

Annex 3

Constitution of the Advisory Committee

No. F. 5-1/2004-NS.II
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi, the January 24, 2004.

OFFICE ORDER

Subject: - Constitution of an Advisory Committee to advise on the administered interest rates and rationalisation of existing savings instruments.

It has been decided by the Government to set up an Advisory Committee to advise on the administered interest rates and rationalisation of the existing savings instruments offered by Government.

2. The Committee will consist of the following:

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| (i) Dr.Rakesh Mohan, Deputy Governor, RBI | Chairman |
| (ii) Dr. Ashok Lahiri, Chief Economic Adviser,
Ministry of Finance, Government of India | Member |
| (iii) Shri D.Swarup, Secretary (Expenditure & Budget),
Ministry of Finance, Government of India | Member |
| (iv) Dr.Suman Bery, Director General,
NCAER. | Member |
| (v) Professor Mihir Rakshit, Director,
Monetary Research Project, ICRA | Member |

The Committee may co-opt member(s) or special invitees to aid its deliberations.

1. The terms of reference of the Committee will be as under:
 - (i) To suggest criteria for fixing the spreads on administered interest rates over the benchmark yields recommended by the Expert Committee chaired by Dr.Y.V. Reddy, taking view on the need to avoid excessive volatility in returns;
 - (ii) To make recommendations on rationalisation of existing savings instruments offered by Government;
 - (iii) To review the implementation of recommendations of the Expert committee (Reddy Committee) on tax treatment of small savings schemes and to suggest a road-map;
 - (iv) To make such other recommendation(s) as the Committee may deem appropriate on the subject.
2. The Committee will submit its recommendations to the Ministry of Finance by March 31, 2004.
3. The Committee will be serviced by the Reserve Bank of India.

Sd.-

(D.Swarup)
Secretary to Government of India

1. Dr.Rakesh Mohan, Deputy Governor, RBI, Mumbai
2. Dr.Ashok Lahiri, Chief Economic Adviser,
Ministry of Finance, North Block, New Delhi.
3. Shri D.Swarup, Secretary (Expenditure & Budget)
Ministry of Finance, North Block, New Delhi.
4. Dr. Suman Bery, Director General, NCAER, New Delhi.
5. Prof.Mihir Rakshit, Director, Monetary Research Project, ICRA, Kolkata.
6. P.S.to Finance Minister.
7. Sr.PPS to Finance Secretary.
8. Sr.PPS to Secretary (Expenditure & Budget).

Annex 4

List of Background papers prepared by Prepared by Resource Persons

Title	Author
1. Operational Issues Relating to Small Savings Instruments	Shri V.S.Das, CGM-in-C, Department of Government and Bank Accounts
2. Benchmarking of Administered Interest Rates and the Criteria for Fixing Spreads	Shri H.R.Khan, CGM-in-C, Internal Debt Management Department
3. Policy Changes Relating to Interest Rates in India	Shri Deepak Mohanty, Adviser, Monetary Policy Department
4. International Best Practices Relating to Interest Rates and Other Fiscal Issues vis-a-vis the Experience in India	Dr. R.K.Pattnaik, Adviser, Department of Economic Analysis and Policy
5. Rationalisation of Small Savings Instruments and Tax Treatment	Dr.B.K.Bhoj, Director, Department of Economic Analysis and Policy