2010	1,10,096	66,421

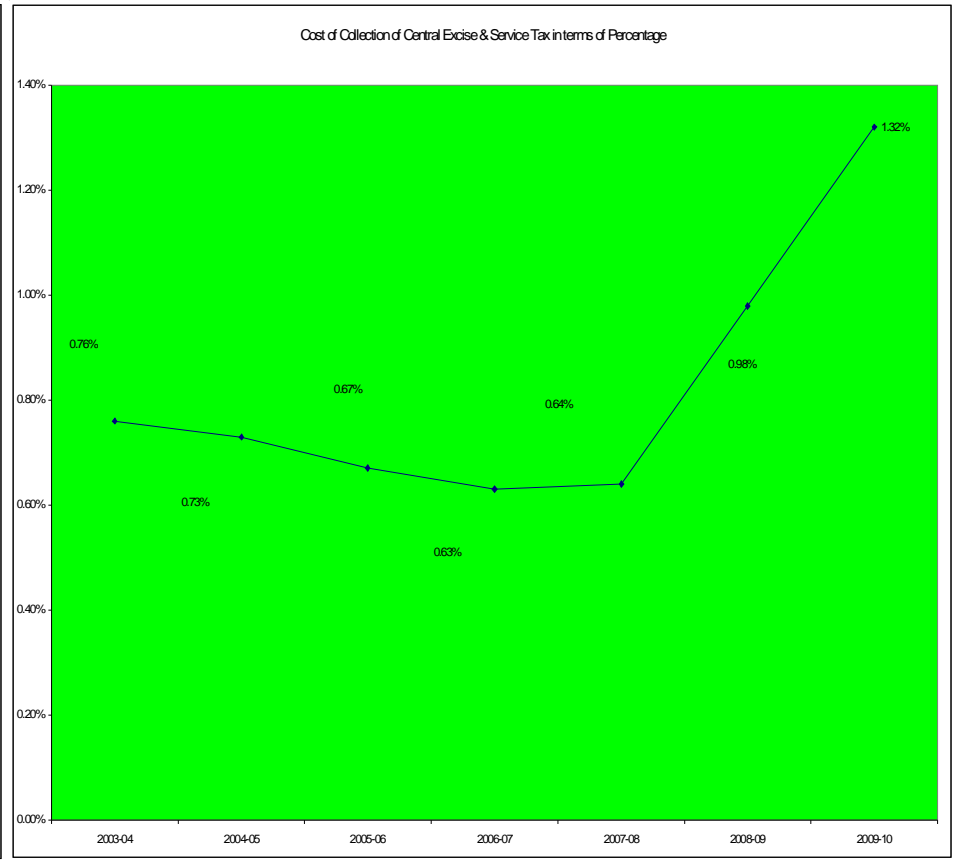
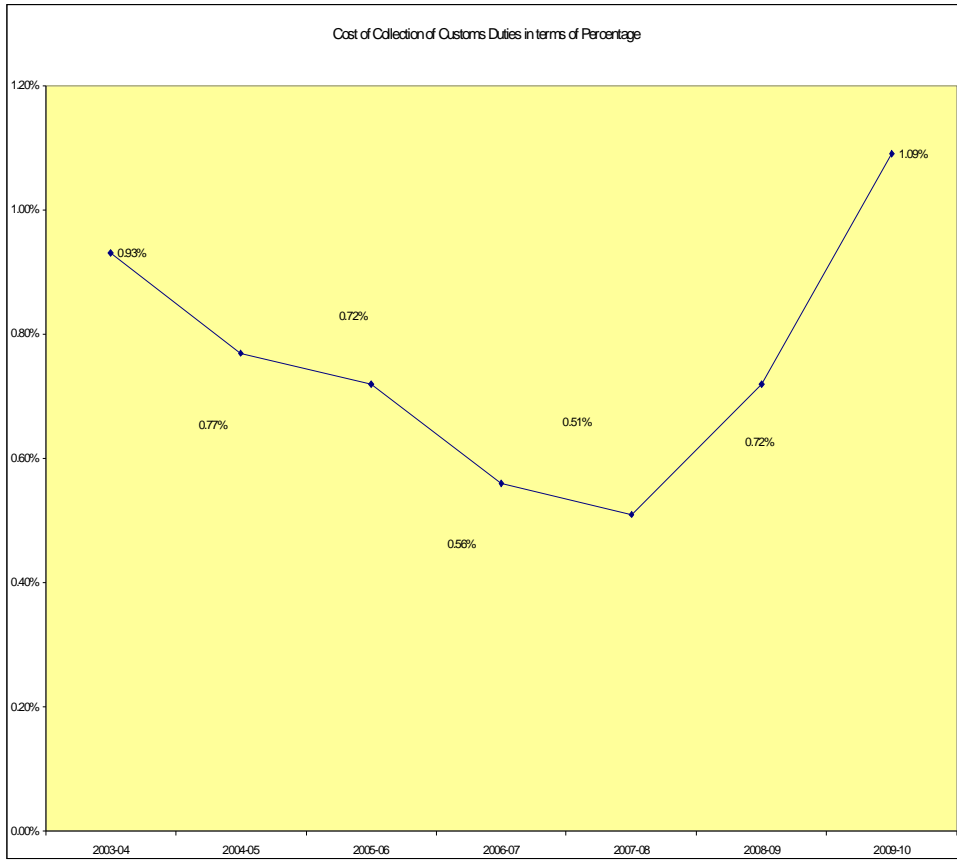
During 2010, 40 cases were booked through Fixed Scanner where the value of goods seized was Rs.9.82 crore and customs duty involved was Rs.1.60 crore. In case of Mobile Scanner, 9 cases were booked where the value of goods seized was Rs.1.15 crore and customs duty involved was Rs.0.35 crore.

Procurement of Marine Vessels

In order to improve the effectiveness of Customs Patrolling in the territorial waters of the country, a proposal for acquiring 109 modern and sophisticated marine vessels of various categories depending upon the needs and purposes for which they are deployed at a total revised cost of Rs.277.27 crore was approved by CCEA on 22.02.2007. Orders were placed with the selected firms and the Department has received 95 vessels up to December, 2010 (24 vessels in Category-I, 8 vessels in Category-II, 30 vessels in Category-III A and 33 vessels Category-III B). Delivery of remaining 14 vessels in Category-II is likely to be completed by June, 2011.

Collections from Indirect Taxes





**SUMMARISED POSITION OF SCHEMES UNDER
DEMAND NO.43 - INDIRECT TAXES**

S. No.	Scheme	2009-10			2010-11			(Rs. in crore)
		BE	RE	Actual	BE	RE	Actual	2011-12 BE
							(up to Dec., 10)	
1.	Strengthening of IT Capability for e-governance	200.00	200.00	186.41	150.00	106.00	53.17	150.00
2.	Acquisition of Ships & Fleets	120.00	102.00	78.64	48.00	42.00	13.16	13.50
3.	Acquisition of Scanners	100.00	57.00	0.00	73.00	36.95	11.32	70.00
4.	Acquisition of Office Accommodation	50.00	12.00	6.05	132.00	51.00	0.00	40.00
5.	Acquisition of Residential Accommodation	19.80	1.80	0.30	11.00	2.00	0.00	4.00
	Total	489.80	372.80	271.40	414.00	237.95	77.65	277.50
	Percentage w.r.t. RE			72.80			32.63	

**STATEMENT SHOWING SCHEME-WISE ACTUAL EXPENDITURE
VIS-À-VIS BE/RE FOR THE YEARS 2008-09, 2009-10 AND 2010-11**

(Rs. in crore)

S. No.	Descriptions	Major Head	2008-09			2009-10			2010-11		
			BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
Revenue Section											
1	MH-2037 (Customs)										
	Collection of Customs	2037	554.75	785.25	703.40	950.29	931.86	901.14	850.26	918.84	678.75
	Customs Welfare Fund	2037	10.00	10.52	10.52	10.50	9.00	8.53	0.00	0.00	0.00
	Missions Abroad	2037	1.15	1.15	1.15	1.20	1.30	1.30	1.40	1.55	1.40
2	MH-2038 (Union Excise Duties)										
	Collection of Union Excise Duties	2038	1026.69	1505.92	1404.16	1855.67	1831.05	1832.68	1627.10	1827.38	1463.22
	Printing of Banderols etc.	2038	0.02	0.02	0.00	0.02	0.00	0.00	0.00	0.00	0.00
	Directorate of Inspection	2038	17.78	23.49	24.94	28.62	31.51	30.93	27.97	30.48	23.34
	Systems and Data Management	2038	120.37	269.17	145.82	146.64	157.24	154.22	131.80	83.78	56.04
	Vigilance	2038	4.83	7.10	6.97	8.52	13.35	12.84	11.38	12.08	8.06
	National Academy of Customs, Excise & Narcotics	2038	13.17	19.04	20.56	21.16	26.37	30.44	21.57	36.58	26.18
	Directorate of Publicity & Public Relations	2038	23.50	22.02	18.07	24.68	24.64	24.91	26.29	27.02	6.07
	Directorate of Central Excise Intelligence	2038	20.30	28.31	23.31	32.35	31.21	25.45	27.56	29.33	19.12
	Other Offices	2038	6.24	7.36	6.53	8.35	14.54	15.60	11.97	12.87	10.10
3	MH-2216 (Housing)										
	Housing - Maintenance & Repair	2216	6.50	6.15	2.94	6.50	8.00	5.39	6.00	4.75	0.98
4	MH-3606 (Aid Material)										
	Aid Material & Equipment	3606	0.50	0.50	0.00	0.50	0.00	0.00	0.00	0.00	0.00
Total- Revenue Section			1805.80	2686.00	2368.37	3095.00	3080.07	3043.43	2743.30	2984.66	2293.26

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Indirect Taxes

(Rs. in crore)											
S. No.	Descriptions	Major Head	2008-09			2009-10			2010-11		
			BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
											(upto Dec.10)
Capital Section											
5	MH-4047 (Customs)										
	Acquisition of Marine Vessels	4047	100.00	100.00	99.38	120.00	102.00	78.64	48.00	42.00	13.16
	Acquisition of Container Scanners	4047	50.00	26.51	0.50	100.00	57.00	0.00	73.00	36.95	11.32
	Major Works	4047	0.20	0.20	0.00	0.20	0.20	0.15	0.20	0.05	0.00
6	MH-4059 (Office Accommodation)										
	Acquisition of Ready Built Office Buildings	4059	145.00	135.00	18.58	50.00	12.00	6.05	132.00	51.00	0.00
7	MH-4216 (Residential Accommodation)										
	Acquisition of Ready Built Residential Buildings	4216	20.00	14.29	12.80	19.80	1.80	0.30	11.00	2.00	0.00
Total- Capital Section			315.20	276.00	131.26	290.00	173.00	85.14	264.20	132.00	24.48
Grand Total			2121.00	2962.00	2499.63	3385.00	3253.07	3128.57	3007.50	3116.66	2317.74
Recoveries			-1.00	-1.00	-0.27	-1.00	-0.50	-0.19	-0.50	-0.50	0.00
Net			2120.00	2961.00	2499.36	3384.00	3252.57	3128.38	3007.00	3116.16	2317.74

**STATEMENT SHOWING OBJECT HEAD-WISE ACTUAL EXPENDITURE
VIS-À-VIS BE/RE FOR THE YEARS 2008-09, 2009-10 AND 2010-11**

(Rs. in crore)

S. No.	Object Head	2008-09			2009-10			2010-11		
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (upto Dec.10)
Revenue Section										
1	Salaries	1178.10	1855.00	1764.05	2301.00	2333.00	2359.25	2014.73	2356.16	1932.38
2	Wages	7.60	8.50	7.21	10.00	10.00	9.64	10.50	11.18	7.95
3	Overtime Allowance	14.00	12.60	10.58	13.50	12.00	9.57	13.00	10.75	6.31
4	Rewards	22.50	21.50	19.87	23.00	19.00	14.18	20.00	16.80	8.79
5	Medical Treatment	27.00	26.00	20.80	27.50	22.50	19.01	25.00	24.00	14.06
6	Domestic Travel Expenses	38.00	35.00	32.23	38.00	41.80	42.45	48.00	51.00	35.64
7	Foreign Travel Expenses	0.60	0.54	0.23	0.60	0.54	0.17	0.60	1.75	0.19
8	Office Expenses	205.00	215.00	192.73	285.00	232.00	216.66	280.00	233.73	150.17
9	Rent, Rates & Taxes	90.00	103.00	89.89	103.00	120.00	109.03	105.00	99.00	59.79
10	Publications	0.90	0.95	0.77	1.13	1.00	1.08	1.00	1.15	0.52
11	Banking Cash Transaction Tax	0.26	0.02	0.01	0.02	0.00	0.00	0.00	0.00	0.00
12	Other Administrative Expenses	4.90	6.81	6.08	8.00	7.70	6.06	1.18	2.10	1.93
13	Advertising & Publicity	22.00	19.50	14.59	22.00	21.00	20.28	24.00	22.80	2.61
14	Minor Works	11.50	10.90	5.42	12.00	14.00	10.03	11.50	13.25	1.42
15	Professional Services	11.00	11.00	10.63	12.00	12.00	14.10	12.00	13.35	6.14
16	Other Contractual Services	0.50	0.50	0.00	0.50	0.00	0.00	0.00	0.00	0.00
17	Grants-in-Aid-General	0.09	0.09	0.05	0.10	0.09	0.06	0.09	0.09	0.01
18	Secret Service Expenditure	4.00	3.85	3.96	4.15	4.10	4.06	4.20	4.40	2.92
19	Other Charges									
	(Charged)	1.20	1.20	0.38	1.20	0.50	0.01	0.50	0.50	0.13
	(Voted)	1.65	1.62	1.53	1.80	1.84	1.75	2.00	2.15	1.93

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Indirect Taxes

(Rs. in crore)

S. No.	Object Head	2008-09			2009-10			2010-11		
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
20	Machinery & Equipment	14.00	16.90	9.67	20.00	18.00	11.10	20.00	14.50	7.20
21	Inter Accounts Transfer	10.00	10.52	10.52	10.50	9.00	8.53	0.00	0.00	0.00
22	Information Technology	141.00	325.00	167.17	200.00	200.00	186.41	150.00	106.00	53.17
	Total - Revenue Section	1805.80	2686.00	2368.37	3095.00	3080.07	3043.43	2743.30	2984.66	2293.26
	CAPITAL SECTION									
	I. Major Head '4047'									
23	Acquisition of Ships & Fleets	100.00	100.00	99.38	120.00	102.00	78.64	48.00	42.00	13.16
24	Acquisition of Anti Smuggling Equipment	50.00	26.51	0.50	100.00	57.00	0.00	73.00	36.95	11.32
25	Major Works	0.20	0.20	0.00	0.20	0.20	0.15	0.20	0.05	0.00
	Total - Major Head '4047'	150.20	126.71	99.88	220.20	159.20	78.79	121.20	79.00	24.48
	II. Major Head '4059'									
26	Purchase of Ready Built Office Accommodation	145.00	135.00	18.58	50.00	12.00	6.05	132.00	51.00	0.00
	III. Major Head '4216'									
27	Purchase of Ready Built Residential Accommodation	20.00	14.29	12.80	19.80	1.80	0.30	11.00	2.00	0.00
	Total - Capital Section	315.20	276.00	131.26	290.00	173.00	85.14	264.20	132.00	24.48
	Grand Total	2121.00	2962.00	2499.63	3385.00	3253.07	3128.57	3007.50	3116.66	2317.74
	Recoveries	1.00	1.00	0.27	1.00	0.50	0.19	0.50	0.50	0.00
	Net	2120.00	2961.00	2499.36	3384.00	3252.57	3128.38	3007.00	3116.16	2317.74

Outcome Budget 2011-2012

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FINANCIAL REVIEW

ANALYSIS OF TRENDS IN EXPENDITURE

During 2009-10, total expenditure of Rs.3128.57 crore was 25.16% more than the expenditure of Rs.2499.63 crore incurred in 2008-09. In Revenue Section, the increase is 28.50% which is mainly due to payment of 60% arrear of revised pay consequent upon implementation of recommendations of 6th Central Pay Commission, enhancement in entitlement of employees to travel in higher class, revision of rent of hired office accommodation, publicity campaign about Service Tax and computerization of the Department.

Under Capital Section, there is decrease of 35.14% in 2009-10 vis-à-vis expenditure in 2008-09. This is on account of less payment towards acquisition of marine vessels which is linked to the stages of construction and delivery of vessels and non-payment of balance amount in respect of purchase of office space at NBCC Plaza in New Delhi and residential flats at National Games Housing Complex at Ranchi because of delay in handing over of office space/flats to the Department.

In 2010-11, total estimated expenditure of Rs.3116.66 crore is 0.38% less than the expenditure of Rs.3128.57 crore incurred in 2009-10. In Revenue Section, the anticipated decrease is 1.93% which is mainly due to less expenditure expected in respect of computerization of the Department.

Under Capital Section, there is anticipated increase of 55.04% in 2010-11 vis-à-vis expenditure in 2009-10. This is on account of anticipated payment towards lease rent for acquisition of land from concerned Port authorities for installation of scanners, advance payment for procurement of scanners and further payment likely to be made in respect of office space purchased at NBCC Plaza in New Delhi.

Expenditure under 'Advertising and Publicity' was Rs.20.28 crore in 2009-10, 39.00% more than the expenditure of Rs.14.59 crore in 2008-09. This is on account of more emphasis on publicity programme in general and clearance of pending bills pertaining to previous year. The estimated expenditure for 2010-11 is Rs.22.80 crore which is 12.43% more on account of wider campaigns of publicity through outdoor and miscellaneous media.

Under 'Information Technology' expenditure during 2009-10 was Rs.186.41 crore which is 11.51% more than the expenditure of Rs.167.17 crore incurred in 2008-09 because of progress in implementation of most of the components of consolidation of computerization programme during 2009-10. For 2010-11, estimated expenditure of Rs.106.00 crore is 43.14% less than the expenditure incurred in 2009-10 because payment is linked to completion of various stages of computerization and some of the payment stages may spill over to next financial year.

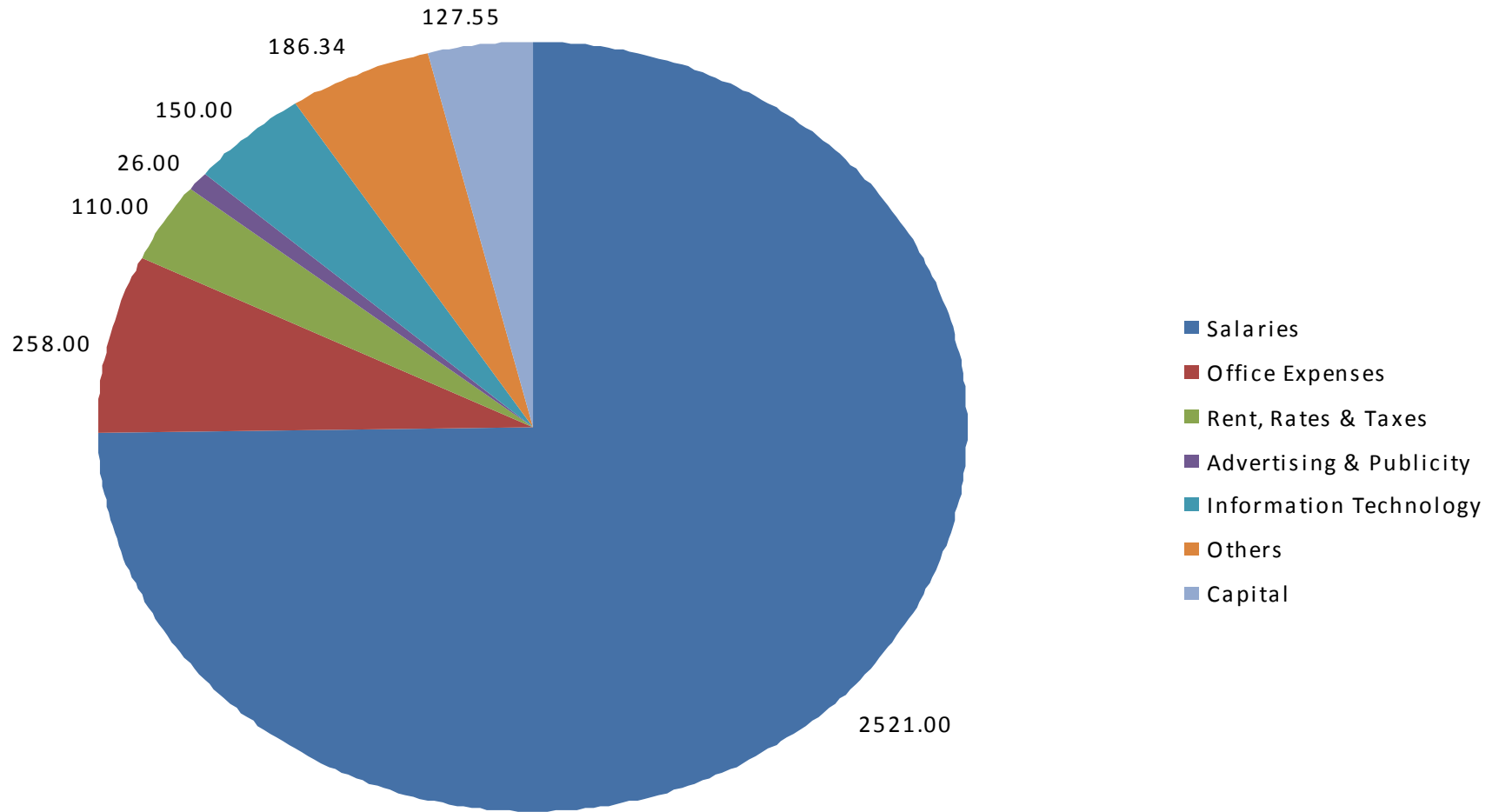
For procurement of Marine Vessels, expenditure during 2009-10 was Rs.78.64 crore which is 20.87% less than the expenditure of Rs.99.38 crore incurred in 2008-09 because payment to the Boat Builders is linked with the construction and delivery of boats. Expenditure of Rs.42.00 crore is likely to be incurred during 2010-11 towards scheduled payments for vessels. Out of 109 vessels to be procured, 95 vessels (24 in Category-I, 08 in Category-II and 30 in Category III-A and 33 in Category III-B) have been delivered to the Department by December, 2010.

For procurement of container scanners, no expenditure was incurred during 2009-10 as land for installation of scanners could not be procured from concerned Port Trust Authorities. During 2010-11, expenditure of Rs.36.95 crore is likely to be incurred towards payment of lease rent for acquisition of land from concerned Port authorities and for advance payment for procurement of scanners.

For acquisition of office accommodation, expenditure during 2009-10 was Rs.6.05 crore against Rs.18.58 crore in 2008-09. This included payment for interior work at office accommodation at NBCC Plaza, New Delhi. For 2010-11, estimated expenditure is Rs.51.00 crore towards further payment in respect of office accommodation purchased at NBCC Plaza, New Delhi.

For acquisition of residential accommodation, nominal expenditure of Rs.0.30 crore was incurred during 2009-10 as no new proposal was cleared. For 2010-11, estimated expenditure of Rs.2.00 crore includes balance payment in respect of purchase of 67 flats at National Games Housing Complex, Ranchi which are to be handed over to the Department after the National Games are over.

**Major Constituents of Expenditure under the Grant of Indirect Taxes in BE 2011-12
(Rs. in Crore)**



**DEPARTMENT OF DISINVESTMENT
INTRODUCTION**

The Ministry of Disinvestment was converted into a Department under the Ministry of Finance with effect from 27th May, 2004. The following work has been allocated to the Department:-

- (1) (a) All matters relating to disinvestment of Central Government equity from Central Public Sector Enterprises (CPSEs);
- (b) All matters relating to sale of Central Government equity through offer for sale or private placement in the erstwhile CPSEs;

(inserted through amendment Notification dated 28 June 2007).

Note: All other post disinvestment matters, including those relating to and arising out of the exercise of call option by the strategic partner in the erstwhile CPSEs, shall continue to be handled by the administrative Ministry or Department concerned, where necessary, in consultation with the Department of Disinvestment.

- (2) Decisions on the recommendations of Disinvestment Commission on the modalities of disinvestment, including restructuring;
- (3) Implementation of disinvestment decisions, including appointment of advisors, pricing of shares, and other terms and conditions of disinvestment;
- (4) Disinvestment Commission;
- (5) CPSEs for purposes of disinvestment of Government equity only; and
- (6) Financial policy in regard to the utilization of the proceeds of disinvestment channelised into the National Investment Fund. (inserted through amendment dated 12 January 2006 to the Allocation of Business Rules)

The Department is headed by Secretary (Disinvestment) who is assisted by an Additional Secretary and two Joint Secretaries. There is also a post of Chief Executive Officer, National Investment Fund. The related work is being looked by Additional Secretary, Disinvestment.

The Government, in November, 2005 has constituted "National Investment Fund" (NIF), to be maintained outside the Consolidated Fund of India into which the proceeds from disinvestment of CPSEs would be channelised. The Government on 5th November, 2009 has decided that all proceeds from disinvestment of CPSEs deposited in the NIF over a period of three years from April 2009 to March 2012 will be utilized in full to meet capital expenditure requirements of social sector schemes decided by Planning Commission/Department of Expenditure. The status quo ante of NIF will be restored from April, 2012.

STATEMENT OF OUTLAYS AND OUTCOMES 2011-12

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2011-12 (₹ in Crore)			Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			4(i) Non-Plan Budget	4(ii) Plan Budget	4(iii) CEBR*				
1	2	3	4	5	6	7	8		
1.	People ownership of CPSEs through Public Offerings	Promote people's ownership of CPSEs Good Corporate Governance in CPSEs Unlock true value of CPSEs for investors, employees, company and Government	55.14	...	...	₹ 40,000.00 crore to be raised through Public Offerings of the share of CPSEs. To achieve wide dispersal of ownership of CPSEs. To achieve people ownership of CPSEs through increased participation of retail investors. Scrutiny by larger number of shareholders will enable improvement of performance and working of CPSEs including transparency and accountability. To unleash the true potential of CPSEs. Unlocking of the value of CPSEs will result in higher market capitalization of CPSEs and benefit Public, Company, its employees and the Government.	To achieve wide dispersal of ownership of CPSEs. To achieve people ownership of CPSEs through increased participation of retail investors. Scrutiny by larger number of shareholders will enable improvement of performance and working of CPSEs including transparency and accountability. To unleash the true potential of CPSEs. Unlocking of the value of CPSEs will result in higher market capitalization of CPSEs and benefit Public, Company, its employees and the Government.	Public Offerings depend on approvals by regulatory authorities like SEBI, RBI etc. Moreover, Capital Market environment and preparedness of the CPSEs is also to be assessed before the Public Offering. Therefore, no strict timelines can be adhered to. However, a roadmap is prepared by Department which is monitored on a regular basis.	- Requisite number of independent Directors not appointed on the Board. - Volatility in the stock markets - Domestic & International.

* CEBR - Complementary extra budgetary schemes, i.e. expenditures committed for the purpose by entities other than the Central Government.

REFORM MEASURES AND POLICY INITIATIVES

The following measures were taken this year to make the process of disinvestment more efficient and transparent.

- In selection of Main Advisers [Book Running Lead Managers (BRLMs)] to an issue, the Combined Quality-cum-Cost based Selection (CQCCBS) process was adopted by Department of Disinvestment and the weight-age of 70:30 for technical and financial bids is given.
- In selection of BRLMs, a new parameter "Past performance of BRLMs in public issues of Department of Disinvestment" was added.
- The corner stone of Government's disinvestment policy is "people ownership of CPSEs". To achieve this objective and to encourage wider participation of public in Public Offerings to broad base the ownership of CPSEs, the Department, initiated various steps. Recognizing the important role played by brokers in generating good response from investors, particularly the retail investors, the Department starting from the IPO of Coal India Limited in October 2010, has decided on payment of incentive to the brokers @ 0.35% on allotments to Retail Investors, @ 0.15% on allotment to High Net worth Individuals and @ 0.25% on allotment to employees out of quota reserved for them. This has resulted in good response from all categories of investors, particularly from retail investors. The efforts of the Department in increasing retail participation have resulted in greater participation of retail investors in recently concluded Initial Public Offerings.
- The Department organized meetings with brokers and SEBI registered investors associations across several cities of the country in order to get a feedback on PSU Public Issues and also explain the disinvestment programmes to them. One-to-one and Group meetings were also held with large number of investors abroad to facilitate a better understanding of Government's disinvestment policy and get investors' perspective. Based on the feedback received from Investors, their associations, brokers etc. remedial measures have been adopted from time to time.
- As part of good governance through information technology, the website of the Department of Disinvestment (www.divest.nic.in) has been revamped to provide information that market participants need on disinvestment, in a transparent manner. The website is user friendly and makes available information in a more organized and systematic fashion. New features like Fact Sheets on Forthcoming, Current and Post Public Offers have been added which will be useful to all users: - Investors, PSUs, intermediaries, academicians, researchers, media as well as any person or organization having an interest in the disinvestment process.
- Earlier, the entire interest income earned on the application money of the Public Issue was retained by the Bankers to the Issue. However, the Department of Disinvestment after examining the issue decided in February, 2010 that the Bankers should be paid for their services but not be allowed to retain the entire interest earned by them in the process. The Bankers are now allowed to retain only 10% of the interest as payment for their services and the balance 90% is to be given to the Government.

REVIEW OF PAST PERFORMANCE

The Department of Disinvestment has no plan or non-plan scheme. The entire Budget of the Department is under non-plan for payment of salary, wages, professional services and other administrative expenses, etc. The Budget Estimate for the financial year 2010-11 for the Revenue was ₹63.36 crore and Revised Estimate for financial year 2010-11 is also kept at ₹63.36 crore.

II Disinvestment transactions completed during 2010-11 (upto December, 2010).

- Disinvestment of 10.03% pre-issue paid-up capital of Satluj Jal Vidyut Nigam Ltd. out of Government's shareholding through an Initial Public Offering. The issue was subscribed 6.51 times including the retail portion by 3.03 times. An amount of ₹1062.74 crore was realized by the Government.
- Disinvestment of 10% paid-up equity capital of Engineers India Ltd. out of Government of India shareholding through a Follow-on Public Offer. The issue was subscribed 13.36 times including the retail portion by 2.99 times. An amount of ₹ 959.65 crore was realized by the Government.
- Disinvestment of 10% pre-issue paid up capital of Power Grid Corporation of India Ltd. in conjunction with issue of fresh equity of 10% by the company through a Follow-on Public Offer. The issue was subscribed 14.87 times including the retail portion by 3.85 times. An amount of ₹3721.17 crore was realized by the Government.
- Disinvestment of 20% paid-up capital of Manganese Ore India Ltd. - 10% by Government of India and 5% each by the Government of Madhya Pradesh and Government of Maharashtra through an Initial Public Offering. The issue was subscribed 56.38 times including the retail portion by 32.79 times. An amount of ₹ 618.76 crore was realized by Government of India, while ₹309.38 crore each was realized by Government of Madhya Pradesh and Government of Maharashtra.
- Disinvestment of 10% paid-up capital of Coal India Ltd. out of Government's shareholding through an Initial

Public Offering. The issue was subscribed 15.3 times including the retails portion by 2.31 times. An amount of ₹15199.44 crore was realized by the Government.

- Disinvestment of 10% of Government of India equity in Shipping Corporation of India Ltd. in conjunction with issue of fresh equity of 10% by the company through a Follow-on Public Offer. The issue was subscribed 4.92 times including the retail portion by 6.56 times. An amount of ₹582.45 crore was realized by the Government.
- An amount of ₹92.73 crore was received as interest on application money in these transactions made during 2010-11 (up to December, 2010).

Disinvestment transactions in process

- On 8th April, 2010, Government approved disinvestment of 10% issue of fresh equity by Steel Authority of India Ltd. in conjunction with disinvestment of 10% paid up equity capital of the Company out of Government's shareholding through Public Offering in the domestic market in two tranches. The first tranche comprises of 5% of fresh issue by the Company along with 5% offer for sale of Government.
- On 15th June, 2010, Government approved disinvestment of 10% issue of fresh equity by Hindustan Copper Ltd. in conjunction with disinvestment of 10% paid up equity capital of the company out of Government shareholding through a further Public offering in domestic market.
- On 1st December, 2010, Government approved disinvestment of 5% paid-up equity capital of Oil & Natural Gas Corporation Ltd. out of Government shareholding through a Follow-on Public Offering.
- On 10th February 2011, Government approved disinvestment of 5% of pre issue paid up capital of Power Finance Corporation Ltd. in conjunction with fresh issue of 15% pre issue paid up capital by the company through a follow-on public offering.

III The Budgeted targets for disinvestment receipts and the amounts realized through disinvestment in CPSEs during 2009-10 and 2010-11 (upto 31st December, 2010) are given below:-

Year	Budgeted targets (₹ in crore)	Proceeds from Disinvestment (₹ in crore)	Remarks (₹ in crore)
2009-10	No target fixed	23552.93	National Hydro-electric Power Corp. : 2012.85 Oil India Ltd. : 2247.05 National Thermal Power Corp. : 8480.09 Rural Electrification Corp. : 882.52 National Mineral Development Corp. : 9330.42

Year	Budgeted targets (₹ in crore)	Proceeds from Disinvestment (₹ in crore)	Remarks (₹ in crore)
2010-11 (upto 31st December, 2010)	40000.00	22144.21	Satluj Jal Vidyut Nigam Ltd. : 1062.74 Engineers India Ltd. : 959.65 Power Grid Corporation of India Ltd. : 3721.17 Manganese Ore India Ltd. : 618.76 Coal India Ltd. : 15199.44 Shipping Corporation of India Ltd. : 582.45

IV The disinvestment receipts of ₹23,552.97 crore in 2009-10 and BE of ₹ 40,000 crore in 2010-11 are/will be utilized towards meeting expenditure on the following social sector schemes in accordance with the decision taken by the Cabinet on 5th November, 2009.

(₹ in crore)

Name of the Scheme	2009-2010	BE 2010-2011
Accelerated Irrigation Benefits Programme (AIBP)	1462.97	4656.00
Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	3000.00	5000.00
Indira Awas Yojana (IAY)	5280.00	8448.00
National Rural Employment Guarantee Scheme (NREGS)	11730.00	18768.00
Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	1922.00	3076.00
Accelerated Power Development and Reform Programme (APDRP)	158.00	52.00
Total	23552.97	40000.00

FINANCIAL REVIEW

OBJECT HEAD-WISE EXPENDITURE VIS-A-VIS BE/RE FOR THE YEARS 2008-09, 2009-10 & 2010-11

(₹ in crore)

S.No.	Description	2008-09			2009-10			2010-11		
		B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual upto 31.12.2010
REVENUE SECTION										
1	Salaries	1.80	2.37	2.08	3.06	3.06	2.92	2.75	2.79	2.30
2	Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3	Overtime Allowance	0.01	0.01	0.01	0.02	0.01	0.01	0.02	0.02	0.01
4	Medical Treatment	0.02	0.02	0.02	0.02	0.02	0.03	0.02	0.04	0.03
5	Domestic Travel Expense	0.04	0.04	0.05	0.05	0.04	0.05	0.10	0.40	0.37
6	Foreign Travel Expenses	0.05	0.04	0.00	0.04	0.10	0.68	3.00	3.00	0.74
7	Office Expenses	0.50	0.40	0.40	0.50	0.45	0.45	0.60	1.00	0.67
8	Publication	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0
9	Other Administrative Expenses	0.01	0.01	0.02	0.03	0.02	0.01	0.03	0.03	0.01
10	Professional Services	18.45	15.93	10.28	15.00	38.46	37.32	56.80	56.04	21.85
11	Information Technology (other charges)	0.10	0.07	0.07	0.05	0.03		0.03	0.03	0.01
	Total Revenue Section	21.00	18.90	12.94	18.78	42.20	41.48	63.36	63.36	25.99
	<i>CAPITAL SECTION</i>	<i>2330.00</i>	<i>2330.00</i>	<i>326.89</i>	<i>2240.00</i>	<i>0.00</i>	<i>00.00</i>	<i>00.00</i>	<i>00.00</i>	<i>00.00</i>
	GRAND TOTAL	2351.00	2348.90	339.83	2258.78	42.20	41.48	63.36	63.36	25.99

Analysis of Overall Trends in Expenditure

The overall Revenue expenditure under this Grant was ₹12.94 crore in 2008-09, ₹ 41.48 crore in 2009-10 and ₹25.99 crore in 2010-11 (upto December 2010). This expenditure is mainly to meet the requirements of the Secretariat of the Department.