



Ministry of Finance  
Government of India

# Outcome Budget 2009-10



अर्थमूलं कार्यम्  
Outlays for Outcomes



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# Preface

The “Outcome Budget” is an endeavour of the Government to convert the “outlays” into “outcome” by planning the expenditure, fixing appropriate targets, quantifying the deliverables in each scheme and bringing to the knowledge of all, the “outcomes” of the Budget outlays provided for each scheme/programme. In short, the “Outcome Budget” is an effort of the Government to be accountable and transparent to the people.

The Government has taken efforts to improve its presentation every year. The “Outcome Budget” was presented to the Parliament for the first time in 2005-06, covering only Plan outlays. In 2006-07, Non-Plan schemes with quantifiable and deliverable outputs were also covered. The achievements on the “Outcome Budget 2005-06” were also presented separately to the Parliament in the form of a “Performance Budget”. Since 2007-08, the “Outcome Budget” and the “Performance Budget” have been merged and is presented to the Parliament as a combined document, i.e., the “Outcome Budget”.

Apart from “Executive Summary”, the “Outcome Budget 2009-10” comprises of six chapters. **Chapter 1** gives a brief introduction of the Ministry; **Chapter 2** depicts outlays *vis-à-vis* quantifiable deliverables/physical outputs, projected outcomes, processes/timelines and risk factors, if any, in achieving targets/objectives of each scheme/programme; **Chapter 3** depicts major policy initiatives and programmes taken up by different units of Ministry of Finance; **Chapter 4** gives the details of achievements with reference to Outcome Budget 2008-09; **Chapter 5** depicts the financial performance of the different Departments for three years; and **Chapter 6** presents the review of performance of statutory and autonomous bodies under the Ministry of Finance.







# Executive Summary





# Executive Summary

- In 2009-10, the Ministry of Finance is administering 13 Grants, of which 6 Grants have been exempted from the purview of "Outcome Budget". Demand No. 32 – Payments to Financial Institutions and Demand No. 33 – Department of Financial Services have been merged as Demand No. 33 – Department of Financial Services effective from 2009-10.
- The total provision (gross) for the 14 Grants that the Ministry of Finance administered during 2008-09 was **Rs. 20,81,541.87 crore** (Revenue **Rs. 3,24,473.59 crore** and Capital **Rs. 17,57,068.28 crore**). The Plan and Non-Plan provisions were **Rs. 49,963.24 crore** and **Rs. 20,31,578.63 crore**, respectively. As against this, the provisional expenditure for 2008-09 was **Rs. 25,46,122.97 crore** (Revenue **Rs. 3,58,372.31 crore** and Capital **Rs. 21,87,750.66 crore**). The Plan and Non-Plan expenditure were **Rs. 62,598.08 crore** and **Rs. 24,83,524.89 crore** respectively.
- The Budget provision for the 13 Grants for 2009-10 has been kept at **Rs. 23,03,912.00 crore** (Revenue **Rs. 4,02,193.71 crore** Capital **Rs. 19,01,718.29 crore**). This comprises of **Rs. 67,806.95 crore** under Plan and **Rs. 22,36,105.05 crore** under Non-Plan heads.
- The 7 Grants, which have been covered in Outcome Budget 2009-10, have a total outlay of **Rs. 70,685.26 crore** (Revenue **Rs. 56,797.88 crore** and Capital **Rs. 13,887.38 crore**) comprising of **Rs. 3,860.36 crore** under Plan and **Rs. 66,824.90 crore** under Non-Plan heads. The total outlay in regard to various schemes included in the Outcome Budget comes to **Rs. 32,563.34 crore** (Plan **Rs. 2,902.00 crore** and Non-Plan **Rs. 29,661.34 crore**).

## Grant No. 32 – Department of Economic Affairs

- **Contribution for Railway Safety Works** – Rs. 1,200.00 crore against additional levies on Motor Spirit & High Speed Diesel (Rs. 958.36 crore and additional budgetary support of Rs. 251.64 crore) (Plan) - Under this scheme during 2009-10 the Ministry of Railways have targeted to strengthen the safety at level crossing by providing manning at 355 locations, lifting 374 barriers, basic infrastructure at 1240 locations and interlocking at 449 locations. All manned gates will be provided with telephone. It is also proposed to construct 139 limited height subways and 120 road over and under bridges. Rs. 724.69 crore and Rs. 773.90 crore were spent for the year 2007-08 and 2008-09, respectively.
- **To promote Public Private Partnership (PPP)** in infrastructure Sector, Rs. 150.00 crore (Plan) has been provided for 2009-10. The total approvals for Viability Gap Funding (VGF) grant till now is of the order of Rs. 6517.92 crore for the 45 proposals granted 'in principle' approval. The actual level of VGF amount of these proposals will be known once the bidding process is completed. In 6 projects from Madhya Pradesh, financial closure has been reached. Rs. 23.00 crore was disbursed during 2007-08 and Rs. 54.07 crore had been disbursed during 2008-09 and the total outlay for the XI Plan provision (2007-12) has been estimated at Rs. 6,973.00 crore.
- **Interest Equalization Support to Exim Bank of India** – A provision of Rs. 278.00 crore has been made during 2009-10 to implement the India Development and Economic Assistance

Scheme (IDEAS). The scheme was started in 2003-04. During the period of 5 years, 99 Government of India supported lines of credit through Exim Bank of India involving collective amount of credit of US\$ 4,097.43 million have been approved. These lines of credit have been extended to 52 developing countries situated in different continents of the world. Rs. 134.99 crore and Rs. 191.57 crore were spent in this scheme for the year 2007-08 and 2008-09, respectively.

## Grant No. 33 – Department of Financial Services

- **Debt Waiver and Debt Relief Scheme for farmers announced in Union Budget 2008-09** – In the Budget Speech 2008-09, Hon'ble Finance Minister announced an Agricultural Debt Waiver and Debt Relief Scheme for farmers, which covers all agricultural loans disbursed by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Cooperative Banks (including UCBs) and Local Area Banks (LABs) upto 31<sup>st</sup> March, 2007, overdue as on 31<sup>st</sup> December, 2007 and that remained unpaid till 29.02.2008. 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 offers a rebate of 25% against payment of the balance amount of 75%. The date of payment of 1<sup>st</sup> and 2<sup>nd</sup> instalment was 31.03.2009 and for the 3<sup>rd</sup> instalment 30.06.2009. The Scheme was implemented by its due date, i.e., 30.06.2008. As per reports received from Reserve Bank of India, NABARD, SLBCs and PSBs so far, the total debt waiver/debt relief accounted to Rs.65,318.33 crore covering about 3,68,77,818 farmers.

The Scheme stipulated cleaning up of farmers' accounts by June 30, 2008 so as to make them eligible for availing fresh credit from the lending institutions. Reimbursements to the lending institutions

would be made on the basis of duly certified and audited claims through the respective nodal agencies (Reserve Bank of India and NABARD, as the case may be) in instalments, i.e., Rs.25,000.00 crore in 2008; Rs. 15,000.00 crore by July-August 2009; Rs. 12,000.00 crore by July-August 2010 and the audited balance amount by July-August 2011. The 1<sup>st</sup> instalment of reimbursable claims of the lending institutions of Rs. 25,000.00 crore has been released to the Reserve Bank of India in December 2008. Of Rs. 25,000.00 crore, Rs. 17,500.00 crore were released to NABARD for reimbursement to Regional Rural Banks and Cooperative Credit Institutions, and Rs. 7,500.00 crore to RBI for reimbursement to Commercial Banks, Urban Cooperative Banks and LABs, etc. A provision of Rs. 15,000.00 crore has been made in BE 2009-10 for reimbursement during the current fiscal.

- **Universal Health Insurance Scheme (UHIS)** intended to provide health care to families belonging to 'Below Poverty Line (BPL)' was later extended to BPL families of Tsunami affected areas in Andhra Pradesh, Kerala, Tamil Nadu and Puducherry with a subsidy of Rs. 500.00 from the Prime Minister's Relief Fund and Rs. 300.00 by Government of India. The scheme is implemented through Public Sector General Insurance Companies by providing subsidy. The scheme has further been revised in September, 2008, wherein the premium has been reduced and the overage of benefits under the scheme 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. 2,43,576 policies covering 2,56,031 families have been issued during the year 2008-09. This involved an expenditure of Rs. 2.00 crore. A provision of Rs. 6.39 crore has been kept in BE 2009-10, with a view to covering 2.6 lakh families during the year.
- **Varishtha Pension Bima Yojana (VPBY)** meant for senior citizens aged 55 years and above was launched on 14.07.2003 and

withdrawn on 09.07.2004. Under the scheme, pensioners get an effective yield of 9% per annum on the investment. Difference in yield is being compensated to the implementing agency, i.e., Life Insurance Corporation of India by the Government. A compensation of Rs. 155.63 crore has been provided during 2008-09 and a provision of Rs. 172.00 crore has been made in BE 2009-10.

- **Interest Subvention for providing short term credit to farmers** during the year 2009-10 envisages giving short term production credit at 7% to farmers up to an amount of Rs. 3.00 lakh per farmer. Reimbursement of interest subvention is given to Public Sector Banks, NABARD, Regional Rural Banks (RRBs) and Cooperative Banks for loans disbursed by them in Kharif 2008 and Rabi 2008-09 out of their own resources and NABARD for providing refinance to RRBs and Cooperative Banks at concessional rate of interest. The stipulations for implementation of the Scheme for the year 2008-09 were same as compared to that of previous years except that the rate of interest subvention was increased from 2% to 3% on the banks' own funds. Government of India has released Rs. 2,600.00 crore in 2008-09 and a provision of Rs. 2,011.00 crore has been made in BE 2009-10.
- **Revival of Long Term Cooperative Credit Structure (LTCCS)** is aimed at strengthening the Long Term Cooperative Credit Structure in the country by providing revival assistance. A package, based on the recommendations of Vaidyanathan Task Force-II, was approved by the Cabinet. Total outlay for implementation of this revival package is Rs. 3,070.00 crore [Rs. 2,206.00 crore by GoI, Rs. 482.00 crore by State Governments and Rs. 382.00 crore by Agriculture and Rural Development Banks (ARDBs) or LTCCS in the ratio of 72:16:12]. The assistance will be available for (a) wiping out accumulated losses of all ARDBs, (b) covering invoked but unpaid guarantees given by State Governments, (c) increasing the Capital Adequacy Ratio to a minimum level of 7% and (d) technical assistance (including cost of

special audit, training, computerization, etc). Rs. 20.00 crore was released to NABARD during 2008-09 and a provision of Rs. 1,000.00 crore has been made in BE 2009-10.

## Grant No. 38 – Department of Expenditure

- **The Department of Expenditure**, being the nodal department in respect of Public Expenditure Management System in the Central Government and matters connected with State finances, oversees the expenditure management in the Central Ministries/Departments through the interface with the Financial Advisers. Monitoring of implementation of recommendations of the Expenditure Reforms Commission, overall coordination of Outcome Budget of different Ministries/Departments, release of funds to State Governments for implementing developmental work and matters relating to the Central Plan are the important activities of the Department which provide the entire canvas of development activity of the Central Government.
- An outlay of Rs. 10.00 crore (Rs. 3.60 crore under Revenue section and Rs. 6.40 crore under Capital section) has been provided in 2009-10 for the Central Plan Scheme for **enhancing training capacity of National Institute of Financial Management (NIFM)**. This provision is targeted to train 60 officers of the Central/State/UT Governments for high level professional course covering basic elements of Post Graduate Diploma in Business Management (PGDBM) – Finance. The provision will also be utilized to create additional infrastructure in the Institute. During 2007-08 and 2008-09, expenditure of Rs. 0.75 crore and Rs. 5.30 crore, respectively were incurred under this scheme.
- In 2008-09, recommendations of the **Sixth Central Pay Commission** have been considered and approved by the Government with certain modifications. The orders on pay structure and allowances based on the Governments approval of the recommendations have been

issued. An implementation cell has been constituted for expeditious action for the purpose.

## Grant No. 41 – Department of Revenue

- **Compensation to States/Union Territory Governments on account of phasing out of Central Sales Tax (CST)** is budgeted at Rs. 6,001.00 crore for 2009-10. The second major expenditure is towards Compensation to States/Union Territory Governments on account of revenue loss due to implementation of Value Added Tax (VAT) and VAT related expenditure which is budgeted at Rs. 3020.50 crore for 2009-10. The other Non-Plan expenditure included in the Outcome Budget is expenditure related to implementation of VAT scheme, setting up of Tax Information Exchange System (TINXSYS) and expenditure on Government Opium & Alkaloid Works.
- **The successful implementation of VAT in all States** has been an achievement. VAT compensation amounting to Rs. 14,805.83 crore has been released to the States which include Rs. 2,471.27 crore released in 2005-06, Rs. 4,092.13 crore in 2006-07, Rs. 3880.48 crore in 2007-08 and Rs. 4,361.95 crore in 2008-09. Claims amounting to Rs. 4,025.61 crore are still pending as on 31<sup>st</sup> March, 2009.
- **CST rate has been reduced** from 4% to 3% w.e.f. 1<sup>st</sup> April, 2007 and further from 3% to 2% w.e.f. 1.6.2008. Compensation amounting to Rs. 4,118.88 crore has been released to the States till 31.3.2009 which include Rs. 2168.88 crore released in 2007-08 and Rs. 1,950.00 crore in 2008-09. Claims amounting to Rs. 1,337.62 crore were pending at the end of March, 2009.
- A total of Rs. 9,021.50 crore has been provided in BE 2009-10 for **compensation of losses on account of VAT & CST, 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 95.50% of the total expenditure under the grant in 2008-09 and 94% in 2009-10.
- **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 Rs. 314.29 crore (provisional) in 2008-09 against the BE of Rs. 300.52 crore. The proposal for conversion of both the departmental factories into a corporate entity is under consideration.
- **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.
- The process for setting up a common **Authority on Advance Rulings** (which will function for Income Tax, Customs & Central Excise and Service Tax) is currently underway.
- 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 Private Sector are also members.
- **The Delegation of Financial Powers to the Heads of Departments** in the Department of Revenue were reviewed and revised powers were delegated to HODs in April, 2006 and further powers on some other items were subsequently delegated. Another review of Delegation of

Financial Powers was conducted and revised powers were delegated to HODs on 6<sup>th</sup> June, 2008.

## Grant 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 also assisted by 14 Directorates which function as its attached offices. Various Chief Commissioners of Income Tax supervise collection of direct taxes and provide taxpayers services across the country whereas Directors General of Income Tax (Investigation) supervise the investigation machinery, with the aim 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 assisting officers.
- An outlay of Rs. 225.00 crore has been provided in Budget Estimates 2009-10 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
  - ◆ Biometric PAN Project
- An outlay of Rs. 602.00 crore has been provided under Capital section in BE 2009-10 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 Rs. 15.00 crore has been provided under Capital section in BE 2009-10 for **construction of a guest house at New Delhi and residential quarters at Mumbai**.
- The initiatives and measures undertaken by the Department has 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, Refund Banker scheme on pilot basis, 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 containing the assets like land, office buildings, residential quarters, vehicles and furniture etc. whose book value is above Rs. 2.00 lakh each. The value of such assets as on 31.03.2008 is Rs. 1,959.77 crore.
- **An incentive scheme for utilizing 1% of incremental revenue collection** over and above the budgetary targets has been sanctioned to strengthen the infrastructure and wherewithal in the Income Tax Department. An amount of Rs. 195.00 crore was sanctioned for exceeding collection targets in 2006-07 in respect of Direct Taxes. This provision has been planned to be spent in three years i.e. 2007-08, 2008-09 and 2009-10 on items like hiring/purchase of operational vehicles/staff cars, hiring of mid-size vehicles, petrol allowance to Notice servers, re-imbursement of mobile phone charges in ranges, model ranges/modernization of canteens, lap top computers to officers of ITO level and above.
- **The actual expenditure** (provisional) in 2008-09 under this Grant is Rs. 2,330.69 crore against the Revised Estimates of Rs. 2,517.63 crore which shows an utilisation of 92.57%. Savings are mainly



under Capital section due to non-release of funds for purchase of office accommodation at Delhi due to non-completion of procedural formalities by the contracting agency. However, physical possession of the building has already been taken by the Department.

- **A system of monthly review of expenditure** at the level of Joint Secretary & Financial Adviser and also by Secretary (Revenue) is in place. The annual progress made by the Department in respect of Outcome Budget related items is displayed on the official website.

## Grant No. 43 – Indirect Taxes

- The revised cost of Rs. 598.97 crore for the **Information Technology Infrastructure Consolidation Project of CBEC** has been approved by the CCEA and is now under implementation. Contracts for implementation of various items of the Project have been awarded to the vendors. Work is in advance stage and is expected to be completed by May, 2010. Comprehensive computerization in CBEC 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. have been taken up and being implemented. Rs. 84.46 crore and Rs. 164.73 crore have been spent for the years 2007-08 and 2008-09 respectively.
- **The Risk Management Software (RMS-Import)** has been rolled out at all 23 locations in 13 cities. The RMS Export has been ported in Data Centre and a Pilot Project for RMS for container selection is working at Nhava Sheva.
- **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

2009-10 and Fixed Scanners in 2010-11. 109 Marine Vessels for strengthening anti-smuggling operations in the territorial waters are also being procured and 53 vessels have been received up to March, 2009. All vessels are expected to be received by September, 2011. A total provision of Rs. 220.00 crore has been made for the year 2009-10. Rs. 27.42 crore and Rs. 99.88 crore have been spent for the years 2007-08 and 2008-09 respectively under these schemes.

- **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. Such Large Tax Payers Unit is planned to be set up in Kolkata in 2009. Any person or company who has paid income tax/corporate tax of more than Rs. 10.00 crore or excise duty of Rs. 5.00 crore or service tax of Rs. 5.00 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 Rs. 71.42 crore and Rs. 113.63 crore collected during 2005-06 and 2006-07 respectively. Provision of Rs. 40.00 crore was made on this account in expenditure budget of each of the years 2007-08 and 2008-09. Against the budget provision, expenditure of Rs. 29.41 crore and Rs. 16.10 crore has been incurred during the respective years. More schemes will be undertaken in 2009-10 for which a provision of Rs. 80.00 crore has been included under the appropriate Object Heads.

## Grant No. 44 – Department of Disinvestment

- **The Department of Disinvestment**, which came into being on 27th May, 2004 by conversion of the Ministry of Disinvestment into a Department, deals with all matters relating to disinvestment of Central Government equity from Central Public Sector Undertakings. The Government has in November, 2005



constituted a '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.

- In 2007-08, **the Initial Public Offerings**, consisting of issue of fresh equity by Power Grid Corporation of India Limited (PGCIL) and Rural Electrification Corporation Limited (REC) in conjunction with 'Offer for Sale' by Government out of its shareholding were completed. The

Government realized Rs. 994.82 crore from the sale of 5% equity in PGCIL and Rs. 819.63 crore from the sale of 10% equity in REC. These realization proceeds amounting to Rs. 1,814.45 crore have since been transferred to the National Investment Fund (NIF). Market value of the corpus of NIF as on 31.05.2009 was Rs. 1,956.20 crore.

- Pay out of Rs. 84.81 crore received from **Public Sector Mutual Funds** has been remitted to the Consolidated Fund of India on 15.10.2008.

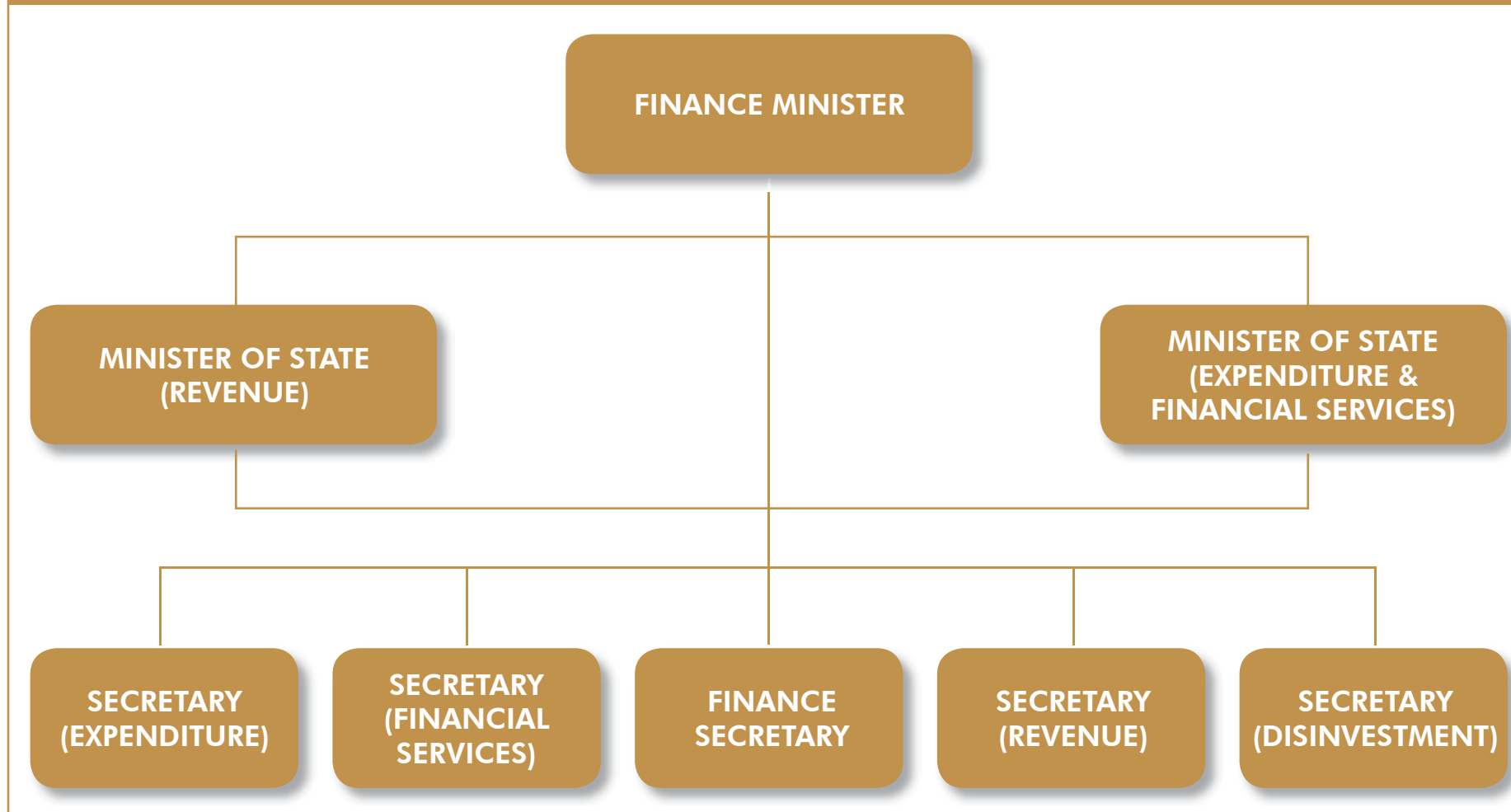




# CHAPTER 1

## Introduction

## Ministry of Finance Organisational Set up



# Introduction

## Mandate

The Ministry of Finance plays a pivotal role in the administration of the finances of the Union of India. Its mandate is economic governance with emphasis on uplifting the living standards of the citizens at micro as well as macro levels. Intrinsic to this mandate is the shared responsibility of evolving a policy for economic development, setting priorities for expenditure, seeking Parliamentary approval to the Budget and ensuring propriety in its utility. The Ministry shares and coordinates this responsibility with the other Ministries/Departments, Planning Commission, Reserve Bank of India, State/Union Territory Governments and the Public Financial Institutions and also strategically associates with multilateral agencies and foreign Governments.

## Policy Framework

The Ministry of Finance is required to pursue, facilitate and coordinate all policies having a bearing on the finances of the Central Government and their impact on the economy with various stakeholders so as to achieve the overall objectives of the Government. The thrust is on (i) maintaining a stable macro-economic environment with low inflation and sound public finances, (ii) influencing the efficiency of related institutions (laws, rules, regulations, regulators, procedures, authorities, etc.) to facilitate sustainable high growth, (iii) leveraging the consequent opportunities to raise and expand fiscal resources and their access to citizens/entrepreneurs at a reasonable cost and (iv) apply available

resources to optimize quality of life and employment opportunities for all citizens in India and the Indian entities operating within the country and abroad.

## Organization and Functions of the Ministry

The Ministry implements its policy objectives through its five Departments, namely:- Department of Economic Affairs, Department of Financial Services, Department of Expenditure, Department of Revenue and Department of Disinvestment. The key functions include preparation of Union Budget and seeking Parliamentary approval thereon; tracking and managing the flow of funds into and out of the Contingency Fund of India, Consolidated Fund of India and the Public Accounts and reporting the status to Cabinet/Parliament; raising tax and non-tax resources for Government operations; improving fiscal management by engaging multilateral agencies, viz., International Monetary Fund (IMF), Asian Development Bank (ADB) and the International Bank for Reconstruction and Development (IBRD) etc., as development partners; developing and regulating Banking, Insurance, Pension and Capital Market sectors through regulatory agencies like Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA), Pension Fund Regulatory and Development Authority (PFRDA), National Housing Bank (NHB), Unit Trust of India (UTI) and National Savings Scheme (NSS) in close co-ordination with the Reserve Bank of India (RBI) as also enhancing bilateral cooperation with friendly countries through financial and technical cooperation.

The functions of each Department are detailed below:

## Department of Economic Affairs

### Mandate

The Department of Economic Affairs is the nodal agency of the Union Government to formulate and monitor country's economic policies and programmes and to draw up 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. The other main functions include:

- Formulation and monitoring of macro-economic policies at the macro level including issues relating to fiscal policy and public finance, inflation, public debt management and the functioning of Capital Market, including 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 has been organized in Divisions, which are headed by Joint Secretaries as under:

### Aid Accounts & Audit Division

- Responsible for drawal of the committed external assistance by the donors in the form of loans/grants and also for arranging timely discharge of debt service payments to the external agencies.
- Publishing of External Assistance Brochure annually.
- Convener of the Permanent Technical Group on Reconciliation of External Debt Statistics with International Agencies. Carries out audit of import licenses issued by the licensing officers under Directorate General of Foreign Trade.

### Administration and Bilateral Co-operation Division

- Responsible for the day-to-day administration and establishment matters of the Department including Right to Information Act.
- Matters relating to Bilateral Development with Japan-JBIC related work.
- Japan International Cooperation Agency (JICA) grants-JBIC Loans-Negotiations-Monitoring, Review, Disbursement.
- Work related to Development Assistance from UK and other European Countries.
- US Assistance to India and matters relating to Canada vis-a-vis Development Co-operation.
- PMU & Training

### Budget Division

- Preparation of Government of India Budget and other allied issues like market borrowings, accounting and auditing procedures and financial relationship with the States Governments.



- Mobilization of small savings through the National Savings Organization (NSO).

## Capital Market Division

- Policy issues relating to development of the securities market (share debt, derivative), External Commercial Borrowing. Administration of the Foreign Exchange Management Act (FEMA), 1999.
- Administrative matters of the Specified Undertaking of Unit Trust of India (SUUTI)/the Securities and Exchange Board of India (SEBI)/ Securities Appellate Tribunal (SAT) and Pension Fund Regulatory and Development Authority (PFDR).

## Infrastructure and Investment Division (I&I)

### Infrastructure

- All policy related issues in infrastructure sectors concerning roads, ports, shipping, inland water transport, urban development power, new & 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) including Technical Assistance from Asian Development Bank/World Bank for PPP
- All policy matters relating to Public Private Infrastructure Advisory Facility (PPIAF)
- Matters relating to OPEC Fund for International Development (OFID)

### Investment

- All matters relating to Foreign Investment Policy/Foreign Investment Promotion Board (FIPB) related work

- Investment Co-operation – Establishing Industries in foreign countries, JVs and subsidiaries abroad.
- Bilateral Investment Promotion and Protection Agreement (BIPA) with other countries.

## Integrated Finance Division

- Examination of financial proposals and tendering of advice thereon in respect of Grants No. 32- Department of Economic Affairs and Demand No. 33 - Department of Financial Services.
- Preparation of Budget and co-ordination with Budget Division on all budget matters relating to the above Grants.
- Preparation/compilation/printing of Detailed Demands for Grants and Outcome Budget of the Ministry of Finance.
- Matters relating to the Standing Committee of Parliament on Finance.

## Multilateral Institutions Division (MI)

- Matters relating to International Monetary Fund (excluding G-20, G-24 related work)
- Matters relating to World Bank (IBRD&IDA) & World Bank Group Institutions – International Fund for Agricultural Development, GEF (Global Environment Facility)
- Matters relating to Asian Development Bank/African Development Bank

## Multilateral Relations Division (MR)

- Matters relating to G-20/G-24/G-8
- Matters relating to UN, UNDP, ESCAP, UN General Assembly, ECOSOC, UNIDO, UNFPA, etc.
- India – EU Macro Economic Dialogue

- Matters relating to SAARC, SAARC Finance Group, SAARC Development Fund, Inter Governmental Expert Group (IGEG) on financial issues, etc./Colombo Plan
- Matters relating to World Economic Forum (WEF)
- Bilateral relation with Russian Federation & CIS countries
- Work related to Foreign Trade, SEZ, EPZ, GATT & WTO etc.

## Department of Financial Services

### Mandate

The Department of Financial Services was created on 28th June, 2007 by merging the erstwhile Banking and Insurance Divisions. Broadly, the functions of the Department are split into those relating to banking, insurance and pensions.

### Organization

The Department of Financial Services is headed by Finance Secretary assisted by an Additional Secretary, four Joint Secretaries, one Economic Advisor and twelve Directors/Deputy Secretaries.

### Functions

#### Banking Division

The Banking Division looks after various issues including policy matters relating to Public Sector Banks (PSBs) and Financial Institutions. The main functions of the Banking Division include:

- Legislative, administrative and policy matters relating to Public Sector Banks and Development Finance Institutions (DFIs), i.e., National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB), Small Industries Development Bank of India

(SIDBI), India Infrastructure Finance Company Limited (IIFCL), Export Import Bank of India (EXIM Bank), Industrial Finance Corporation of India (IFCI), Industrial Development Finance Corporation (IDFC), Irrigation and Water Resource Finance Corporation (IWRFC) and Industrial Investment Bank of India (IIBI).

- Legislative proposals relating to Banks, Non-Banking Financial Companies (NBFCs), Chit Fund Companies, etc.
- Policy matters relating to private banks, foreign banks and Non-Banking Financial Companies.
- Appointment of:
  - ◆ Chief Executives and Government nominee Directors/non-official Directors on the Boards of Public Sector Banks (PSBs) and DFIs.
  - ◆ Chief Vigilance Officers (CVOs) in Public Sector Banks and Insurance Companies.
  - ◆ Chairpersons and Members of BIFR and AAIFR, and
  - ◆ Workmen Employee Directors in PSBs
- Industrial sickness and coordination between industry, banks and financial institutions.
- Establishment of Debt Recovery Tribunals (DRTs), Debt Recovery Appellate Tribunals (DRATs) and Office of Custodian.
- Monitoring credit flow to priority sectors including agriculture; housing; education; micro, small and medium enterprises, etc.
- Policy matters of Government credit linked self employment programmes.
- Administration of the Regional Rural Banks Act, 1976 and Acts on Banks and DFIs.
- Wage settlement and reservation policy in banking and insurance industry.

### **Insurance Division**

- Policy matters of the Insurance sector and monitoring of the 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.
- Administration of programmes and schemes like Universal Health Insurance Scheme (UHS), Varishta Pension Bima Yojana (VPBY), Aam Aadmi Bima Yojana (AABY) and Janshree Bima Yojana (JBY).

### **Pension Reforms**

- Issues and policy matters relating to pensions including the New Pension System (NPS).
- Legislative proposals/amendments concerning the Pension Fund Regulatory and Development Authority (PFRDA) and Central Record keeping Agency (CRA).
- Pension Funds.

## **Department of Expenditure**

### **Organisation and Functions**

The Department of Expenditure is the nodal Department for overseeing 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, 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.

- An implementation cell has been set up under Joint Secretary (Personnel) to deal with the issues related to implementation of Sixth Central Pay Commission (SCPC) recommendations.

### **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.

### **Finance Commission Division**

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

### **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.

### **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, Prime Minister's Office, Cabinet Secretariat (Main), National Security Council Secretariat (NSCS), Supreme Court of India, Lok Sabha Secretariat, Rajya Sabha Secretariat and Ministry of Parliamentary Affairs.

### **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 Kolkata, 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.

### **Department of Revenue**

The Department of Revenue exercises controls 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 five Members. The Members are also ex-officio Additional Secretaries to the Government of India.

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.

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);
- Chapter VII of Finance Act, 2005 (Relating to Banking Cash Transaction Tax);
- Chapter V of Finance Act, 1994 (Relating to Service 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 the 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.

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., Government 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 CBDT & 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 1<sup>st</sup> 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.

## **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 consists of a Chairman and six Members and is the cadre controlling authority for the Income Tax Department. It employs a work force of 45,705 (Actual as on 31.03.2008) officers and staff, of which 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 Language)
- (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 (Investigations)
- (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)

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 Commissioner 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 work 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.

## Indirect Taxes

The Central Board of Excise and Customs is the apex body in the Indirect Taxes set up. 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, 6 Directorates and a Chief Departmental Representative's setup for Customs, Excise and Service Tax Appellate Tribunal. 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.

## 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.**

## Department of Disinvestment

The Ministry of Disinvestment was converted into a Department under the Ministry of Finance with effect from 27th May, 2004. As per Allocation of

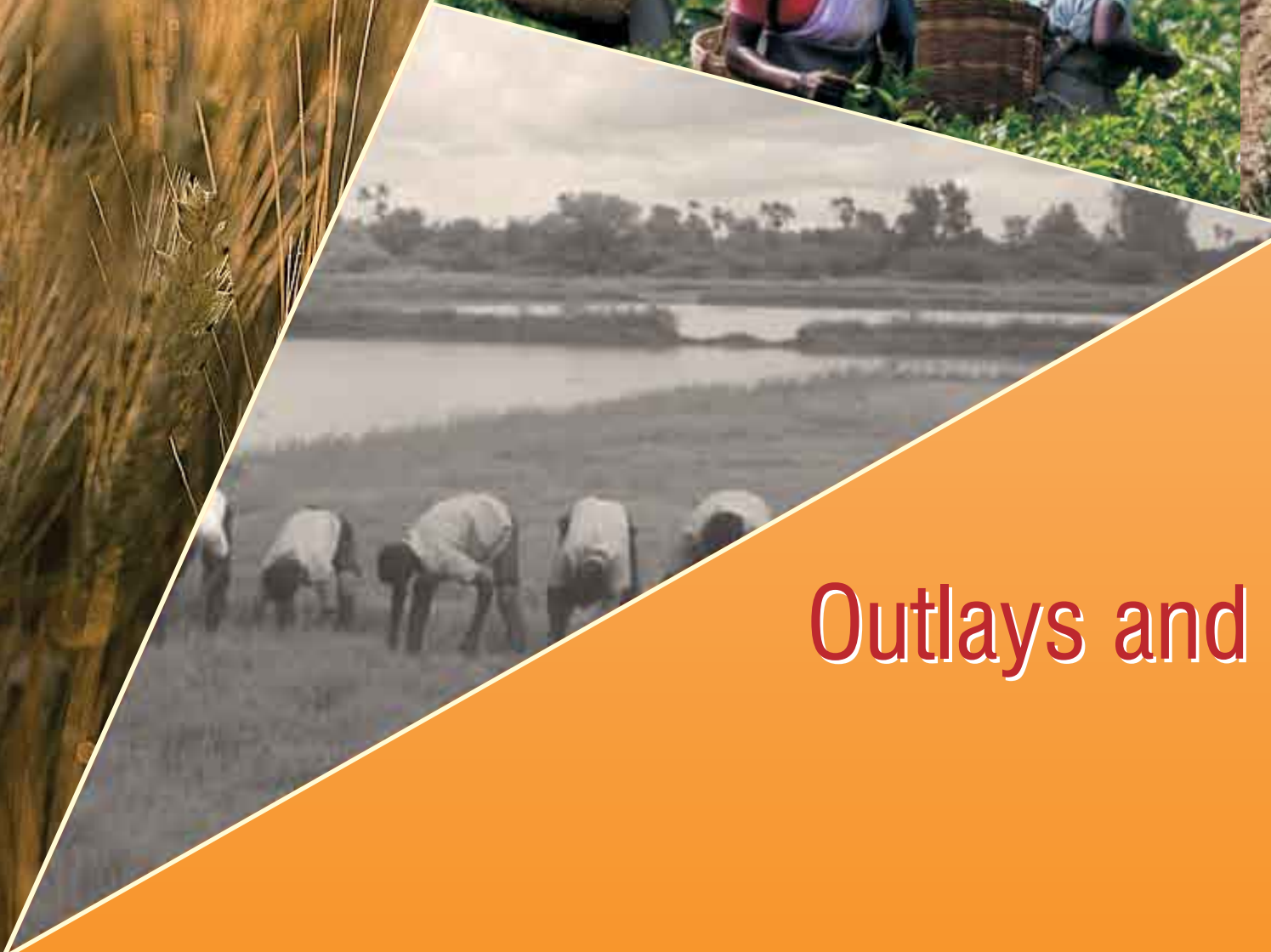
Business Rules, it has been assigned the following work:

- a) All matters relating to disinvestment of Central Government equity from Central Public Sector Undertakings;
- b) All matters relating to sale of Central Government equity through offer for sale or private placement in the erstwhile Central Public Sector Undertakings;
- c) Decisions on the recommendations of Disinvestment Commission on the modalities of disinvestment, including restructuring;
- d) Implementation of disinvestment decisions, including appointment of advisors, pricing of shares, and other terms and conditions of disinvestment;
- e) Central Public Sector Undertakings for purposes of disinvestment of Government equity only; and
- f) Financial policy in regard to the utilization of the proceeds of disinvestment channelised into the National Investment Fund.

The Government has in November, 2005 constituted "National Investment Fund" (NIF) into which the proceeds from disinvestment of CPSUs would be transferred. NIF would be maintained outside the Consolidated Fund of India and would be professionally managed by three selected Public Sector Mutual Funds to provide sustainable returns without depleting its corpus. 75% of the annual income of NIF will be used to finance selected social sector schemes, which promote education, health and employment.

The residual 25% of the annual income of NIF will be used to meet the capital investment requirements of profitable and revivable CPSUs that yield adequate returns, in order to enlarge their capital base to finance expansion/diversification. As on date a sum of Rs. 1,814.45 crore has been channelised into National Investment Fund (Rs. 994.82 crore on 06.10.2007, Rs. 293.33 crore on 26.03.2008 and Rs. 526.30 crore on 30.05.2008). Payout of Rs. 84.81 crore received from Public Sector Mutual Funds has been remitted to the Consolidated Fund of India on 15.10.2008. Market value of the corpus of NIF as on 31.05.2009 was Rs. 1,956.20 crore.





## CHAPTER 2

# Outlays and Outcomes





# Outlays and Outcomes

The Demands for Grants of the Ministry of Finance consist of 'thirteen' Demands as under:

1	Demand No. 32 – Department of Economic Affairs
2	Demand No. 33 – Department of Financial Services*
3	Appropriation No. 34 – Interest Payments**
4	Demand No. 35 – Transfers to State and Union Territory Governments**
5	Demand No. 36 – Loans to Government Servants, etc.**
6	Appropriation No. 37 – Repayment of Debt**
7	Demand No. 38 – Department of Expenditure
8	Demand No. 39 – Pensions**
9	Demand No. 40 – Indian Audit and Accounts Department**
10	Demand No. 41 – Department of Revenue
11	Demand No. 42 – Direct Taxes
12	Demand No. 43 – Indirect Taxes
13	Demand No. 44 – Department of Disinvestment

\* Demands No. 32– Payments to Financial Institutions and 33 – Department of Financial Institutions have been merged to Demand No. 33 – Department of Financial Services from the Financial Year 2009-10.

\*\* Demands No. 35, 36, 39 and 40 and Appropriations No. 34 and 37 have been exempted from the purview of outcome budgeting, vide Department of Expenditure O.M. No. 2(1) Pers/E-Coord/OB/2005 dated 30th December, 2005.

**Outlays and Outcomes**  
**Detailed Demands for Grants of the Ministry of Finance – At a glance**

(Rs. in crore) (Gross)

Description	Actuals 2007-08			Budget Estimates 2008-09			Revised Estimates 2008-09			Actuals 2008-09 (Provisional)			Budget Estimates 2009-10		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 32</b> <b>Department of Economic Affairs</b>															
<b>Revenue Section</b>	<b>1449.38</b>	<b>2406.03</b>	<b>3855.41</b>	<b>1547.80</b>	<b>2577.04</b>	<b>4124.84</b>	<b>1547.80</b>	<b>2931.09</b>	<b>4478.89</b>	<b>1547.80</b>	<b>2896.33</b>	<b>4444.13</b>	<b>2158.36</b>	<b>3478.06</b>	<b>5636.42</b>
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	0.00	0.00	0.00
Voted	1449.38	2406.03	3855.41	1547.80	2577.04	4124.84	1547.80	2931.09	4478.89	1547.80	2896.33	4444.13	2158.36	3478.06	5636.42
<b>Capital Section</b>	<b>23.00</b>	<b>6647.45</b>	<b>6670.45</b>	<b>92.10</b>	<b>507.02</b>	<b>599.12</b>	<b>61.67</b>	<b>1914.66</b>	<b>1976.33</b>	<b>54.07</b>	<b>1902.41</b>	<b>1956.48</b>	<b>150.00</b>	<b>7613.65</b>	<b>7763.65</b>
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	0.00	0.00	0.00
Voted	23.00	6647.45	6670.45	92.10	507.02	599.12	61.67	1914.66	1976.33	54.07	1902.41	1956.48	150.00	7613.65	7763.65
<b>Revenue &amp; Capital</b>	<b>1472.38</b>	<b>9053.48</b>	<b>10525.86</b>	<b>1639.90</b>	<b>3084.06</b>	<b>4723.96</b>	<b>1609.47</b>	<b>4845.75</b>	<b>6455.22</b>	<b>1601.87</b>	<b>4798.74</b>	<b>6400.61</b>	<b>2308.36</b>	<b>11091.71</b>	<b>13400.07</b>
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	0.00	0.00	0.00
Voted	1472.38	9053.48	10525.86	1639.90	3084.06	4723.96	1609.47	4845.75	6455.22	1601.87	4798.74	6400.61	2308.36	11091.71	13400.07
<b>Demand No. 33</b> <b>Department of Financial Services</b>															
<b>Revenue Section</b>	<b>0.00</b>	<b>16037.95</b>	<b>16037.95</b>	<b>0.00</b>	<b>7323.62</b>	<b>7323.62</b>	<b>0.00</b>	<b>50527.52</b>	<b>50527.52</b>	<b>0.00</b>	<b>50212.61</b>	<b>50212.61</b>	<b>0.00</b>	<b>35446.52</b>	<b>35446.52</b>
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	0.00	0.00	0.00
Voted	0.00	16037.95	16037.95	0.00	7323.62	7323.62	0.00	50527.52	50527.52	0.00	50212.61	50212.61	0.00	35446.52	35446.52
<b>Capital Section</b>	<b>0.00</b>	<b>48243.74</b>	<b>48243.74</b>	<b>1900.00</b>	<b>909.25</b>	<b>2809.25</b>	<b>1900.00</b>	<b>7187.37</b>	<b>9087.37</b>	<b>0.00</b>	<b>5390.40</b>	<b>5390.40</b>	<b>1542.00</b>	<b>1425.02</b>	<b>2967.02</b>
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	0.00	0.00	0.00
Voted	0.00	48243.74	48243.74	1900.00	909.25	2809.25	1900.00	7187.37	9087.37	0.00	5390.40	5390.40	1542.00	1425.02	2967.02
<b>Revenue &amp; Capital</b>	<b>0.00</b>	<b>64281.69</b>	<b>64281.69</b>	<b>1900.00</b>	<b>8232.87</b>	<b>10132.87</b>	<b>1900.00</b>	<b>57714.89</b>	<b>59614.89</b>	<b>0.00</b>	<b>67.00</b>	<b>67.00</b>	<b>1542.00</b>	<b>36871.54</b>	<b>38413.54</b>
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	0.00	0.00	0.00
Voted	0.00	64281.69	64281.69	1900.00	8232.87	10132.87	1900.00	57714.89	59614.89	0.00	55603.01	55603.01	1542.00	36871.54	38413.54

(Rs. in crore) (Gross)															
Description	Actuals 2007-08			Budget Estimates 2008-09			Revised Estimates 2008-09			Actuals 2008-09 (Provisional)			Budget Estimates 2009-10		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 34</b> <b>Appropriation - Interest Payments</b>															
<b>Revenue Section</b>	<b>0.00</b>	<b>179986.65</b>	<b>179986.65</b>	<b>0.00</b>	<b>207465.02</b>	<b>207465.02</b>	<b>0.00</b>	<b>201332.26</b>	<b>201332.26</b>	<b>0.00</b>	<b>188393.93</b>	<b>188393.93</b>	<b>0.00</b>	<b>228510.86</b>	<b>228510.86</b>
Charged	0.00	179986.65	179986.65	0.00	207465.02	207465.02	0.00	201332.26	201332.26	0.00	188393.93	188393.93	0.00	228510.86	228510.86
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	0.00	0.00	0.00
<b>Capital Section</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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	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	0.00	0.00	0.00
<b>Revenue &amp; Capital</b>	<b>0.00</b>	<b>179986.65</b>	<b>179986.65</b>	<b>0.00</b>	<b>207465.02</b>	<b>207465.02</b>	<b>0.00</b>	<b>201332.26</b>	<b>201332.26</b>	<b>0.00</b>	<b>188393.93</b>	<b>188393.93</b>	<b>0.00</b>	<b>228510.86</b>	<b>228510.86</b>
Charged	0.00	179986.65	179986.65	0.00	207465.02	207465.02	0.00	201332.26	201332.26	0.00	188393.93	188393.93	0.00	228510.86	228510.86
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	0.00	0.00	0.00
<b>Demand No. 35</b> <b>Transfers to State and Union Territory Governments</b>															
<b>Revenue Section</b>	<b>42388.89</b>	<b>36403.05</b>	<b>78791.94</b>	<b>42545.84</b>	<b>43929.92</b>	<b>86475.76</b>	<b>55159.81</b>	<b>39345.71</b>	<b>94505.52</b>	<b>53961.91</b>	<b>37739.14</b>	<b>91701.13</b>	<b>58321.59</b>	<b>45246.58</b>	<b>103568.17</b>
Charged	0.00	26339.16	26339.16	0.00	34392.42	34392.42	0.00	27599.72	27599.72	0.00	27158.65	27258.64	0.00	34394.08	34394.08
Voted	42388.89	10063.89	52452.78	42545.84	9537.50	52083.34	55159.81	11745.99	66905.80	53961.91	10580.49	64442.49	58321.59	10852.50	69174.09
<b>Capital Section</b>	<b>6421.02</b>	<b>0.00</b>	<b>6421.02</b>	<b>3867.50</b>	<b>1000.00</b>	<b>4867.50</b>	<b>7029.00</b>	<b>1000.00</b>	<b>8029.00</b>	<b>7029.00</b>	<b>0.00</b>	<b>14058.00</b>	<b>5625.00</b>	<b>1000.00</b>	<b>6625.00</b>
Charged	6421.02	0.00	6421.02	3867.50	1000.00	4867.50	7029.00	1000.00	8029.00	7029.00	0.00	14058.00	5625.00	1000.00	6625.00
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	0.00	0.00	0.00
<b>Revenue &amp; Capital</b>	<b>48809.91</b>	<b>36403.05</b>	<b>85212.96</b>	<b>46413.34</b>	<b>44929.92</b>	<b>91343.26</b>	<b>62188.81</b>	<b>40345.71</b>	<b>102534.52</b>	<b>60990.91</b>	<b>37739.14</b>	<b>105759.13</b>	<b>63946.59</b>	<b>46246.58</b>	<b>110193.17</b>
Charged	6421.02	26339.16	32760.18	3867.50	35392.42	39259.92	7029.00	28599.72	35628.72	7029.00	27158.65	41316.64	5625.00	35394.08	41019.08
Voted	42388.89	10063.89	52452.78	42545.84	9537.50	52083.34	55159.81	11745.99	66905.80	53961.91	10580.49	64442.49	58321.59	10852.50	69174.09

(Rs. in crore) (Gross)															
Description	Actuals 2007-08			Budget Estimates 2008-09			Revised Estimates 2008-09			Actuals 2008-09 (Provisional)			Budget Estimates 2009-10		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 36</b> Loans to Government Servants etc.															
<b>Revenue Section</b>	0.00	0.00	0.00	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	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	0.00	0.00	0.00
<b>Capital Section</b>	0.00	282.98	282.98	0.00	360.00	360.00	0.00	3.19	3.19	0.00	0.21	0.21	0.00	360.00	360.00
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	0.00	0.00	0.00
Voted	0.00	282.98	282.98	0.00	360.00	360.00	0.00	3.19	3.19	0.00	0.21	0.21	0.00	360.00	360.00
<b>Revenue &amp; Capital</b>	0.00	282.98	282.98	0.00	360.00	360.00	0.00	3.19	3.19	0.00	0.21	0.21	0.00	360.00	360.00
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	0.00	0.00	0.00
Voted	0.00	282.98	282.98	0.00	360.00	360.00	0.00	3.19	3.19	0.00	0.21	0.21	0.00	360.00	360.00
<b>Appropriation No. 37</b> Repayment of Debt															
<b>Revenue Section</b>	0.00	0.00	0.00	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	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	0.00	0.00	0.00
<b>Capital Section</b>	0.00	1604110.47	1604110.47	0.00	1745574.44	1745574.44	0.00	2128810.61	2128810.61	0.00	2165799.02	2165799.02	0.00	1880843.21	1880843.21
Charged	0.00	1604110.47	1604110.47	0.00	1745574.44	1745574.44	0.00	2128810.61	2128810.61	0.00	2165799.02	2165799.02	0.00	1880843.21	1880843.21
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	0.00	0.00	0.00
<b>Revenue &amp; Capital</b>	0.00	1604110.47	1604110.47	0.00	1745574.44	1745574.44	0.00	2128810.61	2128810.61	0.00	2165799.02	2165799.02	0.00	1880843.21	1880843.21
Charged	0.00	1604110.47	1604110.47	0.00	1745574.44	1745574.44	0.00	2128810.61	2128810.61	0.00	2165799.02	2165799.02	0.00	1880843.21	1880843.21
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	0.00	0.00	0.00

(Rs. in crore) (Gross)															
Description	Actuals 2007-08			Budget Estimates 2008-09			Revised Estimates 2008-09			Actuals 2008-09 (Provisional)			Budget Estimates 2009-10		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 38</b> <b>Department of Expenditure</b>															
<b>Revenue Section</b>	<b>0.75</b>	<b>36.28</b>	<b>37.03</b>	<b>4.00</b>	<b>37.86</b>	<b>41.86</b>	<b>2.30</b>	<b>56.66</b>	<b>58.96</b>	<b>2.30</b>	<b>47.94</b>	<b>50.24</b>	<b>3.60</b>	<b>68.00</b>	<b>71.60</b>
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	0.00	0.00	0.00
Voted	0.75	36.28	37.03	4.00	37.86	41.86	2.30	56.66	58.96	2.30	47.94	50.24	3.60	68.00	71.60
<b>Capital Section</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.00</b>	<b>0.00</b>	<b>6.00</b>	<b>3.00</b>	<b>0.00</b>	<b>3.00</b>	<b>3.00</b>	<b>0.00</b>	<b>3.00</b>	<b>6.40</b>	<b>0.00</b>	<b>6.40</b>
Charged	0	0	0.00	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	0	0.00	6.00	0.00	6.00	3.00	0.00	3.00	3.00	0.00	3.00	6.40	0.00	6.40
<b>Revenue &amp; Capital</b>	<b>0.75</b>	<b>36.28</b>	<b>37.03</b>	<b>10.00</b>	<b>37.86</b>	<b>47.86</b>	<b>5.30</b>	<b>56.66</b>	<b>61.96</b>	<b>5.30</b>	<b>47.94</b>	<b>53.24</b>	<b>10.00</b>	<b>68.00</b>	<b>78.00</b>
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	0.00	0.00	0.00
Voted	0.75	36.28	37.03	10.00	37.86	47.86	5.30	56.66	61.96	5.30	47.94	53.24	10.00	68.00	78.00
<b>Demand No. 39</b> <b>Pensions</b>															
<b>Revenue Section</b>	<b>0.00</b>	<b>8721.83</b>	<b>8721.83</b>	<b>0.00</b>	<b>7966.14</b>	<b>7966.14</b>	<b>0.00</b>	<b>10629.53</b>	<b>10629.53</b>	<b>0.00</b>	<b>10513.26</b>	<b>10513.26</b>	<b>0.00</b>	<b>10966.67</b>	<b>10966.67</b>
Charged	0.00	29.05	29.05	0.00	35.38	35.38	0.00	63.60	63.60	0.00	40.55	40.55	0.00	67.59	67.59
Voted	0.00	8692.78	8692.78	0.00	7930.76	7930.76	0.00	10565.93	10565.93	0.00	10472.71	10472.71	0.00	10899.08	10899.08
<b>Capital Section</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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	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	0.00	0.00	0.00
<b>Revenue &amp; Capital</b>	<b>0.00</b>	<b>8721.83</b>	<b>8721.83</b>	<b>0.00</b>	<b>7966.14</b>	<b>7966.14</b>	<b>0.00</b>	<b>10629.53</b>	<b>10629.53</b>	<b>0.00</b>	<b>10513.26</b>	<b>10513.26</b>	<b>0.00</b>	<b>10966.67</b>	<b>10966.67</b>
Charged	0.00	29.05	29.05	0.00	35.38	35.38	0.00	63.60	63.60	0.00	40.55	40.55	0.00	67.59	67.59
Voted	0.00	8692.78	8692.78	0.00	7930.76	7930.76	0.00	10565.93	10565.93	0.00	10472.71	10472.71	0.00	10899.08	10899.08

(Rs. in crore) (Gross)															
Description	Actuals 2007-08			Budget Estimates 2008-09			Revised Estimates 2008-09			Actuals 2008-09 (Provisional)			Budget Estimates 2009-10		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 40</b> <b>Indian Audit &amp; Accounts Department</b>															
<b>Revenue Section</b>	<b>0.00</b>	<b>1267.95</b>	<b>1267.95</b>	<b>0.00</b>	<b>1280.55</b>	<b>1280.55</b>	<b>0.00</b>	<b>1904.89</b>	<b>1904.89</b>	<b>0.00</b>	<b>1865.88</b>	<b>1865.88</b>	<b>0.00</b>	<b>2350.13</b>	<b>2350.13</b>
Charged	0.00	39.06	39.06	0.00	36.85	36.85	0.00	50.94	50.94	0.00	48.19	48.19	0.00	62.20	62.20
Voted	0.00	1228.89	1228.89	0.00	1243.70	1243.70	0.00	1853.95	1853.95	0.00	1817.69	1817.69	0.00	2287.93	2287.93
<b>Capital Section</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.95</b>	<b>2.95</b>	<b>0.00</b>	<b>3.24</b>	<b>3.24</b>	<b>0.00</b>	<b>2.16</b>	<b>2.16</b>	<b>0.00</b>	<b>2.70</b>	<b>2.70</b>
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	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	2.95	2.95	0.00	3.24	3.24	0.00	2.16	2.16	0.00	2.70	2.70
<b>Revenue &amp; Capital</b>	<b>0.00</b>	<b>1267.95</b>	<b>1267.95</b>	<b>0.00</b>	<b>1283.50</b>	<b>1283.50</b>	<b>0.00</b>	<b>1908.13</b>	<b>1908.13</b>	<b>0.00</b>	<b>1868.04</b>	<b>1868.04</b>	<b>0.00</b>	<b>2352.83</b>	<b>2352.83</b>
Charged	0.00	39.06	39.06	0.00	36.85	36.85	0.00	50.94	50.94	0.00	48.19	48.19	0.00	62.20	62.20
Voted	0.00	1228.89	1228.89	0.00	1246.65	1246.65	0.00	1857.19	1857.19	0.00	1819.85	1819.85	0.00	2290.63	2290.63
<b>Demand No. 41</b> <b>Department of Revenue</b>															
<b>Revenue Section</b>	<b>0.00</b>	<b>6382.95</b>	<b>6382.95</b>	<b>0.00</b>	<b>6197.00</b>	<b>6197.00</b>	<b>0.00</b>	<b>6720.97</b>	<b>6720.97</b>	<b>0.00</b>	<b>6608.79</b>	<b>6608.79</b>	<b>0.00</b>	<b>9645.56</b>	<b>9645.56</b>
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.02	0.02
Voted	0.00	6382.95	6382.95	0.00	6196.98	6196.98	0.00	6720.95	6720.95	0.00	6608.79	6608.79	0.00	9645.54	9645.54
<b>Capital Section</b>	<b>0.00</b>	<b>0.33</b>	<b>0.33</b>	<b>0.00</b>	<b>0.82</b>	<b>0.82</b>	<b>0.00</b>	<b>0.70</b>	<b>0.70</b>	<b>0.00</b>	<b>0.50</b>	<b>0.50</b>	<b>0.00</b>	<b>2.31</b>	<b>2.31</b>
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	0.00	0.00	0.00
Voted	0.00	0.33	0.33	0.00	0.82	0.82	0.00	0.70	0.70	0.00	0.50	0.50	0.00	2.31	2.31
<b>Revenue &amp; Capital</b>	<b>0.00</b>	<b>6383.28</b>	<b>6383.28</b>	<b>0.00</b>	<b>6197.82</b>	<b>6197.82</b>	<b>0.00</b>	<b>6721.67</b>	<b>6721.67</b>	<b>0.00</b>	<b>6609.29</b>	<b>6609.29</b>	<b>0.00</b>	<b>9647.87</b>	<b>9647.87</b>
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.02	0.02
Voted	0.00	6383.28	6383.28	0.00	6197.80	6197.80	0.00	6721.65	6721.65	0.00	6609.29	6609.29	0.00	9647.85	9647.85

(Rs. in crore) (Gross)															
Description	Actuals 2007-08			Budget Estimates 2008-09			Revised Estimates 2008-09			Actuals 2008-09 (Provisional)			Budget Estimates 2009-10		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No. 42 Direct Taxes															
<b>Revenue Section</b>	<b>0.00</b>	<b>1687.32</b>	<b>1687.32</b>	<b>0.00</b>	<b>1772.00</b>	<b>1772.00</b>	<b>0.00</b>	<b>2327.13</b>	<b>2327.13</b>	<b>0.00</b>	<b>2247.20</b>	<b>2247.20</b>	<b>0.00</b>	<b>2884.00</b>	<b>2884.00</b>
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.02	0.02
Voted	0.00	1687.32	1687.32	0.00	1771.98	1771.98	0.00	2327.11	2327.11	0.00	2247.20	2247.20	0.00	2883.98	2883.98
<b>Capital Section</b>	<b>0.00</b>	<b>35.77</b>	<b>35.77</b>	<b>0.00</b>	<b>203.00</b>	<b>203.00</b>	<b>0.00</b>	<b>190.50</b>	<b>190.50</b>	<b>0.00</b>	<b>83.49</b>	<b>83.49</b>	<b>0.00</b>	<b>618.00</b>	<b>618.00</b>
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	0.00	0.00	0.00
Voted	0.00	35.77	35.77	0.00	203.00	203.00	0.00	190.50	190.50	0.00	83.49	83.49	0.00	618.00	618.00
<b>Revenue &amp; Capital</b>	<b>0.00</b>	<b>1723.09</b>	<b>1723.09</b>	<b>0.00</b>	<b>1975.00</b>	<b>1975.00</b>	<b>0.00</b>	<b>2517.63</b>	<b>2517.63</b>	<b>0.00</b>	<b>2330.69</b>	<b>2330.69</b>	<b>0.00</b>	<b>3502.00</b>	<b>3502.00</b>
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.02	0.02
Voted	0.00	1723.09	1723.09	0.00	1974.98	1974.98	0.00	2517.61	2517.61	0.00	2330.69	2330.69	0.00	3501.98	3501.98
Demand No. 43 Indirect Taxes															
<b>Revenue Section</b>	<b>0.00</b>	<b>1636.29</b>	<b>1636.29</b>	<b>0.00</b>	<b>1805.80</b>	<b>1805.80</b>	<b>0.00</b>	<b>2686.00</b>	<b>2686.00</b>	<b>0.00</b>	<b>2354.75</b>	<b>2354.75</b>	<b>0.00</b>	<b>3095.00</b>	<b>3095.00</b>
Charged	0.00	0.22	0.22	0.00	1.20	1.20	0.00	1.20	1.20	0.00	0.38	0.38	0.00	1.20	1.20
Voted	0.00	1636.07	1636.07	0.00	1804.60	1804.60	0.00	2684.80	2684.80	0.00	2354.37	2354.37	0.00	3093.80	3093.80
<b>Capital Section</b>	<b>0.00</b>	<b>62.28</b>	<b>62.28</b>	<b>0.00</b>	<b>315.20</b>	<b>315.20</b>	<b>0.00</b>	<b>276.00</b>	<b>276.00</b>	<b>0.00</b>	<b>130.50</b>	<b>130.50</b>	<b>0.00</b>	<b>290.00</b>	<b>290.00</b>
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	0.00	0.00	0.00
Voted	0.00	62.28	62.28	0.00	315.20	315.20	0.00	276.00	276.00	0.00	130.50	130.50	0.00	290.00	290.00
<b>Revenue &amp; Capital</b>	<b>0.00</b>	<b>1698.57</b>	<b>1698.57</b>	<b>0.00</b>	<b>2121.00</b>	<b>2121.00</b>	<b>0.00</b>	<b>2962.00</b>	<b>2962.00</b>	<b>0.00</b>	<b>2485.25</b>	<b>2485.25</b>	<b>0.00</b>	<b>3385.00</b>	<b>3385.00</b>
Charged	0.00	0.22	0.22	0.00	1.20	1.20	0.00	1.20	1.20	0.00	0.38	0.38	0.00	1.20	1.20
Voted	0.00	1698.35	1698.35	0.00	2119.80	2119.80	0.00	2960.80	2960.80	0.00	2484.87	2484.87	0.00	3383.80	3383.80



(Rs. in crore) (Gross)															
Description	Actuals 2007-08			Budget Estimates 2008-09			Revised Estimates 2008-09			Actuals 2008-09 (Provisional)			Budget Estimates 2009-10		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 44 Department of Disinvestment</b>															
<b>Revenue Section</b>	<b>0.00</b>	<b>7.57</b>	<b>7.57</b>	<b>0.00</b>	<b>21.00</b>	<b>21.00</b>	<b>0.00</b>	<b>18.90</b>	<b>18.90</b>	<b>0.00</b>	<b>13.03</b>	<b>13.03</b>	<b>0.00</b>	<b>18.78</b>	<b>18.78</b>
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	0.00	0.00	0.00
Voted	0.00	7.57	7.57	0.00	21.00	21.00	0.00	18.90	18.90	0.00	13.03	13.03	0.00	18.78	18.78
<b>Capital Section</b>	<b>0.00</b>	<b>3302.00</b>	<b>3302.00</b>	<b>0.00</b>	<b>2330.00</b>	<b>2330.00</b>	<b>0.00</b>	<b>2330.00</b>	<b>2330.00</b>	<b>0.00</b>	<b>326.90</b>	<b>326.90</b>	<b>0.00</b>	<b>2240.00</b>	<b>2240.00</b>
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	0.00	0.00	0.00
Voted	0.00	3302.00	3302.00	0.00	2330.00	2330.00	0.00	2330.00	2330.00	0.00	326.90	326.90	0.00	2240.00	2240.00
<b>Revenue &amp; Capital</b>	<b>0.00</b>	<b>3309.57</b>	<b>3309.57</b>	<b>0.00</b>	<b>2351.00</b>	<b>2351.00</b>	<b>0.00</b>	<b>2348.90</b>	<b>2348.90</b>	<b>0.00</b>	<b>339.93</b>	<b>339.93</b>	<b>0.00</b>	<b>2258.78</b>	<b>2258.78</b>
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	0.00	0.00	0.00
Voted	0.00	3309.57	3309.57	0.00	2351.00	2351.00	0.00	2348.90	2348.90	0.00	339.93	339.93	0.00	2258.78	2258.78
<b>Grand Total</b>															
<b>Revenue Section</b>	<b>43839.03</b>	<b>254573.88</b>	<b>298412.91</b>	<b>44097.64</b>	<b>280375.95</b>	<b>324473.59</b>	<b>57009.91</b>	<b>318480.66</b>	<b>375190.57</b>	<b>55512.41</b>	<b>302892.85</b>	<b>358405.26</b>	<b>60483.55</b>	<b>341710.16</b>	<b>402193.71</b>
Charged	0.00	206394.14	206394.14	0.00	241930.91	241930.91	0.00	229047.76	229047.76	0.00	215641.70	215641.70	0.00	263035.97	263035.97
Voted	43839.03	48179.74	92018.77	44097.64	38445.04	82542.68	56709.91	89432.90	146142.81	55512.41	87251.15	142763.56	60483.55	78674.19	139157.74
<b>Capital Section</b>	<b>6444.02</b>	<b>1662685.02</b>	<b>1669129.04</b>	<b>5865.60</b>	<b>1751202.68</b>	<b>1757068.28</b>	<b>8993.67</b>	<b>2142073.08</b>	<b>2151066.75</b>	<b>7086.07</b>	<b>2173635.59</b>	<b>2180721.66</b>	<b>7323.40</b>	<b>1894394.89</b>	<b>1901718.29</b>
Charged	6421.02	1604110.47	1610531.49	3867.50	1746574.44	1750441.94	7029.00	2129810.61	2136839.61	7029.00	2165799.02	2172828.02	5625.00	1881843.21	1887468.21
Voted	23.00	58574.55	58597.55	1998.10	4628.24	6626.34	1964.67	12262.47	14227.14	57.07	7836.57	7893.64	1698.40	12551.68	14250.08
<b>Revenue &amp; Capital</b>	<b>50283.05</b>	<b>1917258.90</b>	<b>1967541.95</b>	<b>49963.24</b>	<b>2031578.63</b>	<b>2081541.87</b>	<b>65703.58</b>	<b>2460553.74</b>	<b>2526257.32</b>	<b>62598.48</b>	<b>2476528.44</b>	<b>2539126.92</b>	<b>67806.95</b>	<b>2236105.05</b>	<b>2303912.00</b>
Charged	6421.02	1810504.61	1816925.63	3867.50	1988505.35	1992372.85	7029.00	2358858.37	2365887.37	7029.00	2381440.72	2388469.72	5625.00	2144879.18	2150504.18
Voted	43862.03	106754.29	150616.32	46095.74	43073.28	89169.02	58674.58	101695.37	160369.95	55569.48	95087.72	150657.20	62181.95	91225.87	153407.82

## Overview of Expenditure and Budget/Revised Estimates of all Grants under Ministry of Finance



## Demand No. 32 – Department of Economic Affairs

In this Demand, the major portion of the Budget is towards Subsidy to Railways, reimbursement of losses to Railways on operating strategic railway lines, contribution to Railway Safety Works, Interest Equalisation Support to EXIM Bank for Government of India's Lines of Credit (LOCs) to other countries and cost of supply of coins to Reserve Bank of India. Apart

from this, the expenditure includes establishment related expenditure of the Department and its subordinate offices e.g. National Savings Institute (NSI), Thirteenth Finance Commission, Investment Commission, Securities Appellate Tribunal (SAT) and contributions towards International bodies. Therefore there are very few activities/outlays for which Outcome/target can be set in tangible, quantifiable/measurable terms. The activities Plan and Non-Plan, indicating 'Outlays' and 'Outcomes' for the financial year 2009–10 are depicted in the subsequent statements.

Statement of Outlays and Outcomes 2009-10 Demand No. 32 – Department of Economic Affairs								
S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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 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.	-	1200.00	- Manning 355 locations. - Lifting barrier at 374 locations. - Basic infrastructure at 1240 locations. - Interlocking at 449 locations. - Construction of 139 Nos limited height Subways.	Ensure safety at unmanned level crossing and provide smooth passage for traffic.	-One year upto 31.3.2010 -For manning of unmanned level crossing, gated/ lifting barriers have to be erected at the locations and duty huts/gate lodges constructed for gatekeepers. The medically qualified suitable willing gate	- Delay in receiving approval of CRS & State Govt’s consent. - Non-availability of material and contractors at way side locations. - Shortage of contractors. - Failure of contracts/delay in land acquisition

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
					- Construction of 120 Nos of Road Over and Under Bridges.		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.	and encroachment removal.
2	<b>Major Head 5475-Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure (Plan Scheme) (Ref. Annex-I) Appendix-A</b>	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF)	-	150.00	The total approvals for VGF grant till now is of the order of Rs. 6517.92 crore for the 45 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 6 projects from Madhya Pradesh, financial closure has been reached and disbursal of VGF amounting to Rs. 23.00 crore and Rs. 54.07 crore had	Development of Infrastructure through Public Private Partnership mode.	There is time lag between grant of 'in principle' approval and the final disbursement.	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.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
					been disbursed during 2007-08 and 2008-09 respectively.			
3	<b>Major Head 3475 – Interest equalisation support to Exim Bank of India. (Non-Plan) (Refer Annexure-I Appendix-B &amp; C)</b>	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 Gol supported lines of credit.	278.00	-	Exports of Indian goods and services to foreign countries.	Interest equalization support to Exim Bank of India has to be given by Gol in respect of the Gol 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.	The provision is to be utilised upto 31 <sup>st</sup> March, 2010.	If the repayment is defaulted by the recipient country, Gol will have to repay the amount to EXIM Bank as counter-guarantee of Gol has been given to EXIM Bank for the lines of credit.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
4	<b>Major Head- 3605 - Technical and Economic Cooperation with other countries, 07: Technical aid to South East Asia under the Colombo Plan; 07.01.32 and 07.02.32: Contribution. (Non-Plan) (Refer Annexure-I Appendix-D)</b>	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	6.00	-	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 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.



*National Rural Employment Guarantee Scheme*

### **Demand No. 33 – Department of Financial Services**

This Demand deals with the establishments of Department of Financial Services (Main), Appellate Authority for Industrial and Financial Reconstruction (AAIFR), Board for Industrial and Financial Reconstruction (BIFR), Office of Special Courts, Office of Custodian, Debt Recovery Tribunals and Debt Recovery Appellate Tribunals, Pension Fund Regulatory and Development Authority and Office of Court Liquidator as also contributions/subscriptions etc., to Financial Institutions.

The investment boom in infrastructure industry, including housing and services are nurtured through further reforms in the financial sector.

Grants-in-aid are given to Agricultural Financial Institutions and General Financing and Trading Institutions for implementation of various schemes for the benefit of the people at large, particularly, those belonging to Below Poverty Line and Low Income Groups.

Rs.1,450.00 crore and Rs.450.00 crore were provided under Plan provisions in BE 2008-09 towards meeting the acquisition cost of Reserve Bank of India stake in National Bank for Agriculture and Rural Development (NABARD) and National Housing Bank (NHB), respectively. This could not be materialized during 2008-09. However, provisions of Rs. 1100.00 crore and Rs. 442.00 crore towards acquisition cost of RBI stake in NABARD and NHB, respectively have been kept under Plan provisions in BE 2009-10. The major Non-Plan and Plan activities projecting outcomes are given in the subsequent statement.



**Statement of Outlays and Outcomes 2009-10**  
**Demand No. 33 – Department of Financial Services**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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	<b>Major Head 2235 - Farmers Debt Relief Fund for implementation of Agricultural Debt Waiver and Debt Relief Scheme 2008</b>	To delog the line of credit	15000.00	-	The Scheme covered all agricultural loans disbursed by the lending institutions upto 31 <sup>st</sup> March, 2007, overdue as on 31 <sup>st</sup> December, 2007 and that remained unpaid until 29.02.2008. 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 covers 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, the total amount of debt waiver/debt relief is Rs. 65,318.33 crore covering 3,68,77,818 farmers.	The Scheme was implemented by its due date i.e. 30.06.2008. The first instalment of reimbursable claims of the lending institutions under the Scheme of Rs. 25,000.00 crore has been released by the Government (Rs. 17,500.00 crore to NABARD for reimbursement to RRBs and Cooperative Credit Institutions and Rs. 7,500.00 crore to RBI for reimbursement to Commercial Banks, Urban Cooperative Banks and LABs.	This is a subsidy to farmers. No risk factor is involved.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
2	<b>Major Head 2235- Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme.</b>	To improve the access of health care to BPL families	6.39	-	To cover 2.6 lakh families	Subsidized Health Insurance for people below poverty line (BPL)	One year	Lack of service provider in the remote rural areas of the country.  Lack of intermediaries and distribution channels in the rural and remote areas.  Lack of transport and communication system.  Lack of awareness of the existence of the Scheme.  Poverty and illiteracy inhibit sale of insurance cover in rural areas.
3	<b>Major Head 2235 –Payment to Life Insurance Corporation of India towards</b>	Subsidising Pension Plan for Senior Citizens	172.00	-	Pensioners get an effective yield of 9% p.a.	Approximately 3.5 lakh senior citizens, who had enrolled during the currency	One Year	The scheme has been discontinued w.e.f 09.07.2004

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
	Pension Plan for Senior Citizens					of the scheme, are being provided benefits under the scheme.		
4	<b>Major Head 2416 – Interest subvention for providing short term credit to farmers.</b>	Interest relief to farmers on short term production credit	2011.00	-	To provide short term production credit at 7% to the farmers upto an amount of Rs. 3.00 lakh.	Farmers will benefit of the much needed interest relief on short term loans.	One year	This is a subsidy to farmers. No risk factor is involved.
5	<b>Major Head 2416 – Revitalisation of Long Term Cooperative Credit Structure.</b>	Revitalisation of Long Term Cooperative Credit Structure in the country.	1000.00	-	To provide revival package for revitalisation of Long Term Cooperative Credit Structure.	Long Term Cooperative Credit Structure in the country shall be strengthened	The package has been approved by the Cabinet at an estimated cost of Rs. 3,070.00 crore and the process of implementation has commenced.	This is a subsidy to the Long Term Cooperative Credit Structure in the country. No risk factor is involved.
6	<b>Major Head 4885 – Subscription to the share capital of EXIM Bank</b>	Strengthening the equity base of EXIM Bank	300.00	-	The Bank is the premier Government owned Financial Institution for coordinating the working of institutions engaged in assisting and financing exports and imports.	To increase the paid-up capital of the Bank by Rs. 300.00 crore raising its equity bases to Rs. 1700.00 crore	One year	No risk factor involved.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
7	<b>Major Head 4885 – Subscription to the share capital of India Infrastructure Finance Company Limited (IIFCL)</b>	Enabling the programme of providing long term financial assistance for infrastructure projects.	500.00	-	The Company would 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 Rs. 500.00 crore raising its equity base to Rs. 1800.00 crore	One year	No risk factor is involved.
8	<b>Major Head 5465 – Acquisition cost of Reserve Bank of India stake in National Bank for Agriculture and Rural Development (NABARD)</b>	Acquisition of Reserve Bank of India stake in NABARD by Government	-	1100.00	To provide greater control by Government of India for consistent development of NABARD.	Consistent development of NABARD shall be ensured	One year	This is acquisition of RBI stake in NABARD. No risk factor is involved.
9	<b>Major Head 5465 – Acquisition cost of Reserve Bank of India stake in National Housing Bank (NHB)</b>	Acquisition of Reserve Bank of India stake in NHB by Government	-	442.00	To provide greater control by Government of India for consistent development of NHB.	Consistent development of NHB shall be ensured	One year	This is acquisition of RBI stake in NHB. No risk factor is involved.

**Statement of Outlays and Outcomes 2009-10**  
**Demand No. 38 – Department of Expenditure**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2		4		5	6	7	8
			4(i) Non-Plan	4(ii) Plan				
1	<b>Major Head 2070- Other Administrative Services.</b> <b>Central Plan Scheme for enhancing training capacity of National Institute of Financial Management</b>	High Level Professional Course covering basic elements of Post Graduate Diploma in Business Management (Finance) for the officers dealing with Accounts & Finance matters to be offered by the National Institute of Financial Management and increasing the infrastructure of the Institute.	-	10.00	Training 60 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 2009, 60 officers are targeted for training under this scheme	Two years	Rs. 3.60 crore under Revenue Section which will cover the programme fees component and Rs. 6.40 crore under Capital Section to create additional infrastructure of the Institute.

**Statement of Outlays and Outcomes 2009-10**  
**Demand No. 41 – Department of Revenue**

S. No	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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	<b>Major Head -2052 Implementation of VAT Scheme</b> (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.	8.00	-	Computerization of VAT administration in NE States and Sikkim. NE States and Sikkim have made available Office space and other infrastructure for the project.	Effective implementation and administration of VAT	The initial phase of implementation of the Project on Turnkey basis has been completed. The task during 2009-10 is to effectively utilize the systems already put in place and to add new need-based software applications and remove bottlenecks, if any.	
2	<b>Major Head -2052 Setting up of Tax Information Exchange System etc.</b> (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 inter-State transactions through TINXSYS and smooth functioning of the EC.	26.65	-	<ul style="list-style-type: none"> <li>- Implementation of TINXSYS Project.</li> <li>- Smooth functioning of EC.</li> <li>- VAT Computerization in J&amp;K and HP.</li> </ul>	<ul style="list-style-type: none"> <li>- Effective tracking of inter-State transactions, which will set the stage of CST reforms.</li> <li>- Modern VAT Administration in J&amp;K and HP</li> </ul>	<ul style="list-style-type: none"> <li>- The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation will be completed during 2009-10. Thereafter, it will be run by the Service Provider for another about 2 years, before transfer to EC.</li> <li>- J&amp;K and HP VAT Computerization Project: Initial phase expected to be completed during 2009-10.</li> </ul>	

S. No	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
3	<b>Major Head - 3601/3602</b> <b>Compensation to States/UTs for revenue losses due to implementation of VAT and other VAT related expenditure</b> (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.	3020.50	-	VAT Implementa- tion by all States/ UTs.  Modernization of State Tax Administration including setting up/upgradation of two Institutes for taxation studies in States/UTs	Smooth and effective implementation of State VAT – considered to be the most significant tax reform measure at State level.	As per agreed formula, VAT Compensation is to be provided for 2005-06 (100% of revenue loss), 2006-07 (75% of revenue loss) and 2007-08 (50% of revenue loss). Pending claims and claims for the last part of 2007-08 would need to be settled during 2009-10.  Support for modernization of State VAT administration up to 2010-2011.	
4	<b>Major Head - 3601/3602</b> <b>Compensation to States/UTs for revenue losses due to phasing out of Central Sales Tax (CST).</b>	Smooth and effective implementation of phasing out of CST.	6001.00	-	Implementation by all States/UTs.  Phasing out of CST	Smooth and effective implementation of phasing out of CST – a corollary to the implementation of VAT.	CST is planned to be phased out in three years time with effect from 1.4.2007. Rate of CST has been reduced from 4% to 3% in 2007-08 and to 2% in 2008-09. As per agreed formula, CST	



S. No	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
	(The Budget Provision is for providing grant-in-aid to States/UTs for CST compensation.)						compensation will need to be provided to the States till 2009-10.	
5	<b>Major Head 2875 Govt. Opium &amp; Alkaloid Works</b>	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	355.32	-	Procurement of 558.592 MTs of raw opium Procurement of 28 MTs of Codeine Phosphate Export of Opium (400 MT) Sales of alkaloids (46.300 MT). This will result into revenue receipt of Rs. 301 crore.	Revenue Realization of Rs. 301 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.

**Statement of Outlays and Outcomes 2009-10**  
**Demand No. 42 – Direct Taxes**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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 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			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 of National Data Center, Consolidation of regional data bases into single national database.	Ongoing, upto June 2014	Consolidation of the Database completed.  The milestone of acceptance achieved on 02.06.2009.  The committed expenditure on this project during 2009-10 would be approximately Rs. 10 crore.  In addition, expenditure on change orders shall be incurred as and when required.
		B) Modification of Aayakar Bhawan,			After modification of the Vaishali Building, National	The IT hub of the Department viz.	30.09.2009 (Revised)	Work is in progress and is likely to be

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
		Vaishali into a secure Information Technology Hub and its maintenance.			Computer Center will be established.	National Computer Center will enable the Directorate, Application Management team, System Integrator, Network Service Provider, Project consultants and Business Process Re-engineering team to work in close co-ordination and resolve issues relating to IT services for the Income Tax Department in a secure and technology friendly environment.		completed by 30.09. 2009. The timeline is dependent on successful execution of contract. The committed expenditure to consultants M/s Engineers India Ltd. is Rs. 1.80 crore. In addition, expenditure on Facility Management Services shall be required which can not be estimated at this stage.
		C) Establishment, Monitoring and Implementation of All India Tax Network			Network of Income Tax offices across the country	Officers and staff in 510 cities would be able to access the Central Data Center over the		The work of LAN/ WAN connectivity in all buildings has been completed.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
						"Taxnet" to perform their functions. Faster and reliable transfer of data would ensure timely delivery of services to the taxpayers.		The committed expenditure during the year is estimated at Rs. 40 crore.  Additional expenditure may be required depending on change orders during the course of the year.
		D) Hiring of Data Centers for primary, Business Continuity Planning (BCP) & Disaster Recovery (DR) sites			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	The expenditure is in the nature of hiring charges and is approximately Rs. 3 crore per annum.
	<b>II. Tax Information Network (TIN)</b>	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to:  Online Tax Account System (OLTAS),			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 Annual Tax Statement (Form 26AS).	On-going activity	During FY 2008-09 271,48,569 number of OLTAS challans were received for Rs. 3,75,696 crore of tax collection.  The estimated expenditure during 2009-10 is around Rs. 35 crore.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
		<p>Tax deductions coming from TDS returns</p> <p>High value financial transactions coming through annual Information Returns and facility for generation of electronic TDS accounts.</p>			Facilities to view tax payments made by the tax payers or by tax deductors on their behalf	<p>This statement is created for each taxpayer using their Permanent Account Number (PAN) as identifier and contains details of tax paid by the taxpayer himself (self assessment/ advance tax) and also details of tax deducted/ collected from him by various deductors during the financial year. This statement is being sent by M/s NSDL to various taxpayers both through e-mail as well as through post.</p>		Further expenditure will have to be made in case change orders on account of new TDS accounting procedure is implemented.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
	<b>III. Tax payers' services</b>	To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar Sampark Kendra), Website 27 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	Easy and convenient dissemination of information Enhanced convenience reducing manual interface and increased tax-payers' satisfaction	On-going activity	The department has set up one call centre, Aayakar Sampark Kendra which received average about 40,000 calls per month during FY 2008-09. The website of the department had 27 lakh hits on average per day in 2008-09. Number of e-returns increased from 21.93 lakh in 2007-08 to 48.38 Lakh in 2008-09 (increase of 220%). Of this, nearly 80% returns were filed voluntarily.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
	<b>IV. Centralized Processing Centre (CPC) Project</b>	<p>(A) Centralized processing of both paper based and e-filed Income Tax Returns (ITRs).</p> <p>(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.</p> <p>(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.</p>			<p>(i) The CPC would initially process transactions for all e-filed Income Tax Returns (ITRs) and physical ITRs for Bengaluru.</p> <p>(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.</p> <p>(iii) The CPC at Bengaluru will have scalability to process 20 lakh paper returns and 60 lakh e-filed returns from the Zone.</p> <p>(iv) Eventually, it is envisaged that the CPC model would be replicated across the country, having</p>	<p>Better Taxpayer Services and reduced grievances.</p> <p>Lower Compliance cost for taxpayers.</p> <p>Reduced administrative cost for Department.</p> <p>Faster processing leading to speedy delivery of refunds and hence lower interest outgo.</p> <p>Efficient use of manpower and office space</p>	01.09.2009	<p>(i) The Cabinet approved the project on 4<sup>th</sup> February 2009. The estimated cost of the project is Rs. 255.46 crore over a period of 5 years beginning with the financial year 2009-10.</p> <p>(ii) Work on the CPC project has commenced with the issue of letter of Award to M/s Infosys Technologies Ltd. on 23<sup>rd</sup> February, 2009.</p> <p>(iii) The outlay for financial year 2009-10 is Rs. 39.17 crore.</p>



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
					gained experience and learning from the CPC in Bengaluru.			
	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.			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.	Uniqueness of PAN established. Easier detection of duplicate PAN. Strengthen reliability of the PAN data.	31.03.2010	(i) M/s Ernst & Young have been appointed as Project Consultant at the fee of Rs. 80.90 lakh which will be met within the sanctioned grant under 'Information Technology'.
		(B) Biometric information, being more stable with time and difficult to change, would be able to detect duplicate PAN application with greater accuracy.			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.			(ii) The project cost will be determined subsequently based on the selection of model for bearing the cost either by the Government or otherwise. (iii) The short listing of vendors has been completed on the basis of EOI response.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
								Preparation of RFP is in progress.
2	Major Head 4059 – Capital outlay on public works – office buildings		602.00	-				
	(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.	Improvement in the availability of Office accommodation to the Department.	31.3.2010	Work is under active stage of consideration in the Department and is expected to be sanctioned in the current fiscal. The indicative price of proposed office space is around Rs. 1800 crore of which, the outlay for the current year is Rs. 575 crore. Further provision will be provided after review at RE stage.
	(ii) Construction of office building at Saket, New Delhi	To reduce shortage of office accommodation.					31.3.2010 (for award of the work)	Estimated cost of the work is Rs. 60.60 crore. Construction work will be sanctioned and awarded during the year with a token provision. However, completion will be

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
								dependent on successful execution of the work by the agency.
	(iii) Construction of office building at Bhopal.	To reduce shortage of office accommodation.					31.3.2010 (for award of the work)	Estimated cost (preliminary) of the work is Rs. 55 crore.
	(iv) Construction of advanced training centre at NADT, Nagpur.	To expand infrastructure for training at National Academy of Direct Taxes, Nagpur.					31.3.2010 (for award of the work)	Estimated cost (preliminary) of the work is Rs. 70 crore.
	(v) Construction of new hostel at NADT, Nagpur.						31.3.2010 (for award of the work)	Estimated cost (preliminary) of the work is Rs. 30 crore.
3	Major Head 4216 – Capital outlay on public works – Housing.		15.00	-				
	(i) Construction of guest house at Golf Links, New Delhi.	To mitigate the shortage of guest house accommodation.			Assets creation	Easing the stay problem of visiting guests.	31.3.2010 (for award of the work)	Preliminary estimated cost of the work is Rs. 7.50 crore.
	(ii) Residential quarters at Nariman Point, Mumbai.	To bridge the shortfall in residential accommodation.			Assets creation	Easing the residential problem of departmental officers at Mumbai.	- do -	Preliminary estimated cost of the work is Rs. 55 crore.

**Statement of Outlays and Outcomes 2009-10**  
**Demand No. 43 – Indirect Taxes**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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	<b>Major Head 2037 and 2038 -Information Technology</b>	Strengthening of IT capability for e-governance	200.00	-	<ul style="list-style-type: none"> <li>- Setting up of an All-India Wide Area Network.</li> <li>- Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration</li> </ul>	<ul style="list-style-type: none"> <li>- Country-wide connectivity of all offices under CBEC to the National Data Centre, Business continuity and Disaster Recovery Sites.</li> <li>- Acquisition of 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</li> </ul>	<p>Work on Phase-I and Phase-II is likely to be completed by October, 2009.</p> <p>Equipment has been installed and commissioned. System Acceptance milestone reached.</p>	<p>Massive effort is required in change management</p> <p>CNE/CCEA approval for revised cost was obtained on 09.08.2007 and 29.11.2007 respectively. The details are given in Annexure-II.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
					<ul style="list-style-type: none"> <li>- Provision of local area network to all departmental users</li> </ul>	<p>accessing the CBEC/ system. These would be located at national data centre, business continuity and disaster recovery sites. All the Department's applications would be hosted centrally on this infrastructure.</p> <ul style="list-style-type: none"> <li>- All applications in Customs, Central Excise, Service Tax will be accessed by the departmental users using this network.</li> </ul>	<ul style="list-style-type: none"> <li>- 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,</li> </ul>	<p>CNE/CCEA approval for revised cost was obtained.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
							barring exceptions and force majeure issues.	
					<ul style="list-style-type: none"> <li>- Establishment of Data warehouse</li> <li>- Automation of Central Excise</li> </ul>	<ul style="list-style-type: none"> <li>- 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.</li> <li>- Ensuring a large degree of transparency and</li> </ul>	<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>ACES has been rolled out on a pilot basis in six</p>	<p>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.</p> <p>The timeline is dependent on LAN/WAN as well</p>



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
						single network, Gateway Project was launched. E-filing of Customs document through this project has improved the on-line assessment, duty payment and clearance procedure. Forty five automated Customs locations are connected through this project. The upgradation exercise for the 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.	application and trading partners' applications and is expected to be completed by September, 2009.	



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
					- 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. In addition to import RMS and Export RMS, the RMS will also select containers for scanning (NII Inspection) based on IGM Data at Nhava Sheva and 4 other Ports identified.	- 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.
					- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	- The portal facilitates tax payers in their interaction with Central Excise & Service Tax and Income Tax/Corporate Tax. There will be	- An LTU specific website has been developed. The LTUs are currently operational at Bengaluru,	

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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																
						single point interface between Tax Administration of CBEC/CBDT and Large Taxpayers.	Chennai, Mumbai and Delhi. Other LTU at Kolkata is planned to be operationalised by the end of 2009.													
2	Major Head 4047 – Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	120.00	-	Following vessels are expected to be delivered to the Department during 2009-10:  <table><tr><td><b>Cate-gory</b></td><td><b>No. of Vessels</b></td></tr><tr><td>I</td><td>12</td></tr><tr><td>II</td><td>04</td></tr><tr><td>III A</td><td>04</td></tr><tr><td>III B</td><td>07</td></tr><tr><td><b>Total</b></td><td><b>27</b></td></tr></table>	<b>Cate-gory</b>	<b>No. of Vessels</b>	I	12	II	04	III A	04	III B	07	<b>Total</b>	<b>27</b>	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.	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:-	
<b>Cate-gory</b>	<b>No. of Vessels</b>																			
I	12																			
II	04																			
III A	04																			
III B	07																			
<b>Total</b>	<b>27</b>																			

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
							<b>Cate- gory</b> I June, 2010 II Sep., 2011 III A June, 2009 III B July, 2009	
3	<b>Major Head 4047 -Acquisition of Anti-smuggling equipments</b>	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improved Customs control through non-intrusive examination.	100.00	-	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)	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 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.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
4	<b>Major Head 4059 -Acquisition of Office Accommodation</b>	To meet shortfall in Office Accommodation	50.00	-	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.	<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 Specified Undertaking of Unit Trust of India in November, 2006 at Mumbai.</p>	Payment in such cases depends on various formalities involving consultation with different concerned authorities.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009-10 (Rs. 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				
							- 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.	
5	<b>Major Head 4216 -Acquisition of Residential Accommodation</b>	To meet shortfall in residential accommodation	19.80	-	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.	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 premises at Shillong and other payments in respect of other ongoing projects are likely to be made.	The proposals involve obtaining clearance from CPWD, Ministry of Urban Development, SFC etc. after following the due procedure prescribed in GFRs.





# CHAPTER 3

## Reform Measures and Policy Initiatives





# Reform Measures and Policy Initiatives

## Department of Economic Affairs

### Assistance for Infrastructure Development (Plan)

This scheme is for putting in place an innovative funding mechanism Public Private partnership (PPP) in Infrastructure sector for Viability Gap support. The Government recognizes the need of 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 Partnership 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.

### India Infrastructure Project Development Fund (IIPDF) (Non-Plan)

The Union Finance Minister in his Budget Speech for 2007-08 announced in the Parliament the setting up of a Revolving Fund with a corpus Rs. 100 crore to quicken the process of project preparation. To fulfil the commitment,

the Government of India has 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 would be to fund potential Public Private Partnership projects' project development expenses 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.

### Technical and Economic Cooperation with Other Countries - Interest Equalisation Support to EXIM Bank of India

Under the then launched "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, Gol 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 Gol counter guarantee for repayment of principal and payment of interest is also given to Exim Bank. Interest equalization support has been provided to the tune of Rs. 191.57 crore during 2008-09.

During the year 2008-09 the following Gol supported Exim Bank of India LOCs have been approved by this Department:

S.No.	Borrower	Amount of LOC (in millions of US Dollars)	Purpose of credit
1	Government of Sri Lanka	100.00	Up-gradation of Railway Line.
2	Government of Nigeria	100.00	Various Projects.
3	Government of Niger	20.00	Power Project.
4	Government of Central African Republic	29.50	Various Projects.
5	Government of Senegal	25.00	Electrification project & Fishing Industry Development project.
6	Government of Madagascar	25.00	Agriculture Project.
7	Government of Zambia	50.00	Hydro Power Project.
8	Government of Ethiopia	166.23	Development of Sugar Industry.
9	Government of Myanmar	20.00	Up-gradation of Thanbayakan Petrochemical Complex.
10	Government of Burkina Faso	25.00	Rural Electrification.
11	Government of Sierra Leone	15.00	Agricultural Project.
12	Government of Mozambique	25.00	Development Project.
13	Government of Suriname	4.30	Supply of Ten Crash Fire Tenders by BEML.
14	Government of Cameroon	37.65	Maize & Rice Farm Plantation Projects.
15	Government of Mozambique	30.00	Rural Electrification Project.
16	Government of Ghana	21.72	Fish processing Project& Waste Management Equipment project.
17	Government of Belarus	50.00	

*Exim Bank of India is taking further necessary action for operationalising all the above mentioned Lines of Credit.*

### Technical and Economic Cooperation with Other Countries, Technical Aid to South and South East Asia under the Colombo Plan

Under the Technical Assistance scheme, the Colombo Plan was started with a view to giving comprehensive integrated training to participants from

neighbouring Colombo Plan Member countries. Under this scheme, about 410 scholars from 18 neighbouring countries receive technical training in different institutes in India every year. The training courses are carefully selected so that trainees from abroad get exposure in reputed training institutes of our country. In the long run this scheme will assist our institutes to develop long-standing relationship with the participant countries.

## Department of Financial Services

Financial Sector reforms initiated by the Government have been 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 advance technology in banking operations with minimum risks and according priority to financial inclusion.

### Establishment of Currency Chests

The policy regarding establishment of Currency Chests has been framed in consultation with Ministry of Home Affairs (MHA) and Reserve Bank of India (RBI) in February, 1992. As per this policy, RBI can establish Currency Chests in Military Cantonment Areas or in State Capitals situated within 80 kms from the international border and also beyond 80 kms without prior clearance of Ministry of Finance and MHA. However, in the case of Punjab, Kashmir Valley, Assam, Nagaland and Manipur States, proposals are sent to the Department of Financial Services for obtaining prior clearance of MHA.

### Operational training on 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 (CPGRAMS) for prompt and effective redressal of grievances of citizens. Department of Financial Services (DFS) has been designated as one of the nodal agencies for the purpose of redressing of grievances of Scheduled Commercial Banks. DFS, in assistance with NIC, has integrated all the Scheduled Commercial Banks, Banking Ombudsman offices, RBI, NABARD etc. with the portal. A training programme has been organised for all these agencies, zone-wise throughout the Country for successful and extensive use of the portal. The Public Sector Banks have also been

advised to ensure that the CPGRAMS portal is used extensively for prompt and effective redressal of grievances.

### Liquidity Constraints of Non-Banking Financial Companies

The Cabinet meeting held on 09.01.2009 approved the framework for addressing the liquidity constraints of Non-Deposit taking Systemically Important Non-Banking Financial Companies. For this purpose, Stressed Assets Stabilisation Fund, set up for the purpose of providing liquidity support to NBFCs to meet out their mismatch in Asset Liability Management (ALM) the stressed assets of Industrial Development Bank of India, would function as a Special Purpose Vehicle (SPV). The SPV would issue Government guaranteed securities as per requirement, subject to a total amount of securities outstanding not exceeding Rs. 20,000.00 crore with an additional Rs. 5,000.00 crore, if needed. These securities would be purchased by RBI and funds would be used by the SPV to acquire only investment grade Commercial Paper and Non-Convertible Debentures of the NBFCs. The funds will be used by NBFCs only to repay existing liabilities. The Scheme will be in operation till 31<sup>st</sup> December, 2009. As of 31<sup>st</sup> March, 2009, a sum of Rs. 750.00 crore has been accessed. Out of this, Rs. 205.17 crore have been repaid on 28.05.2009

### Disposal of Complaints/Grievances

A mechanism for effective disposal of complaints/grievances relating to the Banking Sector has been set up in the Department of Financial Services. Out of the 5688 complaints/grievances received during the period April, 2008 to March, 2009, 5651 have been disposed off by taking them up promptly with the concerned Bank/financial institution.

### Banking Ombudsmen Scheme

A revised Banking Ombudsman Scheme to deal with complaints by customers against Banks, etc., has been drawn up by RBI in

consultation with Department of Financial Services on 3<sup>rd</sup> February, 2009.

### Recapitalisation of Regional Rural Banks (RRBs)

With a view to strengthening the RRBs for playing a greater role in agriculture, rural lending and financial inclusion, the following measures have been taken:-

- 620 new branches have been opened as on 28.2.2009. The procedure for opening of branches has also been simplified to facilitate the opening of more branches.
- 27 Regional Rural Banks having negative net worth have been recapitalized during 2007-08 and 2008-09 at a total expenditure of Rs. 897.98 crore. In the case of Kshetriya Kisan Gramin Bank, Mainpuri, the share of the Central Government has been placed with NABARD, which will be released immediately on release of its share by the State Government of Uttar Pradesh.

### Micro Insurance

IRDA has issued the Micro Insurance Regulations which provide for a tie-up between a life and a non-life insurance company for distribution of insurance products to improve the penetration of insurance in the rural areas. This regulation allows cross selling of insurance products which is otherwise not allowed. This would improve the distribution channels in rural India for marketing low value products.

Policy	Existing premium	Revised Premium	Gol Subsidy
Individual	365	300	200
Up to 5 members	548	450	300
Up to 7 members	730	600	400

### Universal Health Insurance Scheme (UHIS)

Universal Health Insurance Scheme, implemented through the Public Sector General Insurance Companies, provides for reimbursement of medical expenses up to Rs. 30,000.00 towards hospitalization expenses flatted amongst the entire family; death cover, due to an accident, of Rs. 25,000.00 to the earning head of the family and compensation due to loss of earning of the earning member @ Rs. 50.00 per day up to a maximum of 15 days. UHIS, 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 Universal Health Insurance Scheme (UHIS) in September, 2008 wherein the premium has been reduced and the overage of benefits has been expanded. The salient features of the revised scheme are given below:

#### Premium Payable

- (ii) Extension of Maternity benefits - Maternity benefit has been extended subject to a maximum of Rs. 2,500.00 for normal and Rs. 5,000.00 for caesarean delivery. This amount would also cover the medical expenses incurred in respect of the new born child up to 3 months.
- (iii) Increase in upper age limit - The upper age limit for coverage has been increased from the existing 65 years to 70 years to bring more families under the scope of the scheme.
- (iv) Inclusion of pre-existing diseases - All pre-existing diseases have been covered, which were earlier excluded from the scope of the scheme.
- (v) Benefit of loss of wages - The benefit of loss of wages has been extended to the spouse of the insured also.

As on 28.02.2009, a total of 1,61,385 policies have been issued covering 1,98,359 families.

The scheme was also extended to BPL families of Tsunami affected areas in Tamil Nadu, Andhra Pradesh, Kerala and Puducherry with a subsidy of Rs.500.00 from the Prime Minister's Relief Fund and Rs.300.00 by Government of India. As on 31<sup>st</sup> December, 2008, 3,14,116 families in Tamil Nadu (9 Districts), 63,645 in Andhra Pradesh (9 Districts), 3,15,995 in Kerala (7 Districts) and 11,928 in Puducherry have been covered.

## Pension Reforms

- Pension reform is a major initiative undertaken by the Government to provide income security after retirement.
- The Government approved on 23<sup>rd</sup> August, 2003 the proposal to implement the budget announcement of 2003-04 relating to introducing of a new restructured defined contribution pension system for new entrants to Central Government service, except to Armed Forces, in the first stage replacing the existing system of defined benefit pension system. The Pension Fund Regulatory and Development Authority (PFRDA) has been appointed as the Fund Manager for servicing the Scheme.

### Scope of the New Pension System

- The new pension system will also be available on voluntary basis to all persons including self-employed professionals and others in the unorganized sector.
- For Central Government employees joining service on or after January 01, 2004, the new pension scheme is compulsory.
- The option of joining the new system would also be available to the State Governments and, as and when they decide, the new system would be capable of accommodating the new participants. Nineteen State Governments have also issued notifications to opt for the defined contribution pension system for future State Government employees, who will join the services of these Governments.

- Mandatory programmes under the Employees Provident Fund Organisation (EPFO) and other special provident funds would continue to operate as per the existing system under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and other special Acts governing these funds. However, individuals under these programmes could voluntarily choose to participate in this scheme.

## 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. Latest 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.

## Recommendations of the Sixth Pay Commission

The report of the Sixth Pay Commission was received on 31<sup>st</sup> March, 2008. The government, after giving careful consideration to the recommendations of the Commission, approved the recommendations of the Commission with certain modifications. The orders on pay structure and allowances based on the Governments' approval of the recommendations of the Sixth Central Pay Commission have been issued. Clarifications, both general and Ministry/Department specific are also being issued from time to time.

## Charter for Financial Advisers

A Charter for Financial Advisers was issued on June 01, 2006 to redefine the role, responsibilities and accountability of the Financial Advisers with measures to strengthen their authority and capacity. This was issued in view of second-generation reforms, which are throwing complex challenges. Emphasis is on ensuring value of money and redefining a structure through which developmental project would be monitored and implemented effectively. Role of FAs is now conceived to be similar to a role of Chief Financial Officer in a corporate sector with specific responsibilities such as Preparation of Outcome Budget, FRBM related tasks, Expenditure and Cash Management, Project/programme formulation, Appraisal monitoring and evaluation, Greater significance of non-tax receipts, Procurement and contracts, Financial Management systems; and use of state-of-art technology. A system of periodic reporting and capacity building has also been envisaged.

## Strengthening of Internal Audit

At the instance of the Department, the Comptroller and Auditor General of India had constituted a Task Force to benchmark internal audit guidelines and suggest a roadmap of reforms. Action is underway on the report.

## State Finances

- All matters relating to finances of the States that include Plan releases in the State Sector, Non-Plan releases on the recommendation of the Finance Commissions, assessment of borrowing requirements, fixing of borrowing ceiling, issue of permission for borrowings under Article 293(3), monitoring Ways and Means position in close coordination with the Reserve Bank of India, debt write offs recommended by the 12th Finance Commission were handled.
- On Plan side, funds to the tune of Rs. 60,991.31 crore have been released till 31<sup>st</sup> March, 2009 against the Revised Estimate of Rs. 62,188.81 crore (BE provision was Rs. 46,413.34 crore) which included important schemes like Accelerated Irrigation Benefit Programme (AIBP), Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Externally Aided Projects, National Social Assistance Programme (NSAP), Backward Area District Fund, Tsunami Rehabilitation Programme, Brihan Mumbai Storm Water Drain (BRIMSTOWAD), Commonwealth Youth Games, Long Term Reconstruction Plan for Assets damaged by 2005-06 Floods etc.
- Under Non-Plan, Rs. 29,438.56 crore have been released upto 31<sup>st</sup> March, 2009 towards Grants for Upgradation of Services, Calamity Relief etc. This works out to 81.33% of the Budget provision (Rs. 36,192.42 crore) on the Charged side (Revenue Charged & NCCF) for the year.
- Over and above this, loans to the State Governments to the extent of Rs. 6,075.67 crore were written off during the financial year 2008-09 on the recommendation of the 12th Finance Commission.
- The Ways and Means position of the State Governments has been improving since 2005-06 on account of buoyancy in collection of Central/State taxes, enhanced transfers to States, loan write offs and containment of expenditure to a prudential limit by States on account of Fiscal Responsibility Legislation etc.



- In January 2009, Ministry of Finance, as a part of the second economic stimulus package, relaxed the Debt consolidation and Relief Facility (DCRF) guidelines by modifying the fiscal deficit target from 3.0 % to 3.5% of their respective Gross State Domestic Product (GSDP) during 2008-09 as one time relaxation for undertaking capital expenditures. Thus, the States were enabled to raise additional market borrowings of 0.5% of the GSDP, amounting to about Rs. 30,000 crore for capital expenditures. In addition, the DCRF requirement of elimination of revenue deficit was also relaxed for 2008-09. These States were however expected to achieve this 3% Fiscal Deficit target in 2009-10 and maintain revenue balance in 2009-10. States were expected to amend their respective FRBM Acts accordingly.
- In Feb 2009, in view of the emerging impact of the economic slowdown in other parts of the world, specially Europe and Asia and as announced in the Interim Budget Speech (2009-10), in order to spur the development of infrastructure and employment generation, a need was felt to further extend the relaxation of the DCRF guidelines for the year 2009-10 by modifying the fiscal deficit target as 3.5% so as to enable the States to borrow up to 3.5% of their respective GSDP during 2009-10 as one time relaxation for undertaking capital expenditure. In addition, the DCRF requirement of elimination of revenue deficit may also be relaxed for 2009-10. The States will not lose benefits of DCRF, provided they achieve the 3.5% Fiscal Deficit target in 2009-10.
- State Governments have been allowed Open Market Borrowing to meet the short fall noticed in the collection of National Small Saving Funds (NSSF).

### Projects Clearance by EFC & PIB

With the commencement of the XI Plan period, revised guidelines for formulation, appraisal and approval of the Government funded plan schemes/projects have been issued vide O.M. No. 1(3)/PF.II/2001 dated 15<sup>th</sup> November, 2007 so as to rationalize the scheme of delegation further,

align it more closely with the rapidly changing economic environment, empower Ministries/Departments further for undertaking investment programmes and make the entire procedure more responsive and resilient in ensuring timely and well informed decision making. These Guidelines which will be applicable over the duration of XI Plan period are available at this Ministry's website [www.finmin.nic.in](http://www.finmin.nic.in). During the period 1.1.2008 to 31.03.2009, 139 meetings of the Expenditure Finance Committee (EFC) chaired by Secretary (E) were held which considered 132 Plan proposals costing Rs. 2,86,073 crore. Also, 16 meetings of the Public Investment Board (PIB) were held and 14 projects with a capital outlay of Rs. 49,587.91 crore were recommended for approval of the competent authority.

### Austerity Measures – Expenditure Control

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/2008 dated 5th June, 2008. These measures include, interalia, a 10% & 5% cut on specified heads of 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, seminars and conferences, creation of new posts are contemplated. Supplementary guidelines related to TA/DA on 1<sup>st</sup> October, 2008 and guidelines related to Leave Travel Concession on 10th November, 2008 and 4<sup>th</sup> December, 2008 were issued.

### Modernisation of Financial Management System

Instructions were earlier issued on January 10, 2007 to all Ministries/Departments specifying a broad roadmap of moving towards mandatory e-procurement. Specifically w.e.f. April, 2007, it became mandatory that in respect of all goods under the rate contracts concluded by the Director

General (Supplies and Disposal), the Ministries should commence placing orders through the website of DGS&D. Further modernization of financial management system has been given a high priority and Financial Advisers would now be required to proactively review the status of e-banking and e-procurement in the respective Ministries/Departments.

### **Release of Funds – Check on Unspent Balances**

Considering substantial improvement in the ways and means position of the States and the pressing need to reduce the prevalence of unspent balances, regular recipients of Central budgetary support are being encouraged to switch over to claiming frequent reimbursements, with a rolling advance initially given, if required. Gradual shift from advance payment to reimbursement based payment systems will be made for more effective control on end-use of funds.

It has been observed that with convergence and consolidation of Government intervention into major programmes, budget outlays for these have increased substantially. However, the schemes' guidelines and practices regarding release of funds have not been modified to allow for more staggered releases. This results in uneven flow and front-loading of expenditures. Ministries/Departments have, therefore, been advised to review existing arrangements in this regard and ensure that wherever schemes entail advance releases and budget allocations are large, such advances should appropriately be released in at least four installments during the year subject also to fulfillment of the conditionalities attached to the further release of such funds. This norm has been made applicable with effect from 2007-08. Further, the Ministries have been advised to link release of funds with progress in achieving monitorable physical progress against commitments made in the Outcome Budget.

### **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.

## **Department of Revenue**

### **Implementation of Value Added Tax (VAT) Scheme**

1. Introduction of State VAT is the most significant tax reform measure at State level. The State VAT has replaced the earlier Sales Tax systems of the States. Under Entry 54 of List II (State List) in the Seventh Schedule to the Constitution of India, "tax on sale or purchase of goods within a State"



is a State subject. The decision to implement State VAT was taken in the meeting of the Empowered Committee (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 by now. Uttar Pradesh is the latest State which has introduced VAT w.e.f. 1.1.2008. The Union Territories of Andaman & Nicobar Islands and Lakshadweep do not have Sales Tax/VAT.

2. 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.

As per the mutually agreed upon package to compensate the States for revenue loss on account of implementation of VAT, total compensation of Rs. 14,805.83 crore has been paid to the State Governments up to 31<sup>st</sup> March 2009.

The Budget provision for 2009-10 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) w.e.f. 1.4.2010. 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. Accordingly, necessary budget provision of Rs. 2500 crore each for this purpose was made in 2007-08 and 2008-09. Rs. 4118.88 crore have been released to the States up to 31<sup>st</sup> March 2009. For the financial year 2009-10, a budget provision of Rs. 6001 crore has been proposed.

## 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 (MMP) on 'Commercial Taxes', which is an important e-Governance initiative in the field of State taxes. The Department has engaged the National Institute of Smart Government, Hyderabad (NISG), as strategic consultant, with a view to developing overall scheme and framework within which individual State can take up the Project. Accordingly, all the State Governments were asked to send Detailed Project Report (DPR) in order to take up MMPCT. As on date, 20 States/UTs have sent their DPRs

for a total value of Rs. 1087.38 crore. A Memorandum has been prepared for appraisal of the Committee on Non-Plan Expenditure and has been sent to the Department of Expenditure for its concurrence.

### **VAT Computerization for NE and Special Category States**

The Department is providing technical and financial support to the North Eastern States including Sikkim in taking up VAT computerization, which is a very critical requirement for successful implementation of VAT. A Turnkey Project for VAT computerization of 5 North Eastern States (other than Assam and Meghalaya who have undertaken VAT computerization on their own) and another Project, through NIC, for VAT computerization in Sikkim has been implemented. Now, efforts are on to remove bottlenecks and for bringing about further improvement/upgradation. Interoperability module has also been made active for five States in the form of message exchange between the States tracking movement of vehicles and consignments across States with the aim of checking evasion. Interoperability interface has also been developed for Assam and Meghalaya. A Central Data Centre has been established in Guwahati (Assam) and a Disaster Recovery Site (DRS) has been commissioned in September 2007 at Kolkata. Technical and Financial support for VAT computerization in Himachal Pradesh and J&K will also be provided during 2009-10.

### **Goods & Service Tax (GST)**

The process of introduction of GST has been commenced with the cooperation of the Empowered Committee of State Finance Ministers, whose Terms of Reference have been expanded, to enable the EC "To work with the Central Government to prepare a roadmap for introducing Goods and Service Tax (GST) in the country with effect from April 1, 2010 and to deal with related matters". The EC set up a Joint Working Group (JWG) comprising officials of the Central Government and State Governments. The Working Group studied the various models of GST

existing globally and other relevant material available on the subject, including through field visits. The Group also undertook identification of alternative models and assessment of their suitability for introduction of GST in India's fiscal federal context. The JWG presented its report to the EC in November, 2007. This was examined by EC and their views on "A Model and Roadmap for GST in India" were communicated to the Ministry of Finance on 30.4.2008.

The views of EC have been examined in depth by the Ministry, in consultations involving the Tax Research Unit, Central Board of Excise & Customs, Commissioner- Service Tax and Commissioner – Central Excise also. The consolidated preliminary comments of the Department were conveyed to the EC on 8.10.2008. Following a meeting between Hon'ble Finance Minister, Govt. of India and Chairman of the EC on 22.10.2008 to discuss related issues, the revised comments of the Govt. of India have also been conveyed to the Chairman, EC so as to help streamline the GST design and facilitate working out of further details by them.

### **Modernization of VAT Administration of States/UTs**

The Central Government made Budgetary provisions of Rs. 51 crore in BE 2008-09 for modernization of two institutes for Taxation Studies which are also to be provided assistance for capacity building) VAT Administration and also for capacity Building of States/UTs. Assistance will be provided for upgradation of Centre for Taxation Studies, Thiruvananthapuram as the Centre of Excellence and setting up a new similar Regional Centre in Eastern India. The proposal for upgradation of Centre for Taxation Studies into Gulati Institute of Finance & Taxation (GIFT) at a total cost of Rs. 33.13 crore has already been approved by the Government. Department of Revenue has agreed to provide a grant-in-aid to the extent of Rs. 23.63 crore out of this. A Tripartite Memorandum of Understanding (MoU) to be signed between Centre and State Government and the Institute has also been approved by the Hon'ble Finance Minister and sent to the State Govt and the Institute for signatures.

## Financial Intelligence Unit – India (FIU-IND)

Financial Intelligence Unit – India (FIU-IND) has initiated Project FINnet – Financial Intelligence Network, with the objective to “adopt industry best practices and appropriate technology to collect, analyze and disseminate valuable financial information for combating money laundering and related crimes”. The project consists of two phases i.e., Phase I-Preparation of the Consultancy Report and Phase II - Implementation of the Consultancy Report. The Phase-I of project work has been completed and Consultants – M/s Ernst & Young have submitted their report. The whole project is of 27 months duration and is expected to be completed by June, 2009.

FIU-IND has become member of the Egmont Group, which is an international group of various FIUs with its Headquarters at Toronto (Canada) for stimulating co-operation among FIUs and it has started exchange of information with its counterpart FIUs.

## Review of Delegation of Powers

A review of Delegation of Financial Powers to Heads of Departments of Department of Revenue including field units of Central Board of Excise & Customs and Central Board of Direct Taxes was considered and revised delegation of financial powers to all Heads of Departments were issued on 5.4.2006. Revised Delegation of Financial Powers were also issued to Committee of Management and Chief Controller of Factories who supervise the functioning of Govt. Opium & Alkaloid Works (GOAWs). Further, powers have been delegated to Heads of Departments and Directorates of Publicity under both the Boards under the Head ‘Advertising & Publicity’ and to HODs for incurring expenditure in implementation of court orders and for purchase of DG sets. To bring uniformity in submission of infrastructure/housing proposals in both the Boards and to cut short the delay in processing and approval of the proposals received from field offices, a demarcation of functions of Directorates of Housing/Infrastructure has been done and now all infrastructure/housing proposals up to Rs. 5 crore

are submitted by Directorates of Housing/Infrastructure through Member (P&A)/Chairman to IFU. The Directorates are nodal authorities for budget matters related with infrastructure/housing. Another review of delegation of financial powers was conducted and the revised delegation of financial powers were issued on 6th June, 2008.

## 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. This R&D activity shall continue up to October 2009. On completion of this R&D work, those varieties of opium poppy can be cultivated which would have a higher alkaloid content to facilitate production of higher quantity 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) The proposal for conversion of both the departmental factories into a corporate entity is under consideration. M/s. IFCL, the Consultant appointed to advise in the matter, has given its report on "Restructuring and Re-organization of Govt. Opium & Alkaloid Works". A final decision will be taken after the decision on Concentrate Poppy Straw (CPS) is taken.
- d) A Committee has been constituted to identify the roadmap for cultivation of opium poppy for production of CPS (Concentrate Poppy Straw).

### 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 in 2007-08 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.

### Merger of Authorities for Advance Rulings

The process for setting up of a common Authority on Advance Rulings is in currently underway. For this purpose, a Bill titled "The Authority for Advance Rulings on Central Taxes Bill, 2007" was introduced in the Lok Sabha on 7th December, 2007 and the same was examined by the Standing Committee on Finance. The recommendations of the Standing Committee are being examined by the Department and a final view in this regard is yet to be taken.

### Central Board of Direct Taxes

#### Initiatives for better Taxpayer Services

In recent years, a number of initiatives have been undertaken by the Income Tax Department to improve taxpayer services. These measures are aimed to introduce objectivity and reduce human interface between a taxpayer and the officials. Some important measures are as under:

- **Outsourcing of PAN related services** for better services. 2400 PAN applications collection centres have been opened. Number of PAN holders as on 24.4.2009 have gone up to 8.19 crore. Average time to issue new PAN cards has been reduced to 15 calendar days. PAN related service has also been made available through a link 'Aayakar Sampark Kendra (ASK)' from the official portal of the Income Tax Department.
- **Biometric PAN and unique identification** of taxpayers to avoid duplication and misuse has been planned.
- **Centralised Processing Centre (CPC)** has been set up at Bengaluru to augment processing capacity of the Department and to issue

refunds in a tight turnaround time-frame. This would be a state of the art facility which would process upto 80 lakhs returns per annum in an automatic manner.

- **Electronic filing of returns** and complete digitization of Income Tax Returns (ITRs) – it is a web based jurisdiction free e-filing scheme which is compulsory for corporate and Section 44AB assesseees. During the financial year 2008-09, more than 48.38 lakh returns were received by 31<sup>st</sup> March, 2009 as compared to 21.93 lakh returns received during the preceding year.
- A scheme of '**Refund Banker**' was implemented as a pilot at Delhi and Patna. Subsequently the scheme was extended to Mumbai, Chennai, Kolkata and Bengaluru.
- **Electronic clearance (ECS) of Refunds** has been implemented in 25 cities – 12 cities through the Reserve Bank of India and 13 cities through the State Bank of India.
- **Large Taxpayers Units (LTU)** have been set up at Mumbai and Delhi in partnership with the Central Board of Excise and Customs as single window interaction platform for participating Large Taxpayers.
- **Tax Return Preparer Scheme (TRPS)** was launched to train unemployed and partially employed graduates of select discipline to assist small individual and HUF taxpayers file their return of income. During the first phase of the scheme, 3737 persons were certified as TRPs who submitted around 40,000 returns in July 2007 on behalf of such taxpayers. The second phase of the scheme has started in March 2009 for re-training the TRPs. The training will also include the service tax in the scope of work along with ITRs Forms I, II and IV. The sanctioned cost of the 2<sup>nd</sup> phase is Rs. 7.29 crore (Rs. 4.09 crore for Income Tax and Rs. 3.20 crore for Service Tax).
- **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 in the Department. A compendium titled "Let Us Share" has been published for strengthening the skills of the officials.

- '**Sevottam**' Scheme has been started for excellence in public service delivery through implementation and review of Citizens' Charter; creation of effective grievance redressal mechanism and capacity building.
- A study on '**Business Process Re-engineering (BPR)**' has been undertaken for identifying processes and mechanisms to improve the functional efficiency and effectiveness of the Department in the changed environment of increased dependency on Information Technology based business process. Majority of recommendations of the BPR Committee have been accepted by the CBDT.

### **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; and
- (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
- Issuance of refunds by a designated nationalized 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 Office 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 Rs. 195 crore were sanctioned for exceeding collection targets 2006-07 in respect of direct taxes. This provision has been planned to be 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
- Re-imbursement of mobile phone charges in ranges
- Model Ranges/modernization of canteens
- Lap top computers to officers of ITO level and above



Funds allocated/utilized under 1% incentive scheme during 2007-08 and 2008-09 are Rs.20.17 crore and Rs.108.41 crore respectively. An amount of Rs.56.71 crore has been allocated so far in the current year 2009-10. In-principle approval has been granted by the Finance Minister for utilisation of Rs.470 crore being 1% of incremental collection of budgetary targets 2007-08. Details of scheme are being worked out to be sent to the Department of Expenditure for approval.

## 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 has been cleared by the Cabinet in November, 2007. The contracts for awarding the work for execution of various components of the project have been finalised 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 have been operationalised at Mumbai and Delhi. Other LTU is planned to be opened at Kolkata.

### *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 have been achieved. 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 crore (non-recurring) and Rs. 18.61 crore per annum (recurring) has started after obtaining Cabinet clearance in October, 2006. Tender was re-floated in January, 2009 for acquisition of 3 Mobile Scanners for installation at Kandla, Chennai and Tuticorin and

Technical Bids have been opened in March, 2009. The Mobile Scanners are expected to be installed in 2009-10. Tender for procurement of 4 Fixed Scanners for Kandla, Chennai, Tuticorin and Mumbai was floated in November, 2008 and Technical Bids have been opened in March, 2009. The Fixed Scanners are expected to be commissioned in 2010-11.



*Large Tax Payers Unit Office, Bengaluru*



## 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 has been made and a 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 has been cleared by the Cabinet in February, 2007. Under the plan, customs organization is getting 109 modern vessels of different categories with the following features and purposes:-

Category of Vessels	Features	Purpose
Category-I (24 vessels)	Speed – 25 knots, 20 M length with high endurance	Coastal patrolling and surveillance.
Category-II (22 vessels)	High Speed - 40 knots, 12M length with less endurance	Immediate interception of suspect 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	

5 vessels of Category-I and 48 vessels of Category-IIIA and IIIB (24 in each Category) have been procured up to March, 2009. Procurement of all vessels will complete by September, 2011 in a phased manner.

## 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, Rs.40.00 crore were provided on this account in the expenditure budget of each of the year 2007-08 and 2008-09 in the Grant of Indirect Taxes. Against the budget provision, expenditure of Rs.29.41 crore and Rs.16.10 crore have been incurred during the respective years. In the expenditure budget of 2009-10 also, Rs.80.00 crore have been provided on this account.

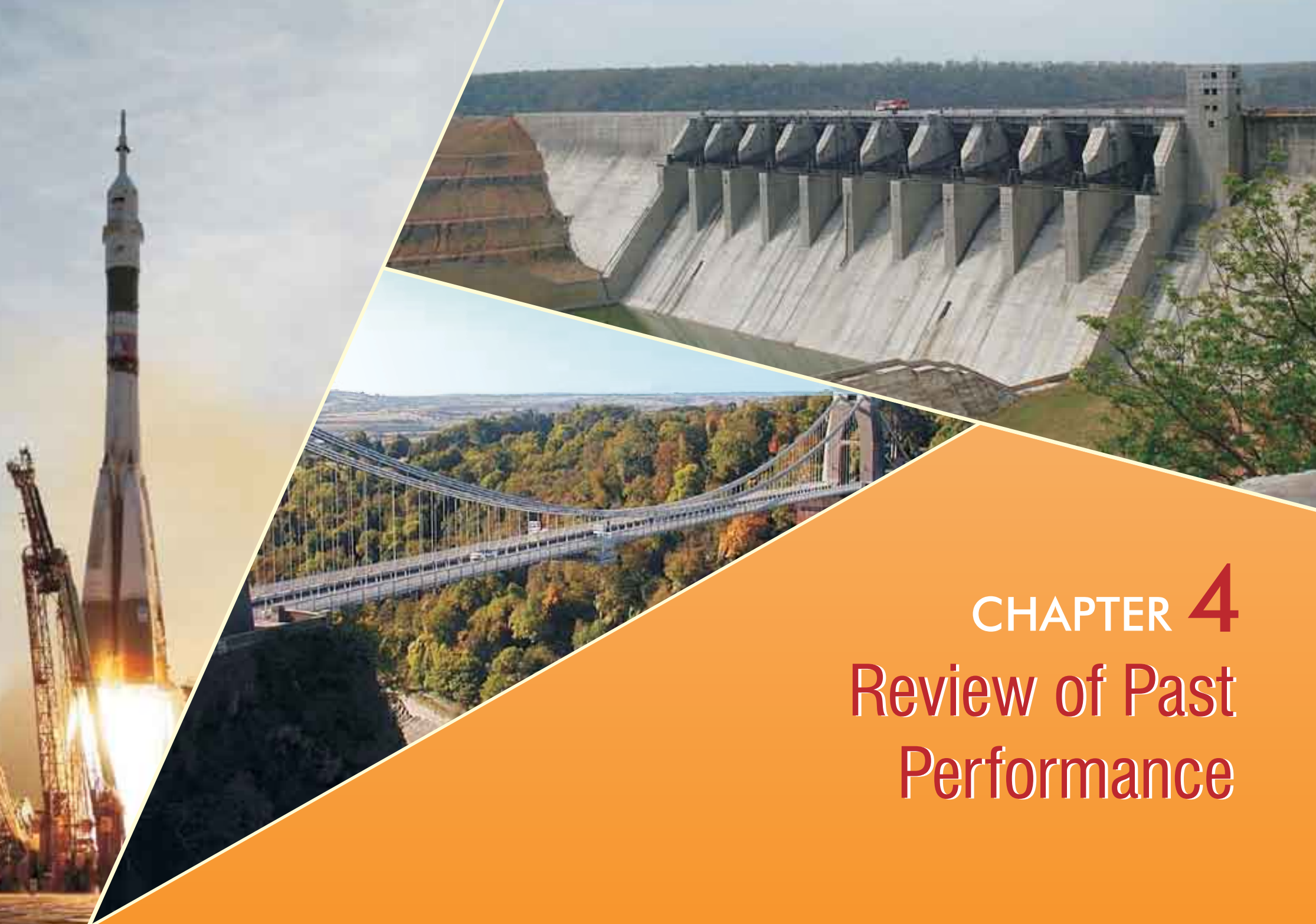
Proposal for earmarking 1% incremental revenues collected during 2005-06 and 2006-07 amounting to Rs. 71.42 crore and Rs. 113.63 crore, respectively towards such schemes have been approved by the Department of Expenditure. Some of the schemes sanctioned for improvement in infrastructure are given below:-

- Capacity building/improvement of infrastructure in Central Excise and Customs Ranges.
- Capacity building towards training facilities at NACEN.
- Capacity building for 56 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.

## **Demand No. 44 – Department of Disinvestment**

The Government has in November 2005 constituted a '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 transferred. The Initial Public Offerings, consisting of issue of fresh equity by Power Grid Corporation of India Limited (PGCIL) and Rural Electrification Corporation Limited (REC) in conjunction with 'Offer for Sale' by Government out of its shareholding were completed in 2007-08. The Government realized Rs. 994.82 crore from the sale of 5% equity in PGCIL and Rs. 819.63 crore from the sale of 10% equity REC. The realization has been transferred to National Investment Fund.

The Government in February, 2007 approved for an 'Offer for Sale' of 5% of the pre-issue paid up equity of National Hydro-electric Power Corporation out of Government's shareholding in conjunction with issue of fresh equity by the Company. In August 2007, Government approved for an issue of fresh equity of 11% of Oil India Limited's (OIL) post-issue paid-up equity capital through Initial Public Offering and simultaneous disinvestment equal to 10% of OIL pre-issue paid-up capital out of Government's shareholding in favour of Indian Oil Corporation, Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Limited in the ratio of 2:1:1 respectively. On 10<sup>th</sup> January, 2008, a proposal for Initial Public Offering comprising fresh issue of one crore shares and simultaneous disinvestment of 10% of Government's equity in RITES Limited was approved by the Government.



# CHAPTER 4

## Review of Past Performance



# Review of Past Performance

The Outcome Budget was presented for the first time in 2005-06 only for Plan allocations for the entire Government of India together. For the financial year 2006-07 'Outcome Budget'

was presented by the Ministry of Finance covering both Plan and selected Non-Plan outlays. In this chapter, the scheme-wise performance for the year 2007-08 and 2008-09 is being depicted.

## Status of outcome of the Outcome Budget 2007-08 Grant No. 32 Department of Economic Affairs

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	<b>Major Head 3054- Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)</b>	Under this Scheme Cess money under Central Road Fund Act, 2000 to be used for financing construction of railway over/under bridges and other Railway safety works at unmanned level crossing.	724.69 (Plan)	724.69 (Plan)	-Manning at 375 locations. -Lifting Barrier at 200 locations. -Basic infrastructure at 700 locations. -Interlocking at 460 locations. -Telephones at 350 locations. -Over Bridge/ Under Bridge at 60 locations.	-For manning of unmanned level crossing, gated/lifting barriers have to be erected and duty huts/ gate lodges constructed for gatekeepers. The qualified/ suitable willing gate keepers are to be selected and	-Non availability of medically fit & suitable willing gate keepers. - Delay in receiving approval of CRS & State Govt. consent. -Non-availability of material and contractors at way side locations. -Shortage of contractors-Most of the level crossings are	Rs. 724.69 crore has been released. -Manning at 227 locations completed. -Lifting Barrier at 235 locations. -Basic infrastructure at 1190 locations. -Interlocking at 338 locations. -Telephones at 212 locations.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
						posted at the gates. -Laying of cable between station/ level crossing location for connecting signalling system & telephones.	in remote areas for which long distance provisions are to be made.	-Over Bridge/Under Bridge at 43 locations.
2	<b>Major Head 5475- Assistance for Infrastructure Development Public Private partnership (PPP) in Infrastructure</b>	To promote Public Private partnership (PPP) in the infrastructure sector through provision of Viability Gap funding (VGF).	100.00 (Plan)	23.00 (Plan)	37 VGF proposals under the new scheme have been given "in principle" approval by the Empowered Institution Bidding Process/Pre-qualification of bidders have already been started. In some projects bidding process have also be completed.	There is a time lag between "in principle" approval and final disbursement and normally it will take 16 to 18 months in the process of bidding and financial closure after giving in-principle	Disbursement can take place only when the private party is selected through competitive bidding at it has invested its share of equity.	23 proposals have been granted in-principle approval by the Empowered Institution. Bidding process has been completed in 6 of the projects and four were given final approval. Rs. 23.00 crore was disbursed in 2007-08 for the following projects: i) Bhopal-Dewas Road Project – Rs. 19.64 cr. ii) Mandsaur- Sitamau Road Project - Rs. 3.66 crore

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
					The expected fund requirement for FY 2007-08 has been assessed as Rs. 154.00 crore.	approval to the proposal.		
3	<b>Major Head 3475 – Interest Equalisation Support to Exim Bank of India</b>	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 Gol.	228.00 (Non-Plan)	135.00 (Non-Plan)	Exports of Indian goods and services to countries like Angola, Burkina Faso, Chad, Congo, Cote d'Ivoire, Djibouti, Ethiopia, Equatorial Guinea, Fiji, Gambia, Ghana, Guyana, Guinea Bissau, Honduras, Jamaica, Lesotho, Mali, Mozambique, Myanmar, Niger, Nigeria, Senegal, Sri Lanka, Sudan, Surinam, Vietnam and Zambia.	The provision is to be utilised up-to 31 <sup>st</sup> March, 2008.	If the repayment is defaulted by the recipient country, Gol will have to repay the amount to EXIM Bank as counter-guarantee of Gol have been given to EXIM Bank for the lines of credit.	Rs. 134.99 crore have been paid to Exim Bank of India.



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
4	<b>Major Head 3605 – Technical and Economic Cooperation with other countries, Development Assistance, Grants-in-aid.</b>	<ul style="list-style-type: none"> <li>- Writing off of past debt of HIPC's (Heavily Indebted Poor Countries).</li> <li>- Providing assistance for project preparations.</li> <li>- Creation of regional and country strategies.</li> </ul>	35.50 (Non-Plan)	5.00 (Non-Plan)	<p>Release of grants to professionals/ organisations for carrying out project identification, preparation and appraisal.</p> <p>Develop coherent regional and country strategies through external and inter Ministerial consultations.</p>	<ul style="list-style-type: none"> <li>- The Scheme was to initially run for 5 years.</li> <li>- The provision is to be utilised up-to 31<sup>st</sup> March, 2008.</li> </ul>	Approval of CCEA is awaited.	It has been decided to keep the scheme pending. As such CCEA approval has not been taken.
5	<b>Major Head 3605 – Technical and Economic Cooperation with other countries, 07: Technical aid to South and East Asia under the Colombo Plan; 07.01.32 and 07.02.32: Contribution</b>	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	5.96 (Non-Plan)	6.32 (Non-Plan)	Human Resource Development through technical education to 410 students every year from Colombo Plan countries.	The trainees are provided with airfare, tuition fee, accommodation and living allowance, for undergoing training in approved Institutes.	There is no risk factor involved as the funds are being utilized for the objective mentioned in Col. 3.	<p>Rs. 5.01 crore have been incurred during the period 2007-08.</p> <p>327 students from various Colombo Plan countries were provided training in Indian institutes under the scheme.</p>



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
6	<b>Major Head 7605 – Advances to Foreign Governments – Loan to Govt. of Mauritius.</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	12.00 (Non-Plan)	-	Export of equipment for cyber city project and International Convention Centre project in Mauritius	Ongoing credit line since 2001. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 100 million credit line agreement dated 4.5.2001, with fixed LIBOR six months rate of interest (prevailing on the date of credit agreement) and 3 years moratorium, US\$ 19.99 million disbursed till 16th January, 2007.	No claims for reimbursement have been received.
7	<b>Major Head 7605 – Advances to Foreign Governments – Loan to Govt. of Sri Lanka.</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	77.00 (Non-Plan)	60.00 (Non-Plan)	Export of various goods e.g. buses, spare parts of buses, Jeeps, IT equipments, binoculars etc. and consultancy services.	Ongoing credit line since 2002 and 2004. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 31 million credit line agreement dated 3.7.2002 and US\$ 25 million credit line agreement dated 23.3.2004 with fixed LIBOR six months rate of interest (prevailing on the date of credit agreement) and 5 years moratorium, US\$ 35.72 million disbursed till 16th January, 2007. Utilisation of	Rs. 37.56 crore disbursed.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
							US\$ 15 million is expected in the financial year 2007-08.	
8	<b>Major Head 7605 – Advances to Foreign Governments – Loan to Govt. of Cambodia.</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	11.68 (Non-Plan)	4.68 (Non-Plan)	Export of various equipment and goods and consultancy services for rehabilitation of an irrigation project in Cambodia.  Export of pump sets.	Ongoing credit line since 2002. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 10 million credit line agreement dated 6.11.2002 with rate of interest 1.5% p.a., and 5 years moratorium, US\$ 5.36 million disbursed till December 2007. Utilisation of about US\$ 1 million is expected in the financial year 2007-08.	Rs. 2.73 crore disbursed.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
9	<b>Major Head 7605 – Advances to Foreign Governments – Loan to Govt. of Surinam.</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	1.00 (Non-Plan)	0.82 (Non-Plan)	Export of various equipment and goods and consultancy services for rehabilitation of an irrigation project in Cambodia.  Export of pump sets.	Ongoing credit line since 2003. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 10 million credit line agreement dated 17.3.2003, with fixed LIBOR six months rate of interest (prevailing on the date of credit agreement) and 3 years moratorium, US\$ 9.47 million disbursed till 16th January, 2007. Utilisation of a small portion of US\$ 0.20 million is expected in the financial year 2007-08.	Rs. 0.82 crore disbursed.
10	<b>Major Head 7605 – Advances to Foreign Governments – Loan to Govt. of Myanmar</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	-	1.32 (Non-Plan)	Export of various machineries, equipment and goods for various projects in Myanmar.	Ongoing credit line since 2003. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 25 million credit line agreement dated 24.10.2003, US\$ 24.66 million disbursed till date.	Rs. 1.29 crore disbursed.

**Status of outcome of the Outcome Budget 2008-09**  
**Grant No. 32 – Department of Economic Affairs**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	<b>Major Head 3054- Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)</b>	Under this Scheme money under Central Road Fund Act is used for financing construction of railway over bridges and railway safety works at unmanned railway crossings.	773.90 (Plan)	773.90 (Plan)	-Manning at 450 locations. -Lifting Barrier at 300 locations. -Basic infrastructure at 700 locations completed. -Interlocking at 300 locations. -Telephones at 300 locations. -Construction of 134 Limited height subways completed. -Construction of 100 Road Over/Under bridges completed.	-For manning of unmanned level crossing, gated/lifting barriers have to be erected and duty huts/ gate 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 Rs. 773.90 crore has been released. The following output has been achieved: -Manning at 259 locations. -Lifting Barrier at 275 locations. -Basic infrastructure at 2359 locations completed. -Interlocking at 475 locations. -Telephones at 289 locations. -Construction of 55 Limited height subways completed. -Construction of 38 Road Over/Under bridges completed.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
2	<b>Major Head 5475- Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure</b>	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	91.20 (Plan)	61.57 (Plan)	45 proposals under the scheme have been given 'in principle' approval by the Empowered Institution. Bidding have been completed in 15 proposals and in 9 proposals after completion of bidding process there was premium and no VGF was required.	There is a time lag between 'in principle' approval and final disbursement and normally it will take 12 to 18 months for the process of bidding and financial closure after giving In- principle approval to a proposal.	Disbursement can take place only when the Private party is selected through competitive bidding and it has invested its share of equity.	BE 2008-09 was framed on the basis of requirement sought by Sponsoring Authorities. Due to negative grant in some of the projects, the target has been reduced to Rs. 61.57 crore. Rs. 54.07 crore was disbursed during 2008-09 for the following road projects of Madhya Pradesh: i) Bhopal Dewas Road Project- Rs. 39.73 cr. ii) Matkuli-Tamia Chhindwara – Rs. 7.34 cr. iii) Chandpur-Alirajpur Kukshi - Rs. 5.61 cr. iv) Mandsaur-Sitamau – Rs. 1.39 cr.
3	<b>Major Head 3475 – Interest equalisation support to Exim Bank of India</b>	Indian Development and Economic Assistance Scheme (IDEAS). The objective is to project	232.00 (Non-Plan)	209.75 (Non-Plan)	Interest equalization support to Exim Bank of India has to be given by Gol in respect of the Gol supported Exim Bank of India Lines of Credit extended for growth of Indian exports, development	The provision is to be utilised upto 31 <sup>st</sup> March, 2009.	If the repayment is defaulted by the recipient country, Gol will have to repay the amount to EXIM Bank as counter-guarantee	Rs. 191.57 crore have been paid to Exim Bank of India as interest equalisation support during 2008-09 for countries including Niger, Senegal, Zambia,

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
		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 Gol supported lines of credit.			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 <sup>st</sup> March, 2009.	of Gol have been given to EXIM Bank for the lines of credit.	Ethiopia, Myanmar, Sri Lanka, Malawi, Ghana, Sudan, Uganda etc..
4	<b>Major Head 3605 – Technical and Economic Cooperation with other countries, Development Assistance, Grants-in-aid.</b>	Providing assistance for project preparations. Creation of regional and Country strategies.	5.00 (Non-Plan)	1.00 (Non-Plan)	Release of grants to professionals/organisations for carrying out project identification, preparation and appraisal.  Develop coherent regional and country strategies through external and inter Ministerial consultations.	-The Scheme was to initially run for 5 years.  -The provision was to be utilised up-to 31 <sup>st</sup> March, 2009.		It was decided to keep the scheme pending. No expenditure has been incurred on the scheme.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
5	<b>Major Head 3605 - Technical and Economic Cooperation with other countries, 07: Technical aid to South East Asia under the Colombo Plan; 07.01.32 and 07.02.32: Contribution</b>	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	5.96 (Non-Plan)	6.12 (Non-Plan)	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.	Rs. 6.22 crore have been incurred during 2008-09.  During the year 2008-09, 332 scholars from Afghanistan, Bangladesh, Bhutan, Fiji, Indonesia, Iran, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Papua New Guinea, Philippines, Sri Lanka, Thailand, and Vietnam were imparted training in 44 institutes in India. The training subjects broadly consisted of human resource development, audit and accounts, commerce, information technology, computers, education, parliamentary matters, rural development, textile, water resources, medical sciences, engineering, financial management, insurance etc.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
6	<b>Major Head 7605 - Advances to Foreign Governments</b> <b>i. Loan to Cambodia.</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	4.00 (Non-Plan)	4.30 (Non-Plan)	Export of various equipment and goods and consultancy services for rehabilitation of an irrigation project in Cambodia. Export of pump sets.	Ongoing credit line since 2002. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement	Under the present system, the amounts of are disbursed to the Indian exporters operating under the particular LOCs. Since this scheme of providing assistance to foreign countries has been discontinued from 2003-04, no fresh LOCs are being approved. And disbursements are going on in respect of previous LOCs.	Rs. 4.29 crore disbursed as claims for a larger amount were received from the Indian exporter.
	<b>ii. Loan to Sri Lanka</b>		-	10.51 (Non-Plan)	Export of various goods e.g. buses, spare parts of buses, Jeeps, IT equipments, binoculars etc. and consultancy services.	- do-	- do-	Rs. 11.15 crore has been disbursed.



## Department of Financial Services

### Agricultural Credit

**The National Bank for Agriculture and Rural Development (NABARD)** facilitates credit for promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts. During 2006-07, NABARD proposed to assist 50 lakh new farmers through Commercial Banks and Regional Rural Banks against which almost 60 lakh new farmers were assisted. For 2007-08, a target of Rs. 2,25,000.00 crore as farm credit was fixed bringing an additional 50 lakh new farmers to the banking system. The target achieved during the year was Rs. 2,54,657.00 crore while 72.85 lakh farmers have been brought to the banking system.

NABARD has also been implementing the interest subvention scheme in respect of Regional Rural Banks and Cooperative Credit Institutions, besides providing concessional refinance to these banks since the year 2006-07. Similarly, NABARD is the nodal agency for implementation of Agricultural Debt Waiver and Debt Relief Scheme in respect of Regional Rural Banks and Cooperative Credit Institutions.

The Government of India is implementing a package for Revitalization of Short Term Cooperative Credit Structure (STCCS) in 25 States, which covers almost 96% of STCCS in the country. This package has so far been successfully implemented by NABARD. Up to 31<sup>st</sup> March, 2009, the Government has released a total of Rs. 7,430.63 crore (Rs. 1,425.00 crore in 2006-07, Rs. 2,045.37 crore in 2007-08 and Rs. 3,960.26 crore

in 2008-09) to NABARD for implementation of the Package and the same is near utilisation. Similarly, the package for Revitalization of Long Term Cooperative Credit Structure will also be implemented by NABARD.

The Government has constituted two Funds viz. the Financial Inclusion Fund (FIF) and the Financial Inclusion Technology Fund (FITF), to be operated by NABARD, with a view to ensuring access to timely and adequate credit and financial services to vulnerable groups, such as weaker sections and low income groups, at an affordable cost. The objective of FIF is to support promotional and development activities while FITF aims at promoting financial inclusion, stimulating the transfer of research and technology in financial inclusion, increasing the technological absorption capacity of financial service providers/users and encouraging an environment of innovation and cooperation among stakeholders. The Government of India has released Rs. 10.00 crore to each of these Funds in 2007-08. The meetings of the Advisory Boards of these Funds are being convened at regular intervals to consider proposals and evolve strategies for utilization of these Funds.

### Debt Recovery Tribunals (DRTs)

As on December 31, 2008, there are 33 DRTs and 5 DRATs functioning all over the country. The DRTs are providing a valuable service to the Banks and Financial Institutions for effecting recovery of dues. The role of the DRTs has been further enhanced by the enacting of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, which provides for aggrieved parties to make appeals before the Debt Recovery Tribunals.

**Status of outcome of the Outcome Budget 2007-08**  
**Grant No. 33 – Department of Financial Services**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
1	<b>Major Head 2235 – Subsidy to public sector general insurance companies for community based Universal Health Insurance Scheme</b>	Health Care to BPL families through Public Sector General Insurance Companies by providing subsidy	45.00 (Non-Plan)	20.00 (Non-Plan)	Coverage of 1 lakh families was initially planned and raised to 15 lakh families for the year 2007-08	One year	Being subsidy, no risk factor is involved.	A subsidy of Rs. 20.00 crore released.
2	<b>Major Head 2235 – Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens</b>	Subsidising Pension Plan for Senior Citizens	249.77 (Non-Plan)	242.68 (Non-Plan)	Under the Scheme pensioners get an effective yield of 9% p.a.	One Year	Being subsidy, no risk factor is involved.	Rs. 235.42 crore released as subsidy.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
3	<b>Major Head 2416 – Grants in aid for revitalization of Cooperative Credit Structure (Short Term)</b>	Revitalization of Cooperative Credit Structure in the country	1500.00 (Non-Plan)	2045.37 (Non-Plan)	To revitalize short term Cooperative Credit Structure in the States which agree to implement the package	The revitalization is to take place within three years depending upon the participation of the States.	Being a subsidy, no risk factor is involved.	17 States viz., Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal signed MoUs with NABARD and Gol for implementing the package. Rs. 2082.64 crore released.
4	<b>Major Head 2416 – Grants-in-aid – Interest subvention for providing short term credit to farmers.</b>	Interest relief to farmers on short term production credit	1676.86 (Non-Plan)	1700.00 (Non-Plan)	To provide short term production credit at 7% to the farmers upto an amount of Rs. 3.00 lakh.	Reimbursement of interest subvention is given to Public Sector Commercial Banks, NABARD, RRBs and Cooperative Banks for loans disbursed by them in Kharif 2007 and Rabi 2007-08 out of their own resources.	Being a subsidy, no risk factor is involved.	A subsidy of Rs. 1700.00 crore released.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
5	<b>Major Head 2416 – Grants-in-aid – Interest subvention</b>	Government decided to extend interest subvention on an amount of Rs. 2500.00 crore @ 1.5% i.e. Rs. 37.50 crore was earmarked for three years starting from 2004-05 to NABARD for the purpose of refinance for Cooperative Banks and RRBs for the debt restructuring package announced by the Government.	-	37.26 (Non-Plan)	To provide interest subvention on liquidity support to NABARD for debt restructuring package to Cooperative Banks and RRBs.	Rs. 37.50 crore to be released every year for three years from the financial year 2004-05.	Being a subsidy, no risk factor is involved.	Rs. 37.26 crore released.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
6	<b>Major Head 2416 - Opening of a new RRB in the UT of Puducherry</b>	To provide financial products to unbanked rural population in Puducherry.	-	0.50 (Non-Plan)	To provide for Government of India's share (50%) in the share capital of RRB	31.3.2008	35% share capital is deployed by the sponsor bank and 15% by the Union Territory of Puducherry	Rs. 0.50 crore released as Government of India's share.
7	<b>Major Head 2416 - Recapitalisation of 27 RRBs having negative network.</b>	To provide support to RRBs having negative network with a view to making them viable and sustainable	-	303.11 (Non-Plan)	To provide for Government of India's share in the share capital of RRB	2 years		Rs. 303.11 crore released for recapitalisation of 7 RRBs with negative network.
8	<b>Major Head 2885 - Restructuring support to IDBI</b>	Restructuring support to IDBI Ltd as interest differential support.	282.35 (Non-Plan)	260.20 (Non-Plan)	To service high interest liabilities of IDBI.	1 year		Rs. 260.20 crore released as last instalment.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
9	<b>Major Head 4885 - Subscription to Share Capital of Exim Bank</b>	Strengthening of equity base of Exim Bank.	100.00 (Non-Plan)	100.00 (Non-Plan)	To increase the paid up capital by Rs. 100.00 crore. The Paid up capital base is Rs. 1,000.00 crore against the authorized capital of Rs. 2,000.00 crore.	1 year.		Rs. 100.00 crore released.
10	<b>Major Head 4885 - Subscription to Share Capital of IIFCL</b>	Enabling the programme of long-term infrastructure finance.	200.00 (Non-Plan)	700.00 (Non-Plan)	To contribute to the paid up capital of IIFCL to enhance the paid up capital to Rs. 700.00 crore against the authorized capital of Rs. 1,000.00 crore.	1 year.		Rs. 700.00 crore released.
11	<b>Major Head 7465 – Payment to Life Insurance Corporation of India for Aam Aadmi Bima Yojana</b>	Provide Insurance Cover to head of family or one earning member of rural landless household.	-	1,000.00 (Non-Plan)	Estimated 1.5 crore rural landless households to be covered under the Scheme.	30 lakh households by 31.03.2008 and 1 crore households by 30.09.2008.		Rs. 1000.00 crore released.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
12	<b>Major Head 7465 – Payment to Life Insurance Corporation of India for granting scholarships to the children of the beneficiaries of Aam Aadmi Bima Yojana</b>	To provide scholarship of Rs. 300 per quarter per child to upto two children, studying between 9 <sup>th</sup> & 12 <sup>th</sup> Std., of the beneficiaries of Aam Aadmi Bima Yojana.	-	500.00 (Non-Plan)	Scholarship benefit is available to the children of beneficiaries covered under Aam Aadmi Bima Yojana.	Under Aam Aadmi Bima Yojana 1 crore rural landless households are expected to be covered by 30.9.2009.		Rs. 500.00 crore released.

**Status of outcome of the Outcome Budget 2008-09**  
**Grant No. 33 – Department of Financial Services**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	<b>MH 2235 - Debt Relief in interest to farmers on overdue loans</b>	To share interest waived off on overdue loans payable by farmers in debt stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra	640.00 (Non-Plan)	460.00 (Non-Plan)	50% share of Government of India is estimated at Rs. 1,889.19 crore (total being Rs. 3778.37 crore)	The implementation of the scheme is near completion. The accounts of farmers would be reimbursed as soon as the funds are allocated in the Budget.	The farmers will be benefited of the much needed debt relief. It will also make them eligible to avail fresh loans from banking system.	Rs. 454.96 crore released as final instalment.
2	<b>MH 2235 - Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme.</b>	The four public sector general insurance companies have been implementing Universal Health Insurance Scheme for improving the access of health care to BPL families	25.00 (Non-Plan)	8.00 (Non-Plan)	To cover 8.3 lakh families	One year	Subsidized health insurance for people below poverty line (BPL)	2,43,576 policies issued covering 2,56,031 families. Rs. 2.00 crore released.



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
3	<b>MH 2235 – Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens</b>	Subsidising Pension Plan for Senior Citizens	200.00 (Non-Plan)	150.00 (Non-Plan)	Under the Scheme pensioners get an effective yield of 9% p.a.	One year	Approximately 3.5 lakh senior citizens, who had enrolled during the currency of the scheme, are being provided benefits under the scheme.	Rs. 155.63 crore released.
4	<b>MH 2416 – Grants in aid for revitalization of Cooperative Credit Structure (Short Term)</b>	Revitalization of Cooperative Credit Structure in the country (Short Term)	3542.00 (Non-Plan)	3960.26 (Non-Plan)	17 States have executed MoU with NABARD and Govt. of India for implementing the package	The revitalization is to take place within three years depending upon the willingness of the States	Short Term Cooperative Credit Structure in the country shall be strengthened	Rs. 3960.26 crore released.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
5	<b>MH 2416 – Grants in aid for revitalization of Cooperative Credit Structure (Long Term)</b>	Revitalization of Cooperative Credit Structure in the country (Long Term)	600.00 (Non-Plan)	599.09 (Non-Plan)	To provide a revival assistance for revitalization of Cooperative Credit Structure (Long Term)	A draft package for revitalization of Cooperative Credit Structure (Long Term) is under consideration of the Government.	Long Term Cooperative Credit Structure in the country shall be strengthened	Rs. 20.00 crore released as initial payment. Less expenditure was due to less share of contribution released by State governments resulting in proportionate reduction of share of Government of India.
6	<b>MH 2416 - Grants-in-aid – Interest subvention for providing short term credit to farmers.</b>	Interest relief to farmers on short term production credit	1600.00 (Non-Plan)	2600.00 (Non-Plan)	To provide short term production credit at 7% to the farmers upto an amount of Rs. 3.00 lakh.	One year	Farmers will benefit of the much needed interest relief on short term loans.	Rs. 2,600.00 crore released
7	<b>MH 2416 Government's Contribution towards constitution of Financial Inclusion Fund (FIF)</b>	Support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections, low	25.00 (Non-Plan)	-	Ensure access to financial services and timely and adequate credit facility to 649.54 lakh farmer households.	5 years	649.54 lakh farmer households will be provided with financial services	No amount was required to be released during the year.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
		income groups and in backward regions/hitherto unbanked areas.					and credit facility at an affordable cost.	
8	<b>MH 2416 - Government's Contribution towards constitution of Financial Inclusion Technology Fund (FITF).</b>	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.	25.00 (Non-Plan)	-	Extend facility under technological development to 649.54 lakh farmer households, who were hitherto excluded from the facility.	5 years	649.54 lakh farmer households will be covered under the scheme.	No amount was required to be released during the year.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
9	<b>MH 4416 – Recapitalisation of 27 Regional Rural Banks which have negative net worth</b>	Improve viability of Regional Rural Banks	594.87 (Non-Plan)	594.87 (Non-Plan)	Recapitalisation of Regional Rural Banks in a phased programme	Two years	The programme will improve the viability of the Regional Rural Banks	27 Regional Rural Banks with negative net worth recapitalized. Rs. 594.87 crore released.
10	<b>MH 4885 - Subscription to Share Capital Export Import Bank</b>	Strengthening of equity base of Exim Bank.	100.00 (Non-Plan)	300.00 (Non-Plan)	The Bank will have a standing in coordinating the working of Institutions engaged in financing exports and imports.	One year.	To increase the paid up capital by Rs. 100.00 crore. This will raise the equity base of Exim Bank to Rs. 1,200.00 crore.	Rs. 300.00 crore released raising the paid up capital to Rs. 1400.00 crore.
11	<b>MH 4885 - Subscription to Share Capital of India Infrastructure Finance Company Limited (IIFCL)</b>	Enabling the programme of long-term infrastructure finance.	200.00 (Non-Plan)	500.00 (Non-Plan)	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.	One year	To increase the paid up capital by Rs. 200 crore. This will raise the paid up share capital of IIFCL to Rs. 1,000.00 crore.	Rs. 500.00 crore released raising the paid up capital to Rs. 1300.00 crore.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
12	<b>MH 7465 – Government's contribution towards payment of premium to a Fund to be maintained by LIC for Aam Aadmi Bima Yojana.</b>	Insurance Cover to head of family or one earning member of rural landless households.	-	1000.00 (Non-Plan)	Estimated 1.5 crore rural landless households to be covered under the Scheme.	35 lakh households by 31.03.2008 and one crore households by 30.09.2008.	Provide insurance cover to the rural poor population.	Rs. 1000.00 crore released. 72,24,743 rural landless households covered.
13	<b>MH 7465 – Government's Contribution to a Fund to be maintained by LIC for granting scholarships to the children of the beneficiaries of Aam Aadmi Bima Yojana.</b>	To provide scholarship of Rs. 300.00 per quarter per child to up to two children, studying between 9 <sup>th</sup> & 12 <sup>th</sup> Std., of the beneficiaries of Aam Aadmi Bima Yojana.	-	500.00 (Non-Plan)	Scholarship benefit is available to the children of beneficiaries covered under Aam Aadmi Bima Yojana.	Under Aam Aadmi Bima Yojana 1.5 crore rural landless households are expected to be covered by the end of 2008-09.	Scholarships are being provided to encourage children of the beneficiaries to study at least up to Senior Secondary level.	A Fund of Rs. 500 crore created from Central Government's share of valuation surplus of LIC for meeting the expenditure. * Amount was obtained through 3 <sup>rd</sup> Supplementary in 2007-08

**Status of outcome of the Outcome Budget 2007-08**  
**Grant No. 38 – Department of Expenditure**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
1	<b>Major Head 2070-Other Administrative Services.</b> <b>Central Plan Scheme for training officers of North Eastern/Special Category/*BIMARU States</b> (*Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh)	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.	1.00 (Plan)	0.75 (Plan)	Training to 15 officers of North Eastern/Special category/BIMARU States. The programme consists of 4 semesters each having 22 weeks duration. Of these, 3 semesters are for class room teaching and fourth for project work.	2 Years	12 officers (Madhya Pradesh-3, Himachal Pradesh-2, Mizoram-2, Tripura-2, Orissa-1, Sikkim-1 and Uttar Pradesh-1) joined the course during the year 2007-08. Accordingly, the provision was reduced at RE stage.  The expenditure was Rs.0.75 crore.
2	<b>Major Head 2070 Other Administrative Services.</b> <b>Non-Plan scheme for Training Centre in the Civil Accounting Department (Institute of Government Accounts and Finance)</b>	(i) To provide in-service training to the staff of Civil Accounts Organisation. (ii) To upgrade their skills and knowledge by adopting modern training and research methodology.	2.41 (Non-Plan)	2.39 (Non-Plan)	Through its training centres at Delhi, Kolkata, Chennai and Mumbai, 268 training programmes on various modules for official of Civil Accounts Organisation, treasuries of State Governments, Public Sector Undertakings and courses for ITEC Division of Ministry of External Affairs for about 50 countries are proposed to be organized.		The targets set for the training programmes were met. Actual expenditure incurred during the year was Rs. 2.25 crore.

**Status of outcome of the Outcome Budget 2008-09**  
**Grant No. 38 – Department of Expenditure**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2008-09 (Rs. in crore)		Quantifiable Deliverables/Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
1	<b>Major Head 2070- Other Administrative Services.</b> <b>Central Plan Scheme for enhancing training capacity of National Institute of Financial Management.</b>	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. 4.00) (Cap. 6.00)	5.30 (Plan) (Rev. 2.30) (Cap. 3.00)	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.	2 Years	(i) Under Revenue Section, 43 candidates joined the course at NIFM, Faridabad. Actual expenditure is Rs. 2.30 crore. (ii) Under Capital Section, provision at RE stage was reduced to Rs. 3 crore which was fully released for strengthening the infrastructure in the institute.

**Status of outcome of the Outcome Budget 2007-08**  
**Demand No. 41 – Department of Revenue**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
1	<b>Major Head 2052 – Implementation of VAT Scheme</b>	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	5.00 (Non-Plan)	7.50 (Non-Plan)	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 2008-09 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 with the total initial budget provision of Rs. 14.50 crore (up to 31.3.2008). Expenditure of Rs. 5.80 crore was incurred in the year 2007-08 and the total expenditure so far starting from 2004-05 including operations and maintenance expenditure is Rs. 22.98 crore. The project was completed within a very short period through intensive monitoring. 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 and removing bottlenecks, if any.



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
2	<b>Major Head 2052 Setting up of Tax Information Exchange System (TINXSYS)</b>	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the Empowered Committee (EC)	9.00 (Non-Plan)	6.50 (Non-Plan)	<ul style="list-style-type: none"> <li>- Implementation of TINXSYS Project for effective tracking of inter-State transactions.</li> <li>- Smooth functioning of EC.</li> </ul>	<p>The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation to be completed during 2008-09. Thereafter, it is to be run by the Service Provider for another about 2 years, before transfer to EC.</p> <p>J&amp;K and HP VAT Computerization Project: Initial phase is likely to be completed during 2008-09.</p>	<p>The TINXSYS Project is being implemented with cost sharing between the Centre and the State Governments on 50:50 basis with total outlay of Rs. 30 crore over 5 year period. The expenditure in 2007-08 was Rs. 3.50 crore and the cumulative expenditure so far is Rs. 9.60 crore out of the central share of the project. After including the State Governments share, the total expenditure under the Scheme was Rs. 11.25 crore. The implementation of TINXSYS is progressing fairly well. The initial difficulties have been resolved. All States, including Uttar Pradesh, have agreed to join the project. Creation of physical infrastructure (hardware, networking etc.) has been completed for most States and is expected to be completed for remaining States. Software applications have also been developed as per the initial scope of the project. Presently, the focus is on data migration i.e. uploading of data by States on to the system. Discussions are also going on to examine the possibility of expanding the scope of the project by including dematerialization of C-Forms.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
3	<b>Major Head 3601/3602</b> <b>Compensation to States/UTs for revenue loss due to implementation of VAT and other VAT related expenditure</b>	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	2995.00 (Non-Plan)	3535.00 (Non-Plan)	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 2008-09.  Support for modernization of State VAT administration up to 2009-2010.	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 has been Rs. 10443.88 crore, out of which Rs. 2471.27 crore was released during 2005-06, Rs. 4092.13 crore during 2006-07 and Rs. 3880.48 crore during 2007-08. Claims for Rs. 6927.75 crore were received additionally from the States.
4	<b>Major Head 3601/3602</b> <b>Compensation to States/UTs for revenue loss due to phasing out of CST</b>	Grant-in-aid to States/UTs for CST compensation	2500.00 (Non-Plan)	2500.00 (Non-Plan)	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, budgetary provision of Rs. 2500 crore was made for 2007-08, against which an amount of Rs. 2168.88 crore was released to the State Govts. Claims amounting to Rs. 184.65 crore were additionally received from the states, which were pending as on 31.3.2008.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
5	<b>Major Head 2875 Government Opium &amp; Alkaloid Works</b>	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	231.13 (Non-Plan)	224.35 (Non-Plan)	Export of Opium (500 MTs) Sale of alkaloids (34.215 MTs) This was to result into revenue receipt of Rs. 258 crore.	The progress of revenue realization vis-à-vis expenditure was to be reviewed monthly/quarterly.	The opium export was 479.09 Metric Tonnes (MTs) up to March, 2008 against the targeted export of 500 MTs. The sale of alkaloid was 45.252 MTs up to March 2008 against the target of 34.215 MTs in the whole year. Revenue Receipts in 2007-08 were Rs. 286.74 crore against projected revenue receipt of Rs. 258 crore at BE stage. The expenditure up to March, 2008 on Govt. Opium & Alkaloid Works was Rs. 205.85 crore.

**Status of outcome of the Outcome Budget 2008-09**  
**Grant No. 41 – Department of Revenue**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
1	<b>Major Head 2052 – Implementation of VAT Scheme</b>	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	6.50 (Non-Plan)	7.55 (Non-Plan)	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 2008-09 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 with the total initial budget provision of Rs. 14.50 crore (up to 31.3.2008). Expenditure of Rs. 6.13 crore has been incurred in the year 2008-09 and the total expenditure so far starting from 2004-05 including operations and maintenance expenditure is Rs. 29.11 crore. The project was completed within a very short period through intensive monitoring. 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 and removing bottlenecks, if any. A special feature of this Project is that it is an integrated Project covering a number of North-Eastern States, which have come together and coordinated their efforts in a commendable manner, resulting in time and cost savings as well as enhanced effectiveness of the project.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
2	<b>Major Head 2052 Setting up of Tax Information Exchange System (TINXSYS)</b>	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the Empowered Committee (EC)	15.00 (Non-Plan)	15.00 (Non-Plan)	<ul style="list-style-type: none"> <li>- Implementation of TINXSYS Project for effective tracking of inter-State transactions.</li> <li>- Smooth functioning of EC.</li> </ul>	<p>The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation to be completed during 2008-09. Thereafter, it is to be run by the Service Provider for another about 2 years, before transfer to EC.</p> <p>J&amp;K and HP VAT Computerization Project: Initial phase is likely to be completed during 2009-10.</p>	<p>The TINXSYS Project is being implemented with cost sharing between the Centre and the State Governments on 50:50 basis with total outlay of Rs. 30.00 crore over 5 year period. The expenditure in 2008-09 was Rs. 3.75 crore and the cumulative expenditure so far is Rs. 13.10 crore out of the central share of the project. After including the State Governments share, the total expenditure under the Scheme so far is Rs. 26.98 crore. The implementation of TINXSYS is progressing fairly well. The initial difficulties have been resolved. All States, including Uttar Pradesh, have agreed to join the project. Creation of physical infrastructure (hardware, networking etc.) has been completed for most States and is expected to be completed for remaining States. Software applications have also been developed as per the initial scope of the project. Presently, the focus is on data migration i.e. uploading of data by States on to the system. Discussions are also going on to examine the possibility of expanding the scope of the project by including dematerialization of C-Forms.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
3	<b>Major Head 3601/3602 Compensation to States/UTs for revenue loss due to implementation of VAT and other VAT related expenditure</b>	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	3292.50 (Non-Plan)	4292.37 (Non-Plan)	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.	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 has been Rs. 14805.83 crore, out of which Rs. 2471.27 crore was released during 2005-06 and Rs. 4092.13 crore during 2006-07, Rs. 3880.48 crore during 2007-08 and Rs. 4361.95 crore during 2008-09. Claims for Rs. 4025.61 crore have so far been received additionally from the States and are under due consideration for admissible payments. Details of State-wise and year-wise releases and pending claims are given in Chapter-V.  The project proposal for financial assistance for upgradation of the Centre for Taxation Studies has been approved by the SFC on 3.3.2009. A Tripartite Memorandum of Understanding (MoU) to be signed between Central and State Government and the Institute has been approved by the Hon'ble Finance Minister and sent to the State Govt./Institute for signatures.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4		5	6	7
			4 (i) BE	4 (ii) RE			
4	<b>Major Head 3601/3602 Compensation to States/UTs for revenue loss due to phasing out of CST</b>	Grant-in-aid to States/UTs for CST compensation	2500.00 (Non-Plan)	2000.00 (Non-Plan)	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, budgetary provision of Rs. 2500.00 crore each was made for 2007-08 and 2008-09. A total amount of Rs. 4118.88 crore has been released to the State Govts which include an amount of Rs. 2168.88 crore released in 2007-08 and Rs. 1950.00 crore released in 2008-09. Claims amounting to Rs. 1337.62 crore have so far been received which are being processed. Details of State-wise and year-wise releases and pending claims are given in Chapter-V.
5	<b>Major Head 2875 Government Opium &amp; Alkaloid Works</b>	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	238.00 (Non-Plan)	219.51 (Non-Plan)	Export of Opium (500 MTs) Sale of alkaloids (51.246 MTs)  This was to result into revenue receipt of Rs. 300.52 crore.	The progress of revenue realization vis-à-vis expenditure was to be reviewed monthly/ quarterly.	The opium export has been 421.327 Metric Tonnes (MTs) up to March, 2009 against the targeted export of 500 MTs. The sale of alkaloid is 48.39 MTs up to March 2009 against the target of 51.246 MTs in the whole year. Revenue Receipts in 2008-09 has been Rs. 314.29 crore against projected revenue receipt of Rs. 300.52 crore at BE stage. The expenditure up to March, 2009 on Govt. Opium & Alkaloid Works is Rs. 145.25 crore (provisional).

**Status of outcome of the Outcome Budget 2007-08**  
**Demand No. 42 – Direct Taxes**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2008
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1	<b>Major Head 2020- Collection of Income Tax; Information Technology</b>		142.00 (Non-Plan)	125.00 (Non-Plan)			Actual expenditure incurred during the year 2007-08 was Rs. 115.20 crore.
	<b>I. Perspective Plan for Phase-III of Comprehensive Computerisation</b>	A) Systems Integration along with software procurement			<ul style="list-style-type: none"> <li>Computing capacity to handle the projected workload up to 2010-11</li> <li>Single National Database to handle all Direct Taxes related transactions</li> <li>Facilities management in the offices of Income Tax Department</li> </ul>	31.08.2007	Original timeline had to be revised due to delay in finalisation of contract. M/s IBM have been appointed as Systems Integrator (SI) and have been awarded the contract in March 2007. They have delivered the requisite hardware and benchmark acceptance test is being done. Thereafter, a staggered roll out across all 36 Regional Computer Centers has been planned. The work is expected to be completed by 30.12.2008.
		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.	31.08.2007	Renovation work of Vaishali building by M/s Engineer India Ltd. is in progress. The National Computer Centre (NCC) is expected to be set up by 31.8.2008. However, the revised timeline is dependent on successful execution of contract.



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2008
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
		C) Networking equipment and monitoring implementation of All India Tax Network and setting up video conferencing facilities for Chief Commissioners of Income Tax.			Network of Income Tax offices across the country and video conferencing facility to North Block and 46 Chief Commissioners of Income Tax.	Completed	The project has been completed on 31.12.2007. However, the network would commence functioning full scale with Systems Integration roll out i.e. 31.12.2008.  Video Conferencing facility for CCITs has been made operational.
		D) Hiring of Data Centers for primary, Business Continuity Planning and Disaster Recovery sites.			<ul style="list-style-type: none"> <li>Co-location of hardware equipments in Data Centers meeting industry standards</li> <li>Security certification of BS 7799 for ensuring security of the equipment and data</li> </ul>	Completed	Data Centers have been established with effect from 01.08.2007.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2008
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
	<b>II. Tax Information Network (TIN)</b>	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to: <ul style="list-style-type: none"> <li>• Online Tax Account System (OLTAS),</li> <li>• Tax deductions coming from TDS returns</li> <li>• High value financial transactions coming through annual Information Returns and facility for generation of electronic TDS accounts.</li> </ul>			<ul style="list-style-type: none"> <li>• Identification of potential high risk tax evasion cases</li> <li>• Accurate and quick credit of TDS deductions, identification of non-filers/stop-filers and cases of short deductions</li> <li>• Facilities to view tax payments made by the tax payers or by tax deductors on their behalf</li> </ul>	On-going activity	(i) No. of challans received in OLTAS from 01.04.2007 to 31.03.2008 is 2,65,92,153. (ii) The total amount received through OLTAS from 01.04.2007 to 31.03.2008 is Rs. 3,50,090.65 crore. (iii) In AIR, total number of transactions received for FY 2006-07 is 22,80,089.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2008
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
	<b>III. Business Process Re-engineering (BPR)</b>	Complete revamping of existing business processes to meet the needs of stake holders			<ul style="list-style-type: none"> <li>Submission of the report of the consultant and BPR Rollout Plan</li> </ul>	The project report will be available by 31.10.2007.	The consultants M/s Pricewaterhouse Coopers submitted the BPR Report on 26.12.2007. The Directorate of BPR examined the report and deficiencies were removed. The key recommendations of the BPR study were presented to the CBDT which are under consideration.
	<b>IV. Tax payers' services</b>	Aayakar Sampark Kendra and maintenance of website of Income Tax Department.			Provision of tax related information, facility for downloading of various forms/challans and Return Preparation Software and facility for e-filing of Income Tax Returns.	On-going activity	The Call Center, Aayakar Sampark Kendra receives about 2000 calls everyday. Further the website of the Department had on an average 13 lakh hits everyday during the year.
	<b>V. Implementation of Multi Protocol Level Switching, Virtual Private Network.</b>	To implement an online monitoring system for revenue as well as expenditure for the Income Tax Department.			Connectivity for all the Zonal Accounts Offices linking all the servers of Expenditure accounting and also of Revenue accounts.	30.06.2007 on pilot basis.	Implemented; VPN has enabled the headquarter to monitor the claim processing being done by Zonal Accounts Officers. The System has also enabled transfer of revenue accounting data on daily basis and processing of Revenue Accounts.
2	<b>Major Head 4216 – Capital Outlay on Housing</b> <b>Purchase of 30 ready built flats from NOIDA at Noida.</b>	To bridge the shortfall in residential accommodation.	7.47 (Non-Plan)	1.19 (Non-Plan)	The purchase of this residential accommodation will mitigate the shortage of quarters in the Department.	31.12.2007	The project could not materialize in view of high variation in the cost estimates submitted by the CPWD and the cost demanded by NOIDA. Hence, the work has been dropped.

**Status of Outcome of the Outcome Budget 2008-09**  
**Grant No. 42 – Direct Taxes**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1	<b>Major Head 2020- Collection of Income Tax; Information Technology</b>		225.00 (Non-Plan)	225.00 (Non-Plan)			Actual expenditure (Provisional) – Rs. 196.68 crore.
	<b>I. Perspective Plan for Phase-III of Comprehensive Computerisation</b>	A) Systems Integration along with software procurement			<ul style="list-style-type: none"> <li>Computing capacity to handle the projected workload up to 2010-11</li> <li>Single National Database to handle all Direct Taxes related transactions</li> <li>Facilities management in the offices of Income Tax Department</li> </ul>	30.11.2008	Commissioning of System Integration (SI) project is over on 31.12.2008.  Acceptance of Project to be completed after verification of the terms of the contract.
		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.	31.08.2008	Work is in progress and is likely to be completed by the revised timeline i.e. 30.09.2009.  The timeline is dependent on successful execution of contract.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
		C) Establishment, Monitoring and Implementation of All India Tax Network			Network of Income Tax offices across the country	30.11.2008	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"> <li>Co-location of hardware equipments in Data Centers meeting industry standards</li> <li>Security certification of BS 7799 for ensuring security of the equipment and data</li> </ul>	Ongoing activity	

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
	<b>II. Tax Information Network (TIN)</b>	<p>Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to:</p> <ul style="list-style-type: none"> <li>• Online Tax Account System (OLTAS),</li> <li>• Tax deductions coming from TDS returns</li> <li>• High value financial transactions coming through annual Information Returns and facility for generation of electronic TDS accounts.</li> </ul>			<ul style="list-style-type: none"> <li>• Identification of potential high risk tax evasion cases</li> <li>• Accurate and quick credit of TDS deductions, identification of non-filers/stop-filers and cases of short deductions</li> <li>• Facilities to view tax payments made by the tax payers or by tax deductors on their behalf</li> </ul>	On-going activity	<p>(i) No. of challans received in OLTAS from 01.04.2008 to 31.03.2009 is 271,48,569.</p> <p>(ii) The total amount received through OLTAS from 01.04.2008 to 31.03.2009 is Rs. 3,75,696 crore.</p> <p>(ii) Further, 6,04,932 ECS refunds were issued during this period amounting Rs. 860.08 crore.</p> <p>(iv) Total number of AIR transactions received for FY 2007-08 were 28,38,840 as against 23,11,353 number of AIR information for FY 2006-07.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
	<b>III. Business Process Re-engineering (BPR)</b>	Complete revamping of existing business processes to meet the needs of stake holders			<ul style="list-style-type: none"> <li>Submission of the report of the consultant and BPR Rollout Plan</li> </ul>	31.10.2007	(i) The Report on BPR has been submitted to the CBDT in the month of April 2008 and majority of recommendations have been accepted by the CBDT.  (ii) BPR Roll out plan to be taken up once CBDT sets up the implementation task force.
	<b>IV. Tax payers' services</b>	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-www.incometaxindia.gov.in and e-friendly services			<ul style="list-style-type: none"> <li>Deliverables from Aayakar Sampark Kendra (ASK) are               <ul style="list-style-type: none"> <li>Provision of PAN, Challan, Return Forms and related information</li> <li>Facility to send forms by e-mail</li> <li>Handling of PAN grievances</li> </ul> </li> <li>Provision of tax related information facility for downloading of various forms/challans and return preparation software</li> <li>Countrywide facilities for e-filing of income tax returns</li> <li>Centralized issue of refunds through designated refund banker</li> <li>Facilities for e-payment.</li> </ul>	On-going activity	<ul style="list-style-type: none"> <li>The department has set up one call centre, Aayakar Sampark Kendra which received on an average about 40,000 calls per month in the year 2008-09.</li> <li>The website of the department www.incometax.india.gov.in had on average an 27 lakh hits per day in FY 2008-09.</li> <li>No. of e-returns increased from 21.93 lakh in 2007-08 to 48.38 lakh in 2008-09 registering a growth of 120%: of this, nearly 80% returns was filed voluntarily.</li> </ul>

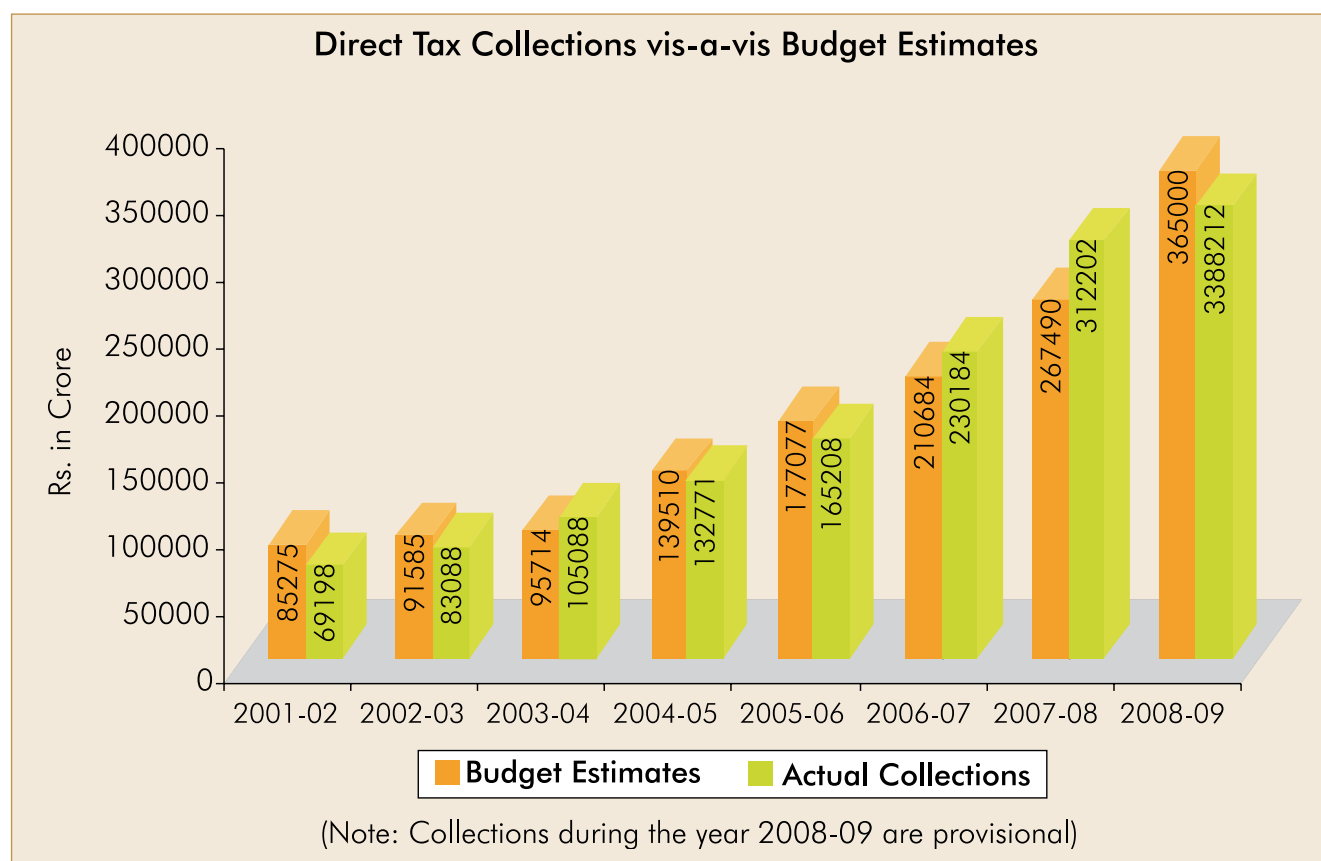
S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 <sup>st</sup> March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
2	<b>MH 4059- Acquisition of Office Accommodation</b>  <b>Purchase of ready built office accommodation at Delhi and Mumbai</b>		198.00 (Non-Plan)	188.25 (Non-Plan)	<ul style="list-style-type: none"> <li>Office building from UTI at Cuffe Parade, Mumbai.</li> <li>Office building at NBCC Plaza, Saket New Delhi.</li> </ul>	<ul style="list-style-type: none"> <li>March, 2008</li> <li>April, 2008</li> </ul>	<p>Actual expenditure (Provisional) – Rs. 82.82 crore</p> <p>The Large Taxpayer Units at Mumbai and Delhi have since been opened and are now operational. However, the actual expenditure incurred during the year was Rs. 82.82 crore since full payment in respect of NBCC Plaza, New Delhi could not be released for want of completion of procedural formalities on the part of NBCC.</p>



## 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 almost tripled from Rs. 1,05,088 crore in 2003-04 to Rs. 3,38,212 crore in 2008-09 at an average annual growth of 26.79% during this period.
- (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 continued in the year 2008-09 too with direct taxes contributing around 55.97% of the Central taxes.
- (iii) The Direct tax – GDP ratio has significantly increased from 3.18% in 2003-04 to 6.23% in 2008-09.
- (iv) There has been a significant increase in the amount of recovery from arrears from Rs. 5,540 crore in 2003-04 to Rs. 10,016 crore in

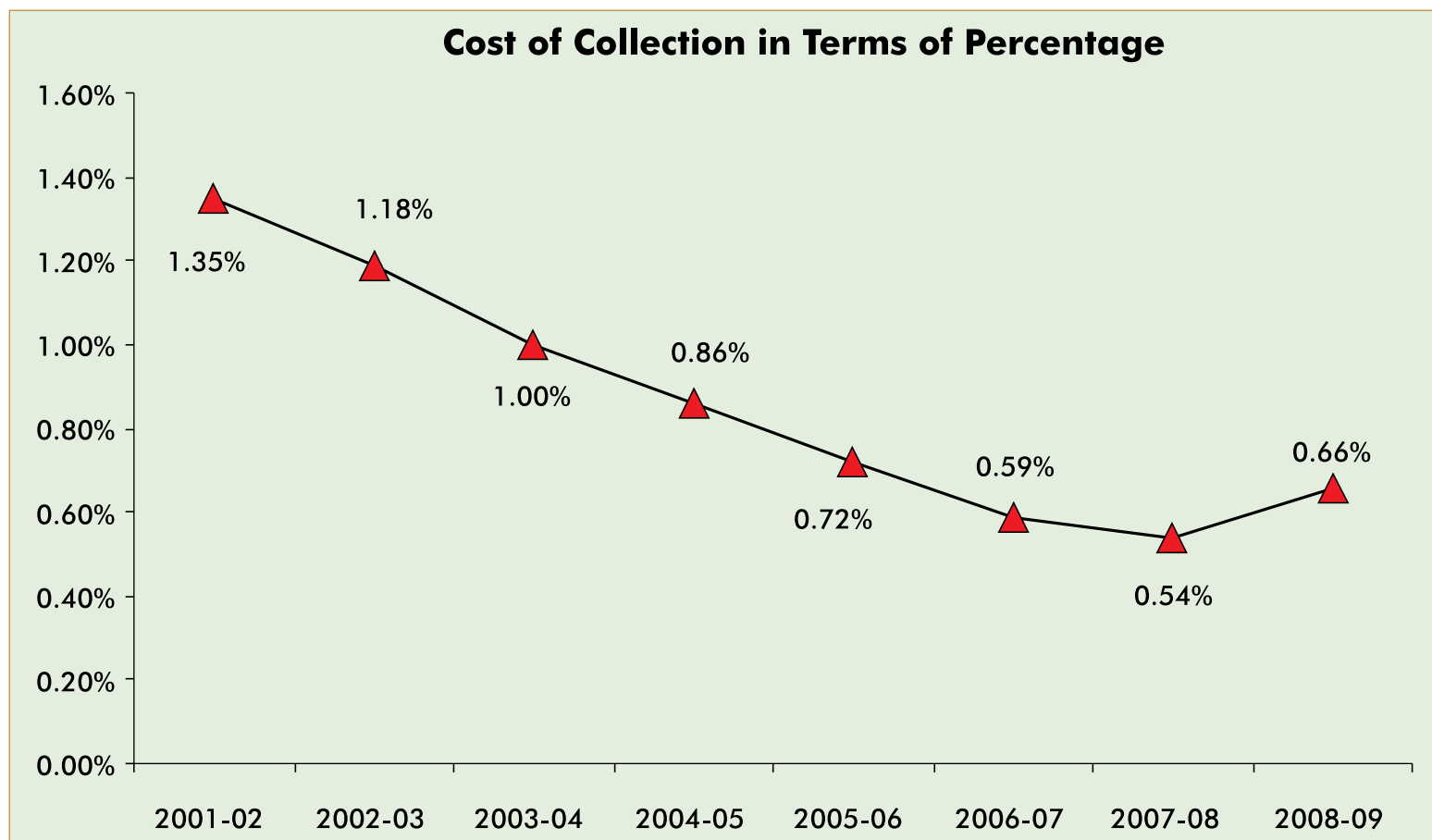


2008-09. The collection from regular assessment tax has almost doubled from Rs. 16,150 crore in 2003-04 to more than Rs. 31,142 crore in 2008-09.

- (v) One of the best performance of the Department has been in the area of collection from Tax Deduction/Collection at Source (TDS/TCS) during the year 2008-09, TDS collection were close to Rs. 1,30,500

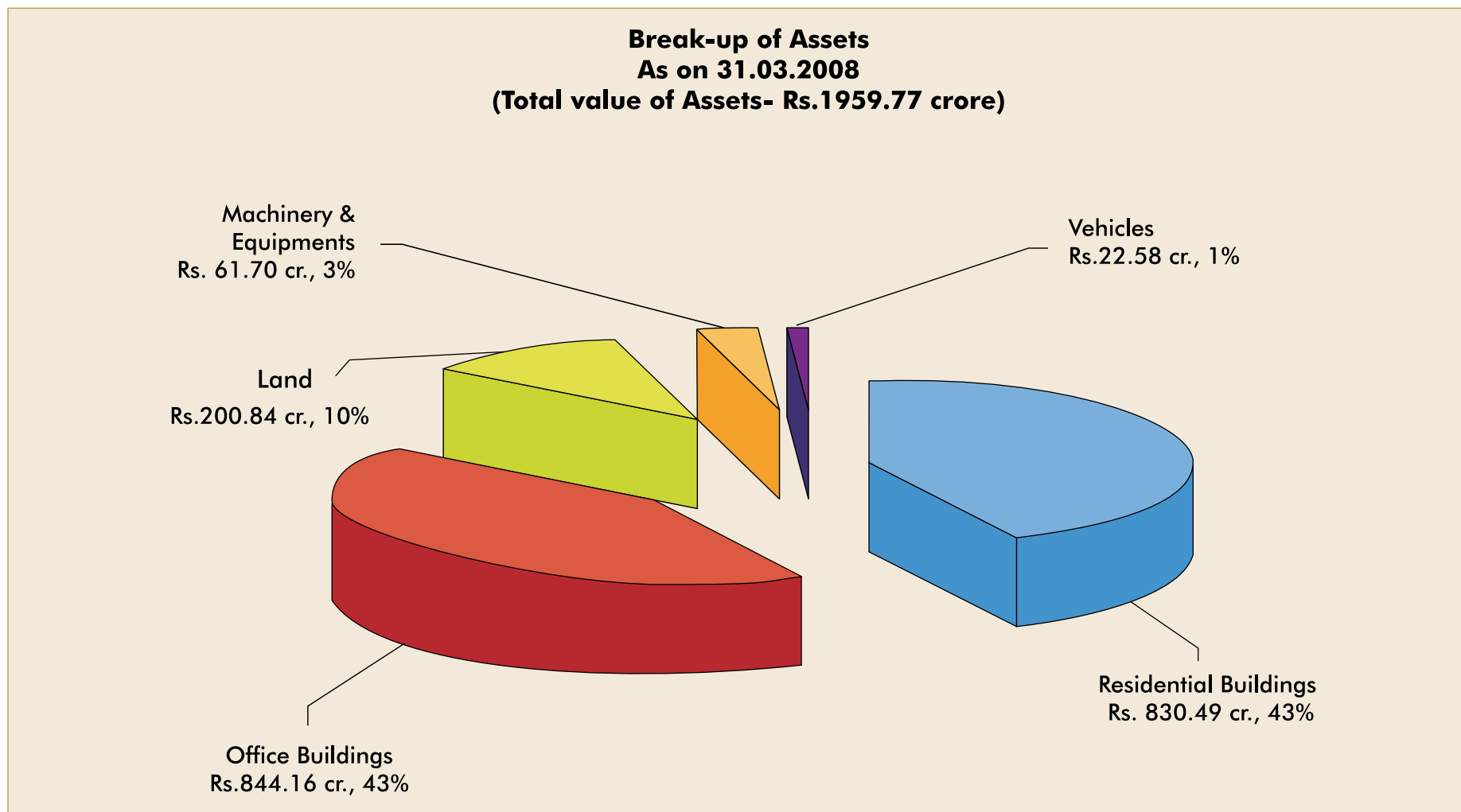
crore which is around 25% higher than the corresponding collection in the previous year.

- (vi) 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 0.54 paisa per rupee collected in the year 2007-08. However, the cost of collection in 2008-09 (provisional) stood at 0.66



paisa per rupee collected. The increase has been mainly due to rise in establishment related expenditure as a result of implementation of Sixth Central Pay Commissions recommendations.

(vii) As on 31<sup>st</sup> March, 2008, the physical assets owned by the Department were to the tune of Rs. 1959.77 crore. The break-up of the assets is depicted as under:



**Status of outcome of the Outcome Budget 2007-08**  
**Demand No. 43 – Indirect Taxes**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	<b>Major Head 2037 and 2038 -Information Technology</b>	Strengthening of IT capability for e-governance	141.00 (Non-Plan)	138.00 (Non-Plan)	- Setting up of an All-India Wide Area Network.	- Work on Phase-I likely to be completed by end of March, 07. - Work on Phase-II is likely to be completed by June, 2007.	Massive effort is required in change management	Against RE of Rs. 138.00 crore, the expenditure incurred during 2007-08 was Rs. 84.46 crore.  Contract for Establishment of a Data Center and All India Wide Area Network at a total cost of Rs. 77 crore was awarded to the consortium of BSNL, VSNL and HP. Implementation of Wide Area Network is in progress. Out of 539 sites, 368 sites have been connected and some of these sites have been offered for acceptance.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
					<p>- Installation of Central servers (hardware, storage and security infrastructure) i.e. System Integration</p> <p>- Provision of PCs/ Thin Clients and local area network to all departmental users</p>	<p>- Installation of hardware and its commissioning to be completed by July, 07.</p> <p>-Phase-I: between May, 2007 – Sept., 2007</p> <p>-Phase-II: between October, 2007 – December, 2007</p>	<p>CNE/CCEA approval for revised cost to be obtained.</p> <p>CNE/CCEA approval for revised cost to be obtained.</p>	<p>Although the vendor has been selected, the revised cost (Rs. 598.97crore) far exceeded the original estimated cost (Rs. 167.05 crore). CNE meeting to consider the revised cost was held on 09.08.07. CCEA has accorded the approval for revised cost on 29.11.2007. The revised cost includes Rs. 265.90 crore for System Integration for which contract has been awarded to M/s. TCS.</p> <p>The revised cost approved by the CCEA includes Rs. 216.70 crore for thin clients, LAN and services for all field offices and contract has been awarded to M/s. HP.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
					<ul style="list-style-type: none"> <li>- Establishment of Data warehouse</li> <li>- Automation of Central Excise &amp; Service Tax</li> <li>- Gateway Project for Customs upgradation</li> </ul>	<ul style="list-style-type: none"> <li>-Phase-I (Customs data) –December, 2007.</li> <li>-Phase-II (Central Excise and Service Tax data)– February, 2008.</li> <li>-Phase-III (Data from new CBEC applications) – June, 2008.</li> <li>-Testing commenced in January, 07. Implementation in metros to commence by August, 07.</li> </ul>	<p>The timeline is dependent on installation of central hardware which is expected to be completed by July, 2007.</p> <p>-do-</p>	<p>The contract for establishment of Data Warehouse has been awarded to M/s. Wipro and work has started on 15.10.2007. Further progress is dependent upon hardware and other IT components to be procured under the Systems Integration and PC LAN project.</p> <p>The software development is completed and is being tested at various locations.</p> <p>For sustenance and upgradation of ICEGATE (Gateway Project for Customs upgradation), the contract has been awarded to Wipro Ltd.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
					<ul style="list-style-type: none"> <li>- Setting up of Risk Management System (RMS)</li> <li>- Setting up of a portal for Large Taxpayer Units to facilitate tax payers.</li> </ul>	<ul style="list-style-type: none"> <li>- End of 2007.</li> <li>- RMS has been implemented at 13 major locations. Extension to all other major Customs locations is expected by May, 2007.</li> <li>- The Pilot implementation of the Export RMS is likely by April, 2007 and phased rollout to EDI locations is expected by December, 2007.</li> <li>- An LTU specific website has been developed. The first LTU is already operational at Bengaluru. Other LTUs at Chennai, Delhi, Mumbai and Kolkata are planned to be operationalised during 2007-08.</li> </ul>		<p>The Import module of RMS has been rolled out in all the 23 locations. Testing and implementation of Export module is in progress at ICD, Dadri. For container selection based on IGM data, software development is in progress.</p> <p>Website for LTU has been set up. LTUs are operational at Bengaluru and Chennai.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008																		
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	50.00 (Non-plan)	50.00 (Non-Plan)	<div>Following vessels are expected to be delivered to the Department during 2007-08:-<table><tr><th>Cate-gory</th><th>No. of Vessels</th></tr><tr><td>IIIA</td><td>16</td></tr><tr><td>IIIB</td><td><u>16</u></td></tr><tr><td>Total</td><td><u>32</u></td></tr></table></div>	Cate-gory	No. of Vessels	IIIA	16	IIIB	<u>16</u>	Total	<u>32</u>	<div>The orders for procurement of Category I, III A and III B vessels numbering 87 are likely to be placed by March, 2007. Global Tender for Category II vessels numbering 22 has been floated. The order for these vessels is likely to be placed by June, 07 after Technical and Commercial Evaluation of bids. The expected delivery schedule is as follows:-<table><tr><th>Cate-gory</th><th>No. of Vessels</th></tr><tr><td colspan="2">2007-08</td></tr><tr><td>III A</td><td>16</td></tr><tr><td>III B</td><td><u>16</u></td></tr><tr><td>Total</td><td><u>32</u></td></tr></table></div>	Cate-gory	No. of Vessels	2007-08		III A	16	III B	<u>16</u>	Total	<u>32</u>		For acquisition of marine vessels, revised proposal for acquiring 109 vessels at a cost of Rs. 277.27 crore was approved by CCEA on 22.02.2007. Orders for procurement of 24 vessels in Category-I were placed in March, 2007 with M/s Gold Bridge, Malaysia and for procurement of 30 vessels in Category-IIIA and 33 vessels in Category-IIIB with M/s Brunswick, Singapore. For procurement of 22 vessels of Category-II, tender was to be re-floated as the bidder refused to extend validity of
Cate-gory	No. of Vessels																									
IIIA	16																									
IIIB	<u>16</u>																									
Total	<u>32</u>																									
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S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008																						
1	2	3	4		5	6	7	8																						
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						<table><tr><th>Cate- gory</th><th>No. of Vessels</th></tr><tr><td colspan="2">2008-09</td></tr><tr><td>I</td><td>12</td></tr><tr><td>II</td><td>9</td></tr><tr><td>III A</td><td>14</td></tr><tr><td>III B</td><td><u>17</u></td></tr><tr><td>Total</td><td><u>52</u></td></tr><tr><td colspan="2">2009-10</td></tr><tr><td>I</td><td>12</td></tr><tr><td>II</td><td><u>13</u></td></tr><tr><td>Total</td><td><u>25</u></td></tr></table>	Cate- gory	No. of Vessels	2008-09		I	12	II	9	III A	14	III B	<u>17</u>	Total	<u>52</u>	2009-10		I	12	II	<u>13</u>	Total	<u>25</u>		the earnest money deposit.  Delivery of Category-III A and III B vessels commenced from January, 08 and 4 vessels (2 vessels in each Category) received up to March, 2008. Delivery of Category-I vessels is likely to commence from August, 2008.  Against RE of Rs. 50.00 crore, the expenditure incurred during 2007-08 was Rs. 26.95 crore.
Cate- gory	No. of Vessels																													
2008-09																														
I	12																													
II	9																													
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S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
3	<b>Major Head 4047 -Acquisition of Anti-smuggling equipments</b>	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improve Customs control through non-intrusive examination.	50.00 (Non-Plan)	15.00 (Non-Plan)	Installation of 3 mobile scanners, placement of order and start of construction for 4 fixed scanners at a total project cost of Rs. 172.94 crore (non-recurring) and Rs. 18.61 crore per annum (recurring).	Original schedule is 14 months for mobile scanner and 23 months for fixed scanner from the date of Cabinet approval i.e. 27.10.2006.	Start of the project depends on acquisition of land from the port authorities, timely development of sites by BARC and timely approval from statutory authorities.	For acquisition of scanners, Project Implementation Committee is functioning.  Development of sites for installation of scanners at 4 locations is being executed through BARC. Plots of land have been identified for Tuticorin, Chennai and Kandla. Sanction for procurement of land at Tuticorin at a cost of Rs. 54.80 lakh on 30 years lease has been issued. Process of procurement of land at other sites either through outright purchase or long term lease is in progress.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
								Global tender for acquisition of 3 Mobile Gamma Ray Scanners has been floated on 16.12.2007 and technical bids opened on 18.2.2008 are under evaluation. Tender for 4 X-ray Scanners is under finalization.  Against RE of Rs. 15.00 crore, the expenditure incurred during 2007-08 was Rs. 0.47 crore.
4	<b>Major Head 4059 – Acquisition of Office Accommodation</b>	To meet shortfall in Office Accommodation	25.00 (Non-Plan)	6.00 (Non-Plan)	The purchase of office accommodation will bridge the shortfall in requirement of office space.	Payment of balance amount to the Specified Undertaking of Unit Trust of India in respect of building purchased at Mumbai will be made after the necessary requirements mentioned in the agreement	Payment in such cases depends on various formalities involving consultation with different concerned authorities.	Balance payment amounting to Rs. 16 crore in respect of building purchased from SUUTI at Mumbai will be made only after completion of the legal formalities regarding transfer of property by the SUUTI. However,

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
						are fulfilled by the Specified Undertaking of Unit Trust of India. The Department has taken possession of the building in November, 06 and offices of Mumbai Zonal Unit of Directorate of Revenue Intelligence, Risk Management Division and other offices of Management Division and other offices of CBEC have occupied the building.		an amount of Rs. 2.24 has been paid to Mumbai Municipal Corporation towards transfer charges.  In March, 2008, advance payment of Rs. 30.00 crore has been made in respect of new proposal for purchase of office space in NBCC at Saket, New Delhi.  Against BE of Rs. 25.00 crore and RE of Rs. 6.00 crore, the expenditure incurred during 2007-08 was Rs. 32.24 crore. The excess provision was made through re-appropriation of fund.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2008
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
5	<b>Major Head 4216 –Acquisition of Residential Accommodation</b>	To meet shortfall in residential accommodation	15.00 (Non-Plan)	8.00 (Non-Plan)	The purchase of residential accommodation will bridge the shortfall in requirement.	Part payment in respect of purchase of flats from Allahabad Development Authority, residential premises at Shillong and other payments in respect of other ongoing projects are likely to be made.	The proposals involve obtaining clearance from CPWD, M/OD, SFC etc. after following the due procedure prescribed in GFRs.	<p>Payment of 45% of the cost of Rs. 11.04 crore for 134 flats on milestone related progress has been made to Allahabad Development Authority (ADA). The proposal for Shillong did not materialise.</p> <p>However, expenditure of Rs. 2.62 crore has been incurred for upgradation of facilities in the buildings purchased earlier at Delhi and Mumbai which will result into better residential infrastructural facilities for officials of the Department.</p> <p>Against RE of Rs. 8.00 crore, the expenditure incurred during 2007-08 was Rs. 2.62 crore.</p>

**Status of outcome of the Outcome Budget 2008-09**  
**Demand No. 43 – Indirect Taxes**

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
1	<b>Major Head 2037 and 2038 -Information Technology</b>	Strengthening of IT capability for e-governance	141.00 (Non-Plan)	325.00 (Non-Plan)	- Setting up of an All-India Wide Area Network.	- Work on Phase-I likely to be completed by end of March, 2008.  - Work on Phase-II is likely to be completed by June, 2008.	Massive effort is required in change management	Against RE of Rs. 325.00 crore, the expenditure incurred during 2008-09 was Rs. 164.73 crore.  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. Implementation of Wide Area Network is in progress. Out of 539 sites, 500 sites have been connected and around 450 sites have been delivered. Most of the remaining sites, except with specific operational issues, are likely to be delivered by October, 2009.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					- Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	- Installation of hardware and its commissioning to be completed by July, 2008.	CNE/CCEA approval for revised cost has been obtained.	Installation and commissioning of equipment has been completed and Systems Acceptance milestone reached. The infrastructure has been made available for applications at the Data Centre, Disaster Recovery Site and Business Continuity Site. The interim Network Operations Centre for providing support for applications users and for monitoring of the infrastructure is operational. The ACES application has been made online for filing excise returns by assesses through internet. The ACES application has been rolled out on pilot basis at selected six sites.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					<p>- Provision of local area network to all departmental users</p>	<p>- Phase-I: 16 weeks from the date of signing of contract, which was to be finalised by the end of March, 2008.</p> <p>- Phase-II: 6 months from the date of contract i.e. by October, 2008.</p>	<p>CNE/CCEA approval for revised cost has been</p>	<p>The ICES (Customs) application has been deployed on the pre-production server for testing. The RMS (Risk Management – Customs) application has also been deployed on the pre-production server.</p> <p>Implementation of LAN is underway and is expected to be completed in most of the cities by June, 2009, except for sites under shifting.</p>



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					<p>- Establishment of Data warehouse</p>	<p>- Phase-I (Customs data) – January, 2009.</p> <p>- Phase-II (Central Excise and Service Tax data) – October, 2009.</p> <p>-Phase-II timelines are dependent upon the national rollout of the Automation of Central Excise &amp; Service Tax (ACES) application.</p>	<p>The timelines would have to be revised in view of the fact that the development work can commence only when central hardware becomes available. Hardware was to come from the System Integration and LAN tenders.</p>	<p>The contract for establishment of Data Warehouse has been awarded to M/s. Wipro.</p> <p>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.</p> <p>Central hardware for development became available in October, 2008. It has been configured and is in use for commencement of development activity.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					- Automation of Central Excise & Service Tax	- Testing commenced in January, 07. ACES is a centralised application and would be launched as and when the hardware is installed. Hardware is to come from System Integration tender.	The timeline is dependent on installation of Central Hardware.	Interim reports on payments of Central Excise duties and Service Tax have gone live on ACES.  The timelines are dependent upon the roll out of its source systems such as ICES 1.5 and ACES.  ACES has been rolled out on a pilot basis in six Commissionerates namely, LTU Bengaluru 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

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					<p>- Gateway Project for Customs upgradation</p> <p>- Setting up of Risk Management System (RMS)</p>	<p>Work is likely to be completed by June, 2008.</p> <p>- Rollout has been completed at all chosen 23 locations, in 13 cities. The Pilot site for implementation of the Export RMS is Dadri ICD and would be operational for other sites after central server comes. Pilot for RMS for container selection would be at Nhava Sheva, by March, 2008.</p>	<p>The timeline is dependent on installation of Central Hardware and availability of ICES 1.5 application in Data Centre.</p> <p>For Export RMS, the timeline is dependent on installation of Central Hardware which is contingent upon getting required approval and sanctions.</p>	<p>rolled out to other locations by September, 2009.</p> <p>For sustenance and upgradation of ICEGATE (Gateway Project for Customs upgradation), the contract has been awarded to Wipro Ltd. Development work completed to the extent of 80%.</p> <p>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.</p>

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009												
1	2	3	4(i) BE	4(ii) RE	5	6	7	8												
					- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	- An LTU specific website has been developed. The LTUs are already Bengaluru and Chennai. Other LTUs at Delhi, Mumbai and Kolkata are planned to be operationalised during 2008.		Website for LTU has been set up. LTUs are currently operational at Bengaluru, Chennai, Mumbai and Delhi.												
2	Major Head 4047 – Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	100.00 (Non-Plan)	100.00 (Non-Plan)	Following vessels are expected to be delivered to the Department during 2008-09:  <table><thead><tr><th>Cate-gory</th><th>No.of Vessels</th></tr></thead><tbody><tr><td>I</td><td>12</td></tr><tr><td>II</td><td>02</td></tr><tr><td>III A</td><td>24</td></tr><tr><td>III B</td><td>24</td></tr><tr><td>Total</td><td>62</td></tr></tbody></table>	Cate-gory	No.of Vessels	I	12	II	02	III A	24	III B	24	Total	62	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, which were retendered, is likely to be placed by March, 2008. The expected delivery schedule is as follows:-		For acquisition of marine vessels, revised proposal for acquiring 109 vessels at a cost of Rs. 277.27 crore 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-IIIA
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1	2	3	4(i) BE	4(ii) RE	5	6	7	8																						
								and 33 vessels in Category-III B with M/s Brunswick, Singapore. Contract for supply of 22 vessels of Category-II signed with M/s Al Dhaen Crafts, Bahrain in December, 2008.																						
						<table><tr><th>Cate- gory</th><th>No. of Vessels</th></tr><tr><td colspan="2">2007-08</td></tr><tr><td>III A</td><td>6</td></tr><tr><td>III B</td><td><u>6</u></td></tr><tr><td>Total</td><td><u>12</u></td></tr><tr><td colspan="2">2008-09</td></tr><tr><td>I</td><td>12</td></tr><tr><td>II</td><td>02</td></tr><tr><td>III A</td><td>24</td></tr><tr><td>III B</td><td><u>24</u></td></tr><tr><td>Total</td><td><u>62</u></td></tr></table>	Cate- gory	No. of Vessels	2007-08		III A	6	III B	<u>6</u>	Total	<u>12</u>	2008-09		I	12	II	02	III A	24	III B	<u>24</u>	Total	<u>62</u>		In Category-I, delivery commenced by the Boat Builder in September, 2008 and 5 vessels have been received up to March,2009. Delivery of Category-IIIA and IIIB vessels has commenced from January, 08. 24 vessels in each Category (III-A and III-B) have been delivered by the Boat Builder up to March, 2009, including 2 vessels in each Category delivered in 2008-09.
Cate- gory	No. of Vessels																													
2007-08																														
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						<table><tr><th>Cate-gory</th><th>No. of Vessels</th></tr><tr><td colspan="2">2009-10</td></tr><tr><td>I</td><td>12</td></tr><tr><td>II</td><td>12</td></tr><tr><td>III B</td><td>03</td></tr><tr><td>Total</td><td>27</td></tr><tr><td colspan="2">2010-11</td></tr><tr><td>II</td><td>08</td></tr><tr><td>Total</td><td>08</td></tr></table>	Cate-gory	No. of Vessels	2009-10		I	12	II	12	III B	03	Total	27	2010-11		II	08	Total	08		Delivery of Category-II vessels is likely to commence from December, 2009. Against RE of Rs. 100.00 crore, the expenditure incurred during 2008-09 was Rs. 99.38 crore.
Cate-gory	No. of Vessels																									
2009-10																										
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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.	50.00 (Non-Plan)	26.51 (Non-Plan)	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 (non-recurring) and Rs. 18.61 crore per annum (recurring).	3 mobile scanners would be installed and commissioned by November, 2008. Tender for 4 fixed scanners would be floated and order would be placed during 2008-09. After installation, fixed scanners are expected to be commissioned in 2009-10.	Progress of the project depends on acquisition of land from the Port authorities, timely development of sites by BARC and timely approval from statutory authorities.	For acquisition of scanners, Project Implementation Committee is functioning. Plots of land for installation of scanners at 4 locations at Tuticorin, Chennai, Mumbai and Kandla are yet to be acquired from respective Port authorities.																		

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
								Global tender for acquisition of 3 Mobile Gamma Ray Scanners was re-floated in January, 2009 and technical bids have been opened on 03.03.2009. Tender for 4 X-ray Scanners was floated in November, 2008 and technical bids have been opened on 23.03.2009. Against RE of Rs. 26.51 crore, the expenditure incurred during 2008-09 was Rs. 0.50 crore.
4	<b>Major Head 4059 – Acquisition of Office Accommodation</b>	To meet shortfall in Office Accommodation	145.00 (Non-Plan)	135.00 (Non-Plan)	The purchase of office accommodation will bridge the shortfall in requirement of office space.	-Payment of balance amount of Rs. 120.00 crore for acquisition of office space in NBCC building, Saket, New Delhi.	Payment in such cases depends on various formalities involving consultation with different concerned authorities.	Balance payment amounting to Rs. 16 crore in respect of building purchased from SUUTI at Mumbai has been made in February, 2009, holding the

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
							<p>-Payment of balance amount of Rs. 16.00 crore to the Specified Undertaking of Unit Trust of India for building purchased in November, 2006 at Mumbai will be made after the necessary requirements mentioned in the agreement are fulfilled by the Specified Undertaking of Unit Trust of India and Rs. 3.76 crore is towards payment to local authorities. The balance amount of Rs. 5.24 crore is towards purchase of office accommodation at Chennai from TNSCB and for other small proposals.</p>	<p>payment to local authority i.e. Mumbai Municipal Corporation with whom there is dispute regarding rate of stamp duty. Advance payment of Rs. 2.34 crore has been made to NBCC in March, 2009 for interior work and furnishing of office space purchased from NBCC in New Delhi. Balance payment for the purchase will be made after the required formalities are completed.</p> <p>Against RE of Rs. 135.00 crore, the expenditure incurred during 2008-09 was Rs. 18.51 crore.</p>



S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 <sup>st</sup> March, 2009
1	2	3	4(i) BE	4(ii) RE	5	6	7	8
5	<b>Major Head 4216 –Acquisition of Residential Accommodation</b>	To meet shortfall in residential accommodation	20.00 (Non-Plan)	14.29 (Non-Plan)	The purchase of residential accommodation will bridge the shortfall in requirement.	Part payment in respect of purchase of flats from Allahabad Development Authority, residential premises at Ranchi and other payments in respect of other ongoing projects are likely to be made.	The proposals involve obtaining clearance from CPWD, Ministry of Urban Development, SFC etc. after following the due procedure prescribed in GFRs.	<p>Payment of 45% of the cost of Rs. 11.04 crore for 134 flats on milestone related progress has been made to Allahabad Development Authority (ADA). The ADA had earlier proposed revision of the cost to Rs. 14.96 crore which was again revised to Rs. 21.15 crore which has not been agreed to by the Department and is pending review.</p> <p>For purchase of 67 flats at National Games Housing Complex at Ranchi, payment of Rs. 12.04 crore has been made in two instalments. Balance payment of Rs. 1.24 crore will be made at the time of taking possession after the National Games are over in June, 2009.</p> <p>Against RE of Rs. 14.29 crore, the expenditure incurred during 2008-09 was Rs. 12.11 crore.</p>

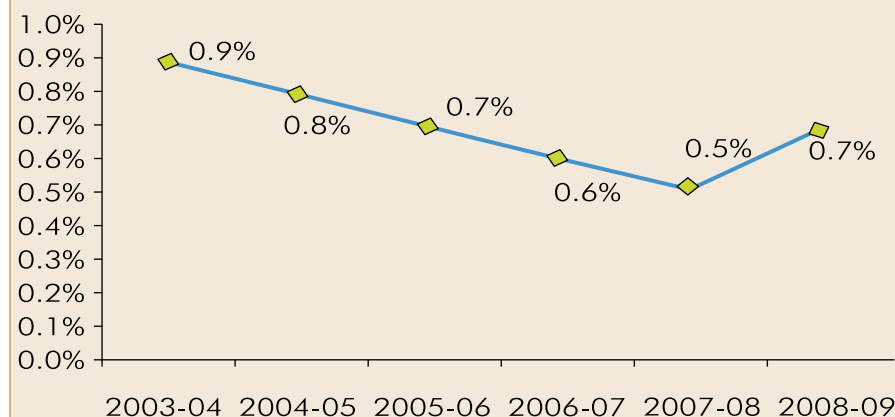
## Salient Features on Overall Performance of the Central Board of Excise and Customs (CBEC)

- Total Indirect Tax Revenues amounted to Rs. 2,79,031.00 crore in 2007-08. Union Excise Duties collection accounted for 44.30% (Rs. 1,23,611.00 crore), Customs: 37.31% (Rs. 1,04,119.00 crore) and Service Tax: 18.39% (Rs. 51,301.00 crore).
- Indirect Tax Revenues have increased by 89.93% from Rs. 1,46,910.00 crore in 2003-04 to Rs. 2,79,031.00 crore in 2007-08.
- There has been 20.61% increase in Customs Duties collections and 5.10% in Union Excise Duties collections in 2007-08 over previous year.
- Service Tax collections have grown by 36.45% in 2007-08 over previous year. In fact, Service Tax collections have shown phenomenal growth of 550% from 2003-04 (Rs. 7,891.00 crore) to 2007-08 (Rs. 51,301.00 crore). The share in Service Tax in Indirect Tax Revenues has increased from 1% in 1995-96 to 18.39% in 2007-08.
- In 2008-09, Indirect Tax Revenue collections (exclusive of cess administered by other Departments) amounted to Rs. 2,68,084.00 crore constituting Union Excise Duties – Rs. 1,08,427.00 crore, Customs Duties – Rs. 99,687.00 crore and Service Tax – Rs. 59,970.00 crore.
- The cost of collection for Customs Duties has come down from 0.9% in 2003-04 to 0.5% in 2007-08. The cost of collection for Central Excise & Service Tax has also come down from 0.8% in 2003-04 to 0.6% in 2007-08. The cost of collection of Indirect Taxes are tabulated below:-

## Cost of Collection

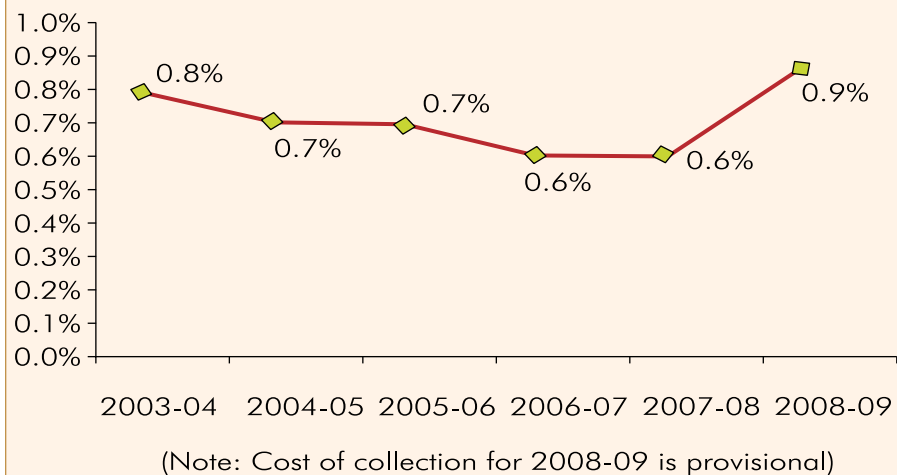
Head of duty	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 (Provisional)
Customs	0.9%	0.8%	0.7%	0.6%	0.5%	0.7%
Central Excise & Service Tax	0.8%	0.7%	0.7%	0.6%	0.6%	0.9%

**Cost of Collection for Customs (in terms of percentage)**



(Note: Cost of collection for 2008-09 is provisional)

### Cost of Collection for Central Excise & Service Tax (in terms of percentage)



- Indirect Tax Revenues have increased from 5.1% of GDP in 2001-02 to about 5.9% of GDP in 2007-08.
- 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)
2005-06	1.73	3.51
2006-07	1.79	4.14
2007-08	2.33	3.98

### E-Governance:

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

- Wide Area Networking:** This project envisages setting up a country wide network linking CBEC offices in 550 buildings in 245 cities to National Data Centre, Business Continuity and Disaster Recovery Sites. This is on outsourced services model in which the vendor will provide the Department with reliable, secure and high standard network and Data Centre services. Selection of vendor and award of contract has been approved on 24.08.2006. Over 500 sites have been connected and around 450 sites have been delivered. Most of the remaining sites, except the sites with specific operational issues, are likely to be delivered by October, 2009.
- 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 in the National Data Centre, Business Continuity and Disaster Recovery Site. All the Department's applications would be hosted centrally on this infrastructure. Capacity planning exercise commenced in association with vendor. Installation and commissioning of equipment has been completed. The Automation in Central Excise and Service Tax (ACES) application on pilot basis has been made online for filing excise returns by assessee through internet in six Commissionerates.
- 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. This is likely to be completed by June, 2009, barring exceptions and force majeure issues.
- 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. The Phase-I (Customs) and Phase-II (Central Excise & Service Tax) are likely to be completed by May, 2010.

- v) **Automation in Central Excise and Service Tax:** Ensuring a large degree of transparency and reduced interface with the Central Excise and Service Tax assessee through automated work flow of all business processes. ACES has been rolled out on a pilot basis in six Commissionerates, namely, LTU Bengaluru, LTU Chennai, Service Tax Chennai and Central Excise Commissionerates at Coimbatore, Belapur and Bhubaneswar-II with registration, return and CLI Modules. The all India roll out with all modules is expected to be completed by September, 2009. The time line is, however, dependent on completion of Local Area Network and availability of related hardware at all locations.
- vi) **Gateway for Customs upgradation:** A system for Electronic Data Interchange was operational at local levels. With a view to linking the Customs community through a single network, Gateway Project was launched. E-Filing of Customs documents through project has improved the on line assessment, duty payment and clearance procedure. 45 automated Customs locations are connected through this project. The upgradation exercise for the 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. Work is likely to be completed by September, 2009.
- 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. In addition to Import RMS and Export RMS, the RMS will also select containers for scanning

(Nil Inspection) based on IGM data at Nhava Sheva and 4 other ports identified. Rollout for Import has been completed at all chosen 23 locations, in 13 cities. The Export RMS has been ported in Data Centre. RMS for container selection on pilot basis has been implemented at Nhava Sheva.

- viii) **Setting up of a portal for Large Tax Payer Units to facilitate tax payers:** The portal will facilitate 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 Bengaluru, Chennai, Mumbai and Delhi. Other LTU at Kolkata is planned to be operationalised during 2009.

### **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 a Pay and Accounts Office. This software captures data at bill entry stage. The software is developed by NIC in consultation with Office of 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 facilitate an ONLINE Financial Information System for fact based fiscal management. This application puts up COMPACT data after a daily closing is affected on the COMPACT server at the end of each day at each PAO. All the Pay and Accounts Offices under CBEC upload COMPACT data to this web-based application maintained at Office of CGA.

**Electronic Accounting System** in Central Excise and Service Tax (EASIST) is aimed for obtaining a complete, correct and useful database that can be

used for accounting, reconciliation and for other MIS purposes. EASIEST has been rolled out throughout the Country w.e.f. 01.04.2007. EASIEST is for “Online Transmission of Tax Payment Data from Banks to Central Excise Department”.

**Revact Software** i.e., Revenue Accounting Software exclusively used by the Central Excise and Service Tax Pay and Accounts Offices is proposed to be included as a functional module of COMPACT to be enabled for CBEC PAOs. The module shall provide necessary electronic outputs to integrate with the online tax information systems which is a part of the computerization project of CBEC. The salient features of the proposed REVACT module shall be 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).
- Electronic error correction of data downloaded from NSDL site (which have been separately uploaded by banks directly).
- Automatic reconciliation of challans, scrolls and remittance.
- Calculation of delayed remittances.
- Detailed level of accounting of challans and all associated processes.
- Preparation of Monthly Consolidated detailed compiled accounts and Daily Data Abstract for detailed Accounting and MIS.
- Upload of reconciled challan data to central VPN server for centralized MIS for the CBEC.

A study for the project has been undertaken by the NIC team and the proposal has been documented for project implementation.

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 for all e-Receipts through two e-Pay and Accounts Offices one each for Central Excise and Service Tax. The project also aims to have a “zero error database” that will contribute to the Tax Information Network (TIN).

Centralized Delay Monitoring Module (CDMM) is the software through which the output of REVACT is used as input for CDMM to calculate delay in remittance of funds collected by the banks and to impose interest on delayed remittances.

e-Payment of Central Excise and Service Tax is on-line payment of Tax to the Banks by the taxpayers. All 28 banks authorized to collect CBEC revenue are offering e-Payment solution to Central Excise and Service Taxpayers.

For e-Payment of Customs Duties Collection, testing process is in progress at selected Customs EDI sites. Banks collecting customs collections are catching up with the system.

Multi Protocol Level Switching Virtual Private Network (MPLSVPN) is under implementation to integrate all application softwares in a centralized environment. Out of a total of 75 sites, 51 sites already have been commissioned. and the requirement of application software is being finalized in consultation with all stake holders.

### **Procurement of Scanners**

Towards procurement of electronic 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, 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. Draft Memorandum of Understanding (MOU) for acquisition of land from concerned Port Trusts at four locations has been finalized in consultation with Ministry of Shipping. The Mobile Scanners are expected to be installed and commissioned in 2009-10. Supply order for fixed scanners is likely to be issued in 2009-10 and these are expected to be commissioned in the year 2010-11.

### **Procurement of Marine Vessels**

In order to improve the effectiveness of Customs Patrol over 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 cost of Rs. 153.85 crore was approved by CCEA on 15.12.2004. As total cost, after global tender, was working out more than the cost sanctioned by the Cabinet, approval of CCEA was again obtained for the revised cost of Rs. 277.27 crore, on 22.02.2007. Orders have been placed with the selected firms and the Department has received 53 vessels up to March, 2009 (5 vessels in Category-I and 24 vessels in each of the Category IIIA and IIIB). A total

number of 27 vessels in Category-I, II and III-A and III-B are expected to be delivered in 2009-10. Delivery of all vessels is expected to be over by September, 2011.

### **Grant No. 44 - Department of Disinvestment**

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 Estimates for the financial year 2008-09 for the Revenue Section and Capital Section were Rs. 21.00 crore and Rs. 2,330.00 crore respectively, whereas the Revised Estimates for financial year 2008-09 is Rs. 18.90 crore in the Revenue Section and is Rs. 2,330.00 crore in the Capital Section.

The outlay of Rs. 2,330.00 crore in BE 2008-09 was based on the receipts estimated in 2008-09 from disinvestment of small portion of Government's equity in Rural Electrification Corporation Ltd. (REC) and National Hydro-electric Power Corporation Ltd. (NHPC) at BE stage. However, the disinvestment in REC got completed in 2007-08. At RE 2008-09 stage, the provision of Rs. 2,330.00 crore was retained keeping in view the disinvestment of small portions of equity in NHPC and Oil India Ltd. (OIL), which were expected during the year 2008-09. However, the same could not be completed due to unfavourable markets condition.

The Initial Public Offering through fresh issue of equity and 'Offer for sale' of Government's equity in NHPC and OIL would be completed in due course. The IPO of RITES has been deferred on account of market conditions and in view of the change in requirement of funds by the company.

The Budget Estimates for disinvestment receipts and the amounts realized through disinvestment in PSUs during 2006-07, 2007-08 & 2008-09 are given below:

(Rs. in crore)

Year	Budgeted targets	Proceeds from Disinvestment	Remarks
2006-07	BE 3840.00 RE 0.01	NIL	All disinvestment decisions and proposals were put on hold, pending further review.
2007-08	BE 1651.00 RE 1651.00	4181.39	In May, 2007, Government sold its residual shareholding of 10.27% in Maruti Udyog Limited to Public Sector Bank, Public Sector Financial Institutions and Indian Mutual Funds. A sum of Rs. 2366.94 crore was realized and credited to the Consolidated Fund of India.  The Government received Rs. 994.82 crore from the sale of 5% equity in PGCIL, out of Government of India holding and Rs. 656.18 crore (first tranche) from the sale of 10% equity, out of Government's holding in REC.
2008-09	BE 1165.00 RE 1165.00	163.45	The receipts pertain to the final tranche from the sale of 10% equity, out of Government's holding in REC.  The Initial Public offering, through fresh issue of equity and 'Offer for sale' of Government's equity in NHPC & OIL which was projected in 2008-09 could not be completed due to unfavourable market conditions

**Summarized position of Schemes under Outcome Budget 2009-10**  
**Grant No. 32 – Department of Economic Affairs**

(Rs. in crore)							
		2007-2008			2008-2009		
S.No	Scheme	BE	RE	Actuals	BE	RE	Actuals*
1	Public Private Partnership (PPP) In infrastructure, Provision of Viability Gap Funding (VGF) (MH 5475) – Plan	100.00	23.00	23.00	92.10	61.67	54.07
2	Contribution for Railway Safety Works against additional levies on motor spirit and high speed diesel (MH 3054) – Plan	724.69	724.69	724.69	773.90	773.90	773.90
3	Interest Equalisation Support to EXIM Bank of India (MH 3475) Non-Plan	228.00	135.00	134.99	232.00	209.75	191.57
4	Technical Economic Cooperation with other Countries – Technical aid to South & South East Asia under Colombo Plan (MH 3605) Non-Plan	5.96	6.32	5.01	5.96	6.12	6.22
	<b>Total</b>	<b>1058.65</b>	<b>889.01</b>	<b>887.69</b>	<b>1103.96</b>	<b>1051.44</b>	<b>1025.76</b>
	Percentage with reference to RE			99.85			97.55

\* Provisional



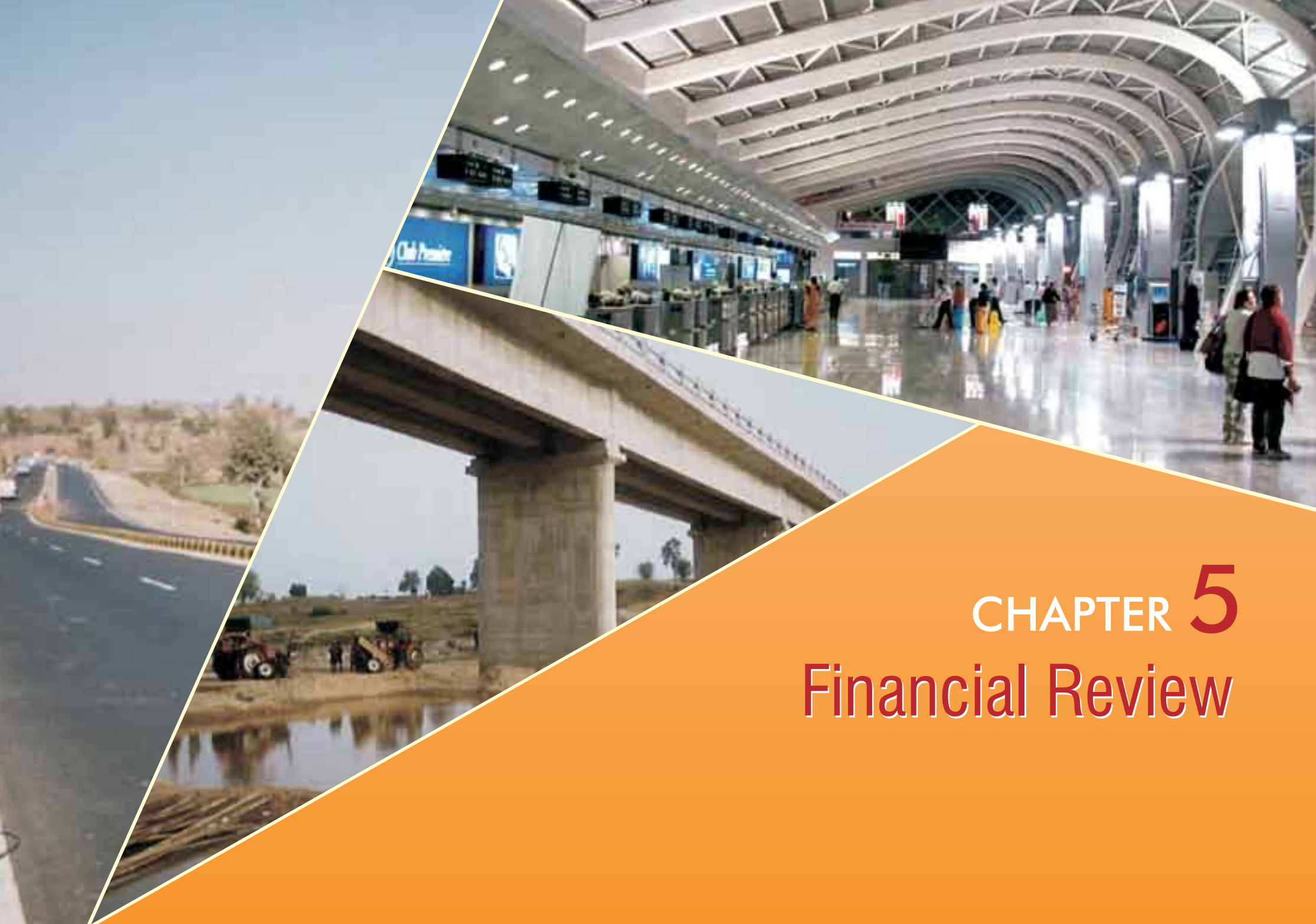
### Grant No. 33 – Department of Financial Services

(Rs. in crore)								
S.No.	Scheme	2007-2008			2008-09			2009-10
		BE	RE	Actuals	BE	RE	Actuals	BE
1	Agricultural Debt Waiver and Debt Relief Scheme for farmers, 2008 (MH 2235)	0.00	0.00	0.00	0.00	25,000.00	25,000.00	15,000.00
2	Subsidy to General Insurance Companies under Universal Health Insurance Scheme (UHIS) - Health Care to BPL families (MH-2235)	45.00	20.00	20.00	25.00	8.00	2.00	6.39
3	Interest Subsidy to LIC for Pension Plan for Senior Citizens (MH-2235)	249.77	242.68	235.42	200.00	150.00	155.63	172.00
4	Interest subvention for providing Short Term Credit to farmers @ 7% on loans up to Rs. 3.00 lakh (MH-2416)	1676.86	1700.00	1700.00	1600.00	2600.00	2600.00	2011.00
5	Revival of Long Term Cooperative Credit Structure in the country (MH2416)	0.00	0.00	0.00	600.00	599.09	20.00	1000.00
6	Subscription to the share capital of EXIM Bank (MH-4885)	100.00	100.00	100.00	100.00	300.00	300.00	300.00
7	Subscription to the Share Capital of India Infrastructure Finance Company Limited (IIFCL) (MH-4885)	200.00	700.00	700.00	200.00	500.00	500.00	500.00
8	Acquisition cost of Reserve Bank of India stake in National Bank for Agriculture and Rural Development (NABARD) (MH 5465) (Plan Scheme)	0.00	0.00	0.00	1450.00	1450.00	0.00	1100.00
9	Acquisition cost of Reserve Bank of India stake in National Housing Bank (NHB) (MH 5465) (Plan Scheme)	0.00	0.00	0.00	450.00	450.00	0.00	442.00
	<b>Total</b>	<b>2271.63</b>	<b>2762.68</b>	<b>2755.42</b>	<b>4625.00</b>	<b>31057.09</b>	<b>28577.63</b>	<b>20531.39</b>
	Percentage with reference to RE			99.73			92.01	

Grant No. 38 – Department of Expenditure								
								(Rs. in crore)
S.No.	Scheme	2007-08			2008-09			2009-10
		BE	RE	Actual	BE	RE	Actual (Prov.)	BE
1	Scheme for enhancing training capacity of National Institute of Financial Management Society and Infrastructural Development of NIFM – Plan.	1.00	0.75	0.75	10.00	5.30	5.30	10.00
	<b>Percentage with reference to RE</b>			<b>100.00</b>			<b>100.00</b>	
Demand No. 41 – Department of Revenue								
1	Implementation of VAT Scheme	5.00	7.50	5.80	6.50	7.55	6.13	8.00
2	Setting up of Tax Information Exchange System etc.	9.00	6.50	4.00	15.00	15.00	3.75	26.65
3	Compensation to States/UTs for revenue losses due to introduction of VAT and other VAT related expenditure	2995.00	3535.00	3880.48	3292.50	4292.37	4361.95	3020.50
4	Compensation to State/UTs for revenue losses due to phasing out of CST	2500.00	2500.00	2168.88	2500.00	2000.00	1950.00	6001.00
5	Government Opium & Alkaloid Works	231.13	224.35	205.85	238.00	219.51	145.25	355.32
	<b>Total</b>	<b>5740.13</b>	<b>6273.35</b>	<b>6265.01</b>	<b>6052.00</b>	<b>6534.43</b>	<b>6467.08</b>	<b>9411.47</b>
	Percentage with reference to RE			99.87			98.97	

Grant No. 42 – Direct Taxes								
								(Rs. in crore)
S.No.	Scheme	2007-08			2008-09			2009-10
		BE	RE	Actual	BE	RE	Actual (Prov.)	BE
1	Schemes under 'Information Technology' in respect of Major Head 2020 – Collection of Income Tax – Non-Plan	142.00	125.00	115.20	225.00	225.00	196.68	225.00
2	Purchase of Office Accommodation	-	-	-	198.00	188.25	82.82	602.00
3	Purchase of ready built flats	7.47	1.19	-	-	-	-	15.00
	<b>Total</b>	<b>149.47</b>	<b>126.19</b>	<b>115.20</b>	<b>423.00</b>	<b>413.25</b>	<b>279.50</b>	<b>842.00</b>
	Percentage with reference to RE			77.07			66.08	
Grant No. 43 – Indirect Taxes								
1	Strengthening of IT Capability for e-governance	141.00	138.00	84.46	141.00	325.00	164.73	200.00
2	Acquisition of Ships & Fleets	50.00	50.00	26.95	100.00	100.00	99.38	120.00
3	Acquisition of Scanners	50.00	15.00	0.47	50.00	26.51	0.50	100.00
4	Acquisition of Office Accommodation	25.00	6.00	32.24	145.00	135.00	18.51	50.00
5	Acquisition of Residential Accommodation	15.00	8.00	2.62	20.00	14.29	12.11	19.80
	<b>Total</b>	<b>281.00</b>	<b>217.00</b>	<b>146.74</b>	<b>456.00</b>	<b>600.80</b>	<b>295.23</b>	<b>489.80</b>
	Percentage w.r.t. RE			67.62			49.14	
	<b>Grand Total</b>	<b>9269.75</b>	<b>10043.94</b>	<b>9964.21</b>	<b>12421.96</b>	<b>39437.50</b>	<b>36499.95</b>	<b>32553.34</b>
	<b>Percentage w.r.t. RE</b>			<b>99.21</b>			<b>92.55</b>	



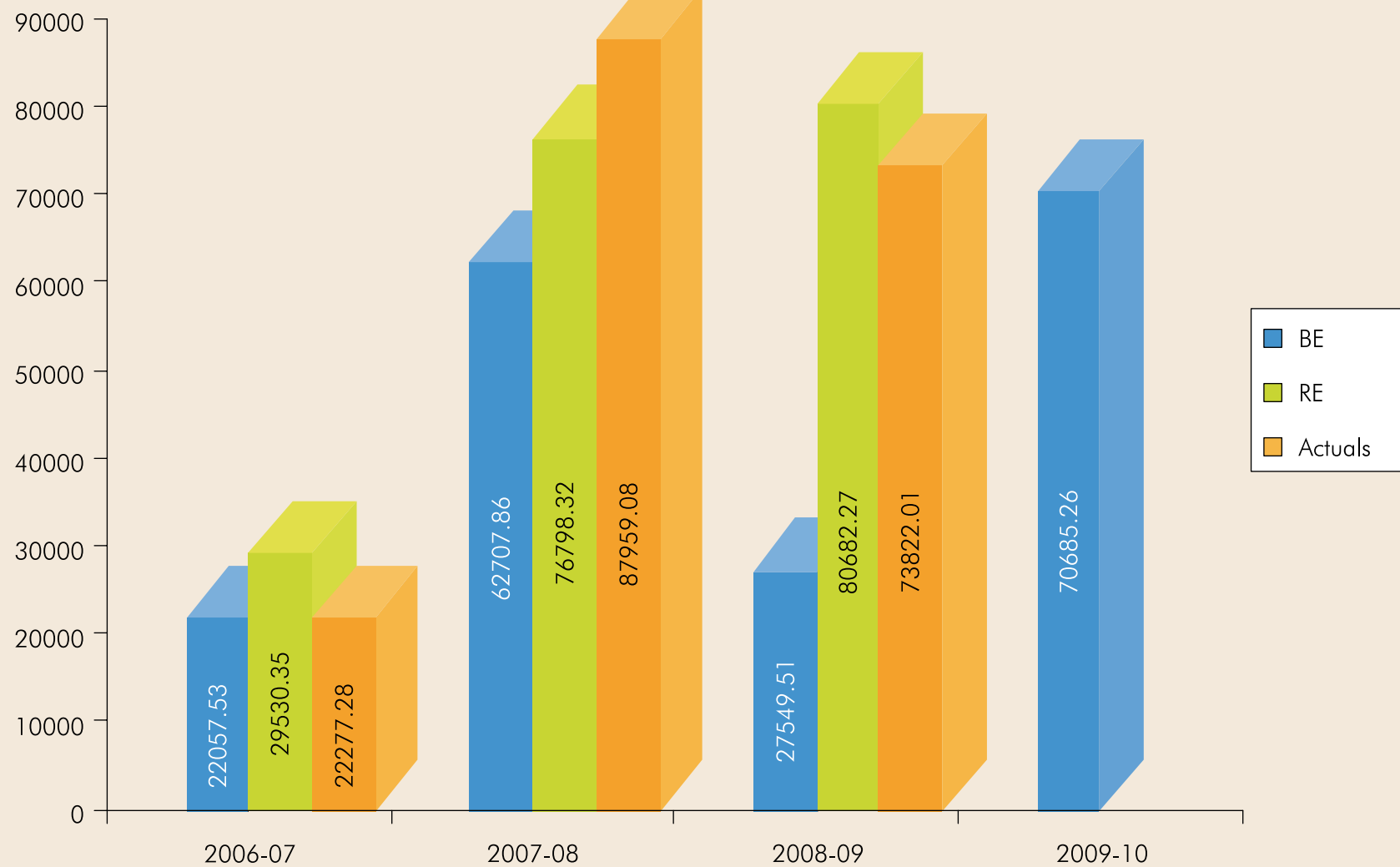


# CHAPTER 5

## Financial Review

## Trend of Expenditure During Last Three Years

(Rs. in crore)



# Financial Review

## Trend of expenditure during last three years in the Grants depicted in Outcome Budget – At a glance

(Rs. in crore) (Gross)										
	2006-07			2007-08			2008-09			2009-10
Name of the Grant	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (Prov.)	BE
1. Department of Economic Affairs	3545.83	9982.17	9811.12	3941.43	10629.96	10525.86	4723.96	6455.22	6400.61	13400.07
2. Payments to Financial Institutions	4402.23	12044.38	5137.15	46077.57	52769.00	64281.69	10072.87	59537.49	55538.44	Merged with DFS*
3. Department of Financial Services	0.00	0.00	0.00	0.00	0.00	0.00	60.00	77.40	64.57	38413.54
4. Department of Expenditure	29.45	36.63	39.53	144.00	93.34	37.02	47.86	61.96	53.24	78.00
5. Department of Revenue	3341.15	4449.11	4425.30	5875.86	6413.90	6383.28	6197.82	6721.67	6609.28	9647.87
6. Direct Taxes	1334.00	1381.35	1353.37	1532.00	1752.42	1723.09	1975.00	2517.63	2330.69	3502.00
7. Indirect Taxes	1714.82	1632.70	1507.42	1831.00	1829.70	1698.57	2121.00	2962.00	2485.25	3385.00
8. Department Disinvestment	7690.05	4.01	3.39	3306.00	3310.00	3309.57	2351.00	2348.90	339.93	2258.78
<b>Total</b>	<b>22057.53</b>	<b>29530.35</b>	<b>22277.28</b>	<b>62707.86</b>	<b>76798.32</b>	<b>87959.08</b>	<b>27549.51</b>	<b>80682.27</b>	<b>73822.01</b>	<b>70685.26</b>

\* From Financial Year 2009-10, Demand No. 32 - Payments to Financial Institution has been merged with Demand No. 33 - Department of Financial Services.

**Statement showing Actual Expenditure vis-à-vis BE/RE position for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 32 – Department of Economic Affairs**

(Rs. in crore) (Gross)										
Description	Major Head	2006-07			2007-08			2008-09		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
Part-A - Non-Plan Items										
Secretariat-General Services	2052	43.11	58.83	54.09	43.82	46.26	45.16	41.15	53.07	48.76
Other Fiscal Services										
National Savings Institute	2047	13.34	12.86	9.71	12.69	12.10	11.63	12.10	11.02	9.71
Interests on deposits under Compulsory Deposits (Income Tax Payers Scheme, 1974)	2047	1.00	0.50	0.13	0.50	0.20	0.00	0.20	0.15	0.03
Contribution to ESAF/PRGF Trust subsidy account to IMF	2047	4.50	4.67	4.67	4.55	4.05	4.05	3.93	4.26	4.26
Other Expenditure	2047	4.76	4.49	3.80	4.82	5.32	4.86	0.20	0.21	0.18
Total	2047	23.60	22.52	18.31	22.56	21.67	20.54	16.43	15.64	14.18
Other Administrative Services										
Appellate Authority for Industrial and Financial Reconstruction	2070	2.14	1.96	1.63	2.18	2.11	1.37	0.00	0.00	0.00
Board for Industrial and Financial Reconstruction	2070	7.52	7.65	6.04	7.96	7.43	5.90	0.00	0.00	0.00
Debts Recovery Tribunals	2070	25.61	24.41	19.41	28.18	28.17	22.56	0.00	0.00	0.00
13th Finance Commission	2070	0.00	0.00	0.00	2.00	6.92	6.29	11.95	14.44	14.23
Investment Commission	2070	1.00	0.77	0.69	0.94	0.76	0.70	0.94	0.71	0.07



(Rs. in crore) (Gross)										
Description	Major Head	2006-07			2007-08			2008-09		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
Grants-in-aid to Insurance Regulatory and Development Authority	2070	0.01	0.01	0.00	0.01	0.00	0.34	0.00	0.00	0.00
Grants-in-aid to Pension Fund Regulatory and Development Authority	2070	5.00	4.75	3.00	6.56	6.00	4.75	0.00	0.00	0.00
Other Expenditure (SAT)	2070	1.70	1.90	2.15	2.10	2.79	1.97	2.43	1.88	2.21
<b>Total</b>	<b>2070</b>	<b>42.98</b>	<b>41.45</b>	<b>32.92</b>	<b>49.93</b>	<b>54.18</b>	<b>43.88</b>	<b>15.32</b>	<b>17.03</b>	<b>16.51</b>
<b>Miscellaneous General Services</b>										
Other Programmes	2075	0.82	0.82	0.91	0.50	1.75	1.47	0.04	0.56	0.53
<b>General Education</b>										
Interest Subsidy on education loans to bright and needy students	2202	0.01	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00
<b>Social Security and Welfare</b>										
Insurance Schemes for the poor through GIC etc.	2235	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest relief on loans to persons affected by November 1984 riots	2235	0.01	0.01	0.00	0.01	0.01	0.00	0.00	0.00	0.00
Institutional Capacity for Reforming India's pension system (Grant-in-aid)	2235	0.50	0.55	0.54	0.44	0.00	0.00	0.00	0.00	0.00
Protected Savings Schemes (other charges)	2235	0.05	0.05	0.07	0.05	0.06	0.09	0.01	0.01	0.00
<b>Total</b>	<b>2235</b>	<b>3.56</b>	<b>0.61</b>	<b>0.61</b>	<b>0.50</b>	<b>0.07</b>	<b>0.09</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>

(Rs. in crore) (Gross)										
Description	Major Head	2006-07			2007-08			2008-09		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
Other Transport Services										
Subsidy to Railways towards dividend reliefs and other concessions	3075	1078.15	1212.23	1208.45	1276.00	1525.33	1434.96	1707.69	1735.17	1735.17
Losses on Strategic Railway Lines	3075	0.00	309.00	309.00	321.00	637.00	670.05	500.00	646.00	646.00
Assistance to Ministry of Railways for settlement of the amount counter guaranteed to RITES for execution of project in Iraq	3075	0.00	0.00	0.00	0.00	0.00	0.00	0.00	166.62	166.62
Assistance to Ministry of Railways for settlement of the amount counter guaranteed to IRCON in Iraq	3075	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.72	22.72
Total	3075	1078.15	1521.23	1517.45	1597.00	2162.33	2105.01	2207.69	2570.51	2570.51
International Financial Institutions										
Creating Institutional Strengthening and Capacity Building of Aid, Accounts and Audit Division	3466	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other General Economic Services										
Regulation of Joint Stock Companies	3475	0.71	0.80	0.66	0.80	0.95	0.72	0.00	0.00	0.00
Write off/losses	3475	0.00	0.00	1.46	0.00	3.65	3.64	0.00	0.00	0.00
International Cooperation	3475	7.03	7.83	7.50	8.33	8.33	8.02	8.22	13.31	11.94
Other charges/IES/Embassy of India, Tokyo and Washington	3475	6.85	5.77	5.54	6.30	6.06	5.64	9.20	9.44	2.07

(Rs. in crore) (Gross)										
Description	Major Head	2006-07			2007-08			2008-09		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
Grant to India Investment Centre	3475	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.00	0.00
Grant in aid to other institutions	3475	2.69	2.47	2.42	2.75	2.36	1.95	2.85	2.08	1.98
Custom and Import Duties on Non-Indian personnel in UN agencies	3475	0.03	0.03	0.00	0.03	0.03	0.02	0.03	0.03	0.00
Transfer to Reserve Fund	3475	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange loss under NRI Bonds	3475	0.80	0.80	0.56	0.50	0.50	0.16	0.50	0.50	0.13
World Bank Grant for PPP	3475	0.00	0.92	0.40	1.61	0.87	0.43	0.53	1.01	0.91
Interest equalisation support to EXIM Bank	3475	0.00	100.00	70.88	228.00	135.00	135.00	232.00	209.75	191.57
Waiving off outstanding dues against Cambodia	3475	0.00	0.00	1.45	0.00	0.00	0.00	0.00	0.00	0.00
Waiver off interest on loans outstanding against Kyrgyzstan	3475	0.00	0.00	0.00	0.00	1.65	1.64	0.00	0.00	0.00
<b>Total</b>		<b>18.15</b>	<b>118.63</b>	<b>90.87</b>	<b>248.33</b>	<b>159.41</b>	<b>157.22</b>	<b>253.34</b>	<b>236.12</b>	<b>208.60</b>
<b>Technical and Economic cooperation with other countries</b>										
Contribution to UNDP	3605	22.93	21.19	21.18	22.03	18.65	18.62	22.05	20.26	20.26
Cooperation with other countries	3605	14.51	16.12	13.54	16.66	16.36	14.01	16.01	16.88	16.98
Other Expenditure	3605	0.01	22.74	22.74	0.01	0.01	0.00	0.01	0.00	0.00
Development Assistance	3605	214.17	4.31	4.53	35.50	5.00	0.00	5.00	1.00	0.00
<b>Total</b>		<b>251.62</b>	<b>64.36</b>	<b>61.99</b>	<b>74.20</b>	<b>40.02</b>	<b>32.63</b>	<b>43.07</b>	<b>38.14</b>	<b>37.24</b>
<b>Capital Outlay of Currency, Coinage and Mints</b>										
Purchase of Coins from SPMCIL	4046	0.00	96.37	0.00	253.20	589.58	589.58	500.00	885.20	885.19

(Rs. in crore) (Gross)										
Description	Major Head	2006-07			2007-08			2008-09		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
Capital Outlay on Miscellaneous General Services										
Purchase of Multi-colour Web Offset Printing Machine for Budget Press	4075	0.00	7.00	7.12	0.31	0.49	0.47	3.00	2.04	2.04
Investment in General Financial and Trading Institutions										
National Skill Development Corporation(NSDC)	5465	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1000.00	998.10
Capital Outlay on Other General Economic Services										
Transfer to Social and infrastructural development Capital Fund	5475	0.00	6500.00	6500.00	0.00	6000.00	6000.00	0.00	0.00	0.00
Activities for mainstreaming PPPs	5475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.32
India Infrastructure Project Development Fund (IIPDF)	5475	0.00	0.00	0.00	0.00	0.00	0.00	0.01	12.01	1.32
Total	5475	0.00	6500.00	6500.00	0.00	6000.00	6000.00	0.01	12.61	1.64
Interest free loan for Corporatisation of Security, Printing and Minting Corporation of India Limited(SPMCIL)	7465	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.00	0.00
Loans for Infrastructure Development of National Council for Applied Eco. Research (NCAER)	7475	0.00	0.00	0.00	0.00	15.00	15.00	0.00	0.00	0.00
Advances to Foreign Government										
(a) Mauritius	7605	18.00	8.00	0.00	12.00	0.00	0.00	0.00	0.00	0.00

(Rs. in crore) (Gross)										
Description	Major Head	2006-07			2007-08			2008-09		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
(b) Sri Lanka	7605	108.00	100.00	99.00	77.00	60.00	37.56	0.00	10.51	11.16
(c) Surinam	7605	1.00	1.00	0.48	1.00	0.82	0.82	0.00	0.00	0.00
(d) Cambodia	7605	21.00	15.00	2.92	11.68	4.68	2.73	4.00	4.30	4.29
(e) Maldives	7605	0.00	0.00	0.51	0.00	0.00	0.00	0.00	0.00	0.00
(f) Myanmar	7605	5.00	1.00	0.00	0.00	1.32	1.29	0.00	0.00	0.00
(g) Laos	7605	5.00	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>7605</b>	<b>158.00</b>	<b>125.60</b>	<b>102.91</b>	<b>101.68</b>	<b>66.82</b>	<b>42.40</b>	<b>4.00</b>	<b>14.81</b>	<b>15.45</b>
Total Non-Plan		1620.11	8557.44	8387.18	2392.05	9157.59	9053.45	3084.07	4845.74	4798.75
<b>Part -B - Plan Items</b>										
<b>Miscellaneous General Services</b>										
Other Programmes	2075	4.00	3.00	2.19	0.00	0.00	0.00	0.00	0.00	0.00
Roads and Bridges	3054	1421.72	1421.72	1421.72	1449.38	1449.38	1449.38	1547.80	1547.80	1547.80
Assistance for infrastructure development - VGF	5475	500.00	0.00	0.00	100.00	23.00	23.00	92.10	61.67	54.07
<b>Total Plan</b>		<b>1925.72</b>	<b>1424.72</b>	<b>1423.91</b>	<b>1549.38</b>	<b>1472.38</b>	<b>1472.38</b>	<b>1639.90</b>	<b>1609.47</b>	<b>1601.87</b>
<b>Grand Total</b>		<b>3545.83</b>	<b>9982.16</b>	<b>9811.09</b>	<b>3941.43</b>	<b>10629.97</b>	<b>10525.83</b>	<b>4723.97</b>	<b>6455.21</b>	<b>6400.62</b>

## Financial Review

Analysis of expenditure during 2006-07, 2007-08 and 2008-09

### Non-Plan

#### *MH-2052 – Secretariat General Services*

The provision under this Head is kept for the Secretariat expenditure of the Department of Economic Affairs. The trend of utilization has been more than the Budget Provision in office expenses, professional services and Information Technology during 2006-07. The BE 2008-09 was kept lower than BE 2007-08 due to separate Demand made for the Department of Financial Services. However the provision was enhanced at the RE stage on account of implementation of the recommendations of the Sixth Central Pay Commission.

#### *MH-2047 – Other Fiscal Services*

The provision under this head is for expenditure of National Savings Institute(NSI) with its network of regional offices. It also includes provision in respect of contribution to ESAF Trust Subsidy account of IMF. The decrease in BE-2007-08 over the BE 2006-07 and BE 2008-09 over BE 2007-08 is due to cut in Non-Plan expenditure in pursuance of economy instructions. The actual expenditure in respect of NSI for 2008-09 was Rs. 9.71 crore as compared to Rs. 11.63 crore in 2007-08. It also includes the provision made for interests on deposits under compulsory deposits (Income Tax Payers) Scheme, 1974.

#### *MH-2070 – Other Administrative Services*

The provision under this Head is for expenditure on Investment Commission, 13th Finance Commission and Security Appellate Tribunal (SAT). The decrease in expenditure in 2008-09 is due to separate Demand made in respect of Department of Financial Services and the transfer of Appellate

Authority for Industrial and Financial Reconstruction/Board for Industrial and Financial Reconstruction and the Debt Recovery Tribunals to that Demand. Grants in aid to Insurance and Regulatory and Development Authority and the Pension Fund Regulatory and Development Authority have also been transferred to the Demand 33 Deptt of Financial Services from this Head.

#### *MH-2075 – Miscellaneous General Services*

The provision is for interest payment of Central Securities in time barred cases and payment in connection with unclaimed securities credited to Government accounts. Under this Head a provision of Rs. 0.48 crore for the year 2007-08 was kept for creating Institutional Strengthening & Capacity Building of Aid Accounts & Audit Division of this Department. During 2008-09 the provision under this Head has been reduced to Rs. 0.04 crore which includes Rs. 0.01 crore for making spill over payments for Umbrella Support Project for Country Co-operation Framework-II under UNDP assistance.

#### *MH-2202 – General Education*

This token provision had been kept in the Budget 2006-07 and 2007-08 for providing 2% Interest Subsidy on education loans to bright and needy students pursuing higher studies. The subsidy is to be routed to public sector banks through RBI, however, no claims have been received in this regard. This scheme has since been dispensed with. As such no provision was kept in 2008-09.

#### *MH-2235 – Social Security & Welfare*

The provision has been kept for Protected Savings Scheme, Insurance Scheme for the poor through GIC and other Insurance Schemes etc. and for external aided components – Grants-in-aid for creating institutional capacity for reforming India's pension system. A provision of Rs. 3.00 crore was kept under BE 2006-07 for Insurance Scheme for poor through GIC.

However, no expenditure was incurred in 2006-07/2007-08. No provision was kept subsequently.

### ***MH-3075 – Other Transport Services - Subsidy to Railways towards Dividend Reliefs & Other Concessions***

The subsidy is provided towards dividend release and other concessions and 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. BE 2006-07 was kept at Rs. 1078.15 crore. The amount under this head was increased to Rs. 1521.23 crore at the RE stage. BE 2007-08 was kept at Rs. 1597.00 crore. This was enhanced to Rs. 2162.33 crore at RE. A provision of Rs. 2207.69 crore was made for BE 2008-09 which was enhanced to Rs. 2570.51 crore to provide for settlement of the amount counter-guaranteed to RITES/IRCON for execution of projects in Iraq.

### ***MH-3466 – International Financial Institutions***

A small provision was kept for contribution in connection with World Bank's grants for creating institutional strengthening and capacity building of Aid Accounts and Audit Division of this Department. The expenditure is obligatory transfer of foreign aid and hence budget neutral. However, no provision has been kept at BE 2007-08 and BE 2008-09.

### ***MH-3475 – Other General Economic Services***

The provision under this Head includes contribution to Commonwealth Fund for Technical Cooperation, Economic Wing of the Embassy of India at Washington and Tokyo, Training of Indian Economic Service Officers, India Trust Fund, Exchange Variation and Grants-in-Aid to Other Institutions. The significant increase at RE 2006-07 is due to internal diversion of budget provision from MH 3605 under 'Grants-in-aid' for interest equalization support to EXIM Bank of India to this Major Head under object head 'Subsidies'. The provision for Interest Equalization support to EXIM Bank has been kept at Rs. 228.00 crore

at BE 2007-08 which was reduced to Rs. 135.00 crore at RE 2007-08. The provision of Rs. 232.00 crore at BE 2008-09 was reduced to Rs. 209.75 crore at RE 2008-09 due to less claims received. Actual disbursement during 2008-09 was Rs. 191.57 crore. An amount of Rs. 4.30 crore which was obtained as a Supplementary Grant was incurred as India's Contribution for the creation of India Trust Fund in Asian Development Bank (ADB).

### ***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 decrease in budget provision at RE 2006-07 is due to the fact that the budget provision was also made for payment in connection with interest equalization support to EXIM Bank which has since been diverted to MH-3475 under object head 'Subsidies'. Under Development Assistance (IDEAS) the scheme has been only partially implemented and has not become fully operational. Hence, there are reduced provisions and no expenditure in the succeeding years – 2007-08 & 2008-09.

### ***MH-4046 – Capital Outlay of Currency, Coinage & Mint***

The provision is for purchase of coins from Security Printing & Minting Corporation of India Ltd. (SPMCIL) a Central PSU under DEA. A provision of Rs. 96.37 crore was kept at RE 2006-07 for purchase of coins from Security Printing & Minting Corporation of India Ltd. A provision of Rs. 253.20 crore was kept at BE 2007-08 which was enhanced to Rs. 589.58 crore. A provision of Rs. 500.00 crore has been kept at BE 2008-09 which has been increased to Rs. 885.20 crore at RE 2008-09. The actual expenditure is dependent upon the lifting of minted coins by the Reserve Bank of India. In 2006-07, no money was paid to SPMCIL, and in all the other years the releases have been made as per provisions. There is no cash outgo as the entire amount is deducted as recovery from the credit recovered for Reserve Bank of India on circulation of coins.

### ***MH-4075 – Capital Outlay on Miscellaneous General Services***

A provision of Rs. 7 crore has been kept at RE 2006-07 for purchase of a Multi Colour Web Off Set Printing Machine for Budget Press. Rs. 7.12 crore have been incurred against this provision. A provision of Rs. 0.31 crore has been kept at BE 2007-08 which has been increased to Rs. 0.49 crore at RE 2007-08 for purchase of three knife cutting machine. A provision of Rs. 3.00 crore has been kept at BE 2008-09 for purchase of three knife cutting machine. An expenditure of Rs. 2.04 crore was incurred for this purpose.

### ***MH-5465 – Investment in General Financial and Trading Institutions***

A provision of Rs. 1000.00 crore has been kept at RE 2008-09 for the newly constituted National Skill Development Corporation (NSDC) and the National Skill Development Fund (NSDF). This includes Rs. 4.90 crore for Government of India Equity and Rs. 995.10 crore towards the corpus of NSDF. Out of Rs. 4.90 crore an amount of Rs. 3.00 crore was released as Gol equity to NSDC and Rs. 998.10 crore has been credited to the National Skill Development Fund (A Trust under the Indian Trusts Act, 1861) (Refer Annexure I Appendix - E)

### ***MH-5475 – Capital Outlay on Other General Economic Services***

A lumpsum provision of Rs. 6,500 crore at RE 2006-07 has been kept to meet expenditure in connection with funding initiatives for Social and Infrastructural Development. At the RE 2007-08 a provision of Rs. 6,000 crore was kept. The provisions were obtained through Supplementary Demands for Grants for 2006-07 and 2007-08 respectively. Amounts were transferred to the Social Infrastructure Development Fund kept in the Public Account.

The Head also includes a provision for India Infrastructure Project Development Fund (IIPDF) for funding preparation of the Public Private

Partnership (PPP) projects and also for facilitating the PPP projects through development of Internet Based Database and other activities. For IIPDF Rs. 12.00 crore has been provided at RE 2008-09 against a token provision of Rs. 1.00 lakh at BE 2008-09.

### ***MH-7465 – Loans for General Financial & Trading Institutions***

At RE 2005-06 an interest free loan of Rs. 700 crore for corporatisation of Security Press, Paper Mills and India Government Mints was extended. However, for the year 2006-07, 2007-08 and 2008-09 only token provisions have been kept.

### ***MH-7605 – Advances to Foreign Governments***

The provision is towards advances to Foreign Governments for promotion of exports goods and services from India. 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 2007-08 and 2008-09.

## ***Plan***

### ***MH-2075 – Miscellaneous General Services***

The Plan provision has been kept for Umbrella Support Project for Country Cooperation Framework-II under UNDP assistance. During 2006-07, a provision of Rs. 4 crore was kept at BE 2006-07 which has been reduced to Rs. 3 crore at RE 2006-07. An expenditure of Rs. 2.19 crore has been incurred. No provisions have been kept for the years 2007-08 and 2008-09.

### ***MH-3054 – Roads & Bridges***

The provision is for Railway Safety Work. The provision is made strictly as per requirements from Railways in this regard. A provision of Rs. 724.69 crore



has been kept during 2007-08. For 2008-09 a provision of Rs.773.90 crore was kept. An equivalent amount is transferred to the Central Road Reserve Fund as Inter-Account Transfer.

#### ***MH-5475 – Capital Outlay on Other General Economic Services***

A Plan provision of Rs. 1400 crore was kept for putting in place an innovative funding mechanism by leveraging budgetary support for Public

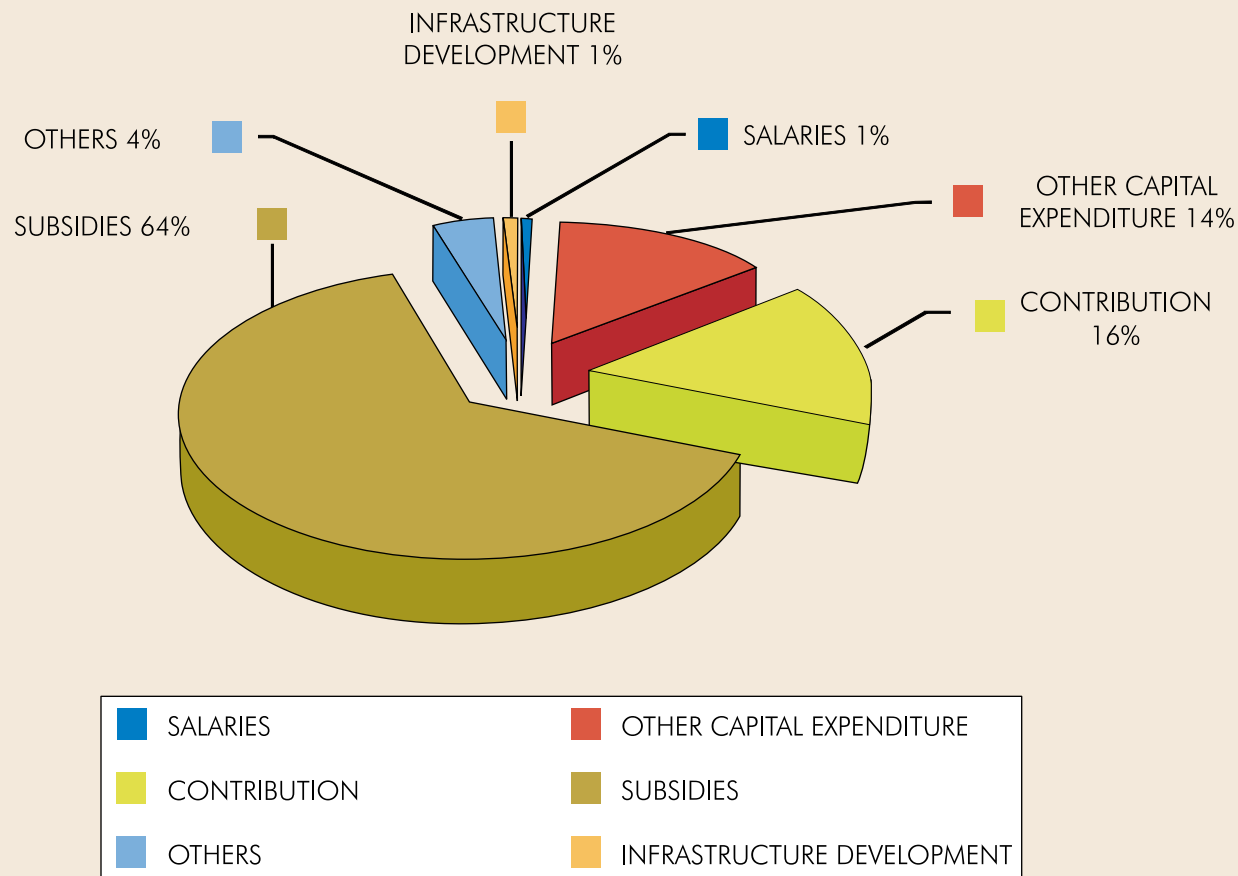
Private Partnership in infrastructure projects. Similarly, a provision of Rs. 500 crore was kept at BE 2006-07. However, no expenditure was incurred during those years. During 2007-08 a provision of Rs. 100 crore was kept at BE stage which was reduced to Rs. 23 crore at the RE 2007-08 stage as out of the 23 projects the bidding process could be completed in only 6 projects. A provision of Rs. 91.10 crore was kept at BE 2008-09. This was reduced to Rs.61.67 crore as there was premium bidding in all the projects. Rs.54.07 crore was disbursed during 2008-09 as VGF for four road projects of Madhya Pradesh.

**Object Head-wise Actual Expenditure vis-a vis BE/RE provisions for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 32 Department of Economic Affairs**

(Rs. in crore) (Gross)									
Object Head	2006-07			2007-08			2008-09		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
<b>Revenue Section</b>									
01-Salaries	53.91	52.02	47.83	58.06	56.53	51.41	33.80	46.14	42.63
02-Wages	0.58	0.58	0.50	0.68	0.62	0.48	0.48	0.43	0.37
03-Overtimes Allowance	0.61	0.53	0.46	0.62	0.53	0.48	0.43	0.38	0.33
06-Medical Treatment	1.31	1.64	1.39	1.76	1.74	0.90	0.92	1.52	0.90
11-Domestic Travel Expenses	2.27	2.19	1.65	2.53	2.32	1.87	1.75	1.58	1.68
12-Foreign Travel Expenses	2.48	2.34	2.09	2.73	3.67	3.52	3.89	3.50	3.19
13-Office Expenses	13.54	13.71	12.89	13.14	13.35	12.48	7.90	7.11	7.12
14-Rent,Rates & Taxes	9.25	9.61	7.18	9.72	15.14	11.94	5.17	7.19	7.03
16-publications	4.17	4.04	2.47	4.06	4.74	5.96	4.50	4.02	3.73
20-Other Administrative Expenses	0.47	23.23	23.25	0.52	1.73	1.34	1.39	1.24	1.05
21-Supplies and Material	0.70	0.75	0.80	0.80	0.55	0.61	0.80	0.76	0.81
26-Advertising and Publicity	0.75	0.76	0.68	0.77	0.77	0.24	0.60	0.54	0.13
27-Minor Works	0.35	0.44	0.06	0.95	1.25	0.35	1.02	0.97	0.29
28-Professional Services	4.24	9.52	9.30	3.51	3.19	3.17	2.18	1.96	1.78
31-Grant-in-Aid	227.17	16.81	13.89	47.35	16.02	8.58	8.41	4.64	192.76
32-Contibution	49.24	49.97	47.06	51.74	47.54	44.87	50.36	54.88	53.61
33-Subsidies	1081.17	1621.25	1588.32	1825.02	2297.34	2239.99	2439.69	2590.92	2572.74

(Rs. in crore) (Gross)									
Object Head	2006-07			2007-08			2008-09		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
42-Lumpsum	0.72	0.81	0.78	0.81	0.95	0.74	0.01	0.01	0.00
44-Exchange variation	0.80	0.80	0.56	0.50	0.50	0.16	0.50	0.50	0.13
45-Interest	1.04	0.54	0.13	0.54	0.24	0.08	0.24	0.19	0.04
50-Other Charges	11.16	19.81	7.55	8.20	8.66	7.87	11.38	200.25	3.93
51-Motor Vehicles	0.12	0.12	0.11	0.13	0.14	0.11	0.14	0.13	0.11
52-Machinery and Equipment	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.00
53-Major Works	710.86	710.86	710.86	724.69	724.69	724.69	773.90	773.90	773.90
63-Inter-account transfer	710.89	710.86	710.86	724.69	724.69	724.69	773.90	773.90	773.90
64-Write off/Losses	0.01	0.01	2.91	0.01	5.31	5.28	0.01	0.01	0.00
Information technology-Other Charges	0.00	0.00	7.47	2.69	2.84	3.58	1.46	2.20	1.96
<b>Total Revenue</b>	<b>2887.82</b>	<b>3253.21</b>	<b>3201.05</b>	<b>3486.23</b>	<b>3935.06</b>	<b>3855.40</b>	<b>4124.84</b>	<b>4478.87</b>	<b>4444.12</b>
<b>Capital Section</b>									
32-Contribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1000.00	998.10
42-Lumpsum	500.00	0.00	0.00	100.00	23.00	23.00	92.11	61.67	54.07
52-Machinery and Equipment	0.00	7.00	7.11	0.31	0.49	0.47	3.00	2.04	2.04
55-Loans and advance	158.01	125.61	102.93	101.69	81.83	57.41	4.00	14.81	15.45
60-Other Administrative Expenses	0.00	96.37	0.00	253.20	589.58	589.59	500.00	885.20	885.19
63-Inter-account Transfer	0.00	6500.00	6500.00	0.00	6000.00	6000.00	0.00	0.00	0.00
50-Other Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.01	12.61	1.64
<b>Total Capital</b>	<b>658.01</b>	<b>6728.98</b>	<b>6610.04</b>	<b>455.20</b>	<b>6694.90</b>	<b>6670.47</b>	<b>599.12</b>	<b>1976.33</b>	<b>1956.49</b>
<b>Grand Total</b>	<b>3545.83</b>	<b>9982.19</b>	<b>9811.09</b>	<b>3941.43</b>	<b>10629.96</b>	<b>10525.87</b>	<b>4723.96</b>	<b>6455.20</b>	<b>6400.61</b>

## Major Constituents of Expenditure under the Grant of DEA 2008-09



- ◆ Subsidies form 64% of the Grant. The major part of the subsidy goes to Railways towards Dividend Relief & Other Concessions and for Interest Equalization support to EXIM Bank.
- ◆ Salaries form 1%
- ◆ Contribution to various International Bodies and Organisation which are obligatory in nature form 16%
- ◆ Almost the entire amount under Other Capital Expenditure is for Purchase of coins from SPMCIL.
- ◆ Others form 4%

Object Head-wise analysis of expenditure trend for 2006-07, 2007-08 and 2008-09:

## **Grant No. 32 Department of Economic Affairs**

### **Revenue Section**

#### **Non-Plan**

##### **Salaries**

Under this head, there was a slight increase during 2007-08 over 2006-07. BE 2008-09 was kept lower than 2007-08 due to separate Demand made for the Department of Financial Services. However, the provision was enhanced at RE 2008-09 stage from Rs. 33.80 crore to Rs. 46.14 crore due to higher requirement on account of implementation of the recommendation of the Sixth Pay Commission.

##### **Over Time Allowance**

There is downward trend in the actual expenditure over the three years 2006-07, 2007-08 and 2008-09. This is due to compliance of economy instructions and austerity measures.

##### **Office Expenses**

There has been decrease in BE 2007-08 over BE 2006-07. However the actual expenditure was slightly less in 2007-08 than 2006-07. There has been significant reduction in the BE provision of 2008-09 from 2007-08 due to separate demand of Department of Financial Services and also due to economy measures. Against the BE provision of Rs. 7.90 crore in 2008-09, actual expenditure was Rs. 7.12 crore.

##### **Rent, Rates and Taxes**

There has been an increase in the budget provision during 2007-08 due to increase in the rental of the offices of AIFR and BIFR and Debt Recovery Tribunals. The budget provision 2008-09 has been reduced to Rs. 5.17 crore from Rs. 9.72 crore in 2007-08 due to separate demand for Department of Financial Services. However, the BE provision was enhanced to Rs. 7.19 crore due to increase in rental and municipality taxes in respect of 13th Finance Commission and the Securities and Appellate Tribunal (SAT).

##### **Other Administrative Expenses**

The significant increase in expenditure during 2006-07 is due to meeting expenditure in connection with organizing the Annual General Meeting of Asian Development Bank. During 2007-08 and 2008-09 there has been a gradual increase in the Budget Provision. The BE 2007 - 08 provision of Rs. 0.52 crore has been increased to Rs. 1.73 cores at RE 2007-08 stage. This increase is due to meeting expenditure in connection with SAARC meeting and various foreign dignitaries visiting India. During 2008-09 the actual expenditure is less than the budget provision due to mandatory economy cut.

##### **Advertisement & Publicity**

There is gradual decrease in expenditure under this Head over the three years. Against the BE 2008-09 provision of Rs. 0.60 crore an expenditure of only Rs. 0.13 crore was incurred during the year.

##### **Professional Services**

There has been a gradual decrease in the budget provisions during 2006-07, 2007-08 and 2008-09. During 2006-07 the expenditure was

high in order to pay the pending bills in respect of legal proceedings of Dabhol Power Project.

### **Grant-in-Aid**

During 2006-07 the provision is mainly for Grants-in-Aid to various economic research oriented institution and to support an overall general and imaginative promotion of India, its trade and foster techno economic and intellectual cooperation with other countries. The provision has, however, been reduced at RE 2006-07. The provision of Rs. 100.00 crore has been diverted to the Object Head “subsidies” to meet expenditure in connection with Interest equalization support to EXIM Bank of India under Major Head – 3475. During 2007-08 the budget provision of Rs. 47.35 crore has been reduced to Rs. 16.02 crore at RE 2007-08 keeping in mind the trend of expenditure.

### **Contribution**

The provision vis-à-vis the expenditure under this Head is satisfactory. BE 2008-09 was enhanced at the RE stage from Rs. 50.36 crore to Rs. 54.88 crore on account of a contribution of Rs. 4.30 crore towards India Trust Fund in the Asian Development Bank.

### **Subsidies**

The major part of the subsidy goes to Railways towards Dividend Relief & other Concessions and for Interest Equalization support to EXIM Bank. There has been increase at BE 2007-08 over BE 2006-07 as also BE 2008-09 over BE 2007-08. The actual expenditure during 2006-07 was Rs. 1588.32 crore against the provision of Rs. 1081.17 crore. The actual expenditure in 2007-08 was Rs. 2239.99 crore and Rs. 2572.74 crore in 2008-09. The increase over the years is due to an increased demand by Railways.

### **Other Charges**

The increased provision at RE 2008-09 is for providing assistance to Ministry of Railways for settlement of the amount counter guaranteed to Rail India Technical and Economic Services (RITES) (Rs. 166.62 crore) and to IRCON International Ltd. (Rs. 22.72 crore) for execution of projects in Iraq on deferred payment basis. A supplementary of Rs. 189.34 crore was obtained through the First Batch of supplementary Demands for Grants.

### **Major Works**

The Cess being levied on petrol and diesel is being allocated in terms of the Central Road Fund Act, 2000 for financing construction of Railway over bridges/Railway safety works at unmanned Railway crossings. The provision and utilization under this head is strictly as per the requirement projected for Railway Safety Works by the Railways. This is a Plan provision. There has been a gradual increase in the provision over the three years.

## **Capital Section**

### **Contribution**

During 2008 – 09 a provision of Rs. 1000.00 crore has been kept at RE 2009-09 for the newly constituted National Skill Development Corporation (NSDC) (Rs. 4.90 crore) and the National Skill Development Fund (NSDF) (Rs. 995.10 crore) as Government of India equity and corpus. Out of Rs. 4.90 crore an amount Rs. 3.00 crore was released as Gol equity to NSDC and Rs. 995.10 crore credited to the NSDF. (Refer Annexure-I Appendix – E)

### **Lumpsum**

During 2006-07, the provision of Rs. 500.00 crore withdrawn at RE stage, as no proposal could get final approval under the Scheme for promotion

of Public Private Partnership (PPP) in Infrastructure sector by providing Viability Gap Funding (VGF). A provision of Rs. 100 crore was kept at BE 2007-08. However, the same was reduced to Rs. 23.00 crore at RE 2007-08. Against a BE provision of Rs. 92.10 crore for the Scheme in 2008-09 an amount of Rs. 54.07 crore was disbursed as after the bidding process there was premium and less VGF was required.

#### ***Machinery and Equipment***

The provision of Rs. 7.00 crore at RE 2006-07 has been kept for purchase of multi-color web offset printing machine for Budget Press. The provision of Rs. 0.31 crore under BE 2007-08 was revised to Rs. 0.49 crore at RE 2007-08 for purchase of three knives cutting machine. In BE 2008-09 the provision was for purchase of a three knife cutting machine for the Budget Press.

#### ***Loans and Advances***

The provision is towards advances to Foreign Governments for promotion of exports goods and services from India. 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 2007-08 and 2008-09. Against the BE provision of Rs. 101.69 crore during 2007-08 a provision of only Rs. 4.00 crore was kept under BE 2008-09. An expenditure of Rs. 15.41 crore was incurred during 2008-09 on account of unanticipated receipt of claims from Sri Lanka and higher claim from Cambodia.

#### ***Other Capital Expenditure***

The provision is for purchase of coins supplied to Reserve Bank of India. The provision of Rs. 253.20 crore at BE 2007-08 was revised to Rs. 589.58 crore at RE 2007-08. The provision of Rs. 500.00 crore at BE 2008-09 was enhanced at the RE stage to Rs. 885.20 crore on account of more demand.

#### ***Inter Account Transfer***

A Lump sum provision of Rs. 6,500.00 crore at RE 2006-07 was kept to meet expenditure in connection with funding initiatives for social and infrastructural development. A provision of Rs. 6,000.00 crore was made in RE 2007-08 for Social and Infrastructure Development Fund (SIDF) and the amount of Rs. 6,000.00 crore was transferred to the SIDF under Public Account. No provision has been kept in 2008-09.

#### ***Other Charges***

The BE 2008-09 token provision of Rs. 1.00 lakh was enhanced to Rs. 12.61 crore at RE 2008-09 for providing assistance for Infrastructure Development through the India Infrastructure Project Development Fund (IIPDF) and other activities for promoting Public Private Partnerships (PPPs). An expenditure of Rs. 1.64 crore was incurred. There was less expenditure as funds were not approved for disbursement under the IIPDF due to inadequate maturity/preparedness of sponsoring authorities towards project development activities.

**Statement Showing Actual Expenditure vis-à-vis BE/RE provisions for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 33 – Department of Financial Services**

(Rs. in crore) (Gross)											
S. No.	Description	Major Head	2006-07			2007-08			2008-09		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
Part A - Non-Plan items: Industrial Financial Institutions											
1	Grants to Industrial Development Bank of India Ltd.	2885	294.80	294.80	294.80	282.35	260.20	260.20	0.00	0.00	0.00
2	Redemption of securities issued to SASF	2885	1500.00	1500.00	0.00	500.00	0.00	0.00	0.00	1500.00	1225.00
3	Grants to Industrial Finance Corporation of India Ltd.	2885	225.00	224.97	220.31	1300.00	100.00	0.00	433.40	0.00	0.00
4	Grants to ICICI Bank towards KfW Interest Differential Fund	2885	25.00	25.00	9.95	0.01	23.84	23.84	0.00	0.00	0.00
5	Subscription to share capital of Export Import Bank of India	4885	50.00	50.00	50.00	100.00	100.00	100.00	100.00	300.00	300.00
6	Equity support to India Infrastructure Finance Co. Ltd. (IIFCL)	4885	90.00	90.00	90.00	200.00	700.00	700.00	200.00	500.00	500.00
	Total Industrial Financial Institutions		2184.80	2184.77	665.06	2382.36	1184.04	1084.04	733.40	2300.00	2025.00
Agricultural Financial Institutions											
7	Grants to National Bank for Agriculture and Rural Development towards external aided component	2416	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91



(Rs. in crore) (Gross)											
S. No.	Description	Major Head	2006-07			2007-08			2008-09		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
8	Grants through NABARD for strengthening Short Term Co-operative Credit Structure (STCCS)	2416	1500.00	1500.00	1425.00	1500.00	2045.37	2082.64	3542.00	3960.26	3960.26
9	Interest Subsidy to NABARD on Agricultural Credit	2416	37.50	75.00	37.50	0.00	37.26	37.26	0.00	0.00	0.00
10	Interest Subvention for providing short term credit to farmers	2416	0.00	1100.00	1100.00	1676.86	1700.00	1700.00	1600.00	2600.00	2600.00
11	Contribution to Financial Inclusion Fund (FIF)	2416	0.00	0.00	0.00	0.00	10.00	10.00	0.00	0.00	0.00
12	Contribution to Financial Inclusion Technology Fund (FITF)	2416	0.00	0.00	0.00	0.00	10.00	10.00	0.00	0.00	0.00
13	Contribution towards recapitalisation of Regional Rural Banks(RRBs)	4416	0.00	0.00	0.00	0.00	303.11	303.11	594.87	594.87	594.87
	<b>Total Agricultural Financial Institutions</b>		<b>1538.41</b>	<b>2675.91</b>	<b>2563.41</b>	<b>3177.77</b>	<b>4106.65</b>	<b>4143.92</b>	<b>5737.78</b>	<b>7156.04</b>	<b>7156.04</b>
<b>General Financial and Trading Institutions</b>											
14	Acquisition cost of RBI stake in SBI	5465	0.00	0.00	0.00	40000.00	35531.33	35531.33	0.00	0.00	0.00
15	Subscription to Rights issue of equity shares of State Bank of India	5465	0.00	0.00	0.00	0.00	10000.00	996.01	0.00	0.00	0.00
	<b>Total General Financial and Trading Institutions</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>40000.00</b>	<b>45531.33</b>	<b>36527.34</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

(Rs. in crore) (Gross)											
S. No.	Description	Major Head	2006-07			2007-08			2008-09		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
International Financial Institutions											
16	International Monetary Fund	5466	0.01	39.57	39.57	39.57	39.57	0.00	0.00	0.00	0.00
17	African Development Fund/ Bank	5466	12.79	15.55	14.08	14.18	13.65	13.40	14.36	14.30	13.39
18	International Fund for Agricultural Development	2416	46.00	55.60	49.67	28.01	28.01	23.75	0.01	27.99	30.00
19	Afghanistan Reconstruction Trust Fund	3466	0.00	0.95	0.90	0.95	0.84	0.81	0.84	0.88	0.88
20	Emergency Assistance for Natural Disasters	3466	0.00	0.00	0.00	0.00	1.85	1.86	1.85	4.39	4.44
	Total International Financial Institutions		58.80	111.67	104.22	82.71	83.92	39.82	17.06	47.56	48.71
21	Interest Subsidy to Goan Banks	2885	0.00	7.75	0.08	7.75	7.75	0.08	7.75	0.23	0.08
Other General Economic Services											
22	Compensation for Exchange Loss 40.02 National Housing Bank	3475	7.13	6.96	7.17	6.93	5.67	5.67	36.66	36.66	36.66
23	Other Expenditure	3466	0.31	0.25	0.25	0.25	0.21	0.21	0.20	0.32	0.32
	Total Other General Economic Services		7.44	7.21	7.42	7.18	5.88	5.88	36.86	36.98	36.98

(Rs. in crore) (Gross)											
S. No.	Description	Major Head	2006-07			2007-08			2008-09		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
Social Security & Welfare											
24	Subsidy to Public Sector General Insurance Cos. For Community based Universal Health Insurance Scheme	2235	3.00	25.00	25.00	45.00	20.00	20.00	25.00	8.00	2.00
25	Interest subsidy to LIC for Pension Plan for senior citizens	2235	269.00	226.23	226.33	249.77	242.68	235.42	200.00	150.00	155.63
26	Waiver of interest on overdue loans in debt stressed States of AP, Karnataka, Kerala & Maharashtra	2235	0.00	1359.13	1359.13	0.00	0.00	0.00	640.00	460.00	454.96
	Total Social Security & Welfare		272.00	1610.36	1610.46	294.77	262.68	255.42	865.00	618.00	612.59
Loans for General Finance & Trading Institutions											
27	Government’s share of premium payment for implementation of Aam Aadmi Bima Yojana (AABY)	7465	0.00	0.00	0.00	0.00	1000.00	1000.00	0.00	1000.00	1000.00
28	Fund for granting scholarships to the children of the beneficiaries of Aam Admi Bima Yojana (AABY)	7465	0.00	0.00	0.00	0.00	500.00	500.00	0.00	0.00	0.00
	Total Loans for General Fin. & Trading Instts.		0.00	0.00	0.00	0.00	1500.00	1500.00	0.00	1000.00	1000.00

(Rs. in crore) (Gross)											
S. No.	Description	Major Head	2006-07			2007-08			2008-09		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
Miscellaneous General Services											
29	Transfer to Guarantee Redemption Fund	2075	125.00	125.00	125.00	125.00	125.00	125.00	125.00	300.00	300.00
	Total Non-Plan		4186.45	6722.67	5075.65	46077.54	52807.25	43681.50	7522.85	11458.81	11179.40
Part B - Plan Items											
1	Acquisition cost of RBI stake in NABARD	5465	0.00	0.00	0.00	0.00	0.00	0.00	1450.00	1450.00	0.00
2	Acquisition cost of RBI stake in NHB	5465	0.00	0.00	0.00	0.00	0.00	0.00	450.00	450.00	0.00
	Total Plan		0.00	0.00	0.00	0.00	0.00	0.00	1900.00	1900.00	0.00
	Grand Total		4186.45	6722.67	5075.65	46077.54	52807.25	43681.50	9422.85	13358.81	11179.40

## Scheme/Programme-wise Analysis of Expenditure During 2006-07, 2007-08 and 2008-09

### Revenue Section

#### Plan Schemes

##### Investment in General Financial and Trading Institutions

**MH-5465 – Acquisition cost of Reserve Bank of India stake in National Bank for Agriculture and Rural Development** – A provision of Rs. 1450.00 crore had been made in BE 2008-09, which was retained at RE stage. No expenditure has been incurred under this head.

**MH-5465 – Acquisition cost of Reserve Bank of India stake in National Housing Bank** – A provision of Rs. 450.00 crore had been made in BE 2008-09, which was retained at RE stage. No expenditure was incurred under this head.

#### Non-Plan Schemes

##### Industrial Financial Institutions

**MH-2885 – Grants to Industrial Development Bank of India Limited towards restructuring of liabilities** – The BE provision of Rs. 294.80.00 crore in 2006-07 was retained at RE stage and the entire provision utilized. During 2007-08, the BE was Rs. 282.35 crore which was reduced to Rs. 260.20 crore at RE stage and the entire RE provision was utilized. No provision has been made during the year 2008-09.

**MH-2885 – Redemption of Securities issued to Stressed Assets Stabilisation Fund (SASF) for weeding out stressed assets of IDBI** – A provision of Rs. 1,500.00 crore was made in BE as well as RE 2006-07. As an alternate system for redemption of securities was evolved, no amount

was released during the year. In view of this, the BE provision of Rs. 500.00 crore in 2007-08 was also withdrawn at RE stage. In RE 2008-09, an amount of Rs. 1,500.00 crore has been made. Out of this, Rs. 1,225.00 crore has been spent i.e., 81.66% of RE.

**MH 2885 – Grants to Industrial Finance Corporation of India Limited towards restructuring of liabilities** – Rs. 220.31 crore was incurred in 2006-07 against the provision of Rs. 225.00 crore in BE and Rs. 224.97 crore in RE. The utilisation was 97.92% against RE. As against Rs. 1,300.00 crore in BE 2007-08, only Rs. 100.00 crore was made in RE. But, no amount was utilized during the period. No amount has been utilized out of the BE provision of Rs. 433.40 crore in 2008-09.

**MH-2885 – Grants to ICICI Bank towards Kreditanstalt Fur Wiederaufbau (KfW) Interest Differential Fund** – Out of BE and RE provision of Rs. 25.00 crore in 2006-07, a provision of Rs. 9.95 crore only was utilized i.e., 39.80%. In 2007-08, the BE provision of Rs. 0.01 crore was increased to Rs. 23.84 crore at RE stage and the entire provision was utilized i.e., 100% of RE. No provision has been made in the next financial year i.e., 2008-09.

**MH-4885 – Subscription to share capital of Export Import Bank of India** – The BE/RE and actuals for 2006-07 were same i.e., Rs. 50.00 crore. The BE/RE and actuals for 2007-08 were also same, i.e., Rs. 100.00 crore. In both the year the utilisation was 100% of RE. In BE 2008-09, an amount of Rs. 100.00 crore has been made, which has been increased to Rs. 300.00 crore at RE and the entire amount has been utilized i.e., 100%.

**MH-4885 – Equity support to India Infrastructure Finance Company Ltd. (IIFCL)** – In 2006-07, the BE and RE provision of Rs. 90.00 crore was fully utilized (100%) during the year. The BE provision of Rs. 200.00 crore in 2007-08 has been enhanced to Rs. 700.00 crore at RE stage and the entire provision has been utilized i.e. 100% of RE. The RE 2008-09 has

been increased to Rs. 500.00 crore against the BE of Rs. 200.00 crore. RE provision has been utilized 100%.

#### **Agricultural Financial Institutions**

**MH-2416 – Grants to NABARD towards external aided component (SDC (I-IV) agreements between Government of India and SDC)** – In all the three years, i.e., 2006-07, 2007-08 and 2008-09, the BE/RE provisions were same i.e., Rs. 0.91 crore. The utilisation was 100% all the three years.

**MH-2416 – Grants through NABARD for strengthening Short Term Cooperative Credit Structure (STCCS)** – In 2006-07, the BE provision of Rs. 1,500.00 crore was retained at RE stage also, out of which Rs. 1,425.00 crore was spent during the year accounting for 95% of the RE provision. The expenditure position in 2006-07 has been satisfactory. The BE 2007-08 provision of Rs. 1,500.00 crore was enhanced to Rs. 2,045.37 crore at RE stage. Rs. 2,082.64 crore was utilised, which accounted for 101.82% of RE. The BE 2008-09 provision of Rs. 3,542.00 crore was enhanced to Rs. 3,960.26 crore at RE stage, which was fully utilised during the year.

**MH-2416 – Subsidy to NABARD towards Interest Subvention for providing refinance for Cooperative Banks and Regional Rural Banks** – In 2006-07, The provision was Rs. 37.50 crore. This was enhanced to Rs. 75.00 crore at RE stage. An expenditure of Rs. 37.50 crore was incurred, accounting for 50% of the RE provision. No provision has been kept in BE 2007-08. However, a provision of Rs. 37.26 crore was made in RE, which was utilised fully. Since the scheme was discontinued, no provision was kept in 2008-09.

**MH-2416 – Subsidy to NABARD towards Interest Subvention for providing Short Term Production Credit to Farmers** – The scheme was introduced at RE stage in 2006-07 with a provision of Rs. 1,100.00 crore, which has been utilized 100%. The BE 2007-08 provision of Rs. 1,676.86 crore was enhanced to Rs. 1,700.00 crore at RE stage. The

utilisation was 100%. In 2008-09, the BE provision of Rs. 1,600.00 crore was enhanced to Rs. 2,600.00 crore and the entire amount was utilised during the year.

**MH-2416 – Contribution to Financial Inclusion Fund (FIF) to be maintained by NABARD** – The provision of Rs. 10.00 crore was made in RE 2007-08, which was fully utilised.

**MH-2416 Contribution to Financial Inclusion Technology Fund (FITF) to be maintained by NABARD** – The provision of Rs. 10.00 crore was made in RE 2007-08 was utilised fully during the year.

**MH-2416 – Contribution towards Recapitalisation of Regional Rural Banks (RRBs)** – A provision of Rs. 303.11 crore made in RE 2007-08, which was utilised 100%. In 2008-09, a provision of Rs. 594.87 crore was made in BE, which was retained at RE stage. The entire provision has been utilised during the year.

#### **General Financial and Trading Institutions**

**MH-5465 – Acquisition cost of Reserve Bank of India stake in State Bank of India** – An amount of Rs. 40,000.00 crore was provided in BE 2007-08, which was reduced to Rs. 35,531.33 crore at RE stage. The RE provision has been utilized 100%. No provision was made in 2008-09.

**MH-5465 – Subscription to Rights issue of equity shares of State Bank of India** – An amount of Rs. 10,000.00 crore provided in RE 2007-08, out of which Rs. 9996.01 crore was utilised during the year. Utilisation accounted for 99.96%.

#### **International Financial Institutions**

**MH-5466 – Subscription to International Monetary Fund (in securities)** – The BE provision of Rs. 0.01 crore was enhanced to Rs. 39.57 crore in 2006-07 at RE stage. The RE provision has been utilized

100%. In 2007-08, a provision of Rs. 39.57 crore was made in BE, which was withdrawn at RE stage. No provision was made in 2008-09.

**MH-5466 – Subscription to African Development Fund/Bank** – The BE provision of Rs. 12.79 crore in 2006-07 was enhanced to Rs. 15.55 crore at RE stage. Out of this, an amount of Rs. 14.08 crore was spent, which comes to 90.55% of the RE provision. An amount of Rs. 14.18 crore was provided in BE 2007-08, which was increased to Rs. 13.65 crore at RE stage. An amount of Rs. 13.40 crore has been spent during the year, which comes to 98.17% of RE provision. In 2008-09, the BE provision of Rs. 14.36 crore was reduced to Rs. 14.30 crore at RE stage. The utilisation was Rs. 13.39 crore, which accounted for 93.64%.

**MH-2416 – Contribution to International Fund for Agricultural Development (IFAD)** – In 2006-07, the BE provision of Rs. 46.00 crore was enhanced to Rs. 55.60 crore at RE stage, out of which an expenditure of Rs. 49.67 crore was incurred, accounting for 89.33% of the RE provision. The BE provision of Rs. 28.01 crore in 2007-08 was retained at RE stage also. An amount of Rs. 23.75 crore has been utilised during the year, which comes to 84.79% of the RE provision. In 2008-09, a token provision of Rs. 0.01 crore was kept in BE, which was enhanced to Rs. 27.99 crore at RE stage. The utilisation is Rs. 29.25.

**MH-3466 – Contribution to Afghanistan Reconstruction Trust Fund (ARTF)** – In 2006-07, no provision was kept in BE. However, a provision of Rs. 0.95 crore was made at RE stage. An amount of Rs. 0.90 crore has been spent during the year, which comes to 94.74% of the RE provision. In 2007-08, the BE provision of Rs. 0.95 crore was reduced to Rs. 0.84 crore at RE stage. This amount has been utilized 100%. In 2008-09, the BE provision was 0.84 crore, which was enhanced to Rs. 0.88 crore at RE stage. This has been fully utilised during the year.

**MH-3466 – Contribution to Emergency Assistance for Natural Disasters** – A provision of Rs. 1.85 crore was made in RE 2007-08 and

Rs. 1.86 crore was released during the year. The utilisation is 100.54%. In 2008-09, the provision in BE was Rs. 1.85 crore, in RE, Rs. 4.39 crore and the actual utilisation was Rs. 4.44 crore. This comes to 101% of RE.

**MH-2885 – Interest Subsidy to Goan Banks** – In 2006-07, Rs. 7.75 crore was provided in RE and an amount of Rs. 0.08 crore was spent, which comes to 1.03% of the RE provision. The BE provision of Rs. 7.75 crore in 2007-08 was retained at RE stage. The utilisation was Rs. 0.08 crore only, i.e., 1.03%. In 2008-09, the BE provision was Rs. 7.75 crore, which was reduced to Rs. 0.23 crore at RE stage. Only Rs. 0.08 crore was utilised out of this, accounting for 34.78% of RE.

#### *Other General Economic Services*

**MH-3475 – Compensation for exchange variation to National Housing Bank** – In 2006-07, the BE provision of Rs. 7.13 crore was reduced to Rs. 6.96 crore at RE stage. An expenditure of Rs. 7.17 crore was incurred during the year, accounting for 103.02% of the RE provision. In 2007-08 the BE provision was Rs. 6.93 crore, which was reduced to Rs. 5.67 crore at RE stage and the RE provision was utilised 100%. In 2008-09, the BE, RE and actual expenditure remained the same, i.e., Rs. 36.66 crore.

**MH-3466 – Assessment Charges payable to International Monetary Fund (IMF)** – In 2006-07, the BE provision of Rs. 0.31 crore was reduced to 0.25 crore at RE, which was utilized 100%. During 2007-08, a provision of Rs. 0.25 crore was made in BE, which was reduced to Rs. 0.21 crore at RE stage. This amount too has been utilized 100%. In 2008-09, the BE provision was Rs. 0.20 crore, which was enhanced to Rs. 0.32 crore at RE stage. The RE provision has been utilised 100%.

#### *Social Security and Welfare*

**MH-2235 – Subsidy to Public Sector General Insurance Companies for Community based Universal Health Insurance Scheme** – A provision of Rs. 3.00 crore was made in BE 2006-07, which was enhanced

to Rs.25.00 crore at RE stage. The provision has been utilized 100%. A provision of Rs.45.00 crore was kept in BE 2007-08. This was reduced to Rs.20.00 crore at RE stage. The RE provision has been utilised 100%. In 2008-09, the BE provision of Rs. 25.00 crore was reduced to Rs. 8.00 crore. However, Rs. 2.00 crore has actually been utilised. This is 25% of the RE provision.

**MH-2235 – Interest Subsidy to LIC for Pension Plan for Senior Citizens** – In 2006-07, the BE provision was Rs.269.00 crore. This was reduced to Rs. 226.23 crore at RE stage. An amount of Rs. 226.33 crore was released during the year, which comes to 100.04% of the RE provision. As for 2007-08, an amount of Rs. 249.77 crore was provided in BE. This provision was reduced to Rs.242.68 crore at RE stage. The actual utilisation was Rs. 235.42 crore, i.e., 97% of RE. The BE provision of Rs. 200.00 crore in 2008-09 was utilised to Rs. 150.00 crore at RE stage. The actual utilisation amounted to Rs. 155.63 crore, i.e., 103.75% of RE.

**MH-2235 – Waiver of interest on overdue loans in debt stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra** – An amount of Rs.1359.13 crore was provided in RE 2006-07, which has been utilized 100% during the year. No provision was made in

2007-08. However, Rs. 640.00 crore was provided in BE 2008-09, which was reduced to Rs. 460.00 crore at RE stage. The utilisation was Rs. 454.96 crore, i.e. 98.90% of RE.

#### **Loans for General Finance & Trading Institutions**

**MH-7465 – Government's share of contribution for payment of premium for Aam Aadmi Bima Yojana (AABY)** – A provision of Rs. 1000.00 crore was made in RE 2007-08, which has been fully utilised during the year. In 2008-09 too, Rs. 1,000.00 crore was provided at RE stage, which was utilised 100%.

**MH-7465 – Government's share of contribution for granting scholarships to the children of the beneficiaries of Aam Aadmi Bima Yojana (AABY)** – A provision of Rs.500.00 crore was made in RE 2007-08, which has been utilised 100%.

**MH-2075 – Transfer to Guarantee Redemption Fund** – The BE and RE provisions of Rs.125.00 crore during 2006-07 and 2007-08 have been utilized 100%. The BE provision of Rs. 125.00 crore was enhanced to Rs. 300.00 crore at RE stage. This amount has been utilised 100%.



**Object Head-wise actual expenditure vis-à-vis BE/RE provision for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 33 – Department of Financial Services**

(Rs. in crore) (Gross)										
	Object Head	2006-07			2007-08			2008-09**		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
<b>Revenue Section</b>										
01	Salaries*	-	-	-	-	-	-	28.39	42.38	38.04
02	Wages*	-	-	-	-	-	-	0.22	0.22	0.17
03	OTA*	-	-	-	-	-	-	0.22	0.17	0.14
06	Medical Treatment*	-	-	-	-	-	-	0.96	0.94	0.46
11	Domestic Travel Expenses*	-	-	-	-	-	-	1.12	1.09	0.84
12	Foreign Travel Expenses*	-	-	-	-	-	-	0.32	0.27	0.12
13	Office Expenses*	-	-	-	-	-	-	6.70	5.83	6.18
14	Rent, Rates & Taxes*	-	-	-	-	-	-	10.40	14.05	10.12
16	Publications*	-	-	-	-	-	-	0.30	0.23	0.15
20	Other Administrative Exp.*	-	-	-	-	-	-	0.23	0.25	0.16
26	Advt. & Publicity*	-	-	-	-	-	-	0.17	3.00	0.01
27	Minor Works*	-	-	-	-	-	-	0.30	0.06	0.04
28	Professional Services*	-	-	-	-	-	-	1.65	1.30	1.21
31	Grants-in-Aid	3581.71	3555.24	1971.97	3583.27	2430.32	2367.58	3983.11	3966.37	3961.73
32	Contribution	46.45	57.23	51.23	28.96	50.70	46.42	52.71	1158.25	1160.32
33	Subsidy	408.82	1433.99	1388.91	1979.39	2008.51	3493.07	2432.76	3655.72	2862.71
42	Lumpsum	-	-	-	-	-	-	0.82	1.00	0.80
44	Exchange Variation	7.13	6.96	44.14	6.93	5.67	5.67	36.66	36.66	36.66

(Rs. in crore) (Gross)										
	Object Head	2006-07			2007-08			2008-09**		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
45	Interest	0.01	0.01	0.00	0.01	0.00	0.00	0.01	0.00	149.79
50	Other charges	0.31	1359.38	1359.38	0.25	0.21	0.21	641.59	1964.72	1682.96
63	Inter Account Transfer	125.00	125.00	125.00	125.00	125.00	10125.00	125.00	40300.00	40300.00
64	Write off/Losses	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total Revenue Section</b>	<b>4169.43</b>	<b>6537.82</b>	<b>4940.64</b>	<b>5723.81</b>	<b>4620.41</b>	<b>16037.95</b>	<b>7323.62</b>	<b>51152.52</b>	<b>50212.61</b>
<b>Capital Section</b>										
54	Investments	232.80		196.52	40353.76	46648.59	46743.74	2809.25	7462.37	4390.40
55	Loans	0.00		0.00	0.00	1500.00	1500.00	0.00	1000.00	1000.00
	<b>Total Capital Section</b>	<b>232.80</b>	<b>0.00</b>	<b>196.52</b>	<b>40353.76</b>	<b>48148.59</b>	<b>48243.74</b>	<b>2809.25</b>	<b>8462.37</b>	<b>5390.40</b>
	<b>Grand Total (Gross)</b>	<b>4402.23</b>	<b>6537.82</b>	<b>5137.15</b>	<b>46077.57</b>	<b>52769.00</b>	<b>64281.69</b>	<b>10132.87</b>	<b>59614.89</b>	<b>55603.01</b>
<p>* The provisions under these heads formed part of Grant No. 31 - Department of Economic Affairs till 2007-08.</p> <p>** Includes the provisions of Grant No. 33 - Department of Financial Services also.</p>										

## Object Head-Wise Analysis of Expenditure Trend for 2006-07, 2007-08 and 2008-09

### Revenue Section

#### Plan Schemes

**Investment** – No Plan provision had been included in BE during the years 2006-07 and 2007-08. An amount Rs. 1900.00 was made under this object-head in BE 2008-09, which was retained at RE stage. However, no expenditure has been incurred under this object-head during the year.

#### Non-Plan Schemes

**Uptil 2007-08, the Grant No. 33** – Department of Financial Services formed a part of Grant No. 31 – Department of Economic Affairs. From the year 2008-09, this Grant has been separated and Grant No. 32 – Payments to Financial Institutions has been merged with this Grant. The provisions under the object-heads relating to establishment for the year 2008-09 are discussed below:-

**Salaries** - In BE 2008-09, an amount of Rs. 28.39 crore was made, which was increased to Rs. 42.38 crore at RE stage. Out of this, an amount of Rs. 41.39 crore was incurred i.e. 97.66% of RE.

**Wages** – In the year 2008-09, the BE/RE was kept at Rs. 0.22 crore. The actual expenditure was Rs. 0.20 crore i.e., 90.90% of RE.

**OTA** - In BE 2008-09 an amount of Rs. 0.22 crore was made, which was reduced to Rs. 0.17 crore at RE stage. Out of this, an amount of Rs. 0.18 crore was incurred, i.e. 105.88% of RE.

**Medical Treatment** - In BE 2008-09 an amount of Rs. 0.96 crore was made which has been reduced to Rs. 0.94 crore. Out of this, an amount of Rs. 0.82 crore was incurred, i.e. 87.23% of RE.

**Domestic Travel Expenses** - In BE 2008-09, an amount of Rs. 1.12 crore was made which has been reduced to Rs. 1.09 crore at RE stage. Out of this, an amount of Rs. 1.14 crore has been incurred, i.e. 104.58% of RE.

**Foreign Travel Expenses** - In BE 2008-09 an amount of Rs. 0.32 crore was made which was reduced to Rs. 0.27 crore in RE. Out of this, an amount of Rs. 0.27 crore was incurred, i.e. 100% of RE.

**Office Expenses** - In BE 2008-09 an amount of Rs. 6.70 crore was made which was reduced to Rs. 5.83 crore. Out of this, an amount of Rs. 6.71 crore was incurred, i.e. 115.09% of RE.

**Rent, Rates & Taxes** - In BE 2008-09 an amount of Rs. 10.40 crore was made which was increased to Rs. 14.05 crore. Out of this, an amount of Rs. 11.68 crore was incurred, i.e. 80.55% of RE.

**Publications** - In BE 2008-09 an amount of Rs. 0.30 crore was made which was reduced to Rs. 0.23 crore. Out of this, an amount of Rs. 0.21 crore was incurred which accounts for 91.30% of RE.

**Other Administrative Expenses** - In BE 2008-09 an amount of Rs. 0.23 crore was made which was enhanced to Rs. 0.25 crore at RE stage. An amount of Rs. 0.50 crore has been incurred under this object-head during the year, i.e. 200% of RE.

**Advertisement & Publicity** – The BE 2008-09 provision of Rs. 0.17 crore was increased to Rs. 3.00 crore at RE stage. Entire amount has been utilised under this object-head during the year.

**Minor Works** - In BE 2008-09 an amount of Rs. 0.30 crore was made which was reduced to Rs. 0.06 crore at RE stage. Out of this, an amount of Rs. 0.24 crore was incurred, i.e. 400% of RE.

**Professional Services** - The BE 2008-09 provision of Rs. 1.65 crore was

reduced to Rs. 1.30 crore at RE stage. Out of this, an amount of Rs. 1.29 crore was incurred, i.e. 99.23% of RE.

**Grants-in-aid** – The budgetary provision of Rs. 3581.71 crore in 2006-07 was reduced to Rs. 3,555.24 crore at RE stage. The actual expenditure incurred was Rs. 1,971.97 crore, i.e. 55.47% of the RE provision. The BE and RE provisions during the year 2007-08 were Rs. 3,583.27 crore and Rs. 2,430.32 crore, respectively. Against this, an expenditure of Rs. 2,367.58 crore was incurred. This amounts to 97.42% of the RE provision. There has been improvement in the expenditure position during 2007-08 as compared to 2006-07. During 2008-09, a budgetary provision of Rs. 3,983.11 crore was kept under this object-head, which was reduced to Rs. 3,966.37 crore at RE stage. 99.98% of RE has been spent, which comes to Rs. 3,965.67 crore

**Contribution** – The BE provision for 2006-07 was Rs. 46.45 crore. This was increased to Rs. 57.23 crore at RE stage. The utilisation was 89.52% of RE during the year which comes to Rs. 51.23 crore. In 2007-08, the BE provision was Rs. 28.96 crore, which was enhanced to Rs. 50.70 crore at RE stage. The expenditure incurred was Rs. 46.42 crore, which accounted for 91.56% of the RE provision. The expenditure position has slightly increased in 2007-08 as compared to 2006-07. During 2008-09, a provision of Rs. 52.71 crore was made in BE, which was enhanced to Rs. 1,158.25 crore at RE stage. An expenditure of Rs. 1,160.32 crore has been incurred during the year, which comes to 100.17% of the RE provision.

**Subsidy** – As against the BE provision of Rs. 408.82 crore in 2006-07, an amount of Rs. 1,433.99 crore was earmarked at RE stage. Out of this, an expenditure of Rs. 1,388.91 crore has been incurred during the year. This works out to 96.86% of the RE provision. During the year 2007-08, a provision of Rs. 1,979.39 crore was made in BE and Rs. 2,008.51 crore in RE. Rs. 3,493.07 crore was spent during the year, which comes to 173.91% of the RE provision. The BE provision for 2008-09 was Rs. 2,432.76 crore which was enhanced to Rs. 3,655.72 crore at RE

stage. Rs. 2,862.71 crore was released, which comes to 78.38% of the RE provision.

**Lumpsum** – In BE 2008-09 an amount of Rs. 0.82 crore was made which was increased to Rs. 1.00 crore and the entire amount was utilised.

**Exchange Variation** – The BE provision of Rs. 7.13 crore in 2006-07 was reduced to Rs. 6.96 crore at RE stage. The actual expenditure incurred was Rs. 44.14 crore, which was 634.20% of the RE provision. In 2007-08, the BE provision was Rs. 6.93 crore and RE was Rs. 5.67 crore. The utilisation is 100% of RE. The BE/RE provision for 2008-09 was Rs. 36.66 crore. The entire provision was utilised.

**Interest** – In BE/RE during the financial years 2006-07, 2007-08 and 2008-09, only a token provision of Rs. 0.01 lakh only was made. The actual expenditure during 2008-09 is Rs. 149.79 crore (100%). The entire provision was obtained through the 3<sup>rd</sup> Batch of Supplementary Demands for Grants in the financial year.

**Other Charges** – As against the BE provision of Rs. 0.31 crore, an amount of Rs. 1359.38 crore was kept in RE 2006-07 for implementing the debt waiver scheme announced by Prime Minister. The entire provision was spent. The BE provision of Rs. 0.25 crore in 2007-08 was reduced to Rs. 0.21 crore at RE. The RE provision has been utilized 100%. The BE 2008-09 provision under the head was Rs. 641.59 crore, which was increased to Rs. 1964.72 crore, out of which Rs. 1684.18 crore was spent, i.e. 85.72% of RE.

**Inter Account Transfer** – A provision of Rs. 125.00 crore each was made in BE 2006-07 and BE 2007-08, which was retained at RE stage in both the years. The entire amount was utilized during 2006-07 accounting for 100% utilisation. In 2007-08, an amount of Rs. 10,125.00 crore was spent. The BE 2008-09 of Rs. 125.00 crore was enhanced to Rs. 40,300.00 crore in RE. The entire provision has been spent.

## Capital Section

**Investment** – The BE provision in 2006-07 was Rs. 232.80 crore, which was reduced to Rs. 198.00 crore at RE stage. The actuals during the year was Rs. 196.52 crore. This comes to 99.25% of the RE provision. The BE provision of Rs. 4,0353.76 crore in 2007-08 was increased to Rs. 46,648.59 crore at RE stage. An expenditure of Rs. 46,743.74 crore was incurred during the year, which accounted to 100.20% of the RE provision. There has been a slight improvement in the expenditure position in 2007-08 as compared to 2006-07. The provision of Rs. 2,809.23 crore in BE 2008-09 was enhanced to Rs. 7,462.37 crore at RE stage. Out of this, an amount of Rs. 4,390.40 crore was spent. This comes to 58.83% of the RE provision.

**Loans** – No provision was kept in BE/RE 2006-07 and BE 2007-08. An amount of 1,500.00 crore was made in RE 2007-08 and the entire amount was spent. In 2008-09, Rs. 1,000.00 crore was provided in RE and the amount was utilised 100%.

## Nationalised Banks: Dividend and Profit

### *Analysis of Net Profit earned by Public Sector Banks*

The profit of Rs. 1,716.98 crore earned by Public Sector Banks during 2006-07 increased to Rs. 2,855.74 crore in 2007-08. The increase registered is 166.32%. In 2008-09, the Public Sector Banks earned a net profit of Rs. 3,351.73 crore, which is 117.37% over the profit of 2007-08 and 195.21% over that of 2006-07. A statement showing details of dividend and profit is given on next page.

### Statement of Net Profit earned by Public Sector Banks

(Rs. in crore)

S. No	Name of the Bank	PAT 2007-08	Equity as on March, 2008	Govt holding as on March, 2008	2006-07			2007-08			2008-09		
					BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
1	Allahabad Bank	974.74	446.70	246.70	100.00	100.00	74.01	101.00	80.00	86.34	85.00	86.34	49.34
2	Andhra Bank	575.57	485.00	250.00	89.00	89.00	95.00	90.00	95.00	100.00	97.00	50.00	112.50
3	Bank of Baroda	1435.52	364.67	196.00	99.00	99.00	117.60	102.00	117.00	156.80	120.00	156.80	176.40
4	Bank of India	2009.40	525.91	338.58	102.00	102.00	118.50	103.00	118.00	135.43	120.00	135.43 @@101.57	270.86
5	Bank of Maharashtra	328.39	430.52	330.52	13.00	13.00	66.10	14.00	66.00	66.10	70.00	66.10	33.00
6	Canara Bank	1565.01	410.00	300.00	200.00	200.00	210.00	200.00	210.00	240.00	215.00	240.00	240.00
7	Central Bank of India (Equity Shares)	550.16	404.14	324.14	50.00	50.00	99.60	52.00	100.00	64.82	105.00	64.82	119.00
8	Central Bank of India (Preference Shares)	-	800.00	800.00	-	-	-	-	-	70.00	0.00	70.00	-
9	Corporation Bank	734.99	143.44	82.00	59.00	59.00	73.80	60.00	74.00	86.10	75.00	49.20	86.10

(Rs. in crore)													
S. No	Name of the Bank	PAT 2007-08	Equity as on March, 2008	Gol holding as on March, 2008	2006-07			2007-08			2008-09		
					BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
10	Dena Bank	359.79	286.82	146.82	0.00	0.00	11.74	5.00	12.00	14.68	15.00	14.68	17.60
11	Indian Bank (Equity Shares)	1008.74	429.77	343.82	102.00	102.00	103.14	102.00	135.00	137.53	105.00	137.53 @@68.76	171.90
12	Indian Bank (Preference Shares)	-	400.00	400.00	-	-	-	-	-	35.00	32.00	35.00	0.00
13	Indian Overseas Bank	1202.34	544.80	333.60	88.00	88.00	100.08	89.00	100.00	116.76	103.00	116.76	133.40
14	Oriental Bank of Commerce	353.22	250.54	128.00	65.00	65.00	60.16	75.00	65.00	60.16	70.00	60.16	93.40
15	Punjab & Sind Bank	382.36	743.06	743.06	-	-	-	-	-	-	-	-	-
16	Punjab National Bank	2048.76	315.30	182.24	175.00	175.00	182.24	180.00	182.00	236.91	185.00	236.91	364.48
17	Syndicate Bank	848.06	521.97	346.95	88.00	88.00	97.15	89.00	97.00	97.16	100.00	45.10	104.00
18	UCO Bank	412.16	799.36	599.36	0.00	0.00	59.94	10.00	60.00	59.94	60.00	59.94	35.00
19	Union Bank of India	1387.03	505.12	280.00	99.50	99.50	98.00	101.00	100.00	112.00	105.00	112.00	112.00

(Rs. in crore)													
S. No	Name of the Bank	PAT 2007-08	Equity as on March, 2008	Govt holding as on March, 2008	2006-07			2007-08			2008-09		
					BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
20	United Bank of India	318.95	1532.43	1532.43	46.00	46.00	45.97	47.00	47.00	45.97	50.00	45.97	0.00
21	Vijaya Bank	361.28	433.52	233.52	25.00	25.00	46.70	25.00	47.00	46.70	50.00	46.70	23.35
22	State Bank of India	6729.12	631.47	377.20	0.00	0.00	**	0.00	440.00	810.99	500.00	810.99	1093.80
23	IDBI Bank Ltd.	729.46	724.76	381.78	-	-	57.25	-	-	76.35	65.00	76.35	95.40
	<b>TOTAL</b>	<b>24,315.05</b>	<b>12,129.30</b>	<b>8,896.72</b>	<b>1400.50</b>	<b>1400.50</b>	<b>1,716.98</b>	<b>1450.00</b>	<b>2145.00</b>	<b>2855.74</b>	<b>2327.00</b>	<b>2887.11</b>	<b>3351.73</b>

@@ Interim Dividend of Bank of India and Indian Bank for the year 2008-09

\*\* Stake in State Bank of India was transferred from RBI to the Government of India in June, 2007



**Statement Showing Actual Expenditure *Vis-à-vis* BE/RE provisions for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 38 – Department of Expenditure**

(Rs. in crore)

			2006-07			2007-08			2008-09		
S. No.	Description	Major Head	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (Prov.)
1	<b>Secretariat – Gen. Services</b>	<b>2052</b>	<b>25.19</b>	<b>28.02</b>	<b>27.15</b>	<b>29.29</b>	<b>29.52</b>	<b>28.09</b>	<b>31.64</b>	<b>41.59</b>	<b>38.71</b>
2	<b>Other Admn. Services</b>	<b>2070</b>	<b>4.26</b>	<b>8.61</b>	<b>7.38</b>	<b>14.71</b>	<b>13.82</b>	<b>8.93</b>	<b>10.22</b>	<b>17.37</b>	<b>11.53</b>
	i) Training Centre in Civil Accounting Deptt. (INGAF)		1.16	2.25	2.21	2.41	2.39	2.25	3.64	3.42	3.36
	ii) Scheme for enhancing training capacity of NIFM Society		2.03	2.03	2.03	2.40	2.15	2.15	5.40	3.70	3.70
	iii) Contributions		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
	iv) Modernization of Office of Controller General of Accounts		1.06	0.60	0.36	1.40	0.80	0.48	0.35	0.85	0.69
	v) Sixth Central Pay Commission		-	3.72	2.77	8.49	8.47	4.04	0.82	0.39	0.39
	vi) Service charges to National Securities Depository Limited under New Pension Scheme		-	-	-	-	-	-	-	9.00	3.39
3	<b>Other General Economic Services</b>										
	i) Development of National Institute of Financial Management	<b>4070</b>	-	-	-	-	-	-	<b>6.00</b>	<b>3.00</b>	<b>3.00</b>
	i) Loan to Administrative Staff College of India	<b>7475</b>	-	-	<b>5.00</b>	-	-	-	-	-	-
	(ii) Funding for Plan schemes and projects of Ministries Departments	<b>3475</b>	-	-	-	<b>100.00</b>	<b>50.00</b>	-	-	-	-
	<b>Total</b>		<b>29.45</b>	<b>36.63</b>	<b>39.53</b>	<b>144.00</b>	<b>93.34</b>	<b>37.02</b>	<b>47.86</b>	<b>61.96</b>	<b>53.24</b>

**Object Head-wise Financial Review**  
**Grant No. 38 – Department of Expenditure**

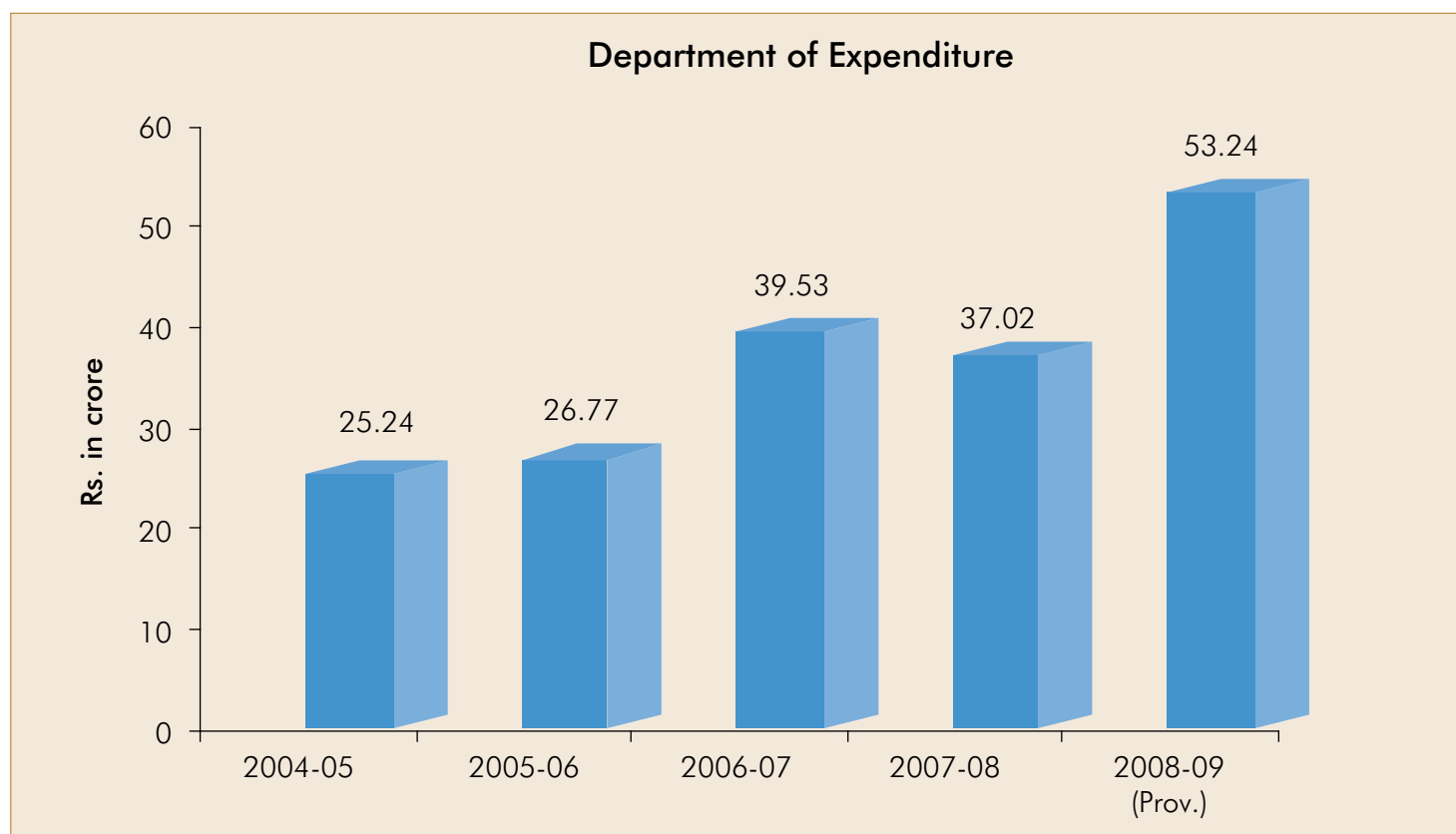
(Rs. in crore)

		2006-07			2007-08			2008-09		
S. No.	Object Head	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (Prov.)
Revenue Section										
1	Salaries	16.65	17.44	16.98	19.80	19.74	18.76	20.69	31.00	30.37
2	Wages	0.00	0.05	-	-	-	-	-	-	-
3	Overtime Allowances	0.17	0.16	0.16	0.19	0.17	0.17	0.18	0.15	0.16
4	Medical treatment	0.53	0.55	0.38	0.57	0.65	0.38	0.64	0.40	0.42
5	Domestic Travel Expenses	0.74	1.02	0.93	1.84	1.79	1.03	0.81	0.62	0.69
6	Foreign Travel Expenses	0.62	0.64	0.52	1.29	1.28	0.54	0.88	1.07	1.02
7	Office Expenses	6.96	11.13	10.45	12.31	11.36	8.85	9.99	9.98	8.35
8	Rent, Rates & Taxes	-	0.60	0.60	1.60	1.60	1.29	0.30	0.14	0
9	Publication	0.22	0.22	0.22	0.22	0.25	0.29	0.24	0.21	0.22
10	Other Admn. Expenses	0.55	0.51	0.44	0.53	0.55	0.51	0.39	9.37	3.58
11	Advertising and Publicity	-	0.05	0.04	-	-	-	-	-	-
12	Minor Works	-	-	-	0.02	0.04	-	0.02	-	-
13	Professional Services	0.97	1.52	1.08	2.32	2.28	1.77	0.96	1.25	1.10
14	Grants-in-aid	2.03	2.03	2.03	2.40	2.15	2.15	5.40	3.70	3.05
15	Contribution	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	-
16	Loans and Advances	-	-	5.00	-	-	-	-	-	-
17	Funding for Plan schemes and projects of Ministries/Departments		-	-	100.00	50.00	-	-	-	-
18	Information Technology	-	0.70	0.69	0.75	1.47	1.27	1.37	1.06	1.28
	Total	29.45	36.63	39.53	144.00	93.34	37.02	41.86	58.96	50.24
Capital Section										
19	Major Works	-	-	-	-	-	-	6.00	3.00	3.00
	Grand Total	29.45	36.63	39.53	144.00	93.34	37.02	47.86	61.96	53.24

### Analysis of Trends in Expenditure in Grant No. 38 – Department of Expenditure

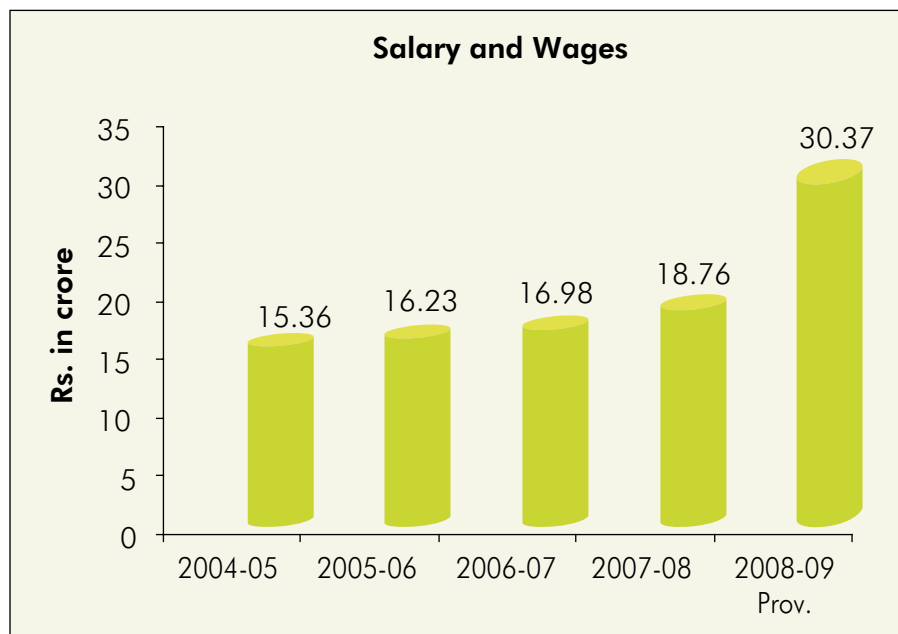
During 2007-08, total expenditure was Rs. 37.02 crore which was less than the actual expenditure of Rs. 39.53 crore incurred during the preceding year. However, the expenditure during the preceding year i.e. 2006-07 also included an interest free loan of Rs. 5 crore disbursed to the Administrative Staff College of India, Hyderabad.

Annual Accounts 2008-09 are under finalisation. However, actual expenditure (provisional) during 2008-09 as reported by the Drawing and Disbursing Officers is Rs. 53.24 crore which comprises Rs. 50.24 crore under 'Revenue Section' and Rs. 3 crore under 'Capital Section'. The Capital expenditure is under Plan for the purpose of strengthening infrastructure in National Institute of Financial Management.



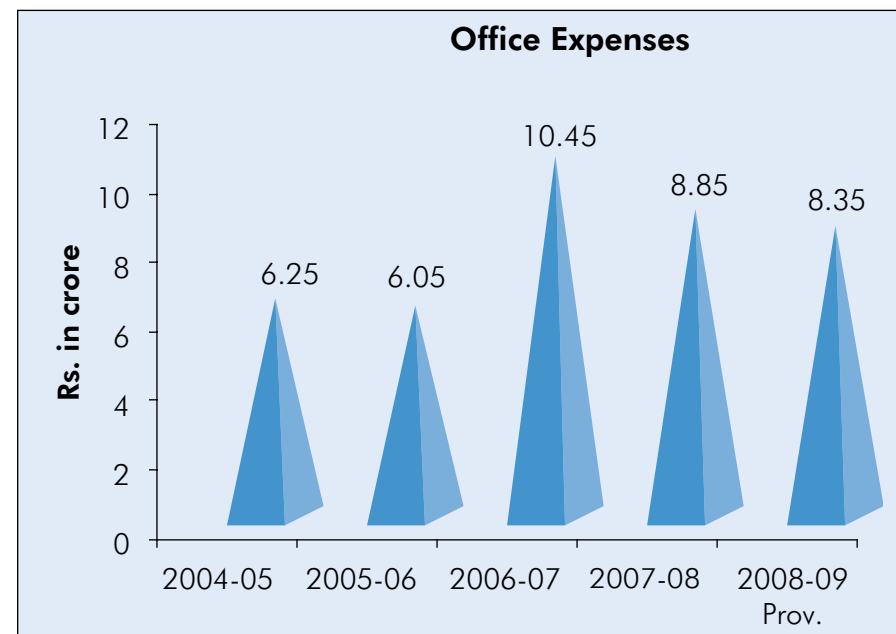
### Salaries and Wages

Salaries account for 57% of total expenditure incurred during 2008-09. Expenditure under this head increased by 61.89% due to implementation of Sixth CPC recommendations.



### Office Expenses

Office Expenses constitute 16% of total expenditure under this Grant. During 2008-09, the expenditure under this head marginally decreased as compared to the preceding year.



**Statement Showing Actual Expenditure *Vis-à-vis* BE/RE provisions for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 41 – Department of Revenue**

(Rs. in crore)											
S. No.	Description	Major Head	2006-07			2007-08			2008-09		
			B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (Prov.)
1	Secretariat-General Services	2052	69.08	64.36	60.97	77.20	74.92	68.13	87.89	103.79	71.07
	<b>Total</b>	<b>2052</b>	<b>69.08</b>	<b>64.36</b>	<b>60.97</b>	<b>77.20</b>	<b>74.92</b>	<b>68.13</b>	<b>87.89</b>	<b>103.79</b>	<b>71.07</b>
2	<b>Other Fiscal Services</b>										
	Enforcement Directorate	2047	19.58	20.81	21.09	22.61	24.66	19.76	27.45	37.74	28.46
	National Institute of Public	2047	2.41	2.31	2.26	4.41	6.93	5.58	3.63	8.67	8.67
	Finance & Policy										
	International Cooperation	2047	0.28	0.27	0.27	0.29	0.31	0.34	0.36	0.51	0.51
	Other Expdtr. (ATFP/CESTAT)	2047	12.05	10.78	9.27	11.24	11.19	10.05	11.51	14.84	13.70
	<b>Total</b>	<b>2047</b>	<b>34.32</b>	<b>34.17</b>	<b>32.89</b>	<b>38.55</b>	<b>43.09</b>	<b>35.73</b>	<b>42.95</b>	<b>61.76</b>	<b>51.34</b>
3	<b>Other Administrative Services</b>										
	Narcotics Control	2070	18.60	18.40	18.10	19.35	21.36	21.30	22.00	30.45	27.01
	International Cooperation etc.	2070	1.72	1.86	1.50	1.80	1.80	1.24	1.80	2.22	1.87
	Transfer to National Fund for	2070	1.00	0.10	0.00	1.00	1.00	-	1.00	0.01	-
	<b>Total</b>	<b>2070</b>	<b>21.32</b>	<b>20.36</b>	<b>19.60</b>	<b>22.15</b>	<b>24.16</b>	<b>22.54</b>	<b>24.80</b>	<b>32.68</b>	<b>28.88</b>
4	<b>Opium &amp; Alkaloids Factories</b>										
	Revenue Expenditure	2875	213.51	228.13	204.84	230.64	223.85	205.36	237.50	218.86	144.63

(Rs. in crore)											
S. No.	Description	Major Head	2006-07			2007-08			2008-09		
			B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (Prov.)
	Chief Controller, Govt. Opium & Alkaloid Factories	2875	0.50	0.51	0.51	0.49	0.50	0.49	0.50	0.65	0.62
	<b>Total</b>	<b>2875</b>	<b>214.01</b>	<b>228.64</b>	<b>205.35</b>	<b>231.13</b>	<b>224.35</b>	<b>205.85</b>	<b>238.00</b>	<b>219.51</b>	<b>145.25</b>
<b>5</b>	<b>Other Taxes &amp; Duties on Commodities &amp; Services</b>										
	Collection of Inland Air Travel Tax	2045	-	-	13.36	9.90	9.90	0.00	9.90	9.90	-
	Collection of Foreign Travel Tax	2045	-	-	0.13	0.10	0.10	0.08	0.10	0.10	-
	<b>Total</b>	<b>2045</b>	<b>-</b>	<b>-</b>	<b>13.49</b>	<b>10.00</b>	<b>10.00</b>	<b>0.08</b>	<b>10.00</b>	<b>10.00</b>	<b>0.00</b>
<b>6</b>	<b>Collection of Taxes on Income &amp; Expenditure</b>	2020	-	-	-	-	-	-	-	-	-
	Other Charges		0.36	0.34	0.33	0.36	0.36	0.34	0.36	0.36	0.30
	<b>Total</b>	<b>2020</b>	<b>0.36</b>	<b>0.34</b>	<b>0.33</b>	<b>0.36</b>	<b>0.36</b>	<b>0.34</b>	<b>0.36</b>	<b>0.36</b>	<b>0.30</b>
<b>7</b>	<b>Grant in Aid to States (VAT)</b>	3601	2950.00	4080.00	4092.13	2940.00	3530.00	3880.48	3275.00	4290.37	4361.95
<b>8</b>	<b>Grant in Aid to UTs (VAT)</b>	3602	50.00	20.00	-	55.00	5.00	-	17.50	2.00	-
<b>9</b>	<b>Grant-in-Aid to States (CST)</b>	3601	-	-	-	2400.00	2490.00	2168.88	2450.00	1950.00	1950.00
<b>10</b>	<b>Grant-in-Aid to UTs (CST)</b>	3602	-	-	-	100.00	10.00	-	50.00	50.00	-
	<b>Total</b>		<b>3000.00</b>	<b>4100.00</b>	<b>4092.13</b>	<b>5495.00</b>	<b>6035.00</b>	<b>6049.36</b>	<b>5792.50</b>	<b>6292.37</b>	<b>6311.95</b>
<b>11</b>	<b>Aid Materials &amp; Equipment</b>	3606	-	-	-	-	1.00	0.92	0.50	0.50	0.00
	<b>Total (Revenue Section)</b>		<b>3339.09</b>	<b>4447.87</b>	<b>4424.76</b>	<b>5874.39</b>	<b>6412.88</b>	<b>6382.95</b>	<b>6197.00</b>	<b>6720.97</b>	<b>6608.79</b>

	(Rs. in crore)										
S. No.	Description	Major Head	2006-07			2007-08			2008-09		
			B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (Prov.)
12	Capital Section										
	Capital Expenditure	4875	2.06	1.24	0.54	1.47	1.02	0.33	0.82	0.70	0.50
	Total (Capital Section)	4875	2.06	1.24	0.54	1.47	1.02	0.33	0.82	0.70	0.50
	Grand Total		3341.15	4449.11	4425.30	5875.86	6413.90	6383.28	6197.82	6721.67	6609.29
	Less										
	(I) Revenue Receipts		243.00	250.00	223.53	258.00	300.52	286.74	300.52	311.14	314.29
	(ii) Recoveries		40.13	34.59	33.98	40.45	35.97	32.17	36.30	45.53	39.90
	Net		3058.02	4164.52	4167.79	5577.41	6077.41	6064.37	5861.00	6365.00	6255.10

**Statement showing actual expenditure *vis-à-vis* BE/RE for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 41 – Department of Revenue**

		(Rs. in crore)								
		2006-07			2007-08			2008-09		
S. No.	Object Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (Prov.)
<b>A) Revenue Section</b>										
1	Salary	74.31	75.20	75.16	78.13	83.66	83.08	88.96	135.62	113.25
2	Wages	0.32	0.32	0.24	0.33	0.29	0.24	0.30	0.37	0.36
3	Overtime Allowance	1.19	1.18	1.16	0.97	0.98	0.92	1.00	0.91	0.78
4	Pensionary Charges	0.78	0.78	0.80	0.80	0.79	0.75	0.82	1.21	-
5	Rewards	0.10	0.07	0.05	0.09	0.26	0.32	0.07	0.10	0.02
6	Medical Treatment	2.79	2.25	1.73	2.59	2.42	1.70	2.80	2.72	1.90
7	Domestic Travel Expenses	4.45	4.35	4.02	4.45	4.57	4.22	4.81	4.61	4.03
8	Foreign Travel Expenses	2.20	2.30	1.84	2.85	2.85	2.74	3.29	2.96	1.69
9	Office Expenses	20.20	20.95	20.80	21.51	23.90	22.36	22.99	21.33	18.99
10	Rent, Rates & Taxes	5.24	4.54	3.96	4.81	4.70	3.86	5.34	6.57	4.42
11	Publications	0.23	0.21	0.21	0.24	0.25	0.18	0.27	0.37	0.29
12	Banking Transaction Tax	-	-	0.01	-	-	0.01	-	-	-
13	Other Administrative Services	1.73	1.90	1.17	1.94	1.55	0.80	1.57	1.71	1.04
14	Supplies & Material (Voted)	126.83	125.42	107.97	137.00	141.38	131.03	153.77	124.84	113.03



	(Rs. in crore)									
		2006-07			2007-08			2008-09		
S. No.	Object Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (Prov.)
	Supplies & Material (Charged)	-	23.00	20.93	-	-	-	-	-	-
15	Advertising & Publicity	0.29	0.08	0.02	0.28	0.08	0.01	0.09	0.18	0.03
16	Minor Works	1.19	1.35	0.92	1.07	1.13	0.79	1.06	1.02	0.50
17	Professional Services	5.82	6.03	6.33	6.98	7.43	6.72	8.53	8.53	9.22
18	Other Contractual Services	-	-	-	-	1.00	0.92	0.50	0.50	-
19	Grant-in-Aid	3006.76	4105.91	4097.33	5508.76	6048.78	6059.28	5811.53	6316.44	6324.86
20	International Contribution	2.00	2.13	1.77	2.09	2.11	1.58	2.17	2.73	2.38
21	Secret Service Expenditure	1.34	1.30	1.14	1.92	0.85	0.47	1.92	1.56	1.43
22	Interest on Capital	22.24	17.74	17.84	20.10	19.85	17.20	18.29	13.81	-
23	Other Charges									
	Charged	0.02	0.02	-	0.02	0.02	-	0.02	0.02	-
	Voted	6.80	8.79	18.86	23.62	19.02	7.19	18.11	19.45	7.45
24	Machinery & Equipment	0.05	0.04	0.04	0.04	0.04	-	0.04	0.04	0.04
25	Inter Account Transfer	42.72	36.23	35.42	43.05	37.86	32.82	38.68	46.39	-
26	Information Technology	9.49	5.78	5.04	10.75	7.11	3.76	10.07	6.98	3.08
	<b>Total - Revenue Section</b>	<b>3339.09</b>	<b>4447.87</b>	<b>4424.76</b>	<b>5874.39</b>	<b>6412.88</b>	<b>6382.95</b>	<b>6197.00</b>	<b>6720.97</b>	<b>6608.79</b>
	Charged	0.02	23.02	20.93	0.02	0.02	-	0.02	0.02	-
	Voted	3339.07	4424.85	4403.83	5874.37	6412.86	6382.95	6196.98	6720.95	6608.79

		(Rs. in crore)								
		2006-07			2007-08			2008-09		
S. No.	Object Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (Prov.)
<b>B) Capital Section</b>										
27	Machinery & Equipment	1.07	0.74	0.12	0.87	0.42	0.09	0.68	0.54	0.42
28	Major Works	0.99	0.50	0.42	0.60	0.60	0.24	0.14	0.16	0.08
29	Investment	-	-	-	-	-	-	-	-	-
	<b>Total - Capital Section</b>	<b>2.06</b>	<b>1.24</b>	<b>0.54</b>	<b>1.47</b>	<b>1.02</b>	<b>0.33</b>	<b>0.82</b>	<b>0.70</b>	<b>0.50</b>
	<b>Grand Total</b>	<b>3341.15</b>	<b>4449.11</b>	<b>4425.30</b>	<b>5875.86</b>	<b>6413.90</b>	<b>6383.28</b>	<b>6197.82</b>	<b>6721.67</b>	<b>6609.29</b>
	Charged	0.02	23.02	20.93	0.02	0.02	-	0.02	0.02	-
	Voted	3341.13	4426.09	4404.37	5875.84	6413.88	6383.28	6197.80	6721.65	6609.29

**Analysis of Expenditure During 2006-07, 2007-08 and 2008-09**  
**Grant No. 41 – Department of Revenue**

(Rs. in crore)									
	2006-07			2007-08			2008-09		
Description	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (Prov.)
VAT* - MH2052	9.00	8.25	6.50	14.00	14.00	9.80	21.50	22.55	9.86
VAT/CST** - 3601/3602	3000.00	4100.00	4092.13	5495.00	6035.00	6049.36	5792.50	6240.37	6311.95
Non-VAT/CST	332.15	340.61	326.67	366.86	364.90	324.12	383.82	458.75	287.48
<b>Total</b>	<b>3341.15</b>	<b>4449.11</b>	<b>4425.30</b>	<b>5875.86</b>	<b>6413.90</b>	<b>6383.28</b>	<b>6197.82</b>	<b>6721.67</b>	<b>6609.29</b>
Non-VAT/CST	332.15	340.61	326.67	366.86	364.90	324.12	383.82	458.75	287.48
CCF(GOAWs)									
2875	214.01	228.64	205.35	231.13	224.35	205.85	238.00	219.51	145.25
4875	2.06	1.24	0.54	1.47	1.02	0.33	0.82	0.70	0.50
Others *** - Non-VAT/CST and Non –GOAWs	116.08	110.73	120.78	134.26	139.53	117.94	145.00	238.54	141.73
Total –Salary	74.31	75.20	75.16	78.93	83.66	83.08	88.96	135.62	113.25
Non-Salary	3266.84	4373.91	4350.14	5796.93	6330.24	6300.20	6108.86	6586.05	6496.04

\* 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 (provisional) increased in 2008-09 by 36.31% over 2007-08 due to implementation of the recommendations of the 6th Central Pay Commission whereas non-salary expenditure increased by 3.11% during the same period mainly on account of VAT/CST related expenditure. During 2008-09, the VAT/CST related expenditure & grants to States towards VAT/CST compensation constitute the very major

portion of expenditure i.e. 95.50% of total expenditure under Grant No.41 – Department of Revenue. In 2008-09, VAT Compensation of Rs.4361.95 crore was released to State Governments. An amount of Rs.1950 crore was released in 2008-09 towards phasing out of CST. Thus, up to 31<sup>st</sup> March 2009, total VAT Compensation of Rs. 14,805.83 crore has been provided to State Governments and CST Compensation amounting to Rs.4118.88 crore has been provided, as detailed below:

VAT Compensation							
							(Rs. in crore)
S. 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	Total Compensation	Pending claims as on 31 <sup>st</sup> March, 09
1	Andhra Pradesh	404.06	-	1.88	-	405.94	-
2	Assam	-	-	30.06	38.73	68.79	0.05
3	Bihar	165.87	78.23	-	-	244.10	-
4	Chhattisgarh	-	-	75.00	281.59	356.59	-
5	Haryana	-	-	-	27.84	27.84	-
6	Karnataka	1038.92	625.36	354.71	369.05	2388.04	-
7	Kerala	456.47	426.23	123.19	243.46	1249.35	-
8	Madhya Pradesh	-	-	46.24	-	46.24	-
9	Maharashtra	259.89	2814.72	1203.83	1895.00	6173.44	2052.40
10	Sikkim	1.84	4.03	-	-	5.87	-
11	Tripura	5.12	3.81	5.57	19.81	34.31	-
12	West Bengal	139.10	139.75	-	-	278.85	-
13	Tamil Nadu	-	-	2040.00	1000.00	3040.00	1269.68
14	Delhi	-	-	-	362.81	362.81	703.48

(Rs. in crore)							
S. 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	Total Compensation	Pending claims as on 31 <sup>st</sup> March, 09
15	Orissa	-	-	-	18.93	18.93	-
16	Jharkhand	-	-	-	104.73	104.73	-
<b>Total</b>		<b>2471.27</b>	<b>4092.13</b>	<b>3880.48</b>	<b>4361.95</b>	<b>14805.83</b>	<b>4025.61</b>

CST Compensation					
(Rs. in crore)					
S. No.	Name of State Government	Compensation paid in 2007-08	Compensation paid in 2008-09	Total Compensation paid	Pending claims as on 31 <sup>st</sup> March, 09
1	Andhra Pradesh	-	905.24	905.24	88.04
2	Assam	70.89	-	70.89	-
3	Chhattisgarh	101.37	48.64	150.01	48.62
4	Delhi	183.70	154.76	338.46	177.11
5	Gujarat	338.14	156.57	494.71	156.56
6	Haryana	150.00	400.00	550.00	341.05
7	Jharkhand	69.47	35.55	105.02	262.59
8	Karnataka	350.00	155.00	505.00	235.46
9	Orissa	131.53	5.49	137.02	-
10	Punjab	-	24.32	24.32	-
11	Rajasthan	126.24	18.56	144.80	18.57
12	Tamil Nadu	647.54	-	647.54	-
13	West Bengal	-	45.87	45.87	9.62
<b>Total</b>		<b>2168.88</b>	<b>1950.00</b>	<b>4118.88</b>	<b>1337.62</b>

**Scheme-wise financial performance during 2006-07, 2007-08 and 2008-09 is as under:**

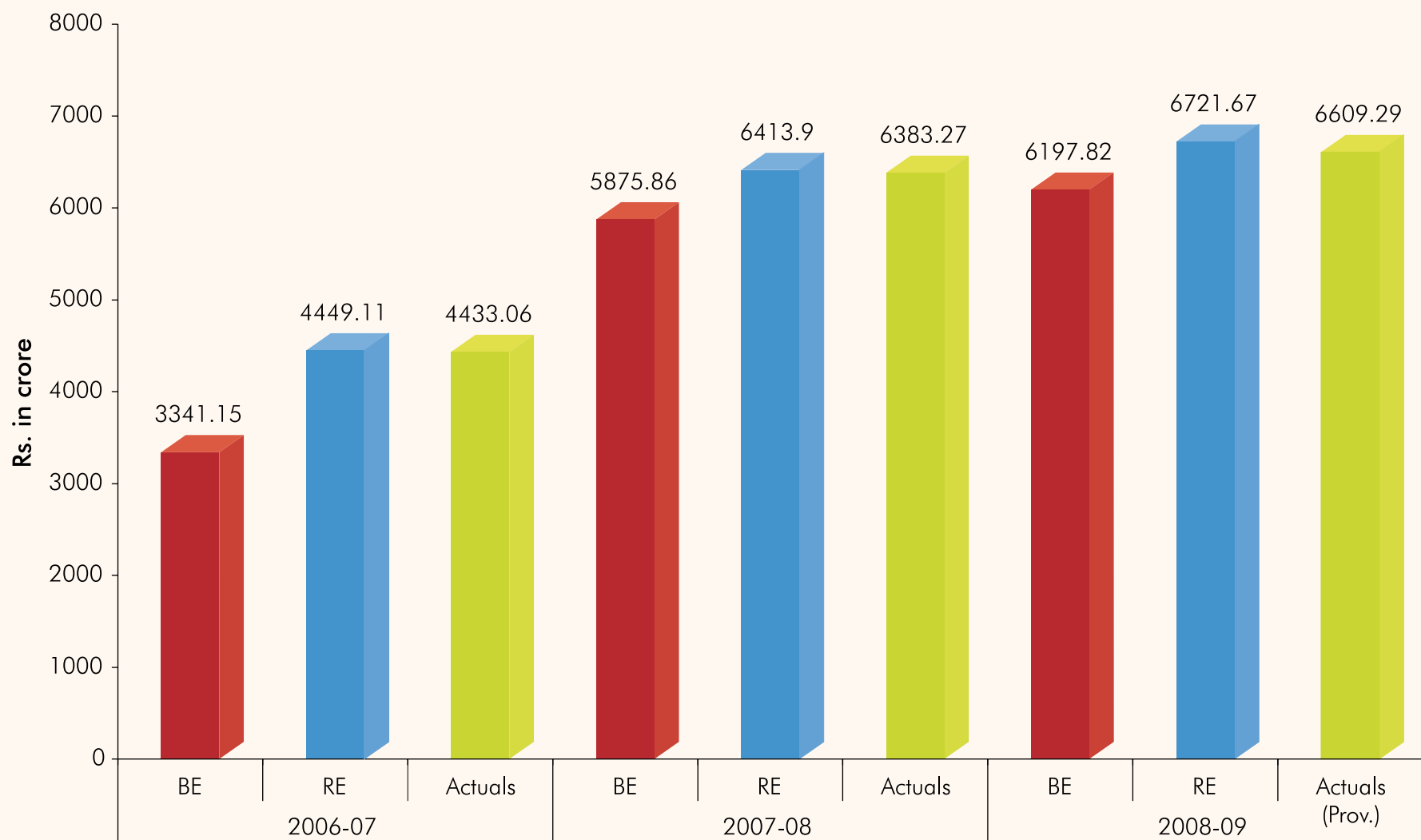
(Rs. in crore)									
Scheme	2006-07			2007-08			2008-09		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (Prov.)
Implementation of VAT Scheme	5.00	5.00	3.90	5.00	7.50	5.80	6.50	7.55	6.13
Setting up of Tax Information Exchange System etc.	4.00	3.25	2.60	9.00	6.50	4.00	15.00	15.00	3.75
Compensation to States/UTs for revenue losses due to introduction of VAT and other VAT related expenditure	3000.00	4100.00	4092.13	2995.00	3535.00	3880.48	3292.50	4292.37	4361.95
Compensation to State/UTs for revenue losses due to phasing out of CST	-	-	-	2500.00	2500.00	2168.88	2500.00	2000.00	1950.00
<b>Total</b>	<b>3009.00</b>	<b>4108.25</b>	<b>4098.63</b>	<b>5509.00</b>	<b>6049.00</b>	<b>6059.16</b>	<b>5814.00</b>	<b>6314.92</b>	<b>6321.83</b>

The position in respect of Government Opium and Alkaloid Works, vis-a-vis actual expenditure in 2006-07 and 2007-08 and 2008-09 on gross expenditure and revenue receipts is as under:

(Rs. in crore)						
	Expenditure			Receipts		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
2006-07	214.01	228.64	205.35	243.00	265.00	223.53
2007-08	231.13	224.35	205.85	258.00	300.52	286.74
2008-09	238.00	219.51	145.25 (Provisional)	300.52	311.14	314.29 (Provisional)

After VAT, the second major constituent of expenditure is on Govt. Opium & Alkaloid Works which constituted 2.21% of total expenditure in 2008-09. Reduction at R.E. stage in 2008-09 is due to less procurement of opium. Against actual revenue receipt of Rs. 286.74 crore in financial year 2007-08, the actual revenue receipts in the financial year 2008-09 are Rs. 314.29 crore (provisional).

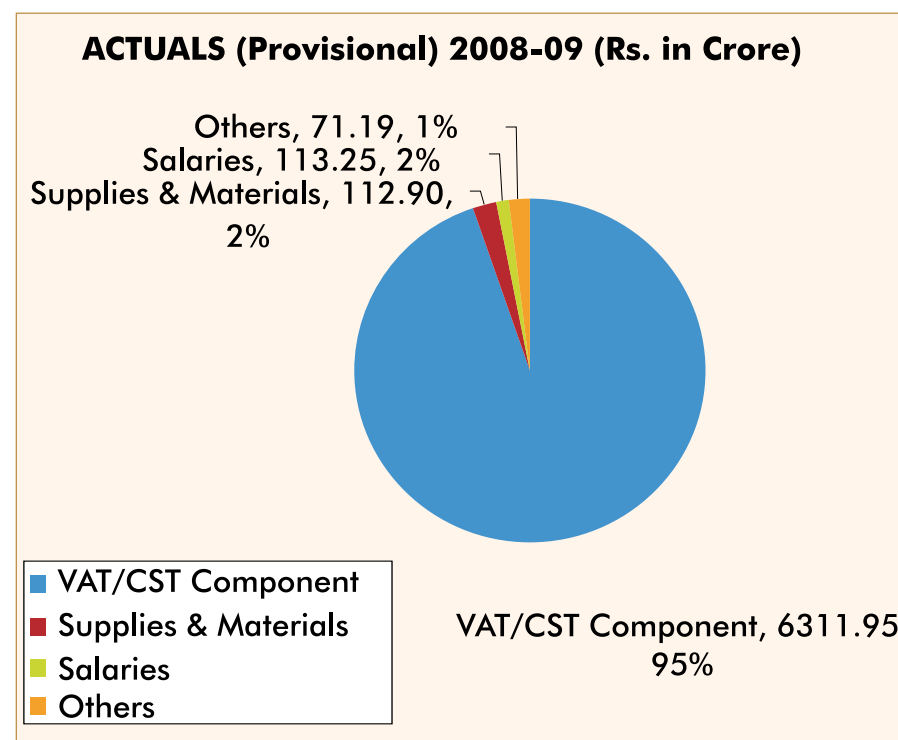
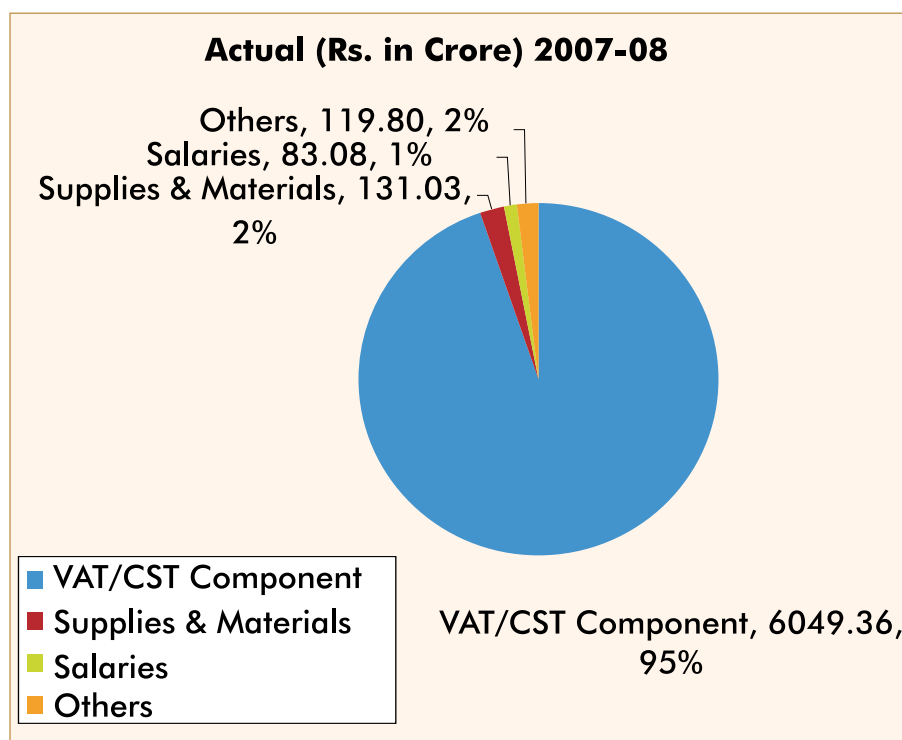
### Details of the allocation made and actual expenditure incurred during 2006-07, 2007-08 & 2008-09



The actual expenditure under the grant in 2007-08 amounted to Rs. 6383.27 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 Rs. 6049.36 crore constituting 94.77% of the expenditure, Supply and material was the next major component under which expenditure of Rs. 131.03 crore was incurred constituting 2.05% of the total expenditure. This expenditure is mainly on account of procurement of opium and import of Codeine Phosphate. The expenditure on salaries

is 1.30% of the total expenditure whereas other items constitute 1.88% of the total expenditure.

In the 2008-09, the VAT/CST Compensation and VAT related expenditure has increased to Rs. 6311.95 crore constituting 95.50% of the total expenditure. The next major component is Supplies & Materials amounting to Rs. 112.90 crore constituting 1.71% of the total expenditure and expenditure on salaries amounting to Rs. 113.25 crore also constitute about 2% and other items constitute 1% of the total expenditure.





**Statement showing actual expenditure vis-à-vis BE/RE for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 42 – Direct Taxes**

			(Rs. in crore)								
			2006-07			2007-08			2008-09		
S. No.	Description	Major Head	B.E	R.E.	Actuals	B.E	R.E.	Actuals	B.E	R.E.	Actuals (Prov.)
<b>Revenue Section</b>											
1	Collection of taxes on income and expenditure	<b>2020</b>	1194.34	1253.82	1233.61	1391.44	1593.27	1540.85	1620.49	2128.17	2051.75
2	Collection of Estate Duty, Taxes on Wealth and Gift Tax	<b>2031</b>	111.66	117.23	114.86	130.09	148.96	146.47	151.51	198.96	195.45
	<b>Total Revenue Section</b>		<b>1306.00</b>	<b>1371.05</b>	<b>1348.47</b>	<b>1521.53</b>	<b>1742.23</b>	<b>1687.32</b>	<b>1772.00</b>	<b>2327.13</b>	<b>2247.20</b>
<b>Capital Section</b>											
3	Purchase of ready built office building	<b>4059</b>	19.00	7.45	2.63	1.00	7.00	35.03	198.00	188.25	82.82
4	Purchase of ready built residential building	<b>4216</b>	7.00	1.20	1.25	7.47	1.19	0.00	3.00	1.00	0.00
5	Acquisition of immovable property under Income Tax Act	<b>4075</b>	2.00	1.65	1.02	2.00	2.00	0.74	2.00	1.25	0.67
	<b>Total Capital Section</b>		<b>28.00</b>	<b>10.30</b>	<b>4.90</b>	<b>10.47</b>	<b>10.19</b>	<b>35.77</b>	<b>203.00</b>	<b>190.50</b>	<b>83.49</b>
	<b>Grand Total</b>		<b>1334.00</b>	<b>1381.35</b>	<b>1353.37</b>	<b>1532.00</b>	<b>1752.42</b>	<b>1723.09</b>	<b>1975.00</b>	<b>2517.63</b>	<b>2330.69</b>

**Statement showing actual expenditure vis-à-vis BE/RE for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 42 – Direct Taxes**

(Rs. in crore)										
		2006-07			2007-08			2008-09		
S. No.	Object Head	B.E	R.E.	Actuals	B.E	R.E.	Actuals	B.E	R.E.	Actuals (Prov.)
<b>Revenue Section</b>										
1	Salaries	824.00	840.00	832.59	910.00	899.83	879.42	958.00	1431.00	1399.96
2	Wages	9.00	10.00	10.07	10.00	12.00	13.24	12.00	14.00	14.10
3	Overtime Allowance	1.30	1.20	0.93	1.35	1.20	0.91	1.20	1.08	0.72
4	Medical Treatment	20.00	17.00	15.93	18.00	20.00	20.33	21.00	19.95	17.55
5	Domestic Travel Expenses	23.00	23.00	21.68	25.00	24.59	23.18	25.00	25.00	23.83
6	Foreign Travel Expenses	0.12	0.15	0.11	0.15	0.56	0.20	0.75	0.68	0.23
7	Office Expenses (Charged)	0.02	0.02	-	0.02	0.02	0.00	0.02	0.02	0.00
8	Office Expenses (Voted)	160.16	223.90	228.73	221.98	308.50	314.07	319.98	399.98	393.00
9	Rent, Rates & Taxes	55.00	95.00	85.13	100.00	250.00	221.72	100.00	100.00	94.58
10	Publications	2.00	2.00	1.89	2.00	2.50	2.63	2.50	2.50	2.27
11	Banking Cash Trans. Tax	-	0.08	0.07	0.08	0.08	0.02	0.10	0.02	0.00
12	Other Administrative Expenses	4.75	4.60	4.47	5.25	5.50	5.16	5.75	7.68	6.83
13	Advertising and Publicity	20.00	30.00	25.24	32.00	31.75	31.29	30.00	30.00	29.81
14	Minor Works	4.00	4.00	3.50	4.00	6.50	5.54	7.00	7.00	7.14
15	Professional Works	7.00	8.00	9.23	10.00	14.50	16.46	15.00	15.00	14.55
16	Contributions	0.15	0.15	0.13	0.20	0.20	0.15	0.20	0.20	0.16
17	Secret Service Expenditure	3.00	3.70	3.42	5.00	5.00	4.83	4.00	3.80	3.23
18	Other Charges	4.00	4.25	3.93	4.50	4.50	2.97	4.50	4.22	2.56
19	Inter Account Transfer	30.00	30.00	30.00	30.00	30.00	30.00	40.00	40.00	40.00
20	Information Technology	138.50	74.00	71.40	142.00	125.00	115.20	225.00	225.00	196.68
	<b>Total Revenue Section</b>	<b>1306.00</b>	<b>1371.05</b>	<b>1348.47</b>	<b>1521.53</b>	<b>1742.23</b>	<b>1687.32</b>	<b>1772.00</b>	<b>2327.13</b>	<b>2247.20</b>

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

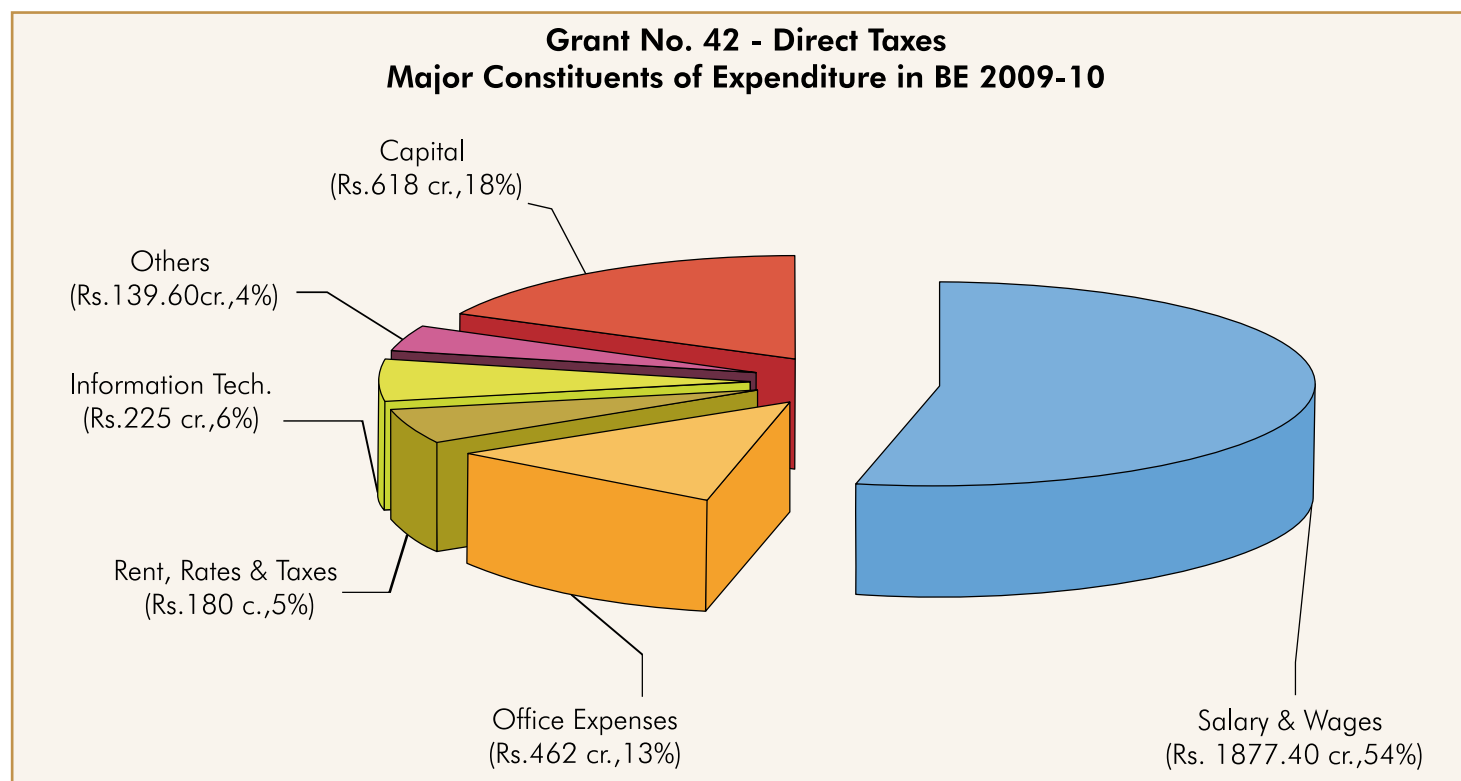
During 2008-09, total expenditure under this Grant was Rs. 2330.69 crore which reflects an increase of 35.26% over the expenditure incurred in the preceding year i.e. 2007-08.

Under 'Revenue Section', the expenditure in 2008-09 was Rs. 2247.20 crore which reflected an increase of 33.18% over the preceding year. This increase was mainly contributed by 'Salaries' which increased by 59.19% due

to implementation of Sixth Central Pay Commission recommendations.

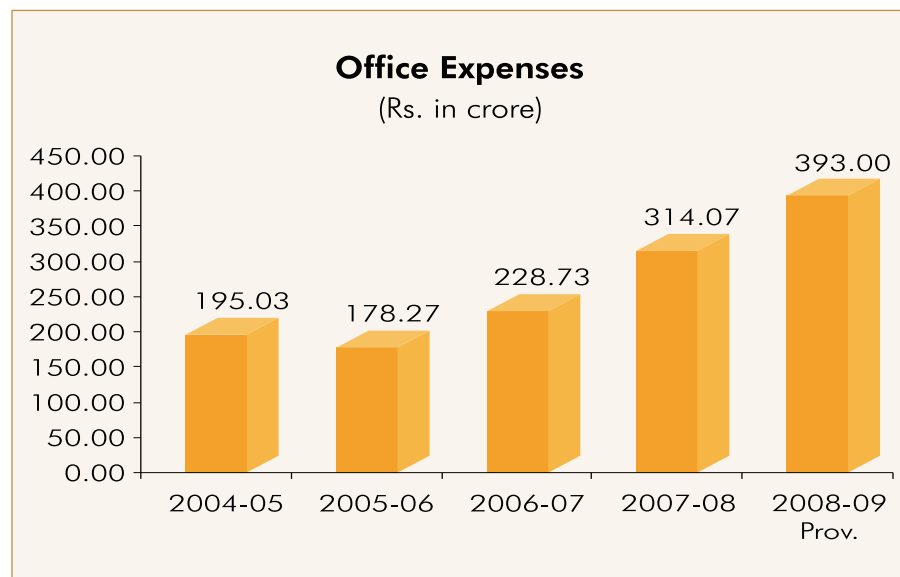
Under 'Capital Section', the expenditure was Rs. 83.49 crore which reflected an increase of 134.08% over the preceding year. This was due to purchase of ready built office accommodation for setting up Large Taxpayer Units (LTUs) at Mumbai and Delhi.

In Budget Estimates 2009-10, a total provision of Rs. 3502 crore has been proposed which comprises a provision of Rs. 2884 crore under 'Revenue Section' and Rs. 618 crore under 'Capital Section'. Major constituents of expenditure are shown as under:



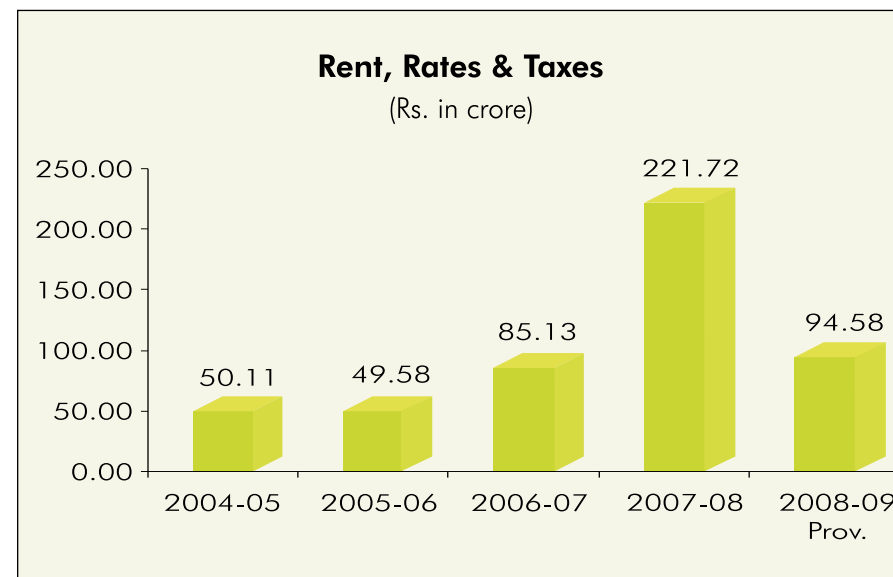
## Expenditure Trend: Office Expenses

Office Expenses are incurred to meet the requirements of running of field offices of the Income Tax Department which are responsible for collection of direct taxes. The Trend of Expenditure under this Object head has varied as per the enhanced activities undertaken by the Department. The expenditure during 2008-09 has increased by 25.13% over the preceding year. Major components of this expenditure include running expenses like electricity and telephone bills, purchase/hiring of operational vehicles, conveyance to Income Tax Inspectors, printing of income tax return forms, expenses on other stationary etc. A provision of Rs. 462 crore has been proposed in BE 2009-10.



## Expenditure Trend: Rent, Rates & Taxes

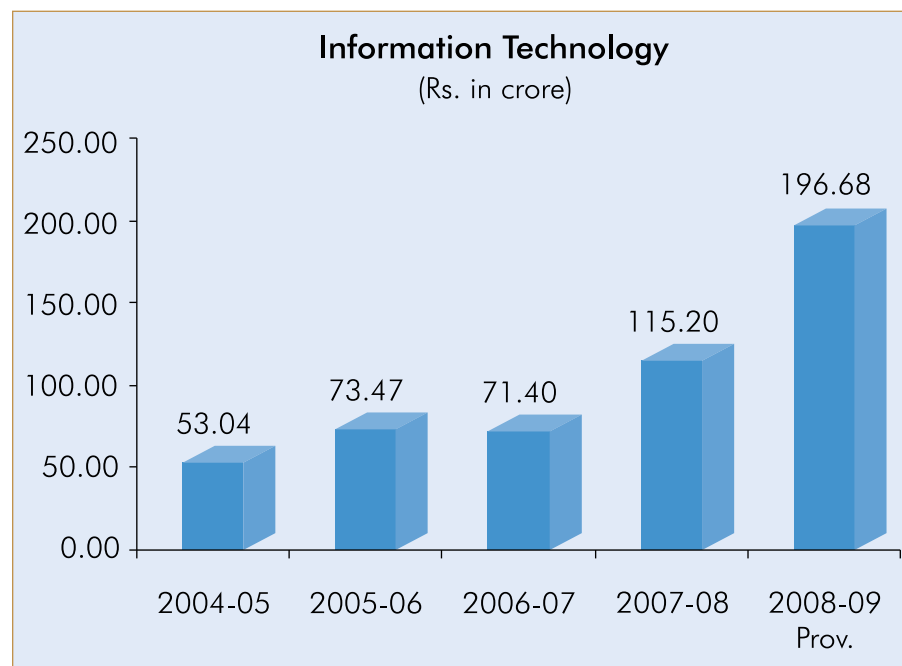
During 2007-08, the expenditure under this head sharply increased due to finalisation of certain old rent revision cases in respect of office buildings at Mumbai and disbursement of arrears thereof. The expenditure during 2008-09 has declined. However, it is expected to increase in the year 2009-10 as an old rent revision case of office building at Delhi has since been approved by the competent authority. Accordingly, a provision of Rs. 180 crore has been proposed in BE 2009-10.



## Expenditure Trend: Information Technology

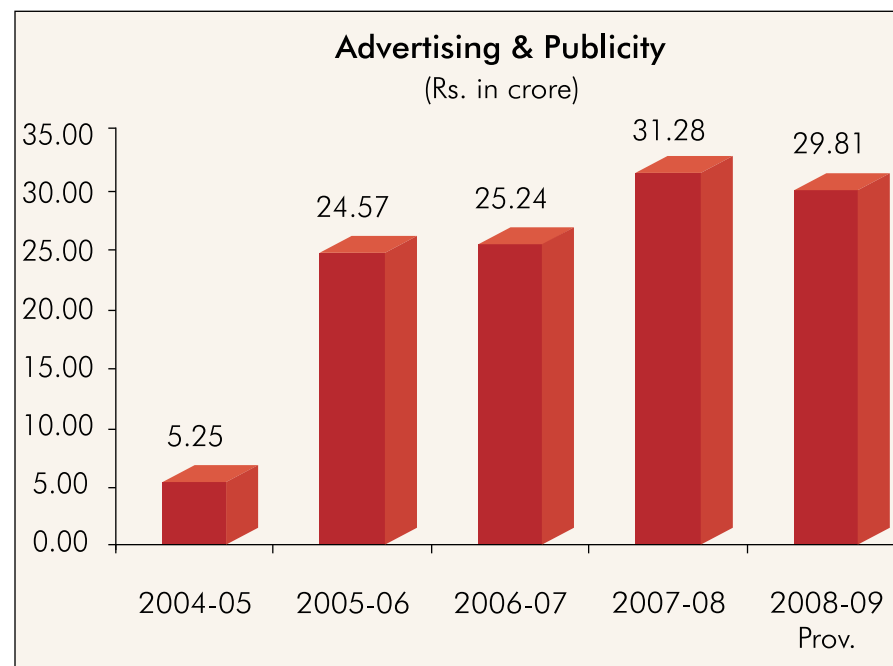
After the approval of Third Phase of Computerisation Plan of the Income Tax Department in December 2002 at a cost of Rs. 251.56 crore, expenditure under the head 'Information Technology (Office Expenses)' has consistently been growing. An additional sanction of Rs. 442.03 crore was granted by the Cabinet in 2005-06 to include expenses on running and managing the All India Income Tax Network, National Data Centre, Business Continuity Planning Site, Disaster Recovery Site, Facilities Management Services etc.

The expenditure under this Object head during 2008-09 was Rs. 196.68 crore which was 70.73% higher than the expenditure incurred during the preceding year. A provision of Rs. 225 crore has been proposed in BE 2009-10.



## Expenditure Trend: Advertising and Publicity

The Department has undertaken many publicity related initiatives to reach the wide span of taxpayers across the country. Publicity campaigns have focussed on increasing awareness among the taxpayers of various schemes of the Department viz. Help Centres, E-filing, PAN De-duplication, E-TDS, and Tax Return Preparer Scheme etc. Expenditure under this object head has increased over the years in line with enhanced publicity programme undertaken by the Department. A provision of Rs. 38 crore has been proposed in BE 2009-10 in view of further expansion of publicity programme.



**Statement showing actual expenditure vis-à-vis BE/RE for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 43 – Indirect Taxes**

(Rs. in crore)

S. No.	Descriptions	Major Head	2006-07			2007-08			2008-09		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (Prov.)
A) Revenue Section											
1	2037 (Customs)										
	Collection of Customs	2037	530.55	503.15	473.59	520.87	536.35	512.24	554.75	785.25	699.13
	Customs Welfare Fund	2037	10.00	10.00	9.81	10.00	10.00	12.87	10.00	10.52	10.52
	Missions Abroad	2037	0.90	0.90	0.90	1.05	1.05	1.05	1.15	1.15	1.15
2	2038 (Union Excise Duties)										
	Collection of Union Excise Duties	2038	845.36	882.15	867.40	945.65	988.44	972.47	1026.69	1505.92	1401.81
	Printing of Banderols etc.	2038	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.12
	Directorate of Inspection	2038	160.57	107.35	43.68	137.44	135.37	84.02	17.78	23.49	33.45
	Systems and Data Management	2038	0.00	0.00	0.00	0.00	0.00	0.00	120.37	269.17	135.37
	Vigilance	2038	4.69	4.37	3.88	4.64	4.70	4.01	4.83	7.10	6.59
	National Academy of Customs, Excise & Narcotics	2038	10.33	11.34	10.02	14.97	16.42	11.96	13.17	19.04	19.92
	Directorate of Publicity & Public Relations	2038	21.07	28.26	27.01	26.41	24.41	8.37	23.50	22.02	15.12
	Directorate of Central Excise Intelligence	2038	18.67	18.33	17.06	18.83	22.14	20.75	20.30	28.31	23.31
	Other Offices	2038	6.10	5.79	5.45	5.92	6.10	5.73	6.24	7.36	6.54
3	2216 (Housing)										
	Housing - Maintenance & Repair	2216	2.40	3.25	1.18	4.50	5.00	2.39	6.50	6.15	1.72

(Rs. in crore)											
S. No.	Descriptions	Major Head	2006-07			2007-08			2008-09		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (Prov.)
4	3606 (Aid Material)										
	Aid Material & Equipment	3606	5.23	2.20	1.88	0.50	0.50	0.43	0.50	0.50	0.00
	Total- Revenue Section		1615.89	1577.11	1461.86	1690.80	1750.50	1636.29	1805.80	2686.00	2354.75
B) Capital Section											
1	4047 (Customs)										
	Acquisition of Marine Vessels	4047	35.68	20.00	19.90	50.00	50.00	26.95	100.00	100.00	99.38
	Acquisition of Container Scanners	4047	20.00	6.00	4.97	50.00	15.00	0.47	50.00	26.51	0.50
	Major Works	4047	0.25	0.25	0.00	0.20	0.20	0.00	0.20	0.20	0.00
2	4059 (Office Accommodation)										
	Acquisition of Ready Built Office Buildings	4059	33.00	17.34	16.14	25.00	6.00	32.24	145.00	135.00	18.51
3	4216 (Residential Accommodation)										
	Acquisition of Ready Built Residential Buildings	4216	10.00	12.00	4.55	15.00	8.00	2.62	20.00	14.29	12.11
	Total- Capital Section		98.93	55.59	45.56	140.20	79.20	62.28	315.20	276.00	130.50
	Grand Total		1714.82	1632.70	1507.42	1831.00	1829.70	1698.57	2121.00	2962.00	2485.25
	Recoveries		-5.73	-2.70	-2.18	-1.00	-1.00	-0.78	-1.00	-1.00	-0.50
	Net		1709.09	1630.00	1505.24	1830.00	1828.70	1697.79	2120.00	2961.00	2484.75

**Statement showing actual expenditure vis-à-vis BE/RE for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 43 – Indirect Taxes**

	(Rs. in crore)									
S. No.	Object Head	2006-07			2007-08			2008-09		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (Prov.)
A) Revenue Section										
1	Salaries	1016.60	1060.00	1046.35	1100.00	1150.00	1140.41	1178.10	1855.00	1763.79
2	Wages	8.80	7.40	6.28	7.70	7.29	6.81	7.60	8.50	7.21
3	Overtime Allowance	16.00	14.50	12.44	15.00	13.50	11.95	14.00	12.60	10.58
4	Rewards	22.00	20.00	15.86	20.00	19.00	17.89	22.50	21.50	19.84
5	Medical Treatment	25.00	24.70	22.58	25.00	24.80	22.42	27.00	26.00	20.79
6	Domestic Travel Expenses	35.30	35.80	32.50	37.30	35.80	31.86	38.00	35.00	32.16
7	Foreign Travel Expenses	0.60	0.60	0.22	0.60	0.60	0.53	0.60	0.54	0.22
8	Office Expenses	152.81	153.13	154.28	195.42	195.00	189.88	205.00	215.00	190.30
9	Rent, Rates & Taxes	100.00	73.00	62.90	74.00	88.10	72.89	90.00	103.00	89.81
10	Publications	0.76	0.80	0.65	0.85	0.86	0.66	0.90	0.95	0.74
11	Banking Cash Transaction Tax	0.00	0.00	0.24	0.29	0.26	0.06	0.26	0.02	0.01
12	Other Administrative Expenses	4.18	4.58	4.10	4.35	4.40	3.89	4.90	6.81	5.99
13	Advertising & Publicity	20.00	27.00	24.47	25.00	22.50	5.87	22.00	19.50	11.64
14	Minor Works	4.07	4.95	3.29	7.50	9.00	5.22	11.50	10.90	2.66
15	Professional Services	9.50	10.00	8.30	10.00	11.00	9.71	11.00	11.00	8.04
16	Other Contractual Services	5.23	2.20	1.88	0.50	0.50	0.43	0.50	0.50	0.00
17	Grants-in-Aid	0.07	0.08	0.05	0.07	0.07	0.05	0.09	0.09	0.05



		(Rs. in crore)								
S. No.	Object Head	2006-07			2007-08			2008-09		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (Prov.)
18	Secret Service Expenditure	3.70	3.70	3.26	3.80	3.80	3.54	4.00	3.85	3.97
19	<b>Other Charges</b>									
	(Charged)	1.00	1.00	0.76	1.00	1.00	0.22	1.20	1.20	0.38
	(Voted)	1.27	1.27	2.87	1.42	2.02	3.92	1.65	1.62	1.65
20	Machinery & Equipment	14.00	12.40	6.61	10.00	13.00	10.75	14.00	16.90	9.67
21	Inter Accounts Transfer	22.50	22.50	22.31	23.30	24.00	26.17	24.40	29.52	24.93
22	Deduct Recoveries	12.50	12.50	12.50	13.30	14.00	13.30	14.40	19.00	14.41
23	Information Technology									
	Office Expenses	165.00	110.00	42.16	141.00	138.00	84.46	141.00	325.00	164.73
	<b>Total - Revenue Section</b>	<b>1615.89</b>	<b>1577.11</b>	<b>1461.86</b>	<b>1690.80</b>	<b>1750.50</b>	<b>1636.29</b>	<b>1805.80</b>	<b>2686.00</b>	<b>2354.75</b>
<b>B) Capital Section</b>										
<b>I. Major Head '4047'</b>										
1	Acquisition of Ships & Fleets	35.68	20.00	19.90	50.00	50.00	26.95	100.00	100.00	99.38
2	Acquisition of Anti Smuggling Equipment	20.00	6.00	4.97	50.00	15.00	0.47	50.00	26.51	0.50
3	Major Works	0.25	0.25	0.00	0.20	0.20	0.00	0.20	0.20	0.00
	<b>Total - Major Head '4047'</b>	<b>55.93</b>	<b>26.25</b>	<b>24.87</b>	<b>100.20</b>	<b>65.20</b>	<b>27.42</b>	<b>150.20</b>	<b>126.71</b>	<b>99.88</b>
<b>II. Major Head '4059'</b>										
4	Purchase of Ready Built Office Accommodation	33.00	17.34	16.14	25.00	6.00	32.24	145.00	135.00	18.51

	(Rs. in crore)									
S. No.	Object Head	2006-07			2007-08			2008-09		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (Prov.)
III. Major Head '4216'										
5	Purchase of Ready Built Residential Accommodation	10.00	12.00	4.55	15.00	8.00	2.62	20.00	14.29	12.11
	Total - Capital Section	98.93	55.59	45.56	140.20	79.20	62.28	315.20	276.00	130.50
	Grand Total	1714.82	1632.70	1507.42	1831.00	1829.70	1698.57	2121.00	2962.00	2485.25
	Recoveries	5.73	2.70	2.18	1.00	1.00	0.78	1.00	1.00	0.50
	Net	1709.09	1630.00	1505.24	1830.00	1828.70	1697.79	2120.00	2961.00	2484.75

## Financial Review – Analysis of Trends in Expenditure

During 2007-08, total expenditure of Rs. 1698.57 crore was 12.68% more than the expenditure of Rs. 1507.42 crore incurred in 2006-07. In Revenue Section, the increase is 11.93% which is mainly due to enhancement of pay and allowances, expenditure for utilization of 1% incremental revenue as incentive in pursuance of instructions of Department of Expenditure for enhancing organizational efficiency and infrastructure of the Department, increase in rents and on computerization projects.

Under Capital Section, there is an increase of 36.70% in 2007-08 vis-à-vis expenditure in 2006-07. This is on account of payment of advance towards purchase of office accommodation at NBCC Plaza, Saket, New Delhi during the year.

In 2008-09, total provisional expenditure of Rs. 2485.25 crore is 46.31% more than the expenditure of Rs. 1698.57 crore incurred in 2007-08. In Revenue Section, the increase is 43.91% which is mainly due to enhancement of pay and allowances consequent upon implementation of recommendations of 6th Central Pay Commission, more expenditure on hired accommodation, publicity campaign about Service Tax and computerization of the Department.

Under Capital Section, there is an increase of 109.54% in 2008-09 vis-à-vis expenditure in 2007-08. This is on account of payment towards various stages of construction and delivery of marine vessels and purchase of residential flats at National Games Housing Complex at Ranchi.

Expenditure under 'Advertising and Publicity' was Rs. 5.87 crore in 2007-08, 76.01% less than the expenditure of Rs. 24.47 crore in 2006-07. This is on account of review and recast of the publicity programme to focus on specific gaps and needs. The provisional expenditure for 2008-09 is Rs. 11.64 crore which is 98.30% more on account of wider campaigns on Service Tax Provision regarding new services added.

Under 'Information Technology' expenditure during 2007-08 was Rs. 84.46 crore which is 100.33% more than the expenditure of Rs. 42.16 crore incurred in 2006-07 because of payment of mobilization advance for implementation of Local Area Network sub-project of Consolidation of Computerisation Programme and AMCs of equipments coming out of warranty. For 2008-09, provisional expenditure of Rs. 164.73 crore is 95.04% more than the expenditure incurred in 2007-08 because of implementation of some of the components of Consolidation Project during 2008-09.

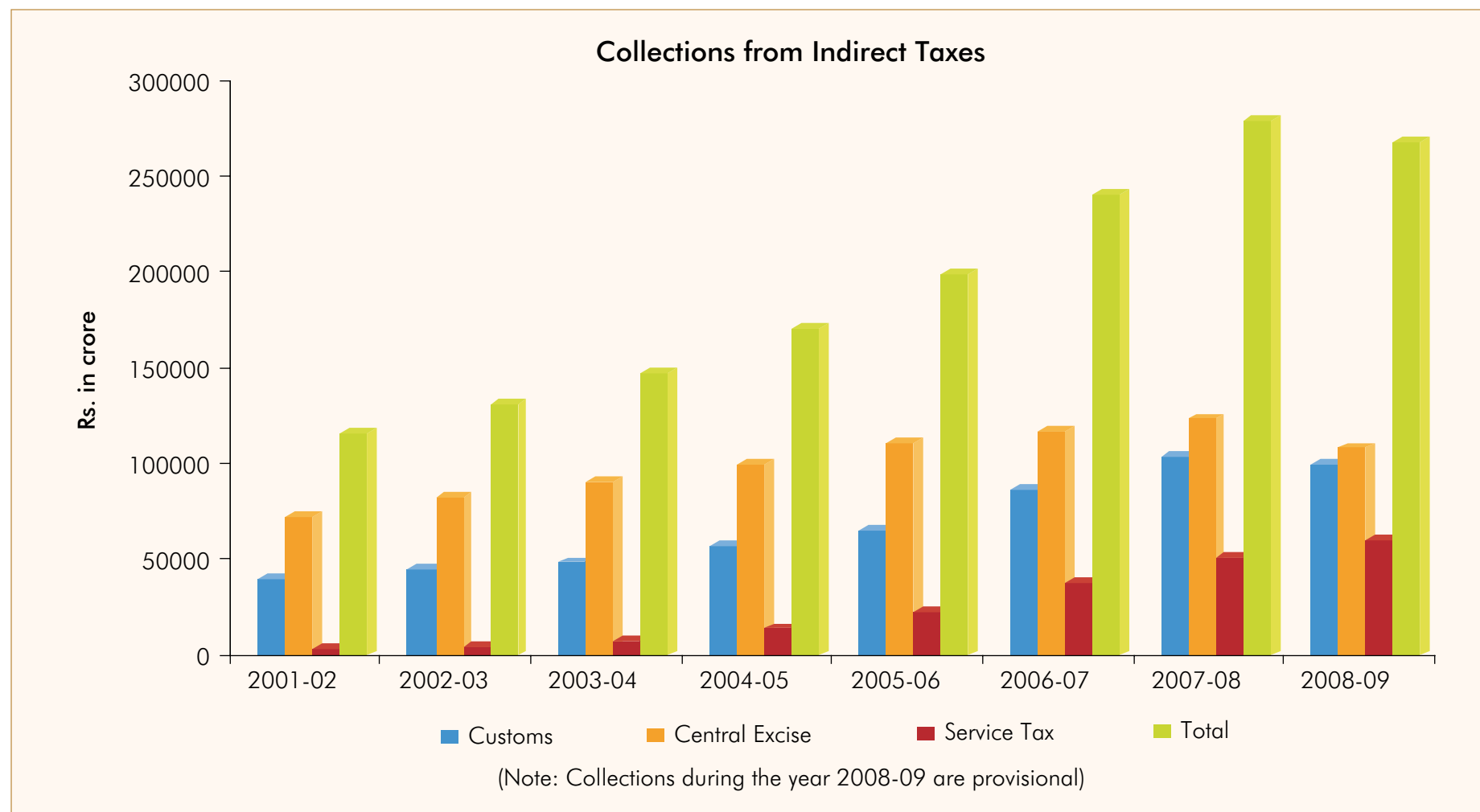
For procurement of Marine Vessels, expenditure during 2007-08 was Rs. 26.95 crore which is 35.43% more than the expenditure of Rs. 19.90 crore incurred in 2006-07 because of scheduled payment to the Boat Builders for construction and delivery of boats. Expenditure of Rs. 99.88 crore has been incurred during 2008-09 towards scheduled payments for vessels. Up to March, 2009, a total of 53 vessels (5 in Category-I and 24 each in Category III-A and III-B) have been delivered to the Department.

For procurement of container scanners, expenditure during 2007-08 was Rs. 0.47 crore which is 90.54% less than the expenditure of Rs. 4.97 crore incurred in 2006-07. This was because of non-finalisation of terms for acquisition of land from Port Authorities for installation of scanners. For 2008-09, expenditure of Rs. 0.50 crore is 6.38% more than the expenditure incurred on 2007-08 because of payment towards acquisition of land at Tuticorin.

For acquisition of office accommodation, expenditure during 2007-08 was Rs. 32.24 crore against Rs. 16.14 crore in 2006-07. This was because of advance payment towards purchase of office accommodation at NBCC Plaza, New Delhi. For 2008-09, provisional expenditure is Rs. 18.51 crore which includes balance payment in respect of purchase of building at Mumbai from Specified Undertaking of Unit Trust of India.

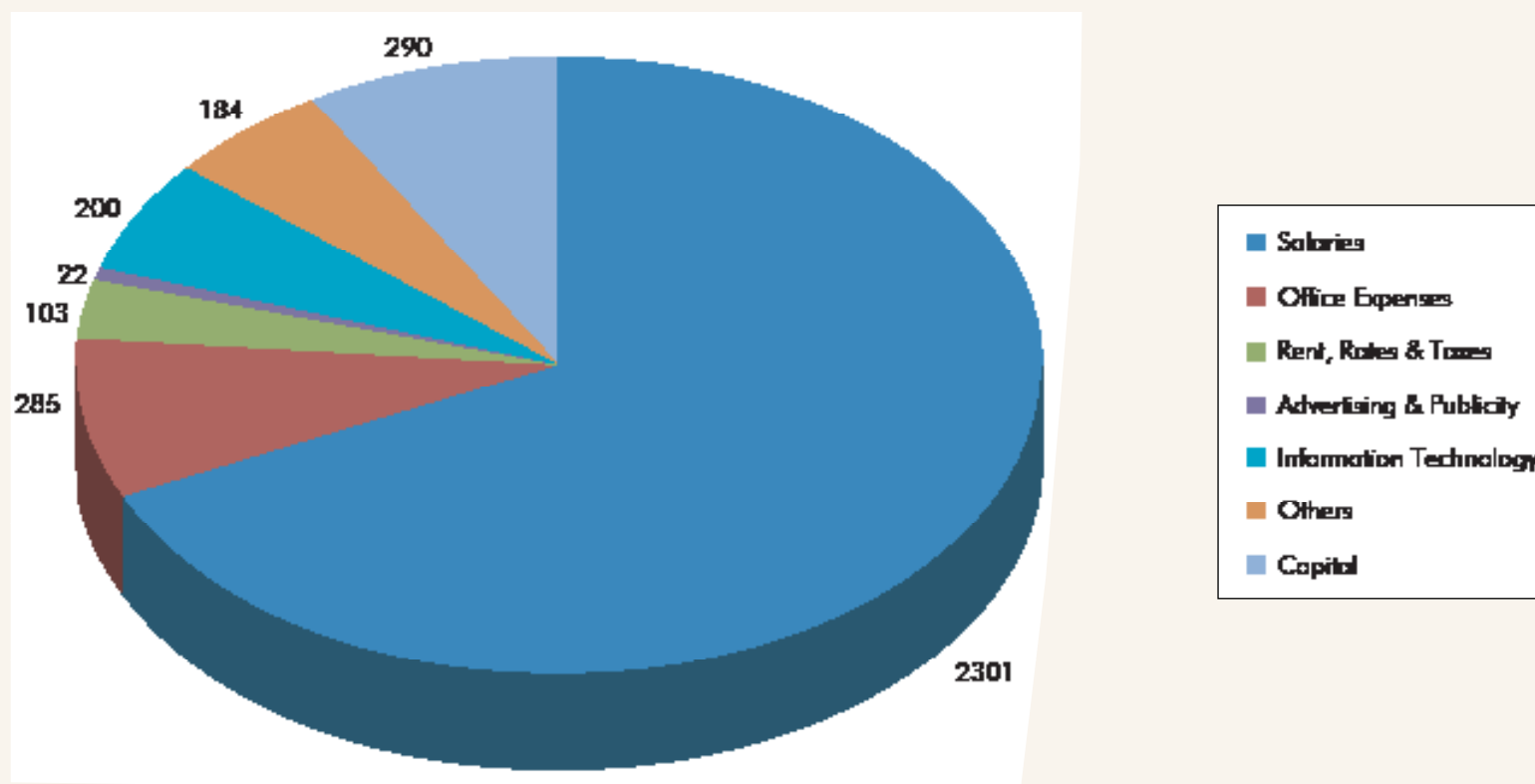
For acquisition of residential accommodation, expenditure during 2007-08 was Rs.2.62 crore which is 42.42% less than the expenditure of Rs.4.55 crore incurred in 2006-07 because no fresh project was cleared during the

year. For 2008-09, provisional expenditure of Rs.12.11 crore is 362.21% more than the expenditure incurred in 2007-08 because of payment made in respect of purchase of flats at National Games Housing Complex, Ranchi.

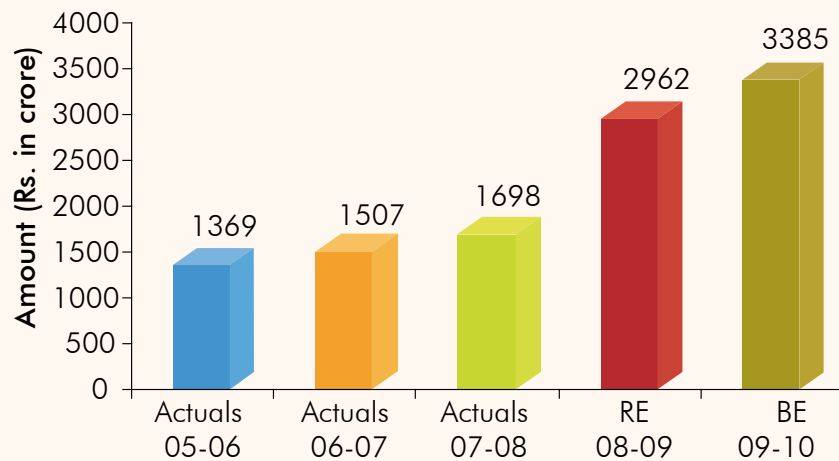


## Major Constituents of Expenditure under the Grant of Indirect Taxes in BE 2009-10

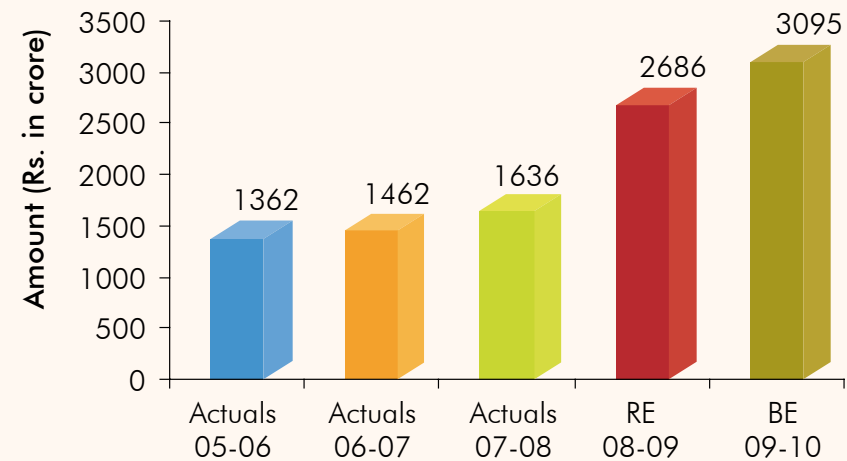
(Rs. in Crore)



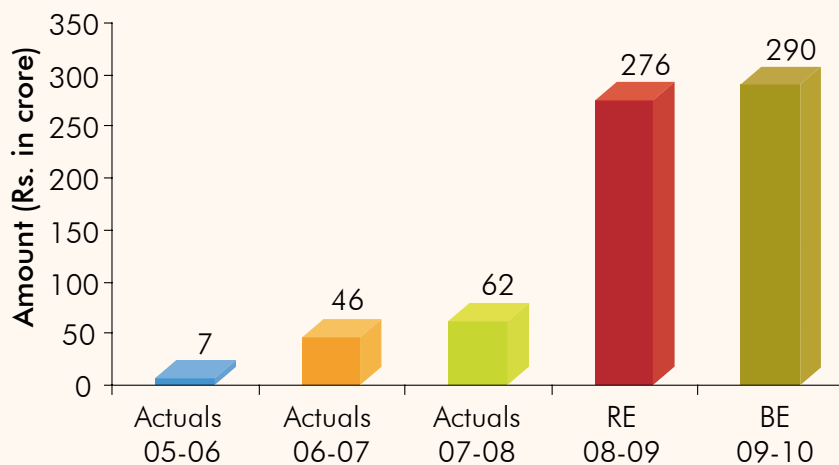
### Total Expenditure



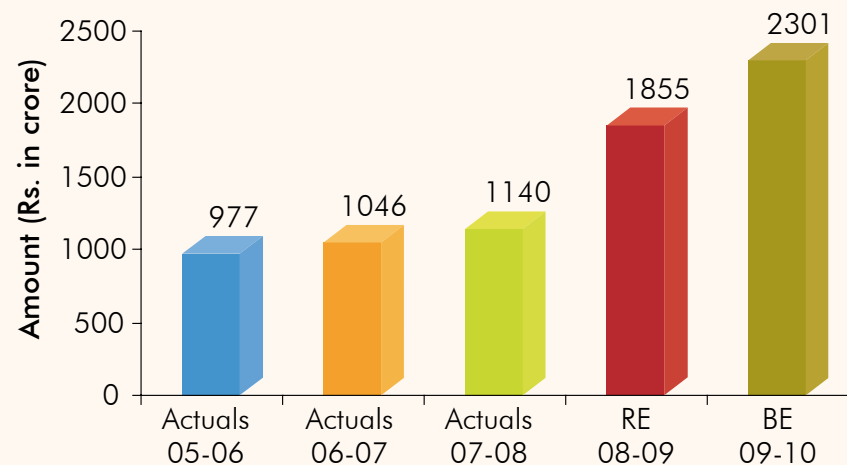
### Revenue Expenditure



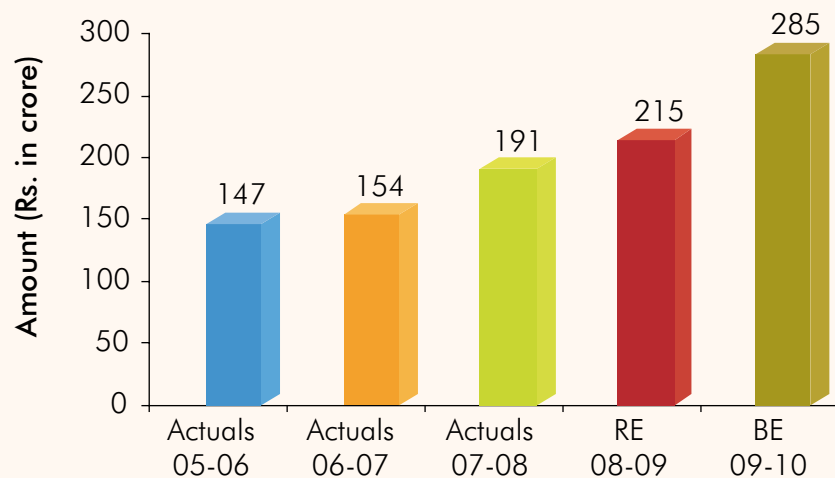
### Capital Expenditure



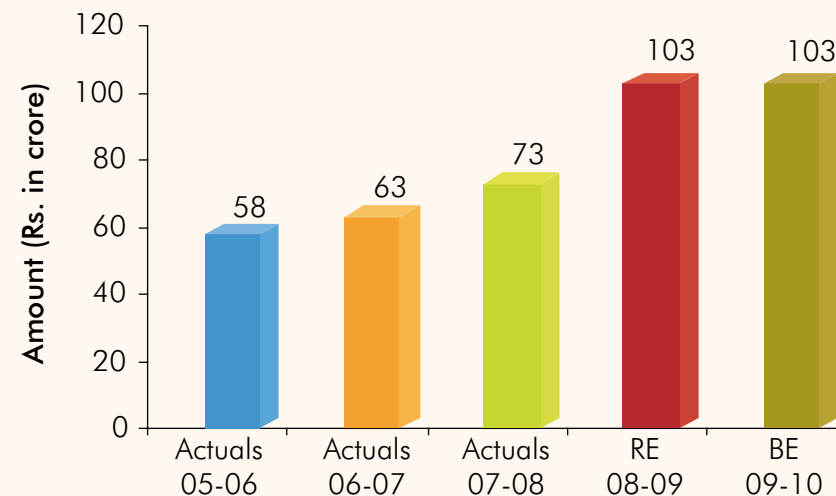
### Expenditure under Salaries



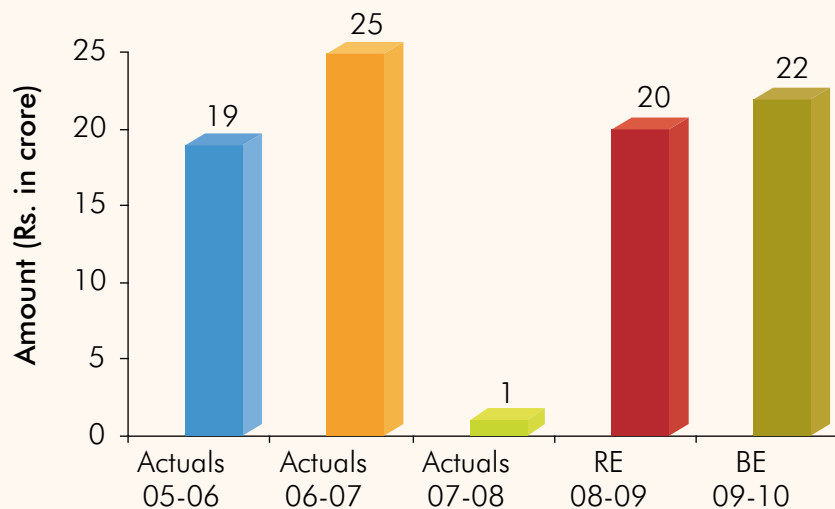
**Expenditure under Office Expenses**



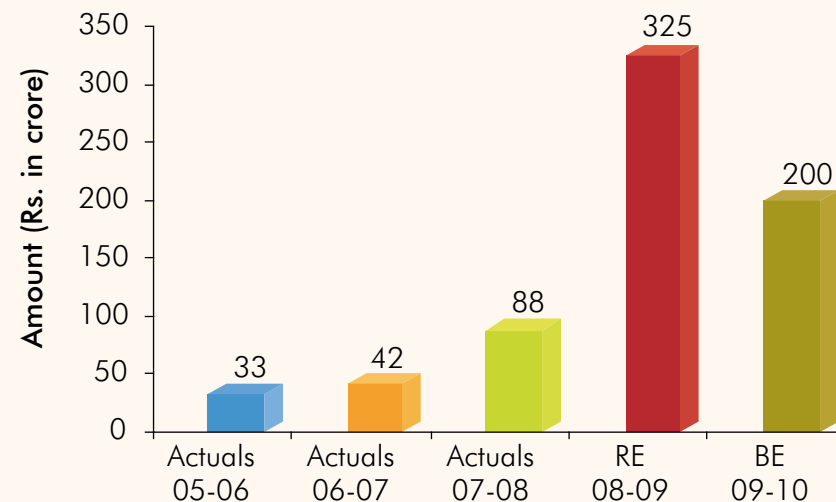
**Expenditure under Rent, Rates & Taxes**



**Expenditure under Advertising & Publicity**



**Expenditure under Information Technology**



**Object Head-wise actual expenditure vis-à-vis BE/RE provision for the years 2006-07, 2007-08 and 2008-09**  
**Grant No. 44 – Department of Disinvestment**

(Rs. in crore)										
S. No.	Description	2006-07			2007-08			2008-09		
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (Prov.)
Revenue Section										
1	Salaries	1.35	1.30	1.27	1.50	1.50	1.33	1.80	2.37	2.08
2	Wages	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Overtime Allowance	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
4	Medical Treatment	0.05	0.02	0.01	0.02	0.02	0.01	0.02	0.02	0.02
5	Domestic Travel Expense	0.06	0.02	0.02	0.06	0.05	0.05	0.04	0.04	0.05
6	Foreign Travel Expenses	0.06	0.02	0.00	0.02	0.02	0.01	0.05	0.04	0.00
7	Office Expenses	0.45	0.37	0.37	0.34	0.32	0.32	0.50	0.40	0.40
8	Publication	0.00	0.00	0.00	0.00	0.01	0.01	0.02	0.01	0.01
9	Other Administrative Expenses	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.02
10	Professional Services	8.00	2.15	1.61	2.00	6.01	5.79	18.45	15.93	10.37
11	Information Technology (other charges)	0.05	0.10	0.10	0.05	0.05	0.03	0.10	0.07	0.07
	Total Revenue Section	10.05	4.00	3.39	4.00	8.00	7.57	21.00	18.90	13.03
	Capital Section	7680.00	0.01	0.00	3302.00	3302.00	3302.00	2330.00	2330.00	326.90
	Grand Total	7690.05	4.01	3.39	3306.00	3310.00	3309.57	2351.00	2348.90	339.93

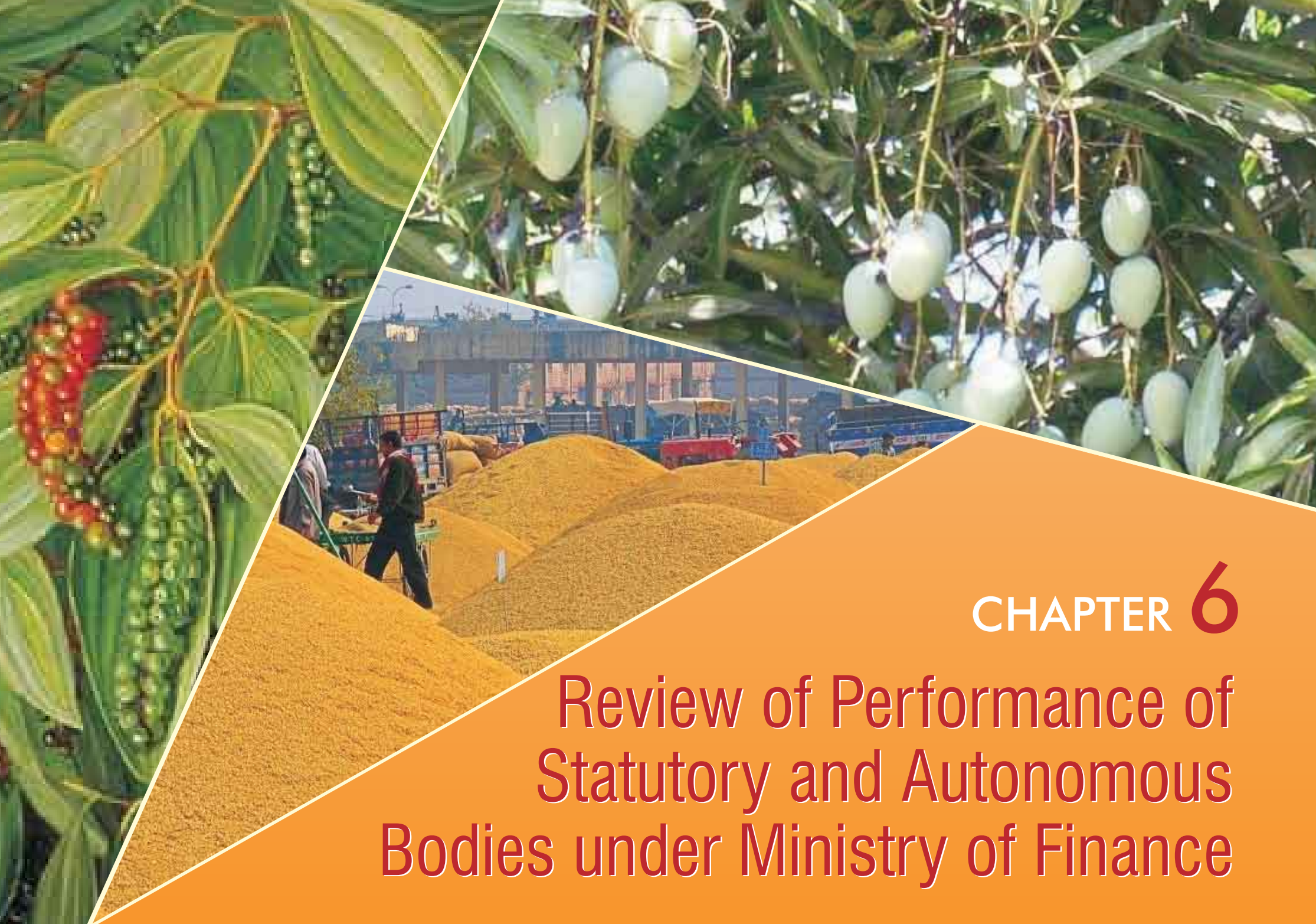
**Note:** Under Capital section, the expenditure in respect of disinvestment receipts has been shown in Gross terms. After adjustment of recoveries as reduction in expenditure, the net expenditure in 2008-09 was Rs. 163.45 crore.

### Analysis of Overall Trends in Expenditure

The overall Revenue expenditure under this Grant was Rs. 3.39 crore in 2006-07, Rs. 7.57 crore in 2007-08 and 13.03 crore in 2008-09. This

expenditure is mainly to meet the requirements of the Secretariat of the Department. The expenditure under Capital Section accounts in this year is Rs. 326.90 crore.





## CHAPTER 6

# Review of Performance of Statutory and Autonomous Bodies under Ministry of Finance



# Review of Performance of Statutory and Autonomous Bodies under Ministry of Finance

## Department of Economic Affairs

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

### Security Printing and Minting Corporation of India Ltd. (SPMCIL)

The Security Printing and Minting Corporation of India Ltd. was incorporated on 13th January, 2006 with Headquarters at New Delhi for managing 9 units (4 India Govt. Mints, 2 Bank Note Presses, 2 Security Presses and 1 Security Paper Mill) which were being managed directly by the Department of Economic Affairs. The employees of the 9 units were initially placed on deemed deputation to the Corporation. On their option, out of 16074 employees, 14256 have been absorbed in the Corporation w.e.f. 1<sup>st</sup> November, 2008 while remaining 1818 have been retained in the Government for redeployment to other Central Government departments or repatriation to their own cadres, as the case may be.

During the year 2007-08, the total income and expenditure of the corporation was Rs.2137.55 crore and Rs.1820.07 crore respectively, with profit after taxation of Rs.199.70 crore for the year 2007-08. The

total assets of the Corporation as on March 31, 2008 was Rs.4155.09 crore, comprising fixed assets of Rs.796.03 crore and current assets of Rs. 3238.71 crore. Out of the current assets, Rs.935.26 crore and Rs.882.69 crore, are shown against 'inventories' and 'Sundry Debtors' respectively. In the year 2007-08 the Corporation was able to control the level of 'inventory' and 'Sundry Debtors' which were comparatively higher in the last year (Rs. 1038 crore and Rs. 1257.98 crore respectively).

For the year 2008-09 total income of the Company is estimated at Rs. 3002 crore and expenditure at Rs. 2381 crore thereby resulting in estimated profit before tax of Rs. 621 crore and profit after tax of Rs. 409 crore.

During the year 2009-10, budget estimates of the Corporation Project an income of Rs.3381 crore and profit after tax of Rs.693 crore.

During the year 2008-09, the Corporation has taken many steps towards modernisation and expansion. The capacity of Ink Manufacturing Unit at Bank Note Press, Dewas has been increased from less than 100 M.T. per annum to over 200 M.T. per annum. The new Stock Preparation Plant at Security Paper Mill (SPM) Hoshangabad is under installation which will help in reducing wastage thereby increasing the production. The bids of setting up of a new manufacturing line at SPM, Hoshangabad have also been opened. Bids for new printing line at Bank Note Press, Dewas have been invited and the order for machine is likely to be issued shortly. Modernisation of 9 units including 4 Govt. of India Mints is also under progress.

A statement indicating projects under implementation and sanctioned by the Board of SPMCIL for the year 2009-10 is as under:

(Rs. in crore)							
Name of project	Sanctioned Cost	Scheduled date of completion	Total Cumulative expenditure till the beginning of the year	Total expenditure planned during 2009-10	Likely date of completion	Output/Outcome	Remarks
Multi colour Offset Machine	20	31.12.2010	-	-	31.12.2010	190 Million per annum	To increase the capacity of Printing of NJSP
Multi colour Graeven	35	31.12.2010	-	-	31.12.2010	34 Million issue Sheet/per annum	Printing of Commemorative stamps through this specialized printing process
Coin Presses	72	31.12.2009	-	72	31.12.2009	115 Million Piece/ per annum/Machine	To meet the entire demand of coins of the country
Blanking Line	51	31.12.2009	-	51	31.12.2009	-do-	-do-
Paper Plant	450	31.12.2011	-	120	31.12.2011	4000 MT/Year	Production of Paper as import substitute
Pulping Unit	59	31.12.2009	-	59	31.12.2009	25 MT/Day	Production of Pulp to enhance the paper making capacity
Other Machines	156	31.03.2010	-	156	31.03.2010		
<b>Total</b>	<b>843</b>			<b>399</b>			

## Department of Financial Services

The National Bank for Agriculture and Rural Development (NABARD) promotes integrated rural development by providing credit for agriculture, small and cottage and village industries and allied activities in rural areas, refinances loans granted for agricultural development by State Cooperative Banks (SCB), State Cooperative Agriculture and Rural Development Banks (SCARDB), 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, primary and apex weaver societies and State Handloom and Handicrafts Development Corporations. The refinance during the last three years was as under:-

Agency	2006-07		2007-08		2008-09	
	Sanctioned	Max. O/s	Sanctioned	Max. O/s	Sanctioned	Max. O/s
Cooperative Banks	13403.68	11430.87	15199.50	13599.70	20053.25	17412.37
RRBs	2685.70	2628.08	3091.61	2752.72	4829.26	4068.65
<b>Total</b>	<b>16089.38</b>	<b>14058.95</b>	<b>18291.11</b>	<b>16352.42</b>	<b>24882.51</b>	<b>21481.02</b>

Medium Term refinance 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 mechanisation, 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 had provided refinance for such purposes during the last three years as under:

Agency	2006-07	2007-08	2008-09
	Sanctioned & Disbursed	Sanctioned & Disbursed	Sanctioned & Disbursed
SCARDBs	1742.72	1950.58	1986.54
SCBs	1130.67	826.55	801.51
Commercial Banks	4568.82	3951.73	5867.19
RRBs	1352.81	2313.99	1879.04
PUCBs/ADFCs	-	3.42	1.01
<b>Total</b>	<b>8795.02</b>	<b>9046.27</b>	<b>10535.29</b>



## Small Industries Development Bank of India (SIDBI)

The Small Industries Development Bank of India (SIDBI) has been set up as a principal financial institution for promotion, financing and development of industries in the small industry sector and for coordinating the functions of institutions engaged in similar activities. It commenced operations on 2<sup>nd</sup> April, 1990 as a subsidiary of IDBI. It channelizes its activities through the existing credit delivery mechanism consisting of State Financial Corporations (SFCs), State Industrial Development Corporations (SIDCS), Commercial Banks, Co-operative Banks and Regional Rural Banks.

The main activity of SIDBI is to give re-finance to Banks, SFCs and SIDCs. It also gives direct assistance through Term Lending, Bills Discounting, etc., to industry. Micro credit is an emerging area which the SIDBI aims to catalyze further. It also performs specialized functions

such as provision of venture capital, collateral free lending, SME rating and technology services. In addition to this, the organization plays a key role to promote Government of India Programmes/Developmental Activities.

## The National Housing Bank (NHB)

The NHB was constituted 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 43 HFCs that are regulated by the NHB. The NHB also provides refinance to Banks and HFCs and project finance to Government agencies and SHGs besides taking initiatives for development and promotion of the housing finance system in India. The present paid-up capital of NHB is Rs. 450.00 crore, owned by the Reserve Bank of India.

Performance			
(Rs. in crore)			
Financial Year	2006-07	2007-08	2008-09
Portfolio size	16031	20227	30886
Sanction	11102	16164	29188
Disbursement	10225	15087	28298
Networth	4436	4713	5342
Income	1187	1638	2082
Profit	298	198	299
CRAR (%)	37.5	41.7	34.2

Performance			
(Rs. in crore)			
Financial Year (July-June)	2006-07	2007-08	2008-09*
Loans & Advances (o/s)	19571.85	17671.17	16804.23
Disbursements	5671.60	9036.38	10667.66
Total Assets	21223.39	19897.90	20045.75
Net NPAs	0.00	0.00	0.00
Profit After Tax	114.31	169.70	166.53
CRAR (%)	22.58	24.51	18.17

\* Provisional figure upto 31.03.2009

The following programmes are presently under implementation of the NHB:

Programmes	Government Assistance	Rs. in crore		
		2006-07	2007-08	2008-09
1. Golden Jubilee Rural Housing Refinance Scheme (GJRHS) - Monitoring & Refinancing	-	2529.45	3856.19	693.44
2. Regular Refinance Scheme	1760.33 (RHF)	2845.55	4730.70	4344.89
3. Project Finance Scheme including MFIs (mainly for EWS/LIG)	-	171.60	449.49	25.11

### India Infrastructure Finance Company Limited (IIFCL)

India Infrastructure Finance Company Limited (IIFCL), a wholly owned Government of India company was set up on January 5, 2006 and 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 capital of the company is Rs. 2000.00 crore and the paid-up capital, at present, is Rs. 1,300.00 crore.

Since commencement of operations in April 2006 till March 2009, the Company has sanctioned Rs. 18,720.00 crore in 88 infrastructure projects in sectors like roads, power, airport, ports and urban infrastructure. These projects are spread out in 19 states of the country and involve a total project cost of Rs. 1,47,092.00 crore. Of the total number of 88 projects sanctioned, financial closure has been achieved in 78 cases. In addition, the

Company has sanctioned Rs. 40.00 crore in 19 projects for development of urban infrastructure under the Pooled Municipal Debt Obligations (PMDO) facility. Total disbursements at the end of March, 2009 stood at Rs. 4,891.00 crore in 77 cases including those under PMDO.

### Export Import Bank of India (EXIM Bank)

Export Import Bank of India (EXIM Bank) 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. The Government of India wholly owns Exim Bank. As on March 31, 2009, the paid up capital of the Bank was Rs. 1,400.00 crore as against the authorized capital of Rs. 2000.00 crore.

During the financial year 2008-09, the Bank approved loans of Rs. 33,628.00 crore as against Rs. 32,805.00 crore during 2007-08. Disbursements during the year amounted to Rs. 28,933.00 crore, as compared to Rs. 27,159.00 crore during the previous year. Loan assets increased to Rs. 34,505.00 crore as on March 31, 2009 from Rs. 29,152.00 crore as on March 31, 2008. Profit after tax amounted to Rs. 477.00 crore during financial year 2008-09 as against profit after tax of Rs. 333.00 crore during the financial year 2007-08. Rs. 115.70 crore will be transferred as balance of net profit to the Government of India for financial year 2008-09 as compared to Rs. 100.77 crore in the previous year. The Capital to Risk Assets Ratio (CRAR) stood at 16.77 percent as on March 31, 2009.

The Bank's portfolio on loans and advances amounted to Rs. 34,505.00 crore as on March 31, 2009. As on March 31, 2009, 222 project export contracts valued at Rs. 71,468.00 crore (approx USD 14.09 bn.) supported by the Bank, were under execution, in 39 countries across Asia, Africa and Europe by 45 Indian companies. Of these, 35 contracts valued at Rs. 21,825.00 crore under execution in 17 countries, by 17 companies, were secured during the current fiscal year 2008-09.

## Pension Fund Regulatory and Development Authority (PFRDA)

With a view to providing adequate retirement income a New Pension System (NPS) has been introduced by the Government of India. There has been a paradigm shift wherein a defined benefit system pension has been replaced by defined contribution based pension system. It has been made mandatory for all new recruits to the Government (except armed forces) with effect from 1<sup>st</sup> January, 2004.

PFRDA has already put in place and operationalised the NPS architecture consisting of intermediaries like the Central Recordkeeping Agency (CRA), Pension Fund Managers (PFMs), Points of Presence (PoPs), Trustee Bank (TB) and Custodian. PFRDA has also set up a Trust under the Indian Trusts Act, 1882 to oversee the functions of some NPS intermediaries like the Trustee Bank and PFMs. The NPS Trust is composed of members representing diverse fields and brings wide range of talent and expertise to the regulatory framework. All central accounting and recordkeeping functions have been assigned to NSDL as CRA and banking operations are being handled by Bank of India. Since 1<sup>st</sup> April, 2008, the pension contributions of Central Government employees covered by the New Pension System (NPS) are being invested by professional Pension Fund Managers, selected on the basis of an open competitive bidding process, in line with investment guidelines of Government applicable to non-Government Provident Funds.

Twenty two (22) State/UT Governments have so far notified the New Pension System for their new employees. Of these, 7 (seven) States have already signed agreements with the intermediaries of the NPS architecture appointed by PFRDA for carrying forward the implementation of the New Pension System. The other States are at varying stages of preparation for roll out of NPS.

Based on Government's advice, NPS has been rolled out to all citizens with effect from 1<sup>st</sup> May, 2009 on a voluntary basis. The NPS architecture

is transparent and web-enabled. It allows a subscriber to monitor her investments and returns. The subscriber has the choice of choosing the Fund Manager and investment options, apart from being able to switch the investment options/PFMs over time. The facility for seamless portability is designed to enable subscribers to maintain a single pension account throughout their saving period.

National Securities Depository Limited (NSDL) which was appointed as the Central Recordkeeping Agency (CRA) commenced operations on 2<sup>nd</sup> June, 2008. In the absence of the Government accounting formations providing concomitant data to the CRA, all investments, and returns generated thereon are being managed on a pooled basis.

Around half a million Central Government employees are currently participating in the NPS with 90 per cent having been assigned Personal Retirement Account Number (PRANs).

The NPS architecture with Pension Fund Managers investing their contribution, has been in operation for over a year now with NPS corpus of Central Government employees amounting to over Rs. 2200 crore. According to the unaudited results of the Pension Funds, the three Pension Funds have generated returns varying from 12% to 16% of the NPS corpus during the year 2008-09, weighted average return being over 14.82 per cent.

The NPS rolled out for all citizens has the facility that the NPS account can be opened at any of the registered branch (475 branches so far) of the twenty one (21) Points of Presence (POPs) 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. The offer document containing details of the NPS, application form for opening NPS account and welcome brochure is available on the website of PFRDA ([www.pfrda.org.in](http://www.pfrda.org.in)) as well as the websites of other NPS intermediaries. Details of NPS intermediaries including Points of Presence and Pension Funds are also available on PFRDA website.



Investment guidelines for individual subscribers and fund managers are available on PFRDA web-site. Briefly, Pension Fund Managers will manage 3 separate schemes, each investing in a different asset class. These assets classes are (i) Equity, (ii) Government securities and (iii) other fixed income instruments. On the basis of the recommendations of the NPS Trust and on advice from the Government, it has been decided that investment by an NPS participant in equity would be subject to a cap of 50 per cent. Also the fund managers will invest only in index funds that replicate either BSE sensitive index or NSE Nifty 50 index. The subscriber will have the option to actively decide as to how the NPS pension wealth is to be invested in three asset classes. In case the subscriber is unable/unwilling to exercise any choice as regards asset allocation, his/her contribution will be invested in accordance with the 'Auto choice' option. In this option the investment will be determined by a pre-defined portfolio. At the lowest age of entry (18 years) the auto choice will entail investment of 50% of pension wealth in "E" (Equity) Class, 30% in "C" (Corporate Bonds) Class and 20% in "G" (Government Securities) Class. These ratios of investment will remain fixed for all contributions until the participant reaches the age of 36. From age 36 onwards, the weight in "E" and "C" asset class will decrease annually and the weight in "G" class will increase annually till it reaches 10% in "E", 10% in "C" and 80% in "G" class at age 55.

PFRDA has, in collaboration with other NPS intermediaries, conducted three regional workshops at Mumbai, Kolkata and New Delhi for 22 State Governments/UTs. The purpose of these workshops has been to sensitise the State Governments to the requirements of the NPS and also to enable them to log-on to the PFRDA regulated NPS architecture with ease. The appointed Pension Fund Managers and the CRA have also been in continuous dialogue with the State Governments/UTs for facilitating their entry into the NPS. As of date, the CRA has signed agreements with seven State Governments namely, Bihar, Chattisgarh, Jharkhand, Andhra Pradesh, Haryana and Madhya Pradesh. Four states namely, Madhya Pradesh, Haryana, Jharkhand and Chhatisgarh have already signed agreement with the NPS Trust. Chairman, PFRDA has written to Chief Secretaries of all the

States, who have notified the scheme, to take urgent steps to complete the process.

Ministry of Finance has recently circulated guidelines for the Central Autonomous bodies joining the New Pension System. Detailed procedure and modalities for these Central Autonomous Bodies to join NPS Architecture have been finalized by PFRDA in consultation with NSDL. As per the procedure, Central Autonomous Bodies will submit, through the Financial Adviser of the administrative Ministry/Department, a 'Letter of Consent' prescribed by PFRDA.

## Department of Expenditure

### National Institute of Financial Management

#### 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 Finance, 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, fifteen batches of probationers of various Accounts, Audit and Finance Services have been successfully trained for the 44 weeks training course. In the 14<sup>th</sup> course completed in November, 2007, 40 probationers

completed the course. In the 15<sup>th</sup> Professional Training Course completed in November, 2008, 9 probationers completed the course. The 16<sup>th</sup> batch of probationers commenced from 8th January, 2009 in which 11 probationers have joined.

### **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 2007-08, 38 programmes were conducted. In 2008-09, 55 programmes have been conducted. 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
- (h) Value Added Tax
- (i) TDS Rules and FBT Rules
- (j) Service Tax and Cenvat Credit Rules

### **Post Graduate Diploma in Business Management (Financial Management)**

The NIFM has been conducting Post Graduate Diploma in Business Management (Financial Management) since 2002. The present batch of

PGDBM (FM) which commenced from 28th January, 2008 has been joined by 43 candidates from various Central/State and PSUs. The new batch of PGDBM (FM) has also started on 18<sup>th</sup> May, 2009 which is targeted to train 60 candidates.

### **Diploma in 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.

### **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.

### **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.

### **Consultancy Projects**

During the year 2008-09, five consultancy projects have been completed by NIFM. The consultancy projects awarded/in progress during the year were as under: -

- (a) Rebuilding ICLS, Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Govt. of India.

- (b) Consultancy project for Water and Power Consultancy Services (WAPCOS) Ltd.
- (c) Restructuring of Financial Structure/Delegation of Powers and Capacity Building for IIPA, New Delhi.
- (d) Switching over to the New Common Format of Accounts on Accrual Basis, for IIPA, New Delhi.
- (e) Coal Mines Provident fund Commissioner, Dhanbad.
- (f) Official Liquidator of Corporate Affairs, Ministry of Corporate Affairs.
- (g) Framing of new Cantonment Account Code, Ministry of Defence.

### Seminar

During the year, following Workshops/Conferences were organized:

- (a) Workshop on 'Offsite Retreat for Capital Marketing Division', Department of Economic Affairs, Ministry of Finance.
- (b) Refresher Workshop on 'World Bank Procedures'.
- (c) Workshop on 'Currency Futures' at India Habitat Centre, New Delhi.
- (d) International Conference on 'Global Issues'.

Financial Statement		
The income & expenditure accounts as on 31 <sup>st</sup> March, 2008		
		(Amount in Rupees)
<b>Income</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
Income from Services	10,20,94,914	5,63,39,271
Grant	1,40,00,000	1,40,00,000
Interest Earned	71,75,564	53,84,140
Other Income	15,02,446	11,43,914
<b>Total (A)</b>	<b>12,47,72,924</b>	<b>7,68,67,325</b>
<b>Expenditure</b>		
Establishment Expenses	2,86,31,447	1,53,05,873
Other Administrative Expenses	6,01,69,163	3,47,09,539
Depreciation	88,96,977	86,88,328
<b>Total (B)</b>	<b>9,76,97,587</b>	<b>5,87,03,740</b>
<b>Balance being Surplus/Deficit of Income over Expenditure (A-B)</b>	<b>2,70,75,337</b>	<b>1,81,63,585</b>
Less: Prior Period adjustments(Net)	(2,11,195)	(4,07,892)
Add: Amount transferred from Capital asset Fund Representing depreciation (for the year) on Assets acquired out of Govt. Grant	33,25,483	35,63,941
<b>Net Surplus/Deficits</b>	<b>3,01,89,625</b>	<b>2,13,19,634</b>
<b>Balance being Surplus/Deficit carried over to Balance-Sheet</b>	<b>3,01,89,625</b>	<b>2,13,19,634</b>

## Department of Revenue

### National Institute of Public Finance & Policy

The National Institute of Public Finance & Policy 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 Training organization.

The details of the Grant/Income of National Institute of Public Finance & Policy from various sources and expenditure incurred during the year 2007-08 were as under:-

(Rs. in crore)

	Source of funding	Grant/Income	Expenditure
1	Ministry of Finance	5.58	5.58
2	Other sources	5.26	3.20
	<b>Total</b>	<b>10.84</b>	<b>8.78</b>

The Ministry of Finance is providing an annual recurring grant as follows:

(Rs. in crore)

Actual 2005-06	2.01
Actual 2006-07	2.26
Actual 2007-08	5.58
Budget Estimates 2008-09	3.63
Revised Estimates 2008-09	8.67
Actuals 2008-09	8.67

The constituents of grants and objectives thereof are as follows:

- Core grant to enable the institute to meet a part of the recurring expenses. Currently, a core grant equivalent to 20% of Salary grant is given to the Institute to cover the non-salary expenditure of the Institute, which is approximately Rs.82.86 lakh in 2008-09.
- Additional grant to meet the liability arising on account of salary/dearness allowance or pay revision of the core staff of the Institute following release of DA instalments and/or pay revision of Central Government employees and/or UGC scales of pay. The Institute follows the Central Government's rules regarding service conditions and also pay and allowances for its non-professional core staff. The scale of pay and allowances of the Institute's professional staff is based broadly on the pattern approved by the University Grants Commission for teaching staff in Universities and Colleges, as modified by the Governing Body from time to time. No revision in the scale of pay and allowances in respect of the core staff is carried out without the approval of the Ministry of Finance. The Pay scales of both academic and non-academic staff of the Institute were revised consequent upon implementation of the recommendations of the 6<sup>th</sup> Central Pay Commission and a salary grant of Rs.5.53 crore was provided to the Institute during 2008-09 for payment of revised salaries and arrears to the academic and non-academic staff.
- A Tax Research Cell (TRC) has been set up in the Institute with effect from June 9, 2005 with financial assistance of Rs.20.00 lakh per annum from Ministry of Finance which is still continuing.
- A provision of Rs.2.00 crore in 2007-08 and Rs.50 lakhs in 2008-09 was made as grant-in-aid to National Institute of Public Finance & Policy towards construction of a new building to be utilized as the Training Programme Centre of the Institute. This amount has since been released to the Institute. Further, an additional amount of Rs.51 lakhs for the additional work has also been released during 2008-09.

- (e) A provision of Rs.2 crore has been made in BE 2009-10 towards Endowment Grant to the Institute for instituting (i) Raja Chelliah Annual Lecture Series by an eminent fiscal expert; and (ii) a Raja Chelliah Visiting Professorship.

The following are some of the ongoing/completed Studies of the Institute:

- (i) Economic Development, Health & Environment
- (ii) Updated Projections of Tax Receipts (CT & IT) for FY 2007-08
- (iii) Cost Benefit Analysis of Small Scale Industry Exemptions
- (iv) Peace, Progress and Prosperity in the North Eastern Region: Vision 2020
- (v) Tracking the Urban Reform Agenda under the JNNURM
- (vi) Stamp Bill of Gujarat
- (vii) Rural Decentralization and Participatory Planning for Poverty Reduction
- (viii) Improving the Fiscal Health of Large Cities: Evidence from India (Kolkata, Delhi, Pune, Hyderabad, Chennai and a Synthesis Report)
- (ix) Inter-State Difference in Health Expenditure: Designing and implementing an Equalization Scheme
- (x) Independent Commission on AIDS in Asia
- (xi) Strengthening Fiscal Decentralization in Sri Lanka
- (xii) NIPFP-DEA Research Programme on Capital Flows and their Consequences
- (xiii) Strengthening Financial Management Systems
- (xiv) Benefits of Housing Exemptions
- (xv) Cost benefit Analysis of Area based Exemption
- (xvi) Review of Haryana FRBM Act, 2005
- (xvii) Monitoring the progress of the Government of Goa in achieving in FRBM targets, drafting of rolling medium-term fiscal plan and disclosures in a prescribed format for better transparency
- (xviii) Rajasthan: A Report on Cost under-recovery and user charges in selected services
- (xix) Standing Committee of State Secretaries on Stamps and Registration
- (xx) Preparation of a National Report on State of India's urbanization
- (xxi) Globalization, Gender and Taxation: Improving Revenue Generation and Social Protection in Developing countries
- (xxii) Financing Human Development in selected States
- (xxiii) Economics of tobacco and Tobacco Taxation in India
- (xxiv) Public Finance Information System
- (xxv) 13<sup>th</sup> Finance Commission – Property Tax Potential in Indian Cities and Towns
- (xxvi) 13<sup>th</sup> Finance Commission – Inter State Distribution of Central Subsidies and Tax Expenditures
- (xxvii) 13<sup>th</sup> Finance Commission – Rationalizing Taxation of Petroleum Products
- (xxviii) Preparation of Meghalaya State Vision Document 2020
- (xxix) Planning Commission – Study on Insurance Scheme
- (xxx) Preparation of Memorandum for State of Punjab
- (xxxi) Building Capacity and Consequences for Monetary and Financial Reforms.

## Training Programmes/Workshops/Seminars Conducted by NIPFP

The Institute has conducted various training programmes/workshops/seminars during 2008-09. The highlights are as under:

- (i) Training Programme on Public Finance, IA&AS Probationers.
- (ii) Fourth Refresher Training Programme in Public Economics for College/University Teachers
- (iii) Annual Lecture Series by Prof. Bichard Bird, Professor Emeritus, Department of Economics and Adjunct Professor and Co-Director of the International Tax Programme, University of Toronto
- (iv) NIPFP-DEA Programme on Capital Flows
- (v) 5th Asian Tax Forum Meeting
- (vi) Seminar on Issues before the 13th Finance Commission
- (vii) Meeting of Property Tax Assessors
- (viii) Capital Flow Meeting
- (ix) Training Programme for Deputy Secretaries engaged in Budget
- (x) Workshop on Gender and Taxation Improving Equity and Revenue Generation
- (xi) 13<sup>th</sup> Meeting of Standing Committee on Stamp Duty
- (xii) Training Programme for IRS Probationers
- (xiii) International Conference on Issues relating to Growth Inequality and Institutions
- (xiv) Training Programme on Practical Issues of Tax Policy in Indirect Taxation and Tax Administration in Developing countries for Sri Lankan officials
- (xv) Public Lecture on “Imaging India: Future Challenges” by Shri Nandan Nilekani.
- (xvi) Workshop on DSGE Model
- (xvii) IA&AS Probationers Training Programme
- (xviii) NIPFP-DEA Programme on Capital Flows.





## Notes on Outcome - Details of Schemes





# Notes on Outcome - Details of Schemes

## Annexure-I Appendix-A

### Demand No. 32-Department of Economic Affairs

#### MH 5475 - Assistance for Infrastructure Development Public Partnership (PPP) in Infrastructure (S.No. 2 Chapter 2).

The Viability Gap Funding (VGF) Scheme would provide financial support in the form of capital grant for Public Private Partnership (PPP) Projects for one of the following sectors:

- (i) Roads and bridges, railways, seaports, airports, inland waterways;
- (ii) Powers;
- (iii) Urban transport, water supply, sewerage, solid waste management and other physical infrastructure in urban areas;
- (iv) Infrastructure projects in Special Economic Zones; and
- (v) International convention centres and other tourism infrastructure projects;

Sectors/sub-sectors could be added or deleted from the aforesaid list through approval of competent authority..

The total VGF under this scheme shall not exceed 20% of the total Project Cost; provided that the Government or statutory entity that owns the project may, if it so decides, provide additional grants out of its budget, but not exceeding a further 20% of the Total Project Cost. While 20% is the cap

provided for in the scheme, the actual VGF required for any project will be determined through competitive bidding.

Thus the VGF would enable leveraging of funds upto five times in the focus area of infrastructure. By meeting the concerns of commercial viability that often plagues such projects it would promote inflow of private capital flow in the infrastructure sectors.

The scheme was first introduced in the Budget of 2004-05. The scheme was subsequently revised in August, 2006. Since the guidelines for making proposals could be finalised and notified in January, 2006 no funds could be disbursed during 2005-06 and 2006-07. A sum of Rs. 100 crore was provided in the Budget Estimates for 2007-08 and was restricted to Rs. 23 crore in the Revised Estimates of 2007-08 and was fully disbursed. A sum of Rs.92.10 crore was provided in BE 2008-09 and was restricted to Rs.61.57 crore in Revised Estimates 2008-09. An amount of Rs. 54.07 crore was disbursed in 2008-09. A provision of Rs. 150 crore has been made in Budget 2009-10

Under the revised scheme 45 proposals have been granted 'in-principle' approval related to different highway projects in the State of Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Bihar, Karnataka and Andhra Pradesh besides Mumbai Metro Rail Project and Hyderabad Metro Rail Project. One Project of Tourism Sector was also approved in 2008-09.

The total approvals for VGF grant till now is of the order of Rs. 6,517.90 crore for the 45 proposals granted 'in principle' approval. However the actual level of VGF amount of these proposals will be known once the

bidding takes place. It may be stated here that pre-qualification of bidders/ bidding process have been started in some of the projects and normally it will take 12 to 18 months for the bidding process to be completed and VGF sanction issued. In 6 projects from Madhya Pradesh, bidding process has been completed and four of them were given final approval. The total disbursement of VGF so far is Rs. 77.07 crore.

The highway projects envisage four laning of State Highways in the state of Gujarat, Maharashtra, Madhya Pradesh, Karnataka, Bihar, Andhra Pradesh and Rajasthan by the private sector on BOT basis with imposition of toll. There are also Metro Rail Projects in the State of Maharashtra and Andhra Pradesh seeking VGF for making the project viable. Without the Viability Gap Funding the projects were not commercially viable to be implemented by private sector and the only alternative was to implement it through government funding. Thus the VGF has enable additionality of resources, development of infrastructure and commercialisation of highway development and Urban Infrastructure development in the States of Gujarat, Maharashtra, Madhya Pradesh, Rajasthan and Andhra

Pradesh. Similar benefits are expected to occur in other infrastructure sectors through the VGF scheme. However, as the Scheme is new and there is a lag in project implementation in such PPP projects it will take some time for the proposals to be developed.

Since the VGF Scheme is new, necessary dissemination of information is required amongst the concerned entities. Department of Economic Affairs has developed their own website [pppinindia.com](http://pppinindia.com) giving information in this regard. Once the awareness for the proposal is widespread the number of proposals received would increase. In case, better prepared projects are received where the bidding can be expedited, the rate of disbursement could get accelerated.

The disbursement under the scheme is dependent on a number of issues including the project authorities completing the competitive bidding process in a time bound manner for a project that has been given 'in principle' approval and the actual VGF to be disbursed would be determined only after the completion of the bidding process.

## Indian Development and Economic Assistance Scheme (IDEAS) (S.No. 3 Chapter 2)

The Government of India recognizes that in a global competitive environment, there is a need to identify and reinforce enduring economic interests of the India globally. Economic diplomacy can also help further the strategic interests of India overseas.

The IDEAS attempts to promote India's strategic economic interests abroad by positioning India as an:-

- i) Emerging economic power;
- ii) Investor country;
- iii) Donor for developing countries; and
- iv) Investment destination for Foreign Direct Investment (FDI)

Based on the objectives listed above, the following interventions will form the core of the activities under IDEAS:

- i) Writing off past debts of HIPC countries: Under the Multilateral Financial Institutions (MFI) sponsored debt relief programmes, certain countries have been designated as Heavily Indebted Poor Country (HIPC). India has written off debts worth Rs. 120 crore of seven African countries that are HIPC and have crossed the 'Decision Point'. Some more countries are approaching the 'Decision Point' and India may wish to write off debts in respect of those countries as well. This activity is proposed to be brought under the umbrella of the IDEAS.
- ii) Provide concessional Lines of Credit through Lending Agencies: The system of providing Government to Government (G2G) loans borne on the budget of Government of India will be discontinued. The proposed scheme will mobilize credit from the international debt

markets. Lending Agencies such as Export-Import Bank of India will be asked to raise resources from the market and lend to countries/projects/programmes identified by Government of India, through Lines of Credit. Repayment of the dues of the Lending Agency will be backed up by a sovereign guarantee from the recipient Government. Government of India will back these efforts in two ways:

- (a) Government of India may, when necessary, counter guarantee repayment of principal, interest and penalties to the Lending Agency. The Lending Agency shall also explore possibilities like obtaining re-insurance, securitizing the loans, finding third party guarantees/escrow accounts etc., which add to lending comfort.
- (b) Government of India will provide an interest subsidy, which may be negotiated with the Lending Agency on a case-by-case basis. Government of India may also subsidize the cost of re-insurance or other securitization costs, when a guarantee is not provided.

It is with this view, the concessional lines of credit are extended to foreign countries at the behest of GoI and are now routed through Exim Bank of India. This Scheme was started in 2003-04. These Lines of Credit are approved by this Department on the proposal and recommendation of Ministry of External Affairs. During a short span of 6 years, 99 GoI supported Lines of Credit through Exim Bank of India involving a collective amount of credit of US\$ 4 billion (approx.) have been approved by this Department. These Lines of Credit have been extended to developing countries situated in different continents of the world – mostly in Africa but also in other countries e.g. Afghanistan, Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d'Ivoire, Djibouti, Ecuador, Ethiopia, Equatorial Guinea, Fiji, Gambia, Ghana, Guinea Bissau, Guyana, Honduras, Jamaica, Lao PDR, Lesotho, Mali, Malawi, Mozambique, Myanmar, Niger, Nigeria, Senegal, Sri Lanka, Sudan, Suriname, Tanzania, Vietnam and Zambia. Apart from

these countries, one line of credit has been approved for ECOWAS Bank for Investment & Development (EBID) which comprises of 15 African countries as its members.

These Lines of Credit have been approved under the general initiative of Gol as well as some special initiative e.g. TEAM-9 initiative of India and New Partnership of African Development (NEPAD) of Africa. The general objective of these lines of credit has been the same viz. to promote the export of major goods of Indian manufacture to those countries, and secondly, to achieve the political objective i.e. goodwill of beneficiary countries. By

way of these lines of credit, the Indian companies are not only exporting machinery, equipment and goods for various sectors of these countries, but more importantly participating in executing many projects e.g. those in railways, information technology, power generation and transmission, sugar mills and also agricultural projects. Thus, India is fast emerging as the promoter of economic growth of many developing countries. Since some of these projects are in the process of commissioning, tangible benefits would accrue in due course and visibility would be available in the target sector.

**Statement showing disbursement of amounts under various Gol (Government-to-Government) Lines of Credit to foreign countries during 2006-07, 2007-08 and 2008-09**

(Rs. in crore)									
	2006-07			2007-08			2008-09		
Name of the Country	BE	RE	Actual Utilisation	BE	RE	Actual Utilisation	BE	RE	Actual Utilisation
Sri Lanka	108	100	99	77	60	37.56	-	10.51	11.16
Cambodia	21	15	2.92	11.68	4.68	2.73	4	4.30	4.29
Mauritius	18	8	-	12	-	-	-	-	-
Laos	5	0.6	0.51	-	-	-	-	-	-
Suriname	1	1	0.48	1	0.82	0.82	-	-	-
Myanmar	5	1	-	-	1.32	1.28	-	-	-

**Operational GoI Supported Exim Bank of India Lines of Credit (LOCs) to  
Foreign Countries during 2008-09 (S.No. 3 Chapter 2)**

S. No.	Borrower	Amount of LOC (in million of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of Credit
1	Seven Iranian Bank	200	LIBOR+50% p.a.	8 yrs.	2.5% p.a.	Ethylene Pipeline Project
2	Govt. of Zambia	10	LIBOR+1% p.a.	5 yrs.	1.5% p.a.	Purchase of various equipment from India
3	Govt. of Djibouti	10	1.5% p.a.	10 yrs.	LIBOR+ 1.5% p.a.	Purchase of various goods from India
4	Govt. of Mozambique	20	1.75% p.a.	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Financing of exports of various goods from India
5	Govt. of Ghana	15	LIBOR+ 0.5% p.a.	7 yrs. Grace – 3 yrs.	2% p.a.	Purchase of various goods from India
6	Govt. of Vietnam	27	1.5% p.a.	25 yrs. Grace – 5 yrs.	LIBOR+ 0.5% p.a.	Export of various Indian equipment, goods and services
7	Govt. of Myanmar	56.358	LIBOR+ 0.5% p.a.	10 yrs. Grace – 2 yrs.	2.5% p.a.	Upgradation of Yangon-Mandalay Railways System
8	Govt. of Sudan	50	LIBOR+ 0.5% p.a.	11 yrs.	2% p.a.	Purchase of various goods from India
9	Govt. of Lesotho	5	LIBOR+ 0.5% p.a.	8 yrs.	2.5% p.a.	Purchase of various goods from India
10	Govt. of Syria	25	LIBOR+ 0.5% p.a.	12 – 14 yrs. Grace – 3 yrs.	2.5% p.a.	For sourcing plants & equipment, goods and services
11	Govt. of Myanmar	7	LIBOR+ 0.5% p.a.	8 yrs. Grace – 1 yr.	2% p.a.	Development of information and communication technology
12	Govt. of Guyana	25.2	1.75% p.a. (fixed)	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Modernisation of three sugar mills

S. No.	Borrower	Amount of LOC (in million of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of Credit
13	Govt. of Suriname	16	LIBOR+ 0.5% p.a.	15 yrs. Grace – 5 yrs.	2.5% p.a.	Power transmission line project (to be executed by PEC/L&T Ltd.)
14	Govt. of Senegal	15	1.75% p.a.	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Development of rural SMEs and purchase of agricultural machinery and equipment
15	Govt. of Angola	40	1.75% p.a.	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Railway rehabilitation project by M/s RITES Ltd.
16	Govt. of Sri Lanka	150	LIBOR+ 0.5% p.a.	7 yrs. Grace – 1 yr.	2.25% p.a.	Purchase of petroleum products
17	Govt. of Guyana	19	1.75% p.a. (fixed)	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Construction of a cricket stadium in Georgetown (Guyana)
18	Govt. of Senegal	17.87	1.75% p.a. (fixed)	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Supply of 350 buses by M/s. TATA Motors
19	Govt. of Ghana	27	1.75% p.a. (fixed)	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Financing for rural electrification, agriculture, transportation and communication equipment/projects.
20	Govt. of Fiji	50.4	LIBOR+ 0.5% p.a.	8-10 years Grace – 2-3 years	1.5% p.a.	Revival and restructuring of sugar industry
21	Govt. of Sri Lanka	100	LIBOR+0.5% p.a.	8-10years Grace – 2-3 years	1.5% p.a.	Up-gradation of rural infrastructure
22	Govt. of Burkina Faso	30.97	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Agricultural materials, Modernising post office and foreign exchange bureau.
23	Govt. of Chad	50	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Bicycle Plant, Agricultural Plant, Steel Billet Pant & Rolling Mill and Cotton Yarn Plant

S. No.	Borrower	Amount of LOC (in million of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of Credit
24	Govt. of Ghana	60	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Rural electrification, construction of President's office
25	Govt. of Mali	27	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Rural electrification, Agricultural machinery
26	Govt. of Senegal	48	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Irrigation project, IT project, Mini integrated steel plant & Rolling mill
27	Govt. of Cote d' Ivoire	26.8	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Renewal of urban transport system in Abidjan, Agricultural projects
28	Govt. of Mali and Govt. of Senegal (combined)	20.62 (to Mali) 7.08 (to Senegal)	1.75% p.a. (both)	20 years Grace – 5 years (both)	LIBOR+0.75% p.a. (both)	Acquisition of railway coaches and locomotives from India
29	Govt. of Myanmar	20	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Renovation of Thanlyin Refinery.
30	Govt. of Honduras	30	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Communication equipment, Medical equipment, Transport equipment.
31	Govt. of Niger	17	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Procurement of buses and automobiles.
32	Govt. of Gambia	6.7	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Assembly Plant for tractors.
33	Govt. of Congo	33.5	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Cement factory, acquisition of 500 buses, Rehabilitation of Kisenge Manganese, Acquiring equipment for MIBA.
34	Govt. of Sudan	350	4% p.a.	12 years Grace – 3 years	LIBOR-2% p.a.	Setting up Power Plant by M/s, BHEL

S. No.	Borrower	Amount of LOC (in million of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of Credit
35	Govt. of Sudan	41.9	4% p.a.	13 years Grace – 3 years	LIBOR-2% p.a.	Singa-Gedarif Transmission line and Sub-station project
36	Govt. of Mozambique	20	1.75% p.a	20 years Grace – 5 years	LIBOR+0.75% p.a.	Electrification of Gaza province in Mozambique
37	Govt. of Ethiopia	65	1.75% p.a.	20 years Grace – 5 years	LIBOR + 0.75% p.a.	Energy transmission and distribution project in Ethiopia.
38	ECOWAS Bank	250	1.75% p.a.	20 years, Grace – 5 years	LIBOR + 0.75% p.a.	Public Sector Projects
39	Govt. of Seychelles	8	LIBOR + 0.5% p.a.	8-10 years, Grace – 2-3 years	1.5% p.a.	Purchase of essential commodities from India
40	Govt. of Jamaica	9.5	LIBOR+0.5% p.a.	12 years, Grace - 4 years	1.5% p.a.	1. Import of machinery and equipment from India worth US\$ 2 mn. for Small Scale Sector;  2. Purchase of water pumps by National Commission, Jamaica for US\$ 7.5 mn. (being 75%) of the order value and remaining amount to be covered by Supplier's Credit from M/s Kirloskar Brothers Ltd.
41	Govt. of Sudan	48	1.75% p.a.	20 years, Grace – 5 years	LIBOR+0.75% p.a.	For various projects.
42	Govt. of Vietnam	45 mn.	1.75% p.a.	15 years, Grace - 5 years	1.5% p.a.	Thang Long Thermal Plant (1x50 MW coal fired) to be executed by M/s. BHEL.
43	Govt. of Nepal	35 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+ 0.75% p.a.	Various road projects, rural electrification projects, power transmission projects and hydro power projects.



S. No.	Borrower	Amount of LOC (in million of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of Credit
44	Govt. of Mali	30 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+ 0.75% p.a.	Electricity transmission and distribution project from Cote d' Ivoire to Mali.
	Govt. of Gabon	14.5 mn.	LIBOR + 0.5% p.a.	12 years, Grace – 4 years	1.5% p.a.	Housing project.
45	Govt. of Rwanda	20 mn. (as 1 <sup>st</sup> tranche of US\$ 80 mn.)	1.75% p.a.	20 years, Grace – 5 years	LIBOR+ 0.75% p.a.	For power project in Rwanda (to be executed by BHEL and M/s Angelique International Ltd.)
46	Govt. of Cambodia	35.20 mn.	1.75% p.a.	15 years, Grace – 5 years	1.5% p.a.	For various projects.
47	Govt. of Sudan	52 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+ 0.75% p.a.	For various projects.
48	Govt. of Mali	45 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR + 0.75% p.a.	Electricity transmission and distribution project from Cote d' Ivoire to Mali.
49	Govt. of Suriname	10.4 mn.	LIBOR + 0.5% p.a.	15 years, Grace – 5 years	1.5% p.a.	Water supply project.
50	Govt. of Nepal	65 mn.	LIBOR+ 0.75% p.a.	20 years, Grace - 5 years	1.75% p.a.	For various projects.
51	Govt. of Ethiopia	122 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+0.75% p.a.	Development of sugar industries.
52	Govt. of Malawi	30 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+0.75% p.a.	Irrigation/Storage Tobacco Threshing Plant
53	Govt. of Lao PDR	33 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+0.75% p.a.	Transmission Line and two Hydro-Power Projects.
54	Govt. of Suriname	10.59 mn.	LIBOR+ 0.5% p.a.	15 years, Grace – 5 years	1.5% p.a.	Purchase from BEL, HAL and Ordinance Factory Board

S. No.	Borrower	Amount of LOC (in million of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of Credit
55	Govt. of Mozambique	20 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+0.75% p.a.	Transfer of Water Drilling Technology and Equipments.
56	Govt. of Cote d' Ivoire	25.5 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+0.75% p.a.	Mahatma Gandhi IT and Biotechnology Park, Fisheries Processing Plant and Coconut Fibre Processing Plant.
57	Govt. of Niger	20 mn.	LIBOR + 0.5% p.a.	15 years, Grace – 5 years	LIBOR+0.75% p.a.	For power project.
58	Central African Republic	29.5 mn.	1.75% p.a.	20 years, Grace - 5 years	LIBOR+0.75% p.a.	For various projects.
59	Govt. of Senegal	25 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+ 0.75% p.a.	Electrification project & Fishing Industry Development project.
60	Govt. of Madagascar	25 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+0.75% p.a.	Agricultural project.
61	Govt. of Seirra Leone	15 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+ 0.75% p.a.	For Agricultural Project
62	Govt. of Suriname	4.30 mn.	LIBOR+ 0.5% p.a.	15 years, Grace – 5 years	1.5% p.a.	Supply of 10 crash fire tenders by Bharat Earth Movers Ltd.

## Technical Aid under the Colombo Plan

### (S.No. 4 Chapter 2)

As a part of the South – South Technical Cooperation Scheme of Colombo Plan, the Government of India started the Technical Cooperation Scheme with the view to provide technical assistance to Colombo Plan countries. This scheme has been designed to impart technical training to 410 scholars from 18 countries every year in training institutes in India. Training courses range from two weeks to a maximum of three years. Most participants come for training courses of the duration of three – four months. The courses offered by the institutes are mainly technical in nature and cover subjects of human resource development, audit and accounts, commerce, information technology, computers, education, parliamentary

matters, rural development, textile, water resources, medical sciences, engineering, financial management, insurance etc. The trainings of longer duration pertain to Master of Computer Applications, Master of Business Administration and Master of Technology. Maximum numbers of participants are from countries like Myanmar, Mongolia, Bhutan, Sri Lanka, Indonesia and Philippines.

In addition, under the Technical Cooperation Scheme, India is sponsoring 13 Colombo Plan Lecturers to be associated with educational institutes in Bhutan for assisting in curriculum development and improvement in educational standards and is also providing annual contributions and secondment of faculty members to Colombo Plan Staff College, Manila.

## National Skill Development Corporation (NSDC) (Chapter 5 - Analysis of Expenditure)

The Union Cabinet, in its meeting held on May 15, 2008, while approving the coordinated action plan for skill development, also, inter alia, approved the setting up of the National Skill Development Corporation (NSDC) with an initial Government contribution of Rs. 1,000.00 crore.

Subsequently with the approval of the Cabinet the following decisions were taken to enable the NSDC to carry out its mandate of co-ordinating and stimulating private sector initiatives in the area of skill development with enhanced flexibility and effectiveness:

- a) Incorporation of NSDC as a Section 25 'not for profit' company with an initial authorized capital of Rs. 10 crore, 51% of which, to be privately held.
- b) Incorporation of the National Skill Development Fund (NSDF) as a Trust fully owned by Government to be a receptacle for funds from Government sources, bilateral/multilateral and other agencies.

The Company was registered on July 31, 2008 as a Section 25 Company. Shri MV Subbaiah, was appointed as the Chairman of the NSDC. The other initial Directors of the Company (on ex-officio basis) are Secretary

Ministry of Labour; Secretary Ministry of Small and Medium Industries and Additional Secretary, Department of Economic Affairs.

Eight Associations, viz., Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), The Associated Chambers of Commerce & Industry of India (ASSOCHAM), Council for Leather Exports (CLE), Confederation of Real Estate Developer's Association of India (CREDAI), Gems & Jewellery Promotion Council (GJEPC), Centre of Informatics and Information Technology (CITI) and Society for Industrial and Applied Mathematics (SIAM) have sent in their contributions of Rs. 51 lakh each towards the equity of NSDC. A sum of Rs. 3.00 crore has been subscribed by Ministry of Finance as Government equity and the total subscribed capital of NSDC therefore stands at Rs. 7.08 crore as on date.

The National Skill Development Fund (NSDF) was registered as a Trust on January 7, 2009. The initial trustees are: Secretary, EA; Secretary, Planning Commission; and Chairman, NSDC. A sum of Rs. 995.10 crore has been transferred to the Trust by the Ministry of Finance for the corpus of NSDF.

An Investment Management Agreement was concluded between NSDC and NSDF on March 27, 2009 and a sum of Rs. 200.00 crore from the overall corpus of the Trust has been transferred to NSDC for implementation of its work programme.

**Grand No. 43 - Indirect Taxes**  
**Revised cost of various components under Consolidation Project of computerization**  
**(Chapter 2, Item 1, Column 8)**

		(Rs. in crore)
S. No.	Component	Revised sanctioned amount
1	Setting up of an All India Wide Area Network	86.00
2	Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	265.90
3	Local Area Network and PCs/Thin Clients for all offices	216.70
4	Data Warehouse	15.47
5	Automated Central Excise and Service Tax System (ACES)	8.00
6	Project monitoring for WAN/LAN	5.90
7	Consultant	1.00
	<b>Total</b>	<b>598.97</b>





