



Ministry of Finance
Government of India

Outcome Budget 2010-11

अर्थमूलं कार्यम्
Outlays for Outcomes



Contents

Preface	3
Executive Summary	5–15
Chapter 1: Introduction	17–31
Chapter 2: Outlays and Outcomes	33–92
Chapter 3: Reform Measures and Policy Initiatives.....	93–113
Chapter 4: Review of Past Performance	115–196
Chapter 5: Financial Review	197–267
Chapter 6: Review of Performance of Statutory and Autonomous Bodies under Ministry of Finance.....	269–285
Notes on Outcome – Details of Schemes	
Annexure-I.....	287–300
Annexure-II.....	301–305
Annexure-III	306



PREFACE

The “Outcome Budget” is an endeavour of the Government to convert the “outlays” into “outcomes” 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 an “Executive Summary”, the “Outcome Budget 2010–11” 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/timeliness 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 of 2009–10; **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 2010–11, the Ministry of Finance is administering 13 Grants, of which 6 Grants have been exempted from the purview of “Outcome Budget”.
- The total provision (gross) for the 13 Grants that the Ministry of Finance administered during 2009–10 was **Rs. 23,06,198.54 crore** (Revenue **Rs. 4,04,480.25 crore** and Capital **Rs. 19,01,718.29 crore**). The Plan and Non-Plan provisions were **Rs. 67,806.95 crore** and **Rs. 22,38,391.59 crore**, respectively.
- This was enhanced to **Rs. 36,94,486.38 crore** at RE stage (Revenue **Rs. 4,05,760.57 crore** and Capital **Rs. 32,88,725.81 crore**). The Plan and Non-Plan provisions were enhanced to **Rs. 75,378.60 crore** and **Rs. 36,19,107.78 crore**, respectively.
- The Budget provision for the 13 Grants for 2010–11 has been kept at **Rs. 38,48,910.14 crore** (Revenue **Rs. 4,36,619.02 crore** Capital **Rs. 34,12,291.12 crore**). This comprises of **Rs. 81,182.47 crore** under Plan and **Rs. 37,67,727.67 crore** under Non-Plan heads.
- The 7 Grants, which have been covered in Outcome Budget 2010–11, have a total outlay of **Rs. 77,119.18 crore** (Revenue **Rs. 55,966.26 crore** and Capital **Rs. 21,152.92 crore**) comprising of **Rs. 3,294.22 crore** under Plan and **Rs. 73,824.96 crore** under Non-Plan heads. The total outlay in regard to various schemes included in the Outcome Budget comes to **Rs. 52,385.32 crore** (Plan **Rs. 1,417.49 crore** and Non-Plan **Rs. 50,967.83 crore**).

Demand No. 32 – Department of Economic Affairs

- ◆ **Contribution for Railway Safety Works** – (Rs. 876.73 crore) against additional levies on Motor Spirit & High Speed Diesel (Plan) - Under this scheme during 2010–11 the Ministry of Railways have targeted to strengthen the safety at level crossing by providing manning at 800 locations, lifting 800 barriers and basic infrastructure at 2000 locations. All manned gates will be provided with telephone. It is also proposed to construct 150 limited height subways and 100 numbers of Road Over and Underbridges.
- ◆ The total Viability Gap Funding (VGF) outlay for the XIth Five Year Plan (2007–12) has been estimated at Rs. 6,973.00 crore. To promote Public Private Partnership (PPP) in infrastructure sector Rs. 480.26 crore (Plan) has been provided for 2010–11. The total approvals for VGF grant till now is of the order of Rs. 7357.39 crore for the 57 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. Out of these, negative grant has been received from two projects. For the remaining four projects of Madhya Pradesh, the VGF disbursement during 2007–08, 2008–09 and 2009–10 were of the order of Rs. 23.00 crore; Rs 54.07 crore and Rs. 15.30 crore till December 2009.

- ◆ A provision of Rs. 130.00 crore has been made for Interest Equalization Support to EXIM Bank of India during 2010–11 under 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 \$ 4097.43 million have been approved. These lines of credit have been extended to 52 developing countries situated in different continents of the world. We have disbursed Rs. 135.00 crore, Rs. 191.57 crore and Rs. 53.85 crore for the years 2007–08, 2008–09 and 2009–10 (upto December, 2009) respectively.
- ◆ A provision of Rs. 8.45 crore has been made for Technical Assistance under the Colombo Plan during 2010–11. As a part of 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. 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 14 Colombo Plan lecturers to be associated with education 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 for Technician Education, Manila. During the year 2007–08 and 2008–09, against the 13 slots, 10 Colombo Plan lecturers were deputed to Bhutan.

Demand No. 33 – Department of Financial Services

◆ Agricultural Debt Waiver and Debt Relief Scheme for Farmers –

In the year 2008–09, Government of India announced an Agricultural Debt Waiver and Debt Relief Scheme for farmers covering all agricultural loans disbursed by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Cooperative Banks (including UCBs) and Local Area Banks (LABs) upto 31st March, 2007, overdue as on 31st 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 offers a rebate of 25% against payment of the balance amount of 75%. The Scheme was implemented by its due date i.e. 30.06.2008. The last date for payment of 75% by ‘Other Farmers’ under OTS Scheme was extended upto 31.12.2009. As per reports received from RBI, NABARD, SLBCs and PSBs so far, the total debt waiver/debt relief is Rs. 65,318.33 crore covering 3,68,77,818 farmers (provisional figures).

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, as per the arrangements i.e. Rs. 25,000 crore in 2008; Rs. 15,000 crore by July-August 2009; Rs. 12,000 crore by July-August 2010 and the audited balance amount by July-August 2011. The 1st and 2nd instalments of reimbursable claims of the lending institutions under the Scheme of Rs. 25,000 crore and Rs. 15,000 crore have been released to the Reserve Bank

of India in 2008 and 2009 respectively. Out of these amounts, a total of Rs. 28,000 crore was released to NABARD for reimbursing the Regional Rural Banks and co-operative credit institutions and a total amount of Rs. 11,996.79 crore was reimbursed to scheduled commercial banks, Local Area Banks and Urban cooperative Banks by Reserve Bank of India.

- ◆ **Interest to lending institutions towards implementation of ADWDR Scheme, 2008** – Due to staggered schedule drawn for reimbursing the claims of lending institutions, Government of India decided to pay interest to lending institutions for the 2nd, 3rd and 4th instalments. For this purpose, a proposal for payment of interest of Rs. 3872.00 crore on balance amount on the reimbursable claims has been approved by the Government on 3rd October, 2008. An amount of Rs. 149.79 crore was released during 2008–09 towards the 1st instalment. A budgetary provision of Rs. 2151.00 crore has also been made for the purpose in 2009–10 and a sum of Rs. 458.85 crore has been released to RBI in 2009–10 (upto December, 2009).
- ◆ **Universal Health Insurance Scheme (UHS)** 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 the 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 coverage 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. 1,78,186 policies covering 5,60,678 families have been issued during the year 2009–10. This involved an expenditure of Rs. 5.35 crore. A provision of Rs. 6.39 crore has been kept in BE 2009–10

which has been increased to Rs. 28.00 crore at RE, with a view to covering 9.33 lakh families during the year. A sum of Rs. 17.51 crore has been released upto December, 2009.

- ◆ **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. The difference between the effective yield of 9% paid to the pensioners and that earned by Life Insurance Corporation of India is compensated as subsidy to LIC by the Government of India. The Government provided Rs. 155.63 crore as subsidy to LIC during the financial year 2008–09 and a sum of Rs. 270.82 crore has been provided in 2009–10 for the scheme.
- ◆ **Grants for Strengthening the Cooperative Credit Structure (STCCS)** – Revitalization of Short Term Cooperative Credit Structure in the States, which agree to implement the package of Rs. 13,596.00 crore approved by the Government on the basis of the recommendations of the Task Force headed by Prof. A. Vaidyanathan, has gained momentum with the signing of MoUs by 25 States, viz., Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Rajasthan, Orissa, Punjab, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal with NABARD and the Government of India for implementing the package. Under the scheme, the expenditure is to be shared by the Government of India, the State Governments and the Cooperative Credit Societies in the ratio of 68:28:4. A provision of Rs. 800.00 crore was made in RE 2009–10 and the same has been released on 19.1.2010 to NABARD. There is a provision of Rs. 984.65 crore available in BE 2010–11 for the same.

- ◆ **Interest Subvention for providing short term credit to farmers –**
The Government is subsidizing the interest rate on loans to farmers through an Interest Subvention Scheme so that short-term crop loans upto Rs. 3.00 lakh are available to farmers at an interest rate of 7% per annum. In 2009–10, Government shall also pay an additional subvention of 1 per cent as an incentive to those farmers who repay their short term crop loans on schedule. Thus, the interest rate for these farmers will come down to 6 per cent per annum. The Government of India approved this scheme on 17.9.2009 at an estimated cost of Rs. 4000.00 crore. There is a budget provision of Rs. 2,011 crore in BE 2009–10 which has been released to Reserve Bank of India.
- ◆ **Revival of Long Term Cooperative Credit Structure (LTCCS) –**
A revival package for the Long Term Cooperative Credit Structure (LTCCS), based on the recommendations of Vaidyanathan Task Force-II was approved by the Government of India on 26.02.2009. The total outlay for implementation of the Revival of Long Term Cooperative Credit Structure (LTCCS) is for Rs. 3,070 crore (Rs. 2,206 crore for Gol, Rs. 482 crore for State Government and Rs. 382 crore for Agriculture and Rural Development Banks or LTCCS). Rs. 20 crore has been released to NABARD for implementation of this package during 2008–09. The provision of Rs. 1,000 crore made in the BE 2009–10 has been reduced to Rs. 1.00 crore in RE. However, the Government of India has constituted a Task Force to assess the impact of the implementation of the Agricultural Debt Waiver & Debt Relief Scheme (ADWDRS), 2008 and STCCS package on the financial health of the LTCCS.
- ◆ **“Financial Inclusion Fund” and “Financial Inclusion Technology Fund” –** Pursuant to the Budget Speech for 2007–08 and on the basis of recommendations of the Committee on Financial Inclusion set up under the Chairmanship of Dr. C. Rangarajan, the Government had constituted two Funds viz. ‘Financial Inclusion Fund’ for meeting the cost of developmental and promotional interventions

for ensuring financial inclusion and “Financial Inclusion Technology Fund” to meet the cost of technology adoption. The funds are housed in NABARD and consist of an overall corpus of Rs. 500.00 crore to be contributed by the Gol, RBI and NABARD in a ratio of 40:40:20 in a phased manner over five years depending upon utilization of funds. Accordingly, an amount of Rs. 10.00 crore each of these two Funds was released to NABARD in 2007–08 as initial contribution of Gol towards creation of these two Funds. There is a budget requirement of Rs. 92.50 crore for FIF and Rs. 162.50 crore for FITF till 2009–10. Of this, the share of Govt. of India is Rs. 37 crore for FIF and Rs. 65.00 crore for FITF. A sum of Rs. 10.00 crore each has been made at RE stage in 2009–10. No amount has been released till December, 2009.

- ◆ **Acquisition cost of RBI stake in NABARD and NHB –** Reserve Bank of India had sent a proposal for transfer of its shareholding in SBI, NABARD and NHB to the GOI in line with the recommendations of the Committee of Banking Sector Reforms (Narasimhan Committee) since it was inconsistent with the principles of effective supervision that the regulator was also the owner. RBI shareholding in SBI has already been transferred to the Government in 2007.

As per the decision taken by the Government in its meeting held on 1.02.2007, RBI has to transfer its shareholding in NABARD and NHB to the Government of India at the total holding cost of Rs. 1900.00 crore i.e. for NABARD - Rs. 1450.00 crore and for NHB - Rs. 450.00 crore.

It has been decided to effect transfer of 71.5% RBI shareholding in NABARD, amounting to Rs. 1,430.00 crore, to the Government during the year 2009–10. Accordingly, a provision of Rs. 1,450.00 crore has been made in the RE 2009–10. Transfer of RBI’s shareholding in NHB to the Government is likely to be given effect in 2010–11.

- ◆ **Contribution to Securities Redemption Fund for redeeming SLR Marketable Securities issued against subscription in the**

Rights Issue of equity shares of State Bank of India - 2008 –

While approving subscription of around Rs. 10,000.00 crore by the Government in the Rights Issue - 2008 of the State Bank of India (SBI), Government had also approved creation of a 'Securities Redemption Fund' for redeeming the Government Securities - 2024 issued to SBI towards subscription to its Rights Issue - 2008, on due date. A sum of Rs. 625 crore is to be transferred annually in the 'Fund' starting from 2008–09. This amount is to be transferred to the Fund up to the year 2023–24 i.e. for 16 years. Accordingly, a sum of Rs. 625 crore has been provided by the Government on 02.12.2009 in the 'Securities Redemption Fund' for the year 2009–10. The same amount is to be provided by the Government in the 'Securities Redemption Fund' for the year 2010–11 as well.

- ◆ **Restructuring the Liabilities of IDBI Bank Ltd.** – The Government had, inter-alia, approved in February, 2005 for providing assistance amounting to Rs. 2,521.89 crore to IDBI Ltd. (now IDBI Bank Ltd.) for servicing their liabilities over 2003–04 to 2007–08. An amount of Rs. 2,367.56 crore has already been released to IDBI Bank Ltd. upto the year 2007–08. It has been decided to release the balance amount of Rs. 154.33 crore to the Bank (out of total sanction amount of Rs. 2521.89 crore) against BE 2010–11.
- ◆ **Subscription to Tier-I instrument of Nationalised Banks to augment their capital funds** – To enable the Public Sector Banks (PSBs) to maintain a comfortable level of CRAR for supporting the credit requirements of the productive sectors of the economy and to ensure compliance with Basel-II regime, Government decided to infuse capital funds amounting to Rs. 4,600.00 crore in nationalised banks through investment in their Tier-I instruments – Central Bank of India (Rs. 1,400.00 crore), UCO Bank (Rs. 1,200.00 crore), Vijaya Bank (Rs. 1,200.00 crore) and United Bank of India (Rs. 800.00 crore).
A sum of Rs. 1,900.00 crore, out of Rs. 4,600.00 crore, was infused in these nationalised banks (Central Bank of India – Rs. 700.00

crore, UCO Bank – Rs. 450.00 crore, Vijaya Bank – Rs. 500.00 crore and United Bank of India – Rs. 250.00 crore) during the year 2008–09. Out of the balance amount of Rs. 2,700.00 crore, a sum of Rs. 1200.00 crore will be infused in Central Bank of India, UCO Bank and United Bank of India during the year 2009–10 and the remaining Rs. 1500.00 crore will be infused in all the four banks during the year 2010–11.

- ◆ **Recapitalisation of Public Sector Banks** – Government is considering to provide capital assistance to those Public Sector Banks which require such funds to be able to meet the credit requirement of the economy while maintaining Capital to Risk Weighted Assets Ratio (CRAR) at around 12%, through World Bank assistance. A provision of Rs. 15,000 crore has been made in BE 2010-11.

Demand 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. 10.50 crore (Rs. 3.30 crore under Revenue section and Rs. 7.20 crore under Capital section) has been provided in 2010-11 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. In the previous year, 25 Candidates sponsored by the Central Government/Public Sector Undertaking and State Governments of Himachal Pradesh, Madhya Pradesh and Rajasthan have participated. The provision will also be utilized to create additional infrastructure of hostel facilities, class rooms etc. in the Institute.

- ◆ In 2008–09, recommendations of the Sixth Central Pay Commission were considered and approved by the Government with certain modifications. The orders on pay structure and allowances based on the Governments approval of the recommendations were also issued. An implementation cell has been constituted for expeditious action in respect of follow up issues.

Demand No. 41 – Department of Revenue

- ◆ Under Demand No.41 – Department of Revenue, major expenditure is towards Compensation to States/Union Territory Governments on account of phasing out of Central Sales Tax (CST) which is budgeted at Rs. 10000 crore for 2010–11. The second major expenditure is towards VAT related expenditure which is budgeted at Rs. 401 crore for 2010–11. 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. 17,364.50 crore has been released to the States which include Rs. 2471.27 crore released in 2005-06, Rs. 4092.13 crore in 2006-07, Rs. 3880.48 crore in 2007–08, Rs. 4361.95 crore in 2008–09 and Rs. 2558.67 in 2009–10 (till 31st December 2009). Claims amounting to Rs. 444.97 crore are still pending as on 31st December, 2009.

- ◆ CST rate has been reduced from 4% to 3% w.e.f. 1st April, 2007 and further from 3% to 2% w.e.f. 1.6.2008. Compensation amounting to Rs. 10098.53 crore has been released to the States which includes Rs. 2168.88 crore released in 2007–08, Rs. 1950 crore in 2008–09 and Rs. 5979.65 crore in 2009–10 (upto 31st December 2009). Claims amounting to Rs. 1026.24 crores were pending at the end of December, 2009. Compensation package for 2009–10 is yet to be finalized between the Centre and Empowered Committee.
- ◆ A total of Rs. 10401.00 crore has been provided in BE 2010–11 for compensation of losses on account of CST & VAT, VAT implementation related expenditure and for modernization of State Tax Administration including setting up/upgradation of two institutes for taxation studies in States/UTs. The compensation to States/UTs towards implementation of VAT/CST Scheme and VAT related expenditure constituted about 95.83% of the total expenditure under the grant in 2009–10 and 93.51% in 2010–11.
- ◆ A Mission Mode Project for Computerization of Commercial Taxes and linking of all States/Union Territories with overall cost of Rs. 1133.41 crore has been appraised by the CNE and recommended for approval to the Cabinet. After Cabinet's approval, individual State projects will be sanctioned by the Empowered Committee proposed under the project.
- ◆ The proposal for upgradation of Centre for Taxation Studies, Thiruvananthapuram into Gulati Institute of Finance & Taxation at a total cost of Rs. 33.13 crore (Central share at Rs. 23.63 crore) has been approved by the Government and the proposal for upgradation of the second institute to the National level Institute of Public Finance at Kolkata is being considered. The detailed proposal is awaited from the selected institute.
- ◆ 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 in 2008–09 against the BE of Rs. 300.52 crore. In 2009–10, they have realized a revenue of Rs. 204.75 crore (upto December, 2009) against the BE of Rs. 300.97 crore.

- ◆ The Smart Card Project for Poppy Cultivators has been expanded in 2007–08 to cover all 17 Opium Divisions. The project once fully and successfully implemented will enable monitoring of various cultivation activities and would also be useful for policy level decisions.
- ◆ A system of monthly report by Administrative and Coordinating Units of respective items under Outcome Budget has been introduced. Monthly and Quarterly review of trends of expenditure and progress under Outcome Budget is done at the Department/Ministry level. Project Monitoring/Implementation Committees 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.

Demand No. 42 – Direct Taxes

- ◆ The Central Board of Direct Taxes (CBDT) is the apex body entrusted with the responsibility of administering direct tax laws in India. The CBDT is also assisted by 15 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. 275.00 crore has been provided in Budget Estimates 2010–11 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)
 - Business Process Re-engineering (BPR)
 - Taxpayers Services
 - Centralised Processing Centre of Income Tax Returns at Bangalore
 - Refund Banker
- ◆ An outlay of Rs. 1663.00 crore has been provided under Capital section in BE 2010–11 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 2010–11 for construction of a guest house at New Delhi, residential quarters at Mumbai and Pune.
- ◆ 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 31.03.2009 is Rs. 2183.28 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 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. 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. A provision of Rs. 80 crore has been provided in BE 2010–11 towards implementation of activities under this phase.
- ◆ The actual expenditure in 2008–09 under this grant is Rs. 2331.90 crore against the Revised Estimates of Rs. 2517.63 crore which shows an utilisation of 92.62%. During the year 2009–10, actual expenditure till 31st December, 2009 is Rs. 1982.43 crore against the Revised Estimates of Rs. 2,840.40 crore which shows an utilisation of 69.79% in first three quarters of the current fiscal.

Demand No. 43 – Indirect Taxes

- ◆ The revised cost of Rs. 598.97 crore for the Information Technology Infrastructure Consolidation Project of CBEC was approved by the CCEA and that is under implementation. Contracts for implementation of various items of the Project were awarded to the vendors. Work is in advance stage and expected to be

complete 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. 167.17 crore have been spent for the years 2007–08 and 2008–09 respectively. During 2009–10, Rs. 100.93 crore have been spent up to December, 2009.

- ◆ 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 for container selection, RMS is working at Nhava Sheva Custom House.
- ◆ Procurement of 7 more Container Scanners (3 Mobile Gamma Ray Scanners and 4 Fixed X-ray Scanners) for facilitating cargo clearance is under way. Mobile Scanners are expected to be commissioned in 2010–11 and Fixed Scanners in 2011–12. 109 Marine Vessels for strengthening anti-smuggling operations in the territorial waters are also being procured and 78 vessels have been received up to December, 2009. All vessels are expected to be received by 2011-12. A total provision of Rs. 121.00 crores has been made for the year 2010–11. Rs. 27.42 crore and Rs. 99.88 crore have been spent for the years 2007–08 and 2008–09 respectively under these schemes. During 2009–10, Rs. 44.26 crore have been spent up to December, 2009.
- ◆ 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 2010. Any person or company who has paid income tax/corporate tax of more than Rs. 10 crore or excise duty of Rs. 5 crore or service tax of Rs. 5 crore during any previous year can opt to function as large taxpayer by giving consent to the concerned Large Taxpayer Unit.

- ◆ Capacity building and improvement in infrastructure of various field units have been taken up by way of utilization of the 1% incremental revenues of Rs. 71.42 crore and Rs. 113.63 crore collected during 2005-06 and 2006-07 respectively. Expenditure of Rs. 29.41 crore and Rs. 16.12 crore have been incurred on this account during 2007-08 and 2008-09 respectively. During 2009-10, proposals for Rs. 41.56 crore have been cleared. For the year 2010-11, a provision of Rs. 50.00 crore has been made.

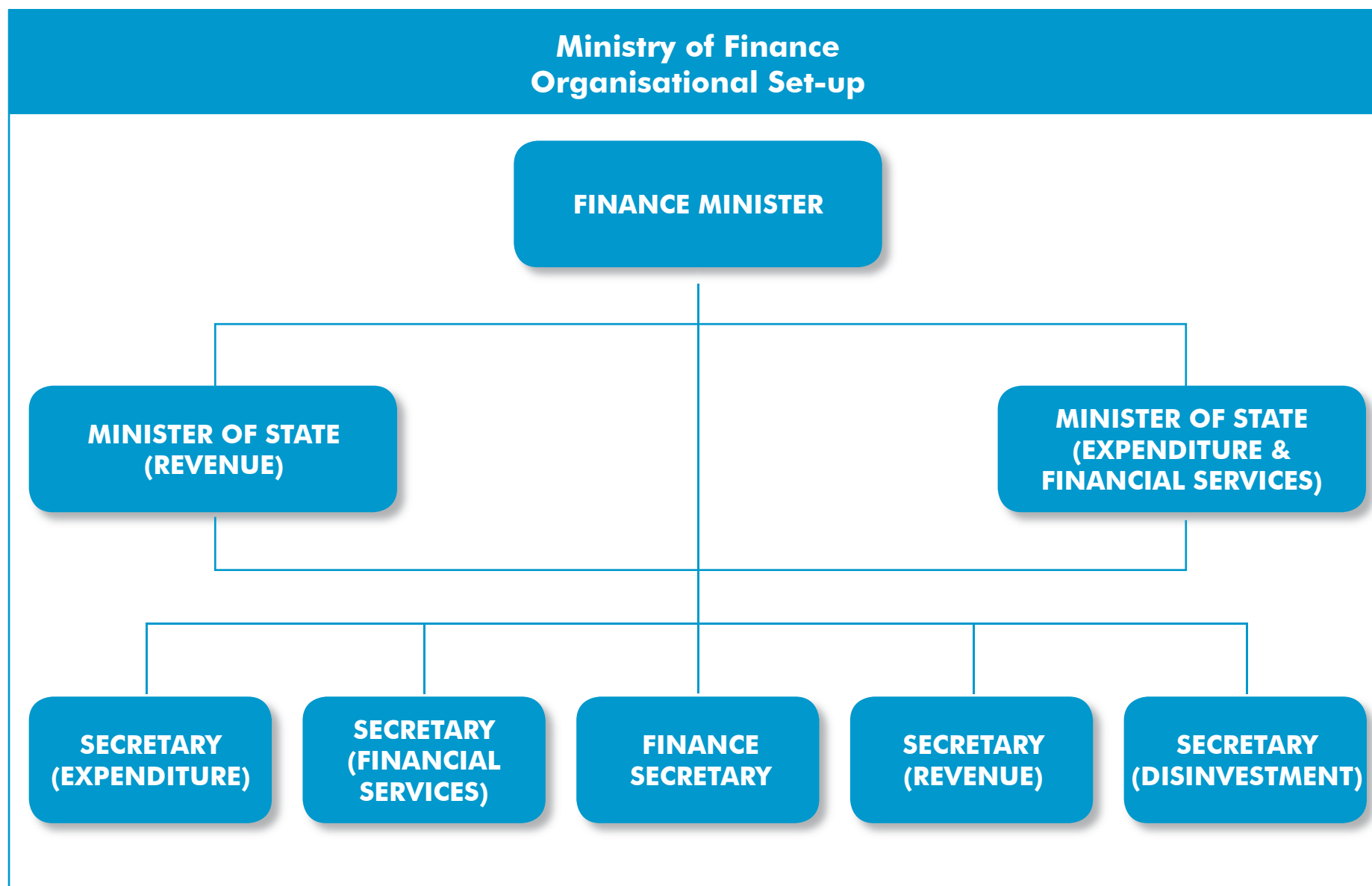
Demand No. 44 – Department of Disinvestment

- ◆ The Department of Disinvestment, which came into being on 27th May, 2004 by conversion of the Ministry of Disinvestment into a Department under the Ministry of Finance. The Department deals inter-alia, with all matters relating to disinvestment of Central Government equity from Central Public Sector Undertakings. The Government has in November, 2005 constituted 'National Investment Fund' (NIF), to be maintained outside the Consolidated Fund of India into which the proceeds from disinvestment of Central Public Sector Enterprises would be channelized. The corpus of Fund is of a permanent nature and is professionally managed to provide sustainable returns without depleting the corpus. The income of the fund would be used to finance social sector schemes which promote education, health and employment and also be used to meet the capital investment requirements of profitable and revivable CPSEs to finance expansion/diversification.
- ◆ So far an amount of Rs. 1,814.45 crore realized out of the disinvestment proceeds of Power Grid Corporation of India (Rs. 994.82 crore) and Rural Electrification Corporation Limited (Rs. 819.63 crore) has been credited into NIF. The amount has been transferred to Fund Managers for investment. For the two year period of investment, an income of Rs. 294.05 crore has been received giving average return of 9.35% as against a hurdle rate of 9-9.25%. Out of the total income received, an amount of Rs. 185.90 crore has been allocated to National Programme of Nutritional Support to Primary Education (Mid-Day Meal Scheme).
- ◆ However, with effect from April, 2009 to March, 2012, the proceeds from the disinvestment channelised into NIF would be available in full as a one-time exemption, for meeting the capital expenditure in respect of identified social sector schemes decided by the Planning Commission and Department of Expenditure. The status-quo ante would be restored from April, 2012.
- ◆ An amount of Rs. 2,012.85 crore has materialized from disinvestment of 5% Government's equity in National Hydro-electric Power Corporation and Rs. 2,247.05 crore from disinvestment of 10% equity out of Government shareholding in Oil India Limited along with fresh issue of equity of 10% of pre-issue paid up capital of the Company, during August & September, 2009 and subsequently, Rs. 8,480.10 crore from disinvestment of 5% equity of NTPC Limited.
- ◆ Government on 19th October, 2009, approved disinvestment of 5% equity of NTPC Limited and disinvestment of 10% equity of Satluj Jal Vidyut Nigam Limited out of Government shareholding through Public offering in the domestic market.
- ◆ Government on 29th October, 2009, approved disinvestment of 5% equity of Rural Electrification Corporation Limited (REC) out of Government shareholding in conjunction with the issue of fresh equity of 15% by the company. The expected realization in this regard would be around Rs. 850.00 crore.
- ◆ Government on 3rd December, 2009, approved disinvestment of 8.38% paid up equity of NMDC Limited out of Government shareholding through Public offering in domestic market.



Chapter 1

Introduction



INTRODUCTION

1

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) applying 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 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 the following Divisions/Units:

Aid Accounts & Audit Division

- ◆ Responsible for disbursement of loans and grants from multilateral/bilateral donor agencies; timely debt servicing of

loans to multilateral/bilateral donors; accounting of external assistance.

- ◆ Export promotion audit and supply of management information to credit Divisions.

Administration Division

- ◆ Responsible for the day-to-day administration and establishment matters of the Department including Right to Information.

Bilateral Cooperation Division

- ◆ Bilateral Development Assistance from all G-8 countries namely, USA, UK, Japan, Germany, Italy, Canada and Russian Federation.
- ◆ Monitoring progress of Externally Aided Projects (EAPs).
- ◆ Short term training courses offered by various international agencies.
- ◆ Extension of Lines of Credit to other countries.

Budget Division

- ◆ Preparation of the Union Budget and other allied issues like market borrowings, accounting and auditing procedures and financial relationship with the State Governments.
- ◆ Mobilization of small savings through the National Savings Organization (NSO).

Capital Market Division

- ◆ Policy issues relating to development of the securities market (i.e. share debt, derivatives), External Commercial Borrowing. Administration of the Foreign Exchange Management Act (FEMA), 1999.
- ◆ Administrative matters of the Specified Undertaking of United Trust of India (SUUTI)/the Securities and Exchange Board of India (SEBI)/

Securities Appellate Tribunal (SAT) and Pension Funds Regulation and Development Authority (PFDRA).

Economic Division

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

Infrastructure and Investment Division (I&I)

- ◆ All policy related issues in infrastructure sectors including 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).
- ◆ All proposals for foreign direct investment which are not on the automatic route are processed for approval of Foreign Investment Promotion Board (FIPB).
- ◆ Bilateral Investment Protection and Promotion Agreements (BIPA).
- ◆ All matters relating to currency and coins.

Integrated Finance Division

- ◆ Examination of financial proposals and tendering of advice there on in respect of Demand 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 Demands.
- ◆ Preparation/compilation/printing of Detailed Demand 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 (IMF) (excluding G-20, G-24 related work)
- ◆ Matters relating to International Bank for Reconstruction & Development (IBRD) ; International Development Association (IDA) & World Bank Group Institutions – International Fund for Agricultural Development (IFAD), Global Environment Facility (GEF).
- ◆ Matters relating to Asian Development Bank/African Development Bank.

Multilateral Relations Division (MR)

- ◆ Matters relating to G-20/G-24/G-8/Asia Europe Meeting (ASEM)
- ◆ Matters relating to UN, UNDP, ESCAP, etc.
- ◆ India – EU Macro Economic Dialogue
- ◆ Matters relating to SAARC; 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 Secretary assisted by an Additional Secretary, four Joint Secretaries, one Economic Adviser and twelve Directors/Deputy Secretaries.

Functions

Banking Administration Division

Banking Operation-I – Appointment of Governor/Deputy Governor of RBI, Chairman & MDs of SBI, CMDs and EDs of Nationalised Banks, CMDs of NABARD and NHB; Board Level appointments in EXIM Bank, SIDBI, salary allowances and other terms and conditions of Whole Time Directors of PSBs and Fls/above institutions; appointment of ex-officio Directors on the Boards of banks/Fls; constitution of Boards of Directors of RBI and PSBs; regulation of shares and shareholder Directors; appointment of Workmen Employee Directors, appointment of Part-Time Non-Official Directors and Officer Employee Directors of PSBs.

Agriculture Credit – Agriculture Credit; Agricultural Debt Waiver and Debt Relief Scheme, 2008; matters relating to NABARD (except service matters), Agriculture Finance Corporation (except Service matters), State Legislations on the subject, co-operative banks (including Urban Co-operative Banks), Banking Regulation Act 1949; World Bank aided projects relating to rural/agriculture credit; appeals made by co-operative banks and court cases.

Credit Policy – Priority Sector Lending by banks; lending to weaker sections including SC/ST & minorities; PM's New 15 – Point Programme for the Welfare of Minorities; Implementation of Sachar Committee Report; Follow up action on the Report of Inter Ministerial Task Force on the implication of Geographical Distribution of Minorities in India, Multi Sectoral Development Programme (MSDP) for Minority

Districts; Restructuring of National Minorities Development Finance Corporation (NMDFC); Recommendation of Sub-Group IV of the Committee of Minorities on Dalit Affairs; Inter Ministerial Group on Skill Entrepreneurship amongst Muslims; DRI Scheme; financial assistance under Transport, Education, employment generation scheme of PMRY & SJSRY; SGSY and other poverty alleviation programmes, educational loans; financial assistance to persons affected by natural calamities, riots disturbances, etc. bank credit to KVIC, handloom and handicraft sector.

Regional Rural Banks – Legislative matters with regard to RRB Act, 1976 and framing of rules thereunder; nomination of non-official Directors on the Board of RRBs, appointment of Chairman, preparation of Budget Estimates, and sanction of share capital, review of performance of RRBs, bank security and vigilance, wage revision, manpower planning, reservation matters in RRBs; laying of Annual Reports of all RRBs along with review thereof; formation of Staff Service Regulation and Promotion Rules for employees and officers of RRBs. Matters relating to Unions & Associations of RRBs and other related matters.

Industrial Relations – Service matters of PSBs/Fls; manpower in PSBs; industrial relations in the Banking Industry, RBI and Fls, matters relating to Industrial Disputes Act, matters relating to Unions and Associations in the Banking Industry, creation of posts in senior and top executive levels in PSBs, Bipartite settlements, policy of transfer, promotion, and HRD in banks; Officers Service Regulations; Discipline and Appeal Regulations; Pension Regulations of PSBs/Fls;

Financial Inclusion Cell – Work relating to financial inclusion, coordination with other sections, offices, institutions etc on Financial inclusion; Branch expansion of banks; Lead Bank Scheme and Service Area Approach; District and State Level Bankers' Committee (SLBC); Regional imbalances of banking network, matters related to Business Correspondents/Business Facilitators, Mobile Banking etc.

Banking Operations Division

Banking Operation & Accounts – International Banking Relations; Licensing, amalgamation, reconstruction, moratorium funds, and acquisition of private sector banks; overseas branches of Indian banks; operation of foreign banks in India; preparation of annual consolidated review on the working of Public Sector Banks and laying it on the Tables of both Houses of Parliament; pattern of accounting and final accounts in Public Sector Banks; study and analysis of the working results of PSU Banks; audit of banks, resolution of NPAs of PSBs, appointment and fixation of remuneration of auditors of PSBs/Fls; laying of annual reports and audit reports etc., of PSU Banks in Parliament; taxation matters of PSBs/Fls; dividend payable to Central Government by PSBs; scrutiny of the annual financial reviews of PSBs conducted by RBI under Section 35 of the Banking Regulation Act, 1949 and follow up action; operation of the schemes of bank guarantee and complaints; receipt and payment work of Government; matters regarding PSBs; capital restructuring of banks (including restructuring of weak public sector banks) and Government's contribution to share capital, public issue of banks; notification regarding exemption from various sections of the BR Act, 1949 for public as well as private sector banks; Release of externally aided grants to ICICI Bank under USAID.

Banking Operation-II – Customer Service in banks, publicity in PSBs; functioning of PSBs; disputes and arbitration between PSBs and between PSBs and other Govt. Depts./PSEs; appointment of advocates in PSBs, acquisition/leasing/renting/vacation of premises; all kinds of complaints/representations received from individuals/associations for redressal of their grievances on delay in clearance of cheques, non-payment/non-issue of drafts, non-issue/delay in issue of duplicate drafts, misbehaviour/rude behaviour/harassment on the part of Staff of the Bank, non-settlement/delay in settlement of deceased accounts, non-transfer/delay in transfer of accounts from one Office to another, non-opening/delay in opening of new accounts, non-compliance with standing instructions of the customers,

non-payment of term deposits before maturity, delay in payment to pensioners, including those related to credit cards against PSBs, private sector banks and foreign banks; residuary matters of Portuguese banks in Goa, Estate Officers under Public Premises Act 1971; opening and shifting of administrative offices of banks including currency chests; office of the Court Liquidator at Kolkata High Court; terrorist financing matters, Banking Customer Service Centres; Banking Ombudsman, Court Cases; all kinds of complaints received relating to Public/Private Sector and Foreign Banks.

All Acts and laws relating to commercial banks (excluding those specially allotted to other Sections); computerisation of PSBs; banking sector reforms; Securitisation and Foreclosure, subordinate legislations on the aforesaid matters.

NBFCs/Asset Restructuring Companies; Deposit Insurance and Credit Guarantee Corporation (DICGC) policy matters; Local Area Banks.

Industrial Finance Division

Industrial Finance-I – Operational/Policy/Budgetary matters relating to EXIM Bank, IIFCL and IWRFC; matters related to IFCI Ltd, IDFC Ltd, Closure of IIBI Ltd, related matters; Board level appointments in IIFCL, IWRFC and IIBI Ltd, Sector-specific cases like infrastructure, power, textiles, etc.; Administration of EXIM Bank Act; Parliamentary/Legislative work relating to Fls; laying of annual reports of Fls; matters related to Ratnagiri Gas and Power Pvt. Ltd (RGPPL) – Empowered Group of Ministers on RGPPL; COD meetings and court Cases.

Industrial Finance-II – Matters relating to NHB and Housing Policy, BIFR, Appellate Authority for Industrial and Financial Reconstruction (AAIFR), Sick Industrial Companies (Special Provisions) Act (SICA), appointment of members of BIFR, AAIFR; Small and Medium Enterprises (SMEs), SIDBI, SFCs, Credit Guarantee Fund for Micro and Small Enterprises; MLIs, Credit Guarantee Scheme and other related matters on the subject.

Pension & Insurance Division

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).

Main Programmes and Schemes

Some of the important programmes and schemes of the Division during the year were:

- ◆ Universal Health Insurance Scheme (UHS) for BPL families.
- ◆ Aam Aadmi Bima Yojana.
- ◆ Janashree Bima Yojana.
- ◆ Varishta Pension Bima Yojana.
- ◆ Self Help Groups (SHGs) (Women Self Help Groups credit linked to bank under Janashree Bima Yojana).

Pension Reforms Division

- ◆ The Pension Reforms Section of the Department of Financial Services is concerned with the issues and policy matters relating to pension reforms including the New Pension System (NPS).

- ◆ The Pension Reforms Section is responsible for formulating legislative proposals concerning the Pension Fund Regulatory and Development Authority (PFRDA).
- ◆ The Pension Reforms Section is also responsible for administrative issues concerning the Interim Pension Fund Regulatory and Development Authority (Interim PFDR).

Economic Adviser (EA)

Debts Recovery Tribunals – Establishment of DRTs/DRATs under the Recovery of Debts due to Banks and Financial Institutions Act, 1993; considering proposals for amendment in the DRT Act, and amending the act; framing or amending rules for implementing of the provisions of the DRT Act; filling up of the posts of Presiding Officers, Registrars, Assistant Registrars, Recovery officers, and other posts in DRTs/DRATs; issuing clarifications/guidelines etc. on administrative matters; Court cases, progress and disposal of cases by DRT/DRATs.

Data Analysis – Reserve Bank of India Credit Policy – Busy Season – Slack Season and selective credit control; financial sector assessment and sectoral credit analysis; Banking Statistics regarding bank deposits and advances; deposits and advances of banks; rates of interest on bank deposits and advances; Dissemination of results and important information relating to RBI, IBA, studies on banking reforms; analysis of other international reports relevant to banking sector in India; Analysis of Reports of committees on Financial Sector Reforms etc.

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, the Official Language Section and Internal Work Study Unit.

Establishment Division

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

- ◆ 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 Prime Minister's Office, President's Secretariat, Vice-President's Secretariat, 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 (CPAO)

- ◆ 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. Currently, CPAO is also discharging the additional responsibilities as the interim central record keeping agency for the New Pension Scheme.

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

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.

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 Special 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 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 of UN and International Organizations.

Committee of Management

Administering the departmental undertakings viz. Govt. Opium and Alkaloid work 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 1st July, 2005 to hear appeals against the orders of Adjudicating Authority and the Authorities under the said Act.

Customs, Excise, Service Tax Appellate Tribunal

Hearing appeals against the orders of Executive Commissioners and Commissioners (Appeals).

National Committee for Promotion of Social and Economic Welfare

Recommending projects of social and economic welfare to the Central Government for issuance of notification under section 35 AC of the Income Tax Act, 1961.

Authority for Advance Rulings

Giving advance rulings on a question of law or fact specified in an application filed by Non-Residents in relation to transaction, which has been undertaken or proposed to be undertaken by the applicant.

Customs and Central Excise Settlement Commission

Settlement of applications filed by the assesseees under the Customs Act and Central Excise Act.

Settlement Commission (IT/WT)

Settlement of applications filed by the assesseees under the Income Tax Act, 1961 and the Wealth Tax Act, 1957.

Central Economic Intelligence Bureau

Coordinating and strengthening of the intelligence gathering activities, the investigative efforts and enforcement action by various agencies concerned with investigation into economic offences and enforcement of economic laws.

Enforcement Directorate

Responsible for enforcement of the provisions of Foreign Exchange Regulation Act. Recommending cases for detention under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974. Under Foreign Exchange Management Act, 1999, the Enforcement Directorate is mandated primarily as the investigation and adjudicating agency. Powers have also been conferred on the Director of Enforcement under the relevant provisions of the Prevention of Money Laundering Act, 2002.

Financial Intelligence Unit

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

Adjudicating Authority under PMLA

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

Income Tax Ombudsman

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

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 44,816 officers and staff, of which around 19% are gazetted officers in Group 'A' and 'B' categories and the remaining are non-gazetted employees. In its functioning, the CBDT is also assisted by following attached offices:

- (i) Directorate of Income Tax (Public Relations, Printing, Publication and Official Languages)
- (ii) Directorate of Income Tax (Recovery)
- (iii) Directorate of Income Tax (Audit)
- (iv) Directorate of Income Tax (Income Tax)
- (v) Directorate of Income Tax (Organisation and Management Services)
- (vi) Directorate of Income Tax (Systems)
- (vii) Directorate of Income Tax (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)
- (xv) Directorate of Income Tax (Business Process Re-engineering)

There are 19 cadre controlling Chief Commissioners of Income Tax, stationed all over the country who are overall in-charge of assessment and

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

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

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

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, & 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 Disinvestment

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

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



Chapter 2

Outlays and Outcomes

OUTLAYS AND OUTCOMES

2

The Demands for Grants of the Ministry of Finance consist of 13 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 – Transfer to States 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

* Demand Nos. 35, 36, 39 and 40 and Appropriation Nos. 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 2008–09			Budget Estimates 2009–10			Revised Estimates 2009–10			Budget Estimates 2010–11		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No. 32 Department of Economic Affairs												
Revenue Section	1547.80	2870.88	4418.68	2158.36	3478.06	5636.42	1895.86	3554.98	5450.84	2753.46	4067.62	6821.08
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	1547.80	2870.88	4418.68	2158.36	3478.06	5636.42	1895.86	3554.98	5450.84	2753.46	4067.62	6821.08
Capital Section	54.07	1902.41	1956.48	150.00	7613.65	7763.65	45.95	16853.97	16899.92	480.26	1370.14	1850.40
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	54.07	1902.41	1956.48	150.00	7613.65	7763.65	45.95	16853.97	16899.92	480.26	1370.14	1850.40
Revenue & Capital	1601.87	4773.29	6375.16	2308.36	11091.71	13400.07	1941.81	20408.95	22350.76	3233.72	5437.76	8671.48
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	1601.87	4773.29	6375.16	2308.36	11091.71	13400.07	1941.81	20408.95	22350.76	3233.72	5437.76	8671.48
Demand No. 33 Department of Financial Services												
Revenue Section	0.00	50217.04	50217.04	0.00	35446.52	35446.52	0.00	35776.84	35776.84	50.00	32234.10	32284.10
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	50217.04	50217.04	0.00	35446.52	35446.52	0.00	35776.84	35776.84	50.00	32234.10	32284.10
Capital Section	0.00	5390.40	5390.40	1542.00	1425.02	2967.02	1450.00	3891.00	5341.00	0.00	17325.00	17325.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	5390.40	5390.40	1542.00	1425.02	2967.02	1450.00	3891.00	5341.00	0.00	17325.00	17325.00
Revenue & Capital	0.00	55607.44	55607.44	1542.00	36871.54	38413.54	1450.00	39667.84	41117.84	50.00	49559.10	49609.10
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	55607.44	55607.44	1542.00	36871.54	38413.54	1450.00	39667.84	41117.84	50.00	49559.10	49609.10

(Rs. in crore) (Gross)												
Description	Actuals 2008-09			Budget Estimates 2009-10			Revised Estimates 2009-10			Budget Estimates 2010-11		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No. 34 Appropriation - Interest Payments												
Revenue Section	0.00	201143.36	201143.36	0.00	230797.40	230797.40	0.00	221383.67	221383.67	0.00	251664.00	251664.00
Charged	0.00	201143.36	201143.36	0.00	230797.40	230797.40	0.00	221383.67	221383.67	0.00	251664.00	251664.00
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
Capital Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue & Capital	0.00	201143.36	201143.36	0.00	230797.40	230797.40	0.00	221383.67	221383.67	0.00	251664.00	251664.00
Charged	0.00	201143.36	201143.36	0.00	230797.40	230797.40	0.00	221383.67	221383.67	0.00	251664.00	251664.00
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
Demand No. 35 Transfers to State and Union Territory Governments												
Revenue Section	53962.31	37739.23	91701.54	58321.59	45246.58	103568.17	64153.59	42706.58	10686.17	70724.81	40184.00	110908.81
Charged	0.00	27158.65	27158.65	0.00	34394.08	34394.08	0.00	29894.08	29894.08	0.00	32639.00	32639.00
Voted	53962.31	10580.58	64542.89	58321.59	10852.50	69174.09	64153.59	12812.50	76966.09	70724.81	7545.00	78269.81
Capital Section	7029.00	0.00	7029.00	5625.00	1000.00	6625.00	7825.00	1000.00	8825.00	7163.44	1000.00	8163.44
Charged	7029.00	0.00	7029.00	5625.00	1000.00	6625.00	7825.00	1000.00	8825.00	7163.44	1000.00	8163.44
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
Revenue & Capital	60991.31	37739.23	98730.54	63946.59	46246.58	110193.17	71978.59	43706.58	115685.17	77888.25	41184.00	119072.25
Charged	7029.00	27158.65	34187.65	5625.00	35394.08	41019.08	7825.00	30894.08	38719.08	7163.44	33639.00	40802.44
Voted	53962.31	10580.58	64542.89	58321.59	10852.50	69174.09	64153.59	12812.50	76966.09	70724.81	7545.00	78269.81

(Rs. in crore) (Gross)												
Description	Actuals 2008–09			Budget Estimates 2009–10			Revised Estimates 2009–10			Budget Estimates 2010–11		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No. 36 Loans to Government Servants etc.												
Revenue Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Section	0.00	259.44	259.44	0.00	360.00	360.00	0.00	300.00	300.00	0.00	300.00	300.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	259.44	259.44	0.00	360.00	360.00	0.00	300.00	300.00	0.00	300.00	300.00
Revenue & Capital	0.00	259.44	259.44	0.00	360.00	360.00	0.00	300.00	300.00	0.00	300.00	300.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	259.44	259.44	0.00	360.00	360.00	0.00	300.00	300.00	0.00	300.00	300.00
Appropriation No. 37 Repayment of Debt												
Revenue Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Section	0.00	2164560.52	2164560.52	0.00	1880843.21	1880843.21	0.00	3257155.15	3257155.15	0.00	3382664.56	3382664.56
Charged	0.00	2164560.52	2164560.52	0.00	1880843.21	1880843.21	0.00	3257155.15	3257155.15	0.00	3382664.56	3382664.56
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
Revenue & Capital	0.00	2164560.52	2164560.52	0.00	1880843.21	1880843.21	0.00	3257155.15	3257155.15	0.00	3382664.56	3382664.56
Charged	0.00	2164560.52	2164560.52	0.00	1880843.21	1880843.21	0.00	3257155.15	3257155.15	0.00	3382664.56	3382664.56
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

(Rs. in crore) (Gross)												
Description	Actuals 2008-09			Budget Estimates 2009-10			Revised Estimates 2009-10			Budget Estimates 2010-11		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No. 38 Department of Expenditure												
Revenue Section	2.30	48.47	50.77	3.60	68.00	71.60	1.80	73.74	75.54	3.30	84.00	87.30
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	2.30	48.47	50.77	3.60	68.00	71.60	1.80	73.74	75.54	3.30	84.00	87.30
Capital Section	3.00	0.00	3.00	6.40	0.00	6.40	6.40	0.00	6.40	7.20	26.35	33.55
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	3.00	0.00	3.00	6.40	0.00	6.40	6.40	0.00	6.40	7.20	26.35	33.55
Revenue & Capital	5.30	48.47	53.77	10.00	68.00	78.00	8.20	73.74	81.94	10.50	110.35	120.85
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	5.30	48.47	53.77	10.00	68.00	78.00	8.20	73.74	81.94	10.50	110.35	120.85
Demand No. 39 Pensions												
Revenue Section	0.00	10770.09	10770.09	0.00	10966.67	10966.67	0.00	15500.00	15500.00	0.00	16000.00	16000.00
Charged	0.00	40.98	40.98	0.00	67.59	67.59	0.00	67.59	67.59	0.00	69.71	69.71
Voted	0.00	10729.11	10729.11	0.00	10899.08	10899.08	0.00	15432.41	15432.41	0.00	15930.29	15930.29
Capital Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue & Capital	0.00	10770.09	10770.09	0.00	10966.67	10966.67	0.00	15500.00	15500.00	0.00	16000.00	16000.00
Charged	0.00	40.98	40.98	0.00	67.59	67.59	0.00	67.59	67.59	0.00	69.71	69.71
Voted	0.00	10729.11	10729.11	0.00	10899.08	10899.08	0.00	15432.41	15432.41	0.00	15930.29	15930.29

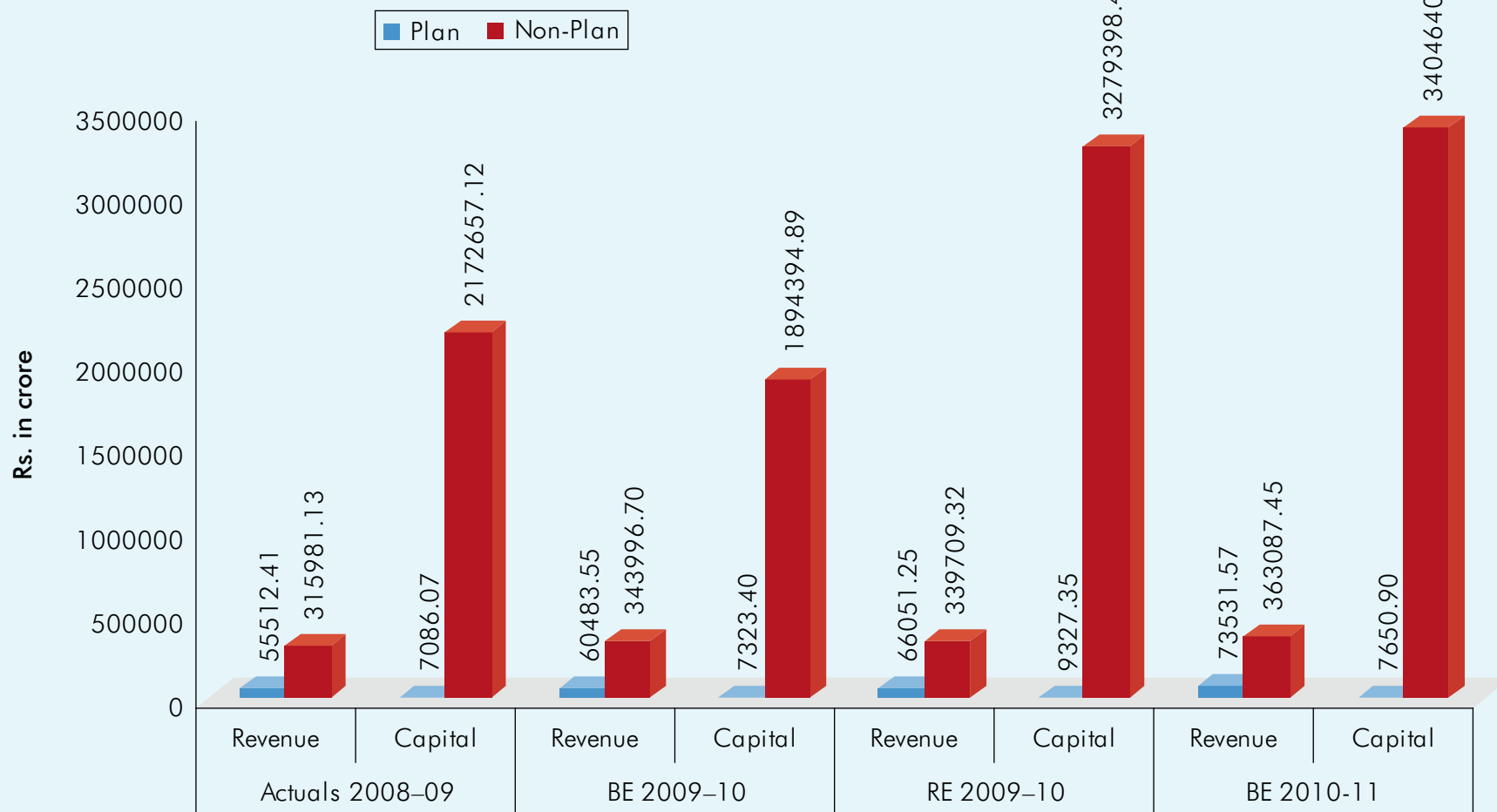
(Rs. in crore) (Gross)												
Description	Actuals 2008-09			Budget Estimates 2009-10			Revised Estimates 2009-10			Budget Estimates 2010-11		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No. 40 Indian Audit & Accounts Department												
Revenue Section	0.00	1870.29	1870.29	0.00	2350.13	2350.13	0.00	2368.91	2368.91	0.00	2079.95	2079.95
Charged	0.00	50.81	50.81	0.00	62.20	62.20	0.00	63.88	63.88	0.00	64.48	64.48
Voted	0.00	1819.48	1819.48	0.00	2287.93	2287.93	0.00	2305.03	2305.03	0.00	2015.47	2015.47
Capital Section	0.00	2.16	2.16	0.00	2.70	2.70	0.00	2.70	2.70	0.00	10.20	10.20
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	2.16	2.16	0.00	2.70	2.70	0.00	2.70	2.70	0.00	10.20	10.20
Revenue & Capital	0.00	1872.45	1872.45	0.00	2352.83	2352.83	0.00	2371.61	2371.61	0.00	2090.15	2090.15
Charged	0.00	50.81	50.81	0.00	62.20	62.20	0.00	63.88	63.88	0.00	64.48	64.48
Voted	0.00	1821.64	1821.64	0.00	2290.63	2290.63	0.00	2307.73	2307.73	0.00	2025.67	2025.67
Demand No. 41 Department of Revenue												
Revenue Section	0.00	6692.05	6692.05	0.00	9645.56	9645.56	0.00	12402.93	12402.93	0.00	11122.12	11122.12
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	6692.05	6692.05	0.00	9645.54	9645.54	0.00	12402.91	12402.91	0.00	11122.10	11122.10
Capital Section	0.00	0.55	0.55	0.00	2.31	2.31	0.00	1.64	1.64	0.00	0.77	0.77
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.56	0.56	0.00	2.31	2.31	0.00	1.64	1.64	0.00	0.77	0.77
Revenue & Capital	0.00	6692.60	6692.60	0.00	9647.87	9647.87	0.00	12404.57	12404.57	0.00	11122.89	11122.89
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	6692.61	6692.61	0.00	9647.85	9647.85	0.00	12404.55	12404.55	0.00	11122.87	11122.87

(Rs. in crore) (Gross)												
Description	Actuals 2008-09			Budget Estimates 2009-10			Revised Estimates 2009-10			Budget Estimates 2010-11		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No. 42 Direct Taxes												
Revenue Section	0.00	2248.41	2248.41	0.00	2884.00	2884.00	0.00	2819.40	2819.40	0.00	2845.00	2845.00
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	2248.41	2248.41	0.00	2883.98	2883.98	0.00	2819.38	2819.38	0.00	2844.98	2844.98
Capital Section	0.00	83.49	83.49	0.00	618.00	618.00	0.00	21.00	21.00	0.00	1679.00	1679.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	83.49	83.49	0.00	618.00	618.00	0.00	21.00	21.00	0.00	1679.00	1679.00
Revenue & Capital	0.00	2331.90	2331.90	0.00	3502.00	3502.00	0.00	2840.40	2840.40	0.00	4524.00	4524.00
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	2331.90	2331.90	0.00	3501.98	3501.98	0.00	2840.38	2840.38	0.00	4523.98	4523.98
Demand No. 43 Indirect Taxes												
Revenue Section	0.00	2368.37	2368.37	0.00	3095.00	3095.00	0.00	3080.07	3080.07	0.00	2743.30	2743.30
Charged	0.00	0.38	0.38	0.00	1.20	1.20	0.00	0.50	0.50	0.00	0.50	0.50
Voted	0.00	2367.99	2367.99	0.00	3093.80	3093.80	0.00	3079.57	3079.57	0.00	2742.80	2742.80
Capital Section	0.00	131.26	131.26	0.00	290.00	290.00	0.00	173.00	173.00	0.00	264.20	264.20
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	131.26	131.26	0.00	290.00	290.00	0.00	173.00	173.00	0.00	264.20	264.20
Revenue & Capital	0.00	2499.63	2499.63	0.00	3385.00	3385.00	0.00	3253.07	3253.07	0.00	3007.50	3007.50
Charged	0.00	0.38	0.38	0.00	1.20	1.20	0.00	0.50	0.50	0.00	0.50	0.50
Voted	0.00	2499.25	2499.25	0.00	3383.80	3383.80	0.00	3252.57	3252.57	0.00	3007.00	3007.00

(Rs. in crore) (Gross)												
Description	Actuals 2008-09			Budget Estimates 2009-10			Revised Estimates 2009-10			Budget Estimates 2010-11		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No. 44 Department Of Disinvestment												
Revenue Section	0.00	12.94	12.94	0.00	18.78	18.78	0.00	42.20	42.20	0.00	63.36	63.36
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	12.94	12.94	0.00	18.78	18.78	0.00	42.20	42.20	0.00	63.36	63.36
Capital Section	0.00	326.89	326.89	0.00	2240.00	2240.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	326.89	326.89	0.00	2240.00	2240.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue & Capital	0.00	339.83	339.83	0.00	2258.78	2258.78	0.00	42.20	42.20	0.00	63.36	63.36
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	339.83	339.83	0.00	2258.78	2258.78	0.00	42.20	42.20	0.00	63.36	63.36
Grand Total												
Revenue Section	55512.41	315981.13	371493.54	60483.55	343996.70	404480.25	66051.25	339709.32	405760.57	73531.57	363087.45	436619.02
Charged	0.00	228394.18	228394.18	0.00	265322.51	265322.51	0.00	251409.76	251409.76	0.00	284437.73	284437.73
Voted	55512.41	87586.95	143099.36	60483.55	78674.19	139157.74	66051.25	88299.56	154350.81	73531.57	78649.72	152181.29
Capital Section	7086.07	2172657.12	2179743.19	7323.40	1894394.89	1901718.29	9327.35	3279398.46	3288725.81	7650.90	3404640.22	3412291.12
Charged	7029.00	2164560.52	2171589.52	5625.00	1881843.21	1887468.21	7825.00	3258155.15	3265980.15	7163.44	3383664.56	3390828.00
Voted	57.07	8096.60	8153.67	1698.40	12551.68	14250.08	1502.35	21243.31	22745.66	487.46	20975.66	21463.12
Revenue & Capital	62598.48	2488638.25	2551236.73	67806.95	2238391.59	2306198.54	75378.60	3619107.78	3694486.38	81182.47	3767727.67	3848910.14
Charged	7029.00	2392954.70	2399983.70	5625.00	2147165.72	2152790.72	7825.00	3509564.91	3517389.91	7163.44	3668102.29	3675265.73
Voted	55569.48	95683.55	151253.03	62181.95	91225.87	153407.82	67553.60	109542.87	177096.47	74019.03	99625.38	173644.41

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

(Rs. in crore)



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 2010–11 are depicted in the following Statements:

Statement of Outlays and Outcomes 2010–11 Demand No. 32 – Department of Economic Affairs									
S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
1	MH 3054 – Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)	Under this Scheme money under Central Road Fund is used for financing construction of railway over/ under bridges and railway safety works at unmanned railway crossings to provide smooth and safe passage for traffic.	-	876.73	-	-Manning 800 locations. -Lifting Barrier at 800 locations. -Basic infrastructure at 2000 locations. -all manned gates to be provided telephones. -Construction of 150 Nos limited height Subways. -Construction of 100 Nos of Road Over and Under Bridges.	Ensure safety at unmanned level crossing and provide smooth passage for traffic. Fuel is saved and carbon emissions reduced where ROB/RUBs are constructed.	-One year upto 31.3.2011 -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 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.	-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 and encroachment removal.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
2	MH 5475 – Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure (Plan Scheme) (Ref. Annex-I) Appendix-A	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	-	480.26	-	The total approvals for VGF grant till now is of the order of Rs. 7357.39 crore for the 57 proposals granted 'in principle/ final approval'. The actual level of VGF for these proposals will be known once the bidding process is completed. In 6 projects from Madhya Pradesh, financial closure has been reached and VGF amounting to Rs. 23.00 crore and Rs. 54.07 crore had been disbursed during 2007-08 and 2008-09 respectively. For 2009-10, till 31st December, 09 Rs. 15.30 crore has been disbursed. The Revised Estimate for 2009 -10 is Rs 45.95 crore.	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 2010–11 (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(iii) EBR*				
3	MH 3475 – Interest Equalisation Support to EXIM Bank of India. (Non-Plan) (Ref. Annex-I Appendix-B & C)	Indian Development and Economic Assistance Scheme (IDEAS). The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to EXIM Bank of India for GOI supported lines of credit.	130.00	-	-	Exports of Indian goods and services to foreign countries.	Interest equalization support to EXIM Bank of India has to be given by GOI in respect of the GOI supported EXIM Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship with developing countries like Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d' Ivoire, Djibouti, Guinea Bissau, Guyana, etc.	The provision is to be utilised upto 31 st March, 2011.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to EXIM Bank, as counter-guarantee of GOI, has been given to EXIM Bank for the lines of credit.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
4	MH 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) (Ref. Annex-I) Appendix-D	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	8.45	-	-	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.

* Extra Budgetary Resources



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.

The major Non-Plan and Plan activities projecting outcomes are given in the subsequent statement.

Statement of Outlays and Outcomes 2010–11
Demand No. 33 – Department of Financial Services

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
1	MH 2235 – Farmers Debt Relief Fund for implementation of Agricultural Debt Waiver and Debt Relief Scheme 2008 for farmers (Ref. Annex-II)	On granting of debt waiver, the farmer would be entitled to fresh agricultural loans from the Banks in accordance with the normal rules.	12000.00	-	-	The Scheme covered all agricultural loans disbursed by the lending institutions upto 31st March, 2007, overdue as on 31 st 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. (Provisional figures)	The Scheme was implemented by its due date i.e. 30.06.2008 for the debt waiver. As regards the Debt Relief, an extension of time was given upto 31.12.2009 to other farmers to make repayments and avail a rebate of 25% on the due amount.	This is a subsidy to farmers. No risk factor is involved.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
2	MH 2235 – Grants-in-aid – Payment of interest to lending institutions towards Agriculture Debt Waiver and Debt Relief Scheme for farmers, 2008 (Ref. Annex-II)	Upon being granted, the payment of interest on the balance reimbursable claims, the lending institutions will not have to make provisions towards their reimbursable claims as required by RBI.	1434.00	-	-	Due to staggered schedule drawn for reimbursing the claims of the lending institutions under ADWDRS, the Government has decided to pay interest to these institutions for the 2 nd , 3 rd and 4 th instalments. Government has approved Rs. 3872.00 crore.	The payment is towards implementation of ADWDRS, 2008.	The payment is towards implementation of ADWDRS, 2008.	This is a payment of interest to banks on the staggered reimbursement being made by the Government to banks under the scheme.
3	MH 2235 – Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme (Ref. Annex-II)	To improve the access of health care to BPL families.	20.00	-	-	To cover 6.66 lakh families.	Subsidized Health Insurance for people below poverty line (BPL).	One year	Coverage of benefits expanded to maternity etc.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
4	MH 2235 – Payment to Life Insurance Corporation of India towards Pension Plan for Senior Citizens (Ref. Annex-II)	Subsidising Pension Plan for Senior Citizens.	209.32	-	-	Pensioners get an effective yield of 9% p.a.	Approximately 3.5 lakh senior citizens, who had enrolled during the currency of the scheme, are being provided benefits under the scheme.	One Year	The scheme has been discontinued w.e.f 09.07.2004.
5	MH 2416 – Grants in aid for revitalization of Short Term Cooperative Credit Structure (STCCS) (Ref. Annex-II)	Revitalisation of Cooperative Credit Structure in the country (Short Term).	984.65	-	-	To revitalize short term Cooperative Credit Structure in the States which agree to implement the package.	25 States have executed MoU with NABARD and Govt. of India for implementing the package. Rs 800 crore has been released to NABARD during the year 2009–10.	The revitalisation of the Cooperative Credit Structure (Short Term) is to be completed within next 1–2 years depending upon the willingness and support of the States.	This is a grant to the Cooperative Credit Structure in the country (Short Term). No risk factor is involved.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
6	MH 2416 – Interest subvention for providing short term credit to farmers (Ref. Annex-II)	Interest relief to farmers on short term production credit.	3000.00	-	-	To provide short term production credit at 7% to the farmers upto an amount of Rs. 3.00 lakh.	Farmers will benefit from the much needed interest relief on short term loans.	One year	This is a subsidy to farmers. No risk factor is involved.
7	MH 2416 – Grants in aid for revitalisation of Long Term Cooperative Credit Structure (LTCCS) (Ref. Annex-II)	Revitalization of Long Term Cooperative Credit Structure in the country.	1000.00	-	-	To provide revival package for revitalization of Long Term Cooperative Credit Structure.	Long Term Cooperative Credit Structure in the country shall be strengthened	The package has been approved by the Government at an estimated cost of Rs. 3,070.00 crore.	This is a subsidy to the Cooperative Credit Structure in the country (Long Term). No risk factor is involved. The Government of India has constituted a Task Force to assess the impact of the implementation of the Agricultural

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
									Debt Waiver & Debt Relief Scheme (ADWDRS), 2008 and STCCS package on the financial health of the LTCCS before implementing the package.
8	MH 2416 – Grants-in-aid - Financial Inclusion Fund (FIF) (Ref. Annex-II)	Support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections, low income groups and backward regions/hitherto unbanked areas.	10.00	-	-	To ensure access to timely and adequate credit and Financial Services to weaker sections and low income groups at an affordable cost with the objective of supporting professional and developmental activities with a view to securing inclusion.	The financially excluded groups will be provided with banking service.	The Fund is being implemented from the year 2007-08 onward.	A Fund to be maintained by NABARD, has been constituted with shares in the ratio of 40:40:20 by GOI, RBI and NABARD. Rs 10.00 crore was released in 2007-08 as GOI share.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
9	MH 2416 – Grants-in-aid - Financial Inclusion Technology Fund (FITF) (Ref. Annex-II)	To enhance investments in information communication technology aimed at promoting financial inclusion stimulating transfer of research and technology in financial inclusion, increasing technological absorption capacity of financial service providers/users.	10.00	-	-	To extend facility under technological development to ensure access to timely and adequate credit and Financial Services to weaker sections and low income groups at an affordable cost with the objective of stimulating the transfer of research and technology in financial inclusion.	The financially excluded groups will be provided with banking service.	The Fund is being implemented from the year 2007–08 onwards.	A Fund to be maintained by NABARD, has been constituted with shares in the ratio of 40:40:20 by GOI, RBI and NABARD. Rs 10.00 crore was released in 2007–08 as GOI share.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
10	MH 2885 – Payment of Subsidy to Nodal Agencies i.e. Reserve Bank of India and National Housing Bank (Ref. Annex-II)	The provision is for providing 1% interest subvention on housing loans upto Rs. 10.00 lakh through nodal agencies i.e. Reserve Bank of India and National Housing Bank.	700.00	-	-	The provision is for providing 1% interest subvention on housing loans upto Rs. 10.00 lakh through nodal agencies i.e. Reserve Bank of India and National Housing Bank. The interest subsidy will be routed through the scheduled commercial Banks and the housing finance companies registered with National Housing Bank.	Housing is a basic requirement of the population. The housing sector has a huge potential for generating employment directly through labour intensive activities and by indirectly by creating additional demand for industries like cement and steel.	One year	No risk factor involved.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
11	MH 2885 – Grants to Industrial Develop Bank of India (IDBI) (Ref. Annex-II)	For providing assistance to IDBI Bank Ltd.	154.33	-	-	The provision has been made for providing assistance to IDBI Bank to meet their high cost liabilities until they are rolled over.	The financial assistance is meant to prevent default mitigate systematic risk, safeguard the interest of small investors and salvage the credibility of the financial system.		No risk factor involved.
12	MH 3465 – Contribution to Securities Redemption Fund (Ref. Annex-II)	Contribution to Securities Redemption Fund for redeeming SLR Marketable Securities issued against subscription in the Rights Issue of equity shares of State Bank of India – 2008.	625.00	-	-	It is a contribution to the Securities Redemption Fund created for redeeming the Government Securities - 2024 issued to SBI towards subscription to its Rights Issue 2008, on due date.	SLR Marketable Securities issued against subscription in the Rights Issue of equity shares of State Bank of India – 2008 are to be redeemed in 2024. A sum of Rs. 625.00 crore is to be contributed by the Government to this Fund created for redeeming these Securities.	September, 2010	No risk factor is involved.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
13	MH 3465 – Opening of bank branches in unbanked blocks in the country. (Ref. Annex-II)	To open bank branches in each of the 129 unbanked blocks in the country.	-	50.00	-	To open bank branches in each of the 129 unbanked blocks in the country.	To open bank branches in unbanked blocks.	To open bank branches in unbanked blocks.	So far 32 unbanked blocks have been covered, in this year.
14	MH 4885 – Subscription to the share capital of EXIM Bank (Ref. Annex-II)	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 to Rs. 2000.00 crore.	One year	No risk factor involved.
15	MH 4885 – Subscription to the share capital of India Infrastructure Finance Company Limited (IIFCL) (Ref. Annex-II)	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 CRAR ratio and share capital of the banks, so that they can support the credit requirements of productive and needy sectors of the economy.	One year	It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit needs of the country.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
16	MH 4885 – Subscription to Tier-I instrument of Nationalized Banks to augment their capital funds (Ref. Annex-II)	To Augment the Capital funds of the Nationalized Banks in respect of Central Bank of India, UCO Bank, Vijaya Bank, United Bank of India.	1500.00	-	-	To augment the Share Capital of Central Bank of India, UCO Bank, Vijaya Bank, United Bank of India.	To increase the CRAR ratio and share capital of the banks, so that they can support the credit requirements of productive and needy sectors of the economy.		It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit needs of the country.
17	MH 5465 – Recapitalization of Public Sector Banks through World Bank Loan (Ref. Annex-II)	Government underlined certain measures to provide economic stimulus for recapitalization of Public Sector Banks.	15000.00	-	-	To stimulate the economy, Government underlined certain measures to provide economic stimulus which include proposals for recapitalization of Public Sector Banks.	To increase the CRAR ratio and share capital of the banks so that they can support the credit requirements of productive and needy sectors of the economy.		It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit needs of the country.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
18	MH 5465 – Government's contribution towards capital for setting up of Central Electronic Registry under SARFAESI Act (Ref. Annex-II)	To help reduce frauds, improve securitization and mortgage markets.	25.00	-	-	For registration of the transactions relating to securitization and reconstruction of the financial assets and creation of security interest over property.	To help reduce frauds, improve securitization and mortgage markets.		No risk factor is involved.

* Extra Budgetary Resources

Statement of Outlays and Outcomes 2010–11 Demand No. 38 – Department of Expenditure									
S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (Rs. in crore)			Quantifiable Deliverables/Physical Outputs	Projected Outcomes	Processes/ Timelines	Remark/Risk Factors
1	2	3	4			5	6	7	8
			4(i) Non- Plan	4(ii) Plan	4(iii) EBR*				
1	MH 2070 – Other Administrative Services. Central Plan Scheme for enhancing training capacity of National Institute of Financial Management	High Level Professional Course covering basic elements of Post Graduate Diploma in Business Management (Finance) for the officers dealing with Accounts & Finance matters to be offered by the National Institute of Financial Management Society and increasing the infrastructure of the Institute.	-	10.50	-	Training to 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 2010, 60 officers are targeted for training under this scheme.	Two years	Rs. 3.30 crore under Revenue Section which will cover the programme fees component and Rs. 7.20 crore under Capital Section to create additional infrastructure of Hostel facilities and class rooms etc. in the institute.

Statement of Outlays and Outcomes 2010-11 Demand No. 41 – Department of Revenue									
S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
1	MH 2052 – Implementation of VAT Scheme (The Budget provision is for VAT related computerization in NE States and Sikkim and for other VAT related Expenditure) (Details of the scheme may be seen in Chapter 3)	Setting up Modern VAT Administration System in NE States & Sikkim as also facilitating similar action in other States & IEC/Training related to GST.	20.00	-	-	Computerization of VAT administration in NE States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura and Sikkim. Meghalaya also has recently requested for some assistance under the project. IEC/Training related to GST	Effective implementation and administration of VAT.	The existing system will be maintained and upgraded. GST is likely to be rolled out in near future. Funds have been earmarked for IEC/training related to GST.	Out of Rs.20 crore, Rs.18 crore is for NE VAT computerization and Rs.2 crore for IEC/training related to GST.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
2	MH 2052 – Setting up of Tax Information Exchange System etc. (The Budget provision is for grant-in-aid to Empowered Committee (EC) for implementing TINXSYS Project, VAT Computerization of J&K & HP and for EC's administrative expenditure) (Details of the scheme may be seen in Chapter 3)	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the EC and computerization of VAT admn. of HP and J&K.	15.84	-	-	- Implementation of TINXSYS Project. - Smooth functioning of EC. - VAT Computerization in J&K and HP.	- Effective tracking of inter-State transactions, which will enable checking of revenue leakage. - Modern VAT Administration in J&K and HP	- The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. - J&K and HP VAT Computerization Project has been approved and is expected to be completed during 2010–11.	Out of Rs. 15.84 crore, Rs. 3.14 crore is for TINXSYS and Rs. 11.70 crore is for VAT computerization in J&K and HP.
3	MH 3601/3602– Compensation to States/UTs for revenue losses due to implementation of VAT and other	Smooth and effective implementation of State VAT.	401.00	-	-	- VAT Implementation by all States/UTs.	Smooth and effective implementation of State VAT	- As per agreed formula, VAT Compensation was to be provided for 2005-06 (100% of revenue loss),	Out of Rs. 401 crore, Rs. 1.00 crore is for VAT Compensation, Rs. 386.50 crore is for modernization

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
	VAT related expenditure (The Budget Provision is for providing grant-in-aid to States/ UTs for (i) VAT compensation, and (ii) other VAT related expenditure and setting up/ upgradation of two Institutes for taxation studies in States/UTs) (Details of the scheme may be seen in Chapter 3).			-	-	- Modernization of State Tax Administration		2006-07 (75% of revenue loss) and 2007-08 (50% of revenue loss). Most of the claims have already been settled. Only token provision has been kept for pending claim, if any, received from the State Govts. - States projects under Mission Mode Project for computerization of Commercial Taxes administration will be sanctioned to facilitate improvement of service delivers and efficiency of State VAT administrations.	of State Tax administrations and Rs. 13.50 crore is for setting up of two institutes for taxation studies.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
						Setting up/upgradation of two Institutes for taxation studies in States/UTs.		MoU for upgradation of Centre for Taxation Studies (CTS), Thiruvananthapuram into a National Institute of Public Finance has been approved. The process of selection of second institute for upgradation to the National level Institute of Public Finance at Kolkata is under consideration. Detailed proposal from the selected Institute is awaited.	
4	MH 3601/3602– Compensation to States/UTs for revenue losses due to phasing out of Central Sales Tax (CST).	Grants-in-aid to States/ UTs for CST compensation to facilitate introduction of Goods &	10000.00	-	-				

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
	(The Budget Provision is for providing grant-in-aid to States/UTs for CST compensation.) (Details of the scheme may be seen in Chapter 3)	Services Tax (GST).				- Implementation by all States/UTs. - Phasing out of CST	Smooth and effective implementation of phasing out of CST.	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 compensation is to be provided to the States till 2009-10. Claims for financial year 2009-10 will be cleared during 2010-11.	
5	MH 2875 – Govt. Opium & Alkaloid Works	The Govt. Opium & Alkaloid Factories in Ghazipur and	477.44	-	-	Procurement of 1199 MTs of raw opium. Procurement of 30 MTs of Codeine Phosphate (Imported).	Revenue Realization of Rs. 308.00 crore.	The progress of revenue realization vis-à-vis expenditure will	The revenue realization and expenditure incurred depends upon

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
		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.				Export of Opium (400 MTs) Sales of alkaloids (51.122 MTs). This will result into revenue receipt of Rs. 308 crore.		be reviewed monthly/ quarterly.	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.

* Extra Budgetary Resources

Statement of Outlays and Outcomes 2010–11
Demand No. 42 – Direct Taxes

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
1	MH 2020 – Collection of Income Tax; Information Technology I. Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement	275.00	-	-	- Computing capacity to handle the projected workload up to 2014-15 - Single National Database to handle all Direct Taxes related transactions - Facilities management in the offices of Income Tax Department	Setting up and maintenance of National Data Centre, Consolidation of regional data bases into single national database.	Ongoing, the sanction of the project is available upto June 2014	Consolidation of the Database completed. The acceptance of project has been completed in May 2009. During FY 2009–10, 1,55,09,961 returns were processed till 31.12.2009 at the data centre. The estimated expenditure during FY 2010–11 is Rs. 62.00 crore.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
		B) Modification of Aayakar Bhawan, Vaishali into a secure Information Technology Hub and its maintenance.				After modification of the Vaishali Building, National Computer Centre will be established.	The IT hub of the Department viz. National Computer Centre 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.	31.03.2010 (Revised)	Work is in progress. The timeline is dependent on successful execution of contract. The estimated expenditure on this project in FY 2010-11 is Rs. 5 crore (approx.).

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
		C) Establish-ment, Monitoring and Imple-mentation 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 Centre over the "Taxnet" to perform their functions. Faster and reliable transfer of data would ensure timely delivery of services to the taxpayers.	Ongoing	The work of LAN/WAN connectivity in all buildings has been completed. The estimated expenditure during FY 2010-11 is Rs. 66 crore.
		D)Hiring of Data Centres for Primary (PDC), Business Continuity Planning (BCP) & Disaster Recovery(DR) sites				- Co-location of hardware equipments in Data Centres meeting industry standards - Security certification of BS 7799 for ensuring security of the equipment and data	Secured data will be available at national level for various management controls.	Ongoing	All the three Data Centres i.e. PDC, BCP and DR sites are operational. The estimated expenditure on this project in FY 2010-11 is Rs. 4 crore.
	II. Tax Information Network (TIN)	Being hosted by National Security Depository Limited (NSDL) as a depository				- 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	Ongoing	During FY 2009-10, 1,95,40,878 number of challans have been received in OLTAS till

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
		of information relating to: - Online Tax Account System (OLTAS), - Tax deductions coming from TDS returns - Facility for generation of electronic TDS accounts. - High value financial transactions coming through annual Information Returns				- Facilities to view tax payments made by the tax payers or by tax deductors on their behalf - Dash board facilities to senior management of the Department for effective monitoring and collection of taxes	itself through Annual Tax Statement (Form 26AS). Business intelligence database from AIR to facilitate system based selection of scrutiny cases.		31.12.2009 for Rs. 2,99,464.37 crore of direct tax collection. In the preceding year i.e. 2008-09, 2,71,48,569 number of challans were received in OLTAS contributing Rs. 3,75,696 crore of tax collection. The estimated expenditure during 2010-11 is around Rs.54 crore.
	III. Business Process Re-engineering (BPR)	Complete revamping of existing business processes to meet the needs of stakeholders.				- Submission of the report of the consultant and BPR Rollout Plan. - Implementation of the feasible recommendations as			The Report on BPR was submitted to the Board (CBDT) in April 2008. Majority of recommen

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
						contained in 4th Report of Administrative Reforms Commission on 'Ethics in Governance'.			dations have been accepted by them. Three points viz. Front Office with Sevottam integrated in it, Central Appeals Registry and Record Management have been taken up for implementation and blue prints are prepared. The estimated expenditure in FY 2010-11 is Rs. 0.85 crore.
	IV. Tax payers` services	To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar				- 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	- Easy and convenient dissemination of information - Enhanced convenience reducing manual inter-face and	Ongoing	The department has set up one call centre 'Aayakar Sampark Kendra' which received about 3,42,481 calls till 31.12.2009.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
		Sampark Kendra), Web-site of Income-Tax Department and e-friendly services To provide taxpayers the online facilities for e-filing of Income tax returns. E-payment of taxes Online tracking of Refund status.				- 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	increased tax-payers` satisfaction		during the FY 2009–10. The website of the department had between 13 lakh to 27 lakh hits on average per month in 2008–09. In FY 2009–10, 36 lakh e-returns have been received till 31.12.2009. Number of e-returns increased from 21.93 lakh in 2007–08 to 48.38 lakh in 2008–09 (increase of 120%). Of this, nearly 80% returns were filed voluntarily.
	V. Centralized Processing Centre(CPC) Project	(A) Centralized processing of both paper based				i) The CPC would initially process transactions for all e-filed Income Tax (Returns (ITRs) and physical ITRs for Bangaluru.	Better Taxpayer Services and reduced grievances.	31.03.2010	CPC rolled out in October 2009 and started giving output.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
		and e-filed Income Tax Returns (ITRs). (B) The CPC would enable the Department to cope with rapid growth in the number of taxpayers and consequently the volume of work for employees. (C) It would allow the Department to bring in more efficient processes and modern citizen services offered by the best Tax Administrations across the globe.				(ii) As the CPC stabilizes, the physical ITRs from Karnataka and Goa and an adjoining State would also be given to the CPC to scale up the operation. (iii) The CPC at Bangaluru will have scalability to process 20 lakh paper returns and 60 lakh e-filed returns from the Zone. (iv) Eventually, it is envisaged that the CPC model would be replicated across the country, having gained experience and learning from the CPC in Bangaluru.	• Lower Compliance cost for taxpayers. • Reduced administrative cost for Department. • Faster processing leading to speedy delivery of refunds and hence lower interest outgo. • Efficient use of manpower and office space		Full volume production from CPC Bangaluru is expected by March 2010. The expected expenditure in FY 2010-11 on this project is Rs. 40 crore.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
	VI. Refund Banker	(A) Determine, generate, issue, dispatch, credit and safe delivery of Income Tax refunds. (B) Make the refund process completely automated, speedy and transparent and to achieve a faster Turn Around Time.				A system driven process for determination, generation, issue, dispatch and credit of refunds and enables efficient and safe delivery of Income Tax refunds. It introduces a third party into the physical issue or credit of refunds so as to make the process completely automated, speedy and transparent, and to achieve a faster Turn Around Time. A web based status tracking facility for delivery of refund.	Under Refund Banker Scheme, refunds to the tax payers are directly sent through Electronic Clearing Scheme (ECS) by the State Bank of India (SBI), which has been designated as agent of the Department. In these models refunds are credited to the taxpayers account within 1 to 3 days of data being delivered to SBI. The Assessing Officer's role in issuing refunds is limited to processing the return of income on computer.	Ongoing	After completion of pilots, the Scheme was extended to 6 stations viz., Kolkata, Mumbai, Bangaluru, Chennai, Delhi and Patna. With effect from October 2009, the Scheme has further been extended to nine more stations viz. Ahmedabad, Allahabad, Bhubaneswar, Cochin, Hyderabad, Kanpur, Patiala, Pune and Chandigarh. A web based status tracking facility in collaboration with India Post and National Securities

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
									Depository Ltd. (NSDL) has also been launched during the year. Electronic refunds for FY 2009-10 (till 31.12.2009) constitute 57.87% of total refunds issued through the scheme and thus electronic refunds have exceeded the number of paper refunds.
2	MH 4059 – Capital outlay on public works – office buildings I. Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi.	To reduce shortage of office accommodation.	1663.00	-	-	Office space measuring about 51,768 sq. metres of super built up area will be available to mitigate the shortage of office accommodation at Delhi.	Improvement in the availability of office accommodation to the Department.	31.3.2011	Work is under active stage of consideration in the Department. Earlier a part provision of Rs. 575.00 crore was made in

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
				-					BE 2009–10 for this work. However, the project has now been deferred to next year. The memorandum for appraisal by the Committee on Non Plan Expenditure (CNE) has been prepared which is under examination. The estimated cost of this project is approx. Rs. 2008.00 crore (Non-recurring). In addition, recurring expenditure of Rs. 19 crore is also estimated. An outlay of Rs. 1450 crore has been provided in BE 2010–11.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
	II. Construction of office building at Saket, New Delhi	To reduce short-age of office accommodation.				Asset creation	Improvement in the availability of office accommodation to the Department.	31.3.2011 (for award of the work)	Estimated cost of the work is approx. Rs. 60 crore. An outlay of Rs. 25 crore has been provided in BE 2010-11.
	III. Construction of office building at Bhopal.	To reduce short-age of office accommodation.				Asset creation	Improvement in the availability of office accommodation to the Department.	31.3.2011 (for award of the work)	Estimated cost (preliminary) of the work is Rs. 50 crore. An outlay of Rs. 25 crore has been provided in BE 2010-11.
	IV. Construction of advanced training centre at NADT, Nagpur.	To expand infrastructure for training at National Academy of Direct Taxes, Nagpur.				Asset creation	-do-	31.3.2011 (for award of the work)	Estimated cost (preliminary) of the work is approx. Rs.125 crore. An outlay of Rs. 25 crore has been provided in BE 2010-11.
	V. Construction of new hostel at NADT, Nagpur.	-do-				Asset creation	Better lodging facilities to trainee officers	30.6.2012	The work has been sanctioned in October 2009 at an estimated cost

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
	VI. Construction of office building at Sector 24, Noida.	To reduce short-age of office accommodation.				Asset creation		31.3.2011 (for award of work)	of Rs. 24.10 crore. An outlay of Rs. 10 crore has been provided in BE 2010–11. The estimated cost of work is Rs. 24.20 crore. An outlay of Rs. 10 crore has been provided in BE 2010–11.
	VII. Construction of office building with boundary wall at Asansol.	To reduce short-age of office accommodation.				Asset creation		31.3.2011 (for award of work)	The estimated cost of the work is Rs. 16.50 crore. An outlay of Rs. 5 crore has been provided in BE 2010–11.
	VIII. Construction of office building and staff quarters at Chowkid-inghee, Dibrugarh.	To reduce short-age of office accommodation.				Asset creation		31.3.2011 (for award of work)	The estimated cost of the work is Rs. 24.71 crore. An outlay of Rs. 5 crore has been provided in BE 2010–11.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
3	MH 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.				Asset creation	Better lodging facility to visiting officers.	31.3.2011 (for award of the work)	An outlay of Rs. 2 crore has been provided in BE 2010-11.
	II. Construction of residential cum office building at Nariman Point, Mumbai.	To mitigate the shortage of residential accommodation and meet the additional demand office accommodation.				Asset creation	Easing the residential problem of departmental officers at Mumbai.	-do-	Estimated cost of the work is Rs. 120 crore. An outlay of Rs. 8 crore has been provided in BE 2010-11.
	III. Construction of residential quarters at Hadapsar, Pune	To bridge the shortfall in residential accommodation.				Asset creation	Easing the residential problem of departmental officers at Pune.	-do-	Estimated cost of the work is Rs. 40.71 crore. An outlay of Rs. 4 crore has been provided in BE 2010-11.

* Extra Budgetary Resources

Statement of Outlays and Outcomes 2010–11 Demand No. 43 – Indirect Taxes									
S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
1	MH 2037 – and 2038 -Information Technology	Strengthening of IT capability for e-governance	150.00	Nil	-	-Setting up of an All-India Wide Area Network. -Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	-Country-wide connectivity of all offices under CBEC to the National Data Centre, Business Continuity and Disaster Recovery Sites. -The Department would be acquiring new generation of servers and storage to provide computing, data storage, systems security infrastructure, Central Facilities Management	506 sites out of 539 sites have been delivered. Implementation Work comprising Phase-I and Phase-II has been declared closed. Other sites will be delivered by the vendor soon. Equipment has been installed and commissioned. System Acceptance milestone reached i.e. software applications for customs, central excise and service tax have been ported and are running from the three national data centres.	Massive effort is required in change management CNE/CCEA approval for revised cost was obtained on 09.08.2007 and 29.11.2007 respectively. The details are given in Annexure–III (Outcome Budget 2010–2011)

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
						-Provision of local area network to all departmental users	and related functionalities to all departmental and external users accessing the CBEC/system. These would be located at national data centre, business continuity and disaster recovery sites. All the Department's applications would be hosted centrally on this infrastructure. All applications in Customs, Central Excise, Service Tax will be accessed by the	-Under Phase-I, LAN connectivity has been provided to CBEC users spread over 175 buildings.	CNE/CCEA approval for revised cost was obtained.

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
						Establishment of Data Warehouse	departmental users using this network. - 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.	- Under Phase-II, LAN connectivity has been provided at 900 sites. Work is in progress in 70 sites including 65 sites where there are force majeure issues which are being addressed. 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.	First set of reports showing collections in Central Excise and Service Tax time-wise, assessee-wise, location wise, minor account head-wise etc. has gone live. Data base modeling for pilot is completed and the development of Pilot ETL

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
						-Automation of Central Excise & Service Tax (ACES)	- Ensuring a large degree of transparency	All India roll out of ACES with all modules has been completed	(Extraction of data from source systems and loading into the Data Warehouse) as well as Reports has commenced. The strategy for Pilot User Acceptance Testing is under way. The Data Warehouse is also implementing, as an addition to its scope, a prototype on data exchange between CBEC, CBDT and State VAT/CST. -

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
						- Gateway Project for Customs upgradation	and reduced interface with the Central Excise and Service Tax assesseees through automated workflow of all business processes. - A system for Electronic Data Interchange for Customs was operational at local levels. With a view of linking the Customs community through a single network Gateway Project was launched. E-filing of Customs, document	on 23.12.2009 in all 104 Commissionerates of Central Excise and Service Tax. Work has been almost completed. Remaining work is mainly pertaining to integration of maps developed with the back end ICES 1.5 application and trading partners' applications.	Availability of ICES 1.5 application for Air, Sea and ICD and readiness of trading partners.

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
							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		

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
						-Setting up of Risk Management System (RMS)	service delivery to the Customs Trading Partners. -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	The Import module of RMS has been successfully commissioned in all the 23 locations, in 13 cities. Export module has been ported in Data Centre and User Acceptance Testing is in progress. For container selection, RMS at Nhava Sheva Custom House is working.	Availability of ICES 1.5 application.

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
						-Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	containers for scanning (NII Inspection) based on IGM Data at Nhava Sheva and 4 other Ports identified. -The portal facilitates tax payers in their interaction with Central Excise & Service Tax and Income Tax/Corporate Tax. There will be single point interface between Tax Administration of CBEC/ CBDT and Large Taxpayers.	-An LTU specific website has been developed. The LTUs are currently operational at Bangaluru, Chennai, Delhi and Mumbai. Other LTU at Kolkata is planned to be operationalised during 2010.	

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*												
2	MH 4047 – Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	48.00	-	-	Following vessels are expected to be delivered to the Department during 2010–11: <table><tr><td>Category</td><td>No. of Vessels</td></tr><tr><td>I</td><td>06</td></tr><tr><td>II</td><td>12</td></tr><tr><td>Total</td><td>18</td></tr></table>	Category	No. of Vessels	I	06	II	12	Total	18	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 were placed to the Boat Builders in the month of March, 2007. Order for supply of Category II vessels numbering 22 has been placed with the Boat Builder in December, 2008. In Category-III-A and III-B, all vessels (30 in III-A and 33 in III-B) have been delivered by the Boat builder. Out of 24 vessels in Category-I,	-
Category	No. of Vessels																
I	06																
II	12																
Total	18																

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
								delivery of 15 vessels have been received so far and 3 more vessels are expected to be delivered by March, 2010. Delivery of all vessels in this category will be completed in 2010-11. In Category-II, 3 vessels are expected to be received by March, 2010. Delivery of all 22 vessels in this category will be completed in 2011-12.	
3	MH 4047 – Acquisition of Anti-smuggling equipments	Facilitate cargo clearance, efficient handling of increased volume of container traffic,	73.00	-	-	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	Non-intrusive scanning of containers would start at Tuticorin, Chennai and Kandla	3 mobile scanners are likely to be installed and commissioned during 2010-11.	Progress of the project depends on acquisition of land from the Port authorities and timely approval

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
		improved Customs control through non-intrusive examination.				(non-recurring) and Rs. 18.61 crore per annum (recurring)	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.	Supply order for installation of 4 fixed scanners would be placed during 2010-11. After installation, fixed scanners are expected to be commissioned in 20011-12.	from statutory authorities. The progress is being monitored by the Project Implementation Committee.
4	MH 4059 – Acquisition of Office Accommodation	To meet shortfall in Office Accommodation	132.00	-	-	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.	-Further payment in respect of office space in NBCC building, Saket, New Delhi purchased in March, 2008.	Payment in such cases depends on various formalities involving consultation with different concerned authorities.

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010-11 (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(iii) EBR*				
				-				- 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. - Payment for purchase of office accommodation at Chennai from TNSCB, purchase of office space for LTU at Kolkata and for other small proposals likely to be made.	

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2010–11 (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(iii) EBR*				
5	MH 4216 – Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	11.00	-	-	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.	Payment for purchase of residential premises at Shillong and other payments in respect of other ongoing projects 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.

* Extra Budgetary Resources



Chapter 3

Reform Measures and Policy Initiatives

REFORM MEASURES AND POLICY INITIATIVES

3

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 partnerships projects in various infrastructure sectors such as roads, seaports, airports, railways, convention centres, power, water supply, sewage and solid waste disposal in urban areas etc.

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 project that closely support the best practices in PPP project identification and preparation. So far, 27 project proposals have been granted approval with total project development cost of Rs. 27.19 crore and IIPDF assistance of Rs. 20.39 crore Rs. 1.32 crore had been disbursed under the Scheme in 2008 –09 and Rs. 5.66 crore has been disbursed in 2009–10 till date.

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

Under the "Indian Development and Economic Assistance Scheme" (IDEAS), the part relating to extension of concessional lines of credit through EXIM Bank of India is operational. Under this, GOI provides interest equalization support (i.e. the difference between EXIM Bank's rate of interest and the concessional rate of interest on which LOC is extended). In most of the cases GOI counter guarantee for repayment of principal and payment of interest is also given to EXIM Bank. Interest equalization support has been provided to the tune of Rs. 53.85 crores from 1st April, 09 to December 09 during the current financial year. During this period the following GOI supported EXIM Bank of India LOCs have been approved by this Department:

During the year 2009–10, 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 Syria	100	Partly fund the Tishree Thermal Power Project (2x20 MW)
2	Government of Sierra Leone	30	Restoration of Potable Water Supply to Freetown.
3	Government of Mali	36	Completion of Mali-Ivory Coast Interconnection Link for integrating the national Power grids of the country
4	Government of D.R. Congo	25	Installation of Hand Pumps and Submersible Pumps.
5	Government of Eritrea	20	Multipurpose Agricultural & Educational Projects.
6	Government of Burkina Faso	5	Multi-Media Call Centre Project.
7	Government of Rawanda	60	Power Project.
8	Government of Angola	30	Setting up an Industrial Park
9	Government of Benin	15	Railway Equipment; Agricultural Equipment & Feasibility study for Cyber City.
10	Government of Seychelles	10	For budgetary support and economic assistance
11	Government of Swaziland	10	Information Technology Park
12	Government of Mongolia	20	For use of Live Vaccination and IT Outsourcing Project
13	Government of Lesotho	4.7	Setting up of a Vocational Training Centre.
14	Government of Cote d'Ivoire	30	Electricity Inter-connection Project between Cote d'Ivoire and Mali
15	Government of Mali	15	Agriculture and Food Processing Project.
16	Government of Angola	15	Setting up of a Textile Project.
17	Government of Tanzania	36.56	Financing the purchase of 723 Vehicles.
18	Government of Senegal	5	Supply of Medical equipments, furniture and other accessories to hospitals.
19	Government of Sri Lanka	67.4	Completion of Rail Corridor
20	Government of Suriname	5.763	Purchase of Helicopters from HAL
21	Government of Cote d' Ivoire	30	Rice Production Programme
22	Government of Sri Lanka	425	(i) Track laying Omanthai-Pallai sector (ii) Track laying Madhu Church-Tallaimannar sector (iii) Supply of rolling stock.
23	Government of Mauritania	21.8	(i) Portable Drinking water project (US\$ 6.8 mn.) (ii) Agriculture development project (US\$ 15 mn.)

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. Against the available 410 slots, in the year 2007–08, 327 participants and in 2008–09, 338 participants had attended the programme. In the year 2009–10 against the allocation of 470 slots, so far, 407 names of the participants have been accorded sanction for participation in the TCS training programmes. In addition, under the Technical Cooperation Scheme, India is sponsoring 14 Colombo Plan lecturers to be associated with education 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 for Technician Education, Manila. During the year 2007–08 and 2008–09, against the 13 slots, 10 Colombo Plan lecturers were deputed to Bhutan. The trend of expenditure during 2007–08, 2008–09 and 2009–10 up-to December, 09 is as under:

Trend of Expenditure during the last three years									
	(Rs. in crore)								
	2007–08			2008–09			2009–10		
Technical aid to South and South East Asia under Colombo Plan MH-3605	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (upto Dec, 09)
07.01.32 Experts and Trainers	5.50	5.50	4.30	5.50	5.50	7.08	5.50	8.45	3.70
07.02.32 (Material & Supplies) – Contribution	0.46	0.82	0.71	0.46	0.62	0.53	0.50	0.50	0.48
Total	5.96	6.32	5.01	5.96	6.12	7.61	6.00	8.95	4.18

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 advanced 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 Centralised Public Grievance Redressal & Monitoring System (CPGRAMS)

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

Payment to Nodal Agencies i.e. Reserve Bank of India/National Housing Bank towards 1% interest subvention on Housing Loans –

Government of India has approved a Scheme of Interest Subvention on Housing Loan up to Rs. 10.00 lakh, provided the cost of a unit does not exceed Rs. 20.00 lakh. The Scheme will be implemented throughout the country and will be in operation for a period of one year starting from 1st October, 2009 to 30th September, 2010. Interest subsidy of 1%, by way of reduction in interest rate by 100 basis points per annum, will be applicable for the first 12 months of eligible loans sanctioned and disbursed during the currency of the Scheme. A provision of Rs. 700.00 crore has been made in 2010–11 for the scheme.

Recapitalisation of Public Sector Banks through World Bank Loan-

Government is considering to provide capital assistance to those Public Sector Banks (PSBs) which require such funds to be able to meet the credit requirement of the economy while maintaining Capital to Risk Weighted Assets Ratio (CRAR) at around 12%, through World Bank assistance. To meet the capital requirements of PSBs, in general, Government has negotiated with the World Bank for Banking Sector Support Loan (BSSL) to taling US \$ 3.2 billion so that the assistance is provided to all the needy PSBs during 2010–11 itself. A provision of Rs. 15,000.00 crore has been made in 2010–11.

Setting up of Central Electronic Registry – The provision is towards Government's contribution for setting up of a Central Electronic Registry under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act., 2002 for registration of the transactions relating to securitization and reconstruction of the financial assets and creation of security interest over property. This will also help reduce frauds, improve securitization and mortgage markets. A provision of Rs. 25.00 crore has been made in 2010-11.

Non-Banking Financial Companies - In order to devise a Road Map for growth and development of NBFCs, discussions have been held with various categories of NBFCs. On the basis the response received and the deliberations held in the meeting, a Questionnaire was devised basically to address the issues like categorisation of NBFCs, fund requirement, regulations/fiscal issues, etc. Responses received from the participating NBFCs, were analysed and forwarded to Reserve Bank of India for their considered views. On the advise of Government of India, RBI has announced further categorisation of NBFCs into Infrastructure NBFCs.

- ◆ Further, in order to meet the liquidity constraints of NBFC-ND-SI, a Special Purpose Vehicle (SPV) was constituted to 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. 5000.00 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.
- ◆ In order to further the objective of financial inclusion, RBI has proposed for simplification of KYC norms for small account holders. In this regard a meeting of Committee of Secretaries was held on 27.8.2009, wherein it was agreed to simplify the Prevention of Money Laundering Rules, 2005. The proposal has been sent to Department of Revenue for taking further necessary action.

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:

- ◆ Opening of new branches - On the advice of Central Government through NABARD, RRBs have been advised to undertake expansion of branches aggressively, especially to cover the uncovered districts

and to open the branches in un-served areas. In pursuance, thereof, RRBs have opened 715 branches from April, 2007 to March 31, 2009 (provisional data). Further, RRBs have been advised to open 2000 new branches in the next two years i.e. by March 2011.

- ◆ Recapitalization of RRBs - 27 RRBs having negative net worth were identified to be recapitalized in a phased manner. The total amount of recapitalization was assessed at Rs. 1,795.97 crore. The Central Government proposed to release its share of contribution, amounting to Rs.897.98 crore, along with the release of the share of contribution by the State Government concerned and the sponsor banks. Out of 27 RRBs, the Government released its share amounting to Rs. 303.11 crore on 31.3.2008 and the remaining share of Rs. 594.87 crore stands released as on 31.3.2009. In respect of the Kshetriya Kisan Gramin Bank, sponsored by the UP State Cooperative Bank, the Central Government's share kept with NABARD has been released in July, 2009 on the release of the share by the U.P. State Govt.

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.

Universal Health Insurance Scheme (UHS)

Universal Health Insurance Scheme, implemented through the Public Sector General Insurance Companies, provides for reimbursement of medical expenses up to Rs. 30,000/- towards hospitalization expenses on floater basis amongst the entire family; death cover, due to an accident, of Rs. 25,000/- to the earning head of the family and compensation due to loss of earning of the earning member @ Rs. 50/- per day up to a maximum

of 15 days. UHS, admissible to BPL families, was specifically designed for implementation, with an element of subsidy from Government. The Public Sector General Insurance Companies have further revised the Universal Health Insurance Scheme (UHS) 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:-

(i) **Premium payable:**

(In Rupees)			
Policy	Existing premium	Revised Premium	GOI Subsidy
Individual	365/-	300/-	200/-
Up to 5 members	548/-	450/-	300/-
Up to 7 members	730/-	600/-	400/-

- (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.

1,78,186 policies have been issued as on 31st December, 2009 covering 5,60,678 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/- from the Prime Minister's Relief Fund and Rs. 300/- by Government of India. As on 31st December, 2009, 1,45,754 families in Tamil Nadu (9 Districts), 65,126 in Andhra Pradesh (9 Districts), 51,598 in Kerala (7 Districts) have been covered.

Pension Reforms

The pension sector reforms were initiated in India to establish a robust and sustainable social security arrangement in the country against the backdrop that only about 12-13 per cent of the total work-force was covered by any formal social security system. The New Pension System (NPS) has been introduced by the Government of India with effect from 1st January, 2004. The features of the NPS design are self-sustainability, portability and scalability. Based on individual choice, it is envisaged as a low-cost and efficient pension system backed by sound regulation. As a pure "Defined Contribution" product with no defined benefit element, returns would be totally market-related. The NPS provides various investment options and choices to individuals to switch over from one investment option to another or from one fund manager to another, subject to certain regulatory restrictions.

Scope of the New Pension System

It has been made mandatory for all new recruits to the Government (except armed forces) with effect from 1st January, 2004 replacing the existing system of defined benefit pension system. NPS has also been rolled out to all citizens with effect from 1st May, 2009 on a voluntary basis. The process of making NPS available to all citizens entailed the appointment of NPS intermediaries, including twenty eight institutional entities as Points of Presence (POPs) that will serve as pension account opening and collection centres, a Centralised Record Keeping Agency (CRA) and six Pension Fund Managers to manage the pension wealth of the investors. PFRDA adopted a transparent, non-discretionary, competitive bidding process for selection of

NPS intermediaries, in line with best international practice, which ensured high quality service delivery for NPS subscribers at optimum cost.

So far, 23 State Governments/UT Governments have notified to join the NPS. Of these, 9 (nine) States have already signed agreement with NPS Trust and 11 (eleven) States have signed agreements with CRA for carrying forward the implementation of the New Pension System. The other States are at different stages of preparation for roll out of NPS. In addition, over 6.63 lakh employees of the Central and various State Governments are already a part of the NPS. The corpus being managed under the NPS has crossed Rs. 3000.00 crore. The endeavour of PFRDA is to move swiftly towards individual retirement accounts so that the benefits of individual investments are available to the Government subscribers.

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 dated 12th December, 2006 for integration of OUTCOME BUDGET and PERFORMANCE BUDGET documents into a single document, stipulating specific mention of the monitoring mechanism and the public information system put in place by the Ministry to regularly monitor

physical and financial progress during the course of the year and inform general public about it as well. Guidelines in this respect were issued in May, 2009 wherein it has been emphasized that as far as feasible sub targets for coverage of women and SC/ST beneficiaries under various developmental schemes and the schemes for the benefit of North-Eastern region should be separately indicated. Latest guideline have been issued in January, 2010 emphasizing that the projected physical output should be disaggregated by sex, wherever possible and appropriate to where delivery is to individuals. Indicators of performance relating to individuals should also be sex disaggregated.

Recommendations of the Sixth Pay Commission

The report of the Sixth Central Pay Commission was received on 24th 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 1, 2006 to redefine the role, responsibilities and accountability of the Financial Advisors 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.

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. 51,157.56 crore have been released till 10th Feb., 2010 against an outlay (BE+Supplementary) of Rs. 65,246.60 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), Border Area Development Programme, Hill Area/Western Ghats Development Programme, National E. Governance Programme, Backward Region Grant Fund Scheme, Tsunami Rehabilitation Programme, Brihan Mumbai Storm Water Drain (BRIMSTOWAD), Long Term Reconstruction Plan of Assets damaged by 2005-06 Floods etc.
- ◆ Under Non-Plan, Rs. 29,012.03 crore have been released up to 10th February 2010 towards Grants for Upgradation of Services, calamity relief, forestry, state specific needs etc. recommended by 12th Finance Commission. This works out to 78.64% of the Budget provision (Rs. 36,894.08 crore) on the Charged side (Revenue Charged) & NCCF for the year 2009-10.
- ◆ Borrowings: In his budget speech of 6 July 2009, the Finance Minister announced that, against the backdrop of limited fiscal space because of reduction of CENVAT and Service Tax rates, Government

had substantially hiked the Gross Budgetary Support for the Annual Plan 2009–10. Bulk of this increased support is directed towards public investment in infrastructure. Further, the State Governments would be permitted to borrow an additional 0.5% of their GSDP by relaxing the fiscal deficit target from 3.5% to 4% of their GSDP. This would go in a long way in reversing the impact of economic slowdown and accelerate the growth revival in the medium term. This dispensation would allow the States to borrow about Rs. 21,000 crore additionally in 2009–10, which can be used for Capital expenditure. Accordingly, in August 2009, the Union Government relaxed the Debt Consolidation and Relief Facility (DCRF) guidelines, to enable the States to borrow upto 4% of their respective Gross State Domestic Product (GSDP) during 2009–10. The States would not lose the benefits of DCRF, provided they comply with this modified fiscal deficit target. The States would have to suitably amend their respective fiscal responsibility legislation if so required. The 13th Finance Commission is likely to make appropriate adjustments in this regard. To meet the shortfall noticed this year in the collection of NSSF in State, the Centre Allowed the State Government Open Market Borrowing to the extent of shortfall in NSSF.

- ◆ Debt Consolidation and Debt waiver awarded to States: The year 2009–10 is the last year of the award period of the 12th Finance Commission. So far, 26 out of 28 states (except West Bengal and Sikkim) have enacted Fiscal Responsibility and Budget Management Acts. Out of these 26 States, central loans (from Ministry of Finance) of 26 States have been consolidated to the extent of Rs. 1,13,601.14 crore. Debt consolidation has provided interest relief to these 26 States to the extent of Rs. 4,392.03 crore, Rs. 3,995.22 crore, Rs. 3,903.01 crore, Rs. 3,452.59 crore and Rs. 2,945.67 crore in 2005-06, 2006-07, 2007–08, 2008–09 and 2009–10 respectively. Based on the quality of fiscal correction and reduction in revenue deficit, debt waivers have been awarded to the extent of Rs. 3,984.35 crore for 2005-06 to 15 States, Rs. 5,007.51

crore for 2006-07 to 23 States Rs. 5,129.09 crore for 2007–08 to 22 States, Rs. 5,153.82 crore for 2008–09 to 20 States and Rs. 2,269.51 crore for 2009–10 to 8 States. Thus, from 2005 to 2009, States have been granted debt-waiver for an aggregate amount of Rs. 21,544.28 crore and interest relief of Rs. 18,688.52 crore. Benefits under DCRF, interest relief on account of consolidation and debt-waiver, are subject to necessary adjustments after the Finance Accounts become available.

- ◆ Ways and Means position of the State Governments: In contrast to sharp liquidity pressures faced by State Governments in the years prior to 2004–05, the Ways and Means position of a large number of States has been improving since 2005-06. This has happened primarily due to buoyancy in collection of Central and State Taxes, enhanced transfers to States, loan write-off by the Centre on the recommendation of the Twelfth Finance Commission, containment of expenditure by States and adherence to the Fiscal Responsibility, Legislation etc.
- ◆ The liquidity position of the State Governments as reported by RBI as on 08.02.2010, shows that States are comfortably placed with regard to finances and have invested to the extent of Rs. 1,00,899.96 crore in 14 days Treasury bills and to the extent of Rs. 500 crore in Auction Treasury Bills.

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 15th 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. During the period January-December, 2009, 51 meetings of the Expenditure Finance Committee (EFC) chaired by Secretary (E) were held which considered 93 Plan investment proposals costing Rs. 1,21,227.42 crore. Also, 7 meetings of the Public Investment Board (PIB) were held and 6 projects with a capital outlay of Rs. 6,548.11 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/2009 dated 7th September, 2009. These measures include, inter alia, 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.

Modernization 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 instalments 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.

Strengthening of Internal Audit

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

Department of Revenue

Implementation of Value Added Tax (VAT) Scheme

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.

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. 17,364.50 crore has been paid to the State Governments up to 31st December 2009. The details of the State-wise and year-wise releases and the pending claims are given in Chapter 5.

The Budget provision of Rs. 401.00 crore for 2010–11 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. Rs. 10098.53 crore have been released to the States up to 31st December 2009 as CST compensation. The details of the State-wise and year-wise releases and the pending claims are given in Chapter 5. For the financial year 2010-11, a budget provision of Rs. 10000.00 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 project proposal with overall cost of Rs. 1133.41 crore has been approved by the Committee on Non-Plan Expenditure (CNE) and recommended for the approval of

the Cabinet. After Cabinet's approval, individual State projects will be sanctioned by the Empowered Committee proposed under the project. The Central Govt. is to meet 75% of the project cost i.e. about Rs. 800 crore and the project will be implemented in four years' duration. With the implementation of this project, the revenue collections are likely to increase as a result of improved monitoring and tracking of transactions and control over tax evasion. Information exchange with other tax administrations, both Central and State, will also lead to greater synergy and contribute towards better tax compliance. The information base created would be the precursor to the common data and information base required to help in the switch-over to the far reaching reform of Goods & Service Tax (GST) across the country.

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. The focus will now be to upgrade and stabilize the system developed. VAT computerization project in Himachal Pradesh and J&K has been sanctioned with an overall cost of Rs. 40.49 crore, of which Government of India will provide Rs. 25.33 crore.

Goods & Service Tax (GST)

The process of introduction of GST has 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 Empowered Committee has now prepared and released a discussion paper on GST. The comments of Department of Revenue on this paper have been sent to the EC. A Joint Working Group of officers has been constituted to prepare draft Constitutional Amendment Bill, CGST Legislation, Model SGST Legislation and related rules.

Modernization of VAT Administration of States/UTs

The Central Government made Budgetary provisions in 2008–09 and 2009–10 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) has also been signed between Centre and State Government and the Institute and the first instalment of Rs. 4.00 crore, as Central share of assistance has been released in the current financial year 2009–10.

The selection of second institute for upgradation to the National Institute of Public Finance at Kolkata is under consideration of the Government. Detailed project is awaited from the selected institute. It is expected that budget provision of around Rs.5 crore would be required for supporting this Institute in the year 2010–11.

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 Design phase of the project has been completed. The proposal has also been appraised by the Committee on Non-Plan Expenditure (CNE) and approved for Implementation at a total cost of Rs. 60.01 crore. The System Integrator has been selected and appointed for implementation of the project. The total project timeframe is 5 years wherein the timeline for validation and acceptance of the complete solution is two years from the effective date of contract. The SI would provide enhanced support for one year from the date of acceptance of the complete solution. The SI will also provide maintenance support for the software and hardware for additional two years (i.e. up to the end of 5th year). The project is likely to be completed by 2014–15.

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 Committees have been established to review the implementation of major project items. For coordinated efforts and faster decision making in massive computerization endeavors of CBDT & CBEC, an Empowered Committee is also functional where eminent experts from Private Sector are also members.

Government Opium & Alkaloid Works

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

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

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

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

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

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. 2,400 collection centres for PAN applications have been opened. Number of PAN holders as on 31.12.2009 have gone up to 9.17 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 'Ayakar Sampark Kendra (ASK)' from the official portal of the Income Tax Department.

- ◆ **Centralised Processing Centre (CPC)** has been set up at Bangaluru to augment processing capacity of the Department and to issue refunds in a tight turnaround time-frame. This is a state of the art facility which would process upto 80 lakh returns per annum in an automatic manner. It also has a dedicated call centre to address taxpayer grievances. The CPC at Bangaluru has gone live and started giving output since October 2009. It is expected to achieve its full volume production by March 2010.
- ◆ **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. The facility eliminates the interface between a taxpayer and tax officials and has been very popular. During the financial year 2008–09, more than 48.38 lakh returns were received by 31st March, 2009 as compared to 21.93 lakh returns received during the preceding year. During the financial year 2009–10, around 36 lakh e-returns have been filed by 31.12.2009. More than 70% of the returns received are from voluntary category of tax payers and around 27% of the returns were filed beyond office hours. The e-filing of return service has been also linked to the national website www.incometaxindia.gov.in, by which e-return intermediaries would be able to upload taxpayers' returns directly on national website and receive acknowledgement over e-mails.
- ◆ A scheme of '**Refund Banker**' was implemented as a pilot at Delhi and Patna. Subsequently the scheme was extended to Mumbai, Chennai, Kolkata and Bangaluru. Since October 2009, the Refund Banker is also extended to 9 more cities viz. Ahmedabad, Allahabad, Bhubaneswar, Cochin, Hyderabad, Kanpur, Patiala, Pune and Chandigarh.
- ◆ **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. Presently, all refunds arising from processing of returns in these centres are issued through designated banks. Electronic Refund constitutes 57.87% of total refunds of FY 2009–10 (upto December, 2009).
- ◆ **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 started in March 2009 for re-training the TRPs including the service tax in the scope of work along with ITR Forms I, II and IV. The sanctioned cost of the 2nd phase is Rs. 7.29 crore (Rs. 4.09 crore for Income Tax and Rs. 3.20 crore for Service Tax). The TRPs have now been retrained on furnishing of ITRs I, II & IV and filing of TDS and Service Tax Returns. The TRPs have also been made eligible to function as e-return intermediaries.
- ◆ **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. The Pilot projects are being run in selected cities and

facilities to be extended to other places after successful completion of the pilots. In this regard, Taxpayers Service Centre called 'Aayakar Sewa Kendra' are being set up at various Income Tax Offices. Such 'Aayakar Sewa Kendras' have been made functional at Pune, Kochi and Chandigarh on Pilot basis.

- ◆ 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 in March 2008. Thereafter, the Board has approved the first phase of implementation of BPR in August 2009 which includes three pilot projects viz-a-viz Front Office with Sevottam integrated in it, Central Appeals Registry and Record Management. Accordingly, the process blue prints for Front Office along with Central Appeals Registry have been prepared and action for implementing them on pilot basis is being taken up. These are aimed at improving enforcement and taxpayer services by improving the work processes to enhance Department's efficiency with transparency.

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 Centre (PDC).
- ◆ Setting up of a Business Continuity Process (BCP) centre 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 Centre (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. Balance amount of around Rs. 66 crore has been allocated in 2009–10. In-principle approval has been granted by the Finance Minister for utilisation of Rs. 470 crore being 1% of incremental collection over budgetary targets 2007–08. Details of scheme are being worked out to be sent to the Department of Expenditure for approval. A provision of Rs. 80 crore has been provided in BE 2010-11 towards implementation of activities under this phase.

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 execution of various components of the project were given to various vendors and work is in progress.

Large Tax Payers Units (LTUs)

As an important measure for trade facilitation, the concept of Single Window Service for Large Tax Payers paying excise duty, income tax/corporate tax and service tax has been initiated. First LTU was operationalised in Bengaluru during 2006-07. Second LTU at Chennai became operational during 2007-08. In 2008-09, LTUs were operationalised at Mumbai and Delhi. 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. In view of encouraging results, the procurement process for 3 Mobile Gamma Ray Scanners and 4 Fixed X-Ray Scanners at other major ports at a cost of Rs. 172.94 crores (non-recurring) and Rs. 18.61 crore per annum (recurring) has started after obtaining Cabinet clearance in October, 2006. Tender was re-floated in January, 2009 for acquisition of 3 Mobile Scanners for installation at Kandla, Chennai and Tuticorin and Technical Bids were opened in March, 2009. After technical evaluation, Price Bids for Mobile Scanners have been opened in December, 2009. The Mobile Scanners are expected to be installed in 2010-11. Tender for procurement of 4 Fixed Scanners for Kandla, Chennai, Tuticorin and Mumbai was floated in November, 2008 and Technical Bids were opened in March, 2009. Technical evaluation for Fixed Scanners has been completed and Price Bids will be opened soon. The Fixed Scanners are expected to be commissioned in 2011-12.

Marine Fleet

The strategic importance of Customs Maritime Fleet along the Coast as a preventive arm of the Department to protect the country's maritime trade and enforce Import/Export provisions of Customs Act has been duly acknowledged, especially in view of the growing threats of smuggling of arms and ammunition for terrorism and anti-national activities and that of narcotics drugs. A review of the existing fleet and future requirements was made and 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 was 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, 20M length with high endurance	Coastal patrolling and surveillance
Category-II (22 vessels)	High Speed – 40 knots, 12M length with less endurance	Immediate interception of 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	

15 vessels of Category-I have been received. All 63 vessels of Category-III-A and III-B have also been received and deployed under user Commissionerates to carry out anti smuggling operations. Procurement of remaining vessels will complete by 2011-12 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, expenditure of Rs. 29.41 crore and Rs. 16.12 crore have been incurred on this account during 2007–08 and 2008–09 respectively in the Grant of Indirect Taxes. During 2009–10, proposals for Rs. 41.56 crore have been cleared. In the expenditure budget of 2010-11 also, Rs. 50.00 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 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 Department of Disinvestment, which came into being on 27th May, 2004 by conversion of the Ministry of Disinvestment into a Department under the Ministry of Finance. The Department deals inter-alia, with all matters relating to disinvestment of Central Government equity from Central Public Sector Undertakings. The Government has in November, 2005 constituted 'National Investment Fund' (NIF), to be maintained outside the Consolidated Fund of India into which the proceeds from disinvestment of Central Public Sector Enterprises would be channelized. The corpus of Fund is of a permanent nature and is professionally managed to provide sustainable returns without depleting the corpus. The income of the fund would be used to finance social sector schemes which promote education, health and employment and also be used

to meet the capital investment requirements of profitable and revivable CPSEs to finance expansion/diversification.

So far an amount of Rs. 1,814.45 crore realized out of the disinvestment proceeds of Power Grid Corporation of India (Rs. 994.82 crore) and Rural Electrification Corporation Limited (Rs. 819.63 crore) has been credited into NIF. The amount has been transferred to Fund Managers for investment. For the two year period of investment, an income of Rs. 294.05 crore has been received giving average return of 9.35% as against a hurdle rate of 9–9.25%. Out of the total income received, an amount of Rs. 185.90 crore has been allocated to National Programme of Nutritional Support to Primary Education (Mid-Day Meal Scheme).

However, with effect from April, 2009 to March, 2012, the proceeds from the disinvestment channelised into NIF would be available in full as a one-time exemption, for meeting the capital expenditure in respect of identified social sector schemes decided by the Planning Commission and Department of Expenditure. The status-quo ante would be restored from April, 2012.

An amount of Rs. 2,012.85 crore has materialized from disinvestment of 5% Government's equity in National Hydro-electric Power Corporation and

Rs. 2,247.05 crore from disinvestment of 10% equity out of Government shareholding in Oil India Limited along with fresh issue of equity of 10% of pre-issue paid up capital of the Company, during August & September, 2009 and subsequently, Rs. 8,480.10 crore from disinvestment of 5% equity of NTPC Limited.

Government on 19th October, 2009, approved disinvestment of 5% equity of NTPC Limited and disinvestment of 10% equity of Satluj Jal Vidyut Nigam Limited out of Government shareholding through Public offering in the domestic market.

Government on 29th October, 2009, approved disinvestment of 5% equity of Rural Electrification Corporation Limited (REC) out of Government shareholding in conjunction with the issue of fresh equity of 15% by the company. The expected realization in this regard would be around Rs. 850.00 crore.

Government on 3rd December, 2009, approved disinvestment of 8.38% paid up equity of NMDC Limited out of Government shareholding through Public offering in domestic market.



Chapter 4

Review of Past Performance

REVIEW OF PAST PERFORMANCE

4

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 2008–09 and 2009–2010 upto December 2009 is being depicted.

Status of Outcome of the Outcome Budget 2008–09 Demand 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 st March 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	MH 3054 – Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)	Under this Scheme money under Central Road Fund is used for financing construction of Road over/ under bridges in lieu of busy manned level crossings	773.90	773.90	-Manning at 436 locations. -Lifting Barrier at 295 locations. -Basic infrastructure at 1274 locations. -Interlocking at 475 locations. -Telephones at 289 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 posted at the gates.	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.

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 st March 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
		and railway safety works at unmanned railway crossings.			-Construction of 134 Limited height subways. -Construction of 100 Road Over/Under bridges.	-Laying of cable between station/level crossing location for connecting signalling system & telephones.		-Telephones at 289 locations. -Construction of 55 Limited height subways completed. -Construction of 38 Road Over/Under bridges completed including approaches done by the State Government.
2	MH 5475 – Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	92.10 (Plan)	61.67	46 proposals under the scheme were 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 in some projects and no VGF was required.	There is a time lag between 'in principle' approval and final disbursement and normally it takes 12 to 18 months from the process of bidding to financial closure after giving In -principle approval to a proposal.	Disbursement of fund takes place after commencement of construction work of the project, and the Private party selected through competitive bidding process invests its share of equity.	46 proposals under the scheme were given 'in principle' approval by the Empowered Institution till March 2009. Out of these , four proposals were granted final approval. After examining the disbursal milestone suggested by the Sponsoring Authority of the projects , the total budget allocation of Rs. 92.10 crore in BE 2008-09 was restricted to Rs. 61.67 crore at RE 2009-09. An amount of Rs. 54.07 crore was disbursed during 2008-09 for the following projects: i) Bhopal Dewas Road Project - Rs. 39.73 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 st March 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
								ii) Matkuli-Tamia Chhindwara Road Project – Rs. 7.64 cr. iii) Chandpur-Alirajpur Kukshi Badwani Road project- Rs. 5.31 crore. iv) Mandsaur-Sitama Road Project – Rs. 1.39 crore.
3	MH 3475 – Interest equalisation support to EXIM Bank of India	The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to EXIM Bank of India for GOI supported lines of credit.	232.00	209.75	Interest equalization support to EXIM Bank of India has to be given by GOI in respect of the GOI supported EXIM Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship with countries like Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d' Ivoire, Djibouti, etc.	The provision is to be utilised upto 31 st March, 2009.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to EXIM Bank as counter-guarantee of GOI have been given to EXIM Bank for the lines of credit.	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, Ethiopia, Myanmar, Sri Lanka, Malawi, Ghana, Sudan , Uganda 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 st March 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
4	MH 3605 – Technical and Economic Cooperation with other countries, Development Assistance, Grants-in aid.	Providing assistance for project preparations Creation of regional and Country strategies.	5.00	1.00	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 st March, 2009.		It was decided to keep the scheme pending. No expenditure has been incurred on the scheme.
5	MH 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	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	5.96	6.12	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. 7.61 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,

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 st March 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
								computers, education, parliamentary matters, rural development, textile, water resources, medical sciences, engineering, financial management, insurance etc.
6	MH 7605 – Advances to Foreign Governments i. Loan to Cambodia	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	4.00	4.30	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 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.
	ii. Loan to Sri Lanka		0.00	10.51	Export of various goods e.g. buses, spare parts of buses, Jeeps, IT equipments, binoculars etc. and consultancy services.	-do-	-do-	Rs. 11.16 crore has been disbursed.

Status of Outcome of the Outcome Budget 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	Processes/ Timelines	Risk Factors	Status as on 31 st December 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	MH 3054 – Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)	Under this Scheme money under Central Road Fund is used for financing construction of road over/ under bridges and railway safety works at unmanned railway crossings to provide smooth and safe passage for traffic.	958.36 (plus Rs. 241.64 crore as additional budget-ary support)	827.11 (plus Rs. 241.64 crore as additional budget -ary support)	-Manning at 355 locations. -Lifting Barrier at 374 locations. -Basic infrastructure at 1310 locations. -Interlocking at 449 locations. -Telephones at 300 locations. -Construction of 139 Limited height subways. -Construction of 120 Road Over/Under bridges.	-For manning of unmanned level crossing, gated/ lifting barriers have to be erected and duty huts/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.	An amount of Rs. 718.77 crore has been released upto December, 2009. The following output has been achieved: -Manning at 173 locations. -Lifting Barrier at 249 locations. -Basic infrastructure at 1901 locations completed. -Interlocking at 260 locations. -Telephones at 84 locations. -Construction of 54 Limited height subways completed. -Construction of 27 Road Over bridges and 22 bridge portion completed.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
2	MH 5475 – Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure (Plan)	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	150.00 (Plan)	45.95 (Plan)	57 proposals under the scheme were given 'in principle' approval by the Empowered Institution. Bidding has 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 takes 12 to 18 months from the process of bidding to financial closure after giving In-principle approval to a proposal.	Disbursement of fund takes place only after commencement of work of the project and the private party selected through competitive bidding process has invested its share of equity.	BE 2009–10 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. 45.95 crore. Rs. 17.40 crore has been disbursed upto date for the following projects: i) Bhopal Dewas Road Project-Rs. 9.37 crore. ii) Matkuli-Tamia Chhindwara Road project – Rs. 3.46 crore. iii) Chandpur-Alirajpur Kukshi Badwani - Rs. 4.57 crore. The reduction is due to the proposals of Govt. of Maharashtra (where the bidding has been completed) have not been granted final approval and bidding in respect of proposals of Govt. of Karnataka has failed. Hence there is no requirement against these projects in 2009–10.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
3	MH 3475 – Interest equalisation support to EXIM Bank of India (Non-Plan)	Indian Development and Economic Assistance Scheme (IDEAS). The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to EXIM Bank of India for GOI supported lines of credit.	278.00	139.41	Interest equalization support to EXIM Bank of India has to be given by GOI in respect of the GOI supported EXIM Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship with countries like Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d'Ivoire, Djibouti, etc.	The provision is to be utilised upto 31 st March, 2010.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to EXIM Bank as counter-guarantee of GOI have been given to EXIM Bank for the lines of credit.	Rs. 53.85 crore have been paid to EXIM Bank of India as interest equalisation support during 2009–10 (upto 31 st December, 09) for countries including , Angola, Syria, Sierra Leone, Senegal, Mali ,Mongolia , Myanmar, Sri Lanka ,Tanzania etc.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
4	MH 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	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	6.00	8.95	Human Resource Development through technical education to 410 students every year from Colombo Plan countries.	Development of long standing economic relationship through continued technical assistance to Colombo Plan countries like Afghanistan, Bangladesh, Bhutan, Fiji, Indonesia, Iran, Korea, Malaysia, Laos, Nepal, Maldives, Mongolia, Myanmar, Srilanka, Papua New Guinea, Thailand and Vietnam.	There is no risk factor involved as the funds are being utilized for the objective mentioned in Col. 3.	Rs. 4.18 crore have been incurred during 2009–10 upto December 2009. During this period, approx. 370 students from Colombo Plan countries were imparted training in different 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.

Department of Financial Services

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 2007–08, NABARD proposed to assist 50 lakh new farmers through Commercial Banks and Regional Rural Banks, against which almost 75.36 lakh new farmers were assisted. For 2008–09, target of Rs. 2,80,000.00 crore as farm credit was fixed for commercial banks/cooperative banks and RRBs. As against this, the target achieved during the year was Rs. 3,01,907.00 crore, while 94.90 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 is being implemented by NABARD. Up to January, 2010, the Government has released a total of Rs. 8230.63 crore (Rs. 1,425.00 crore in 2006–07, Rs. 2,045.37 crore in 2007–08, Rs. 3,960.26 crore in 2008–09 and Rs. 800.00 crore in 2009–10) to NABARD for implementation of the package and the same is near utilization.

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.

Acquisition cost of RBI stake in NABARD and NHB: Reserve Bank of India had sent a proposal for transfer of its shareholding in SBI, NABARD and NHB to the GOI in line with the recommendations of the Committee of Banking Sector Reforms (Narasimhan Committee) since it was inconsistent with the principles of effective supervision that the regulator was also the owner. RBI shareholding in SBI has already been transferred to the Government in 2007.

As per the decision taken by the Government on 1.02.2007, RBI has to transfer its shareholding in NABARD and NHB to the Government of India at the total holding cost of Rs. 1900.00 crore i.e. for NABARD - Rs. 1450.00 crore and for NHB - Rs. 450.00 crore.

It has been decided to effect transfer of 71.5% RBI shareholding in NABARD, amounting to Rs. 1,430.00 crore, to the Government during the year 2009–10. Accordingly, a provision of Rs. 1,450.00 crore has been made in the RE 2009–10. Transfer of RBI's shareholding in NHB to the Government is likely to be given effect in 2010–11. Accordingly, a provision of Rs. 450.00 crore has been made in the BE 2010–11.

Contribution to Securities Redemption Fund for redeeming SLR Marketable Securities issued against subscription in the Rights Issue of equity shares of State Bank of India – 2008: While approving subscription of around Rs. 10,000 crore by the Government in the Rights

Issue – 2008 of the State Bank of India (SBI), Government had also approved creation of a 'Securities Redemption Fund' for redeeming the Government Securities-2024 issued to SBI towards subscription to its Rights Issue 2008, on due date. A sum of Rs. 625 crore is to be transferred annually in the 'Fund' starting from 2008–09. This amount is to be transferred to the Fund up to the year 2023–24 i.e. for 16 years. Accordingly, a sum of Rs. 625 crore has been provided by the Government on 02.12.2009 in the 'Securities Redemption Fund' for the year 2009–10. The same amount is to be provided by the Government in the 'Securities Redemption Fund' for the year 2010–11 as well.

Restructuring the liabilities of IDBI Bank Ltd. – The Government had, inter-alia, approved in February, 2005 for providing assistance amounting to Rs. 2,521.89 crore to IDBI Ltd. (now IDBI Bank Ltd.) for servicing their liabilities over 2003–04 to 2007–08. An amount of Rs. 2,367.56 crore was released to IDBI Bank Ltd. upto the year 2007–08. It has been decided to release the balance amount of Rs. 154.33 crore to the Bank during 2010–11.

Subscription to Tier-I instrument of Nationalised Banks to augment their capital funds – To enable the Public Sector Banks (PSBs) to maintain a comfortable level of CRAR for supporting the credit requirements of the productive sectors of the economy and to ensure compliance with Base I-II regime, Government decided to infuse capital funds amounting to Rs. 4,600.00 crore in nationalised banks through investment in their Tier-I instruments – Central Bank of India (Rs. 1,400.00 crore), UCO Bank (Rs. 1,200.00 crore), Vijaya Bank (Rs. 1,200.00 crore) and United Bank of India (Rs. 800.00 crore).

A sum of Rs. 1,900.00 crore, out of Rs. 4,600.00 crore, was infused in these nationalised banks (Central Bank of India – Rs. 700.00 crore, UCO Bank – Rs. 450.00 crore, Vijaya Bank – Rs. 500.00 crore and United Bank of India – Rs. 250.00 crore) during the year 2008–09. Out of the balance amount of Rs. 2,700.00 crore, a sum of Rs. 1200.00

crore will be infused in these banks during the year 2009–10 and the remaining Rs. 1500.00 crore will be infused during the year 2010–11.

Recapitalisation of Public Sector Banks through World Bank Loan – Government is considering to provide capital assistance to those Public Sector Banks which require such funds to be able to meet the credit requirement of the economy while maintaining Capital to Risk Weighted Assets Ratio (CRAR) at around 12%, through World Bank assistance. To meet the capital requirements of PSBs, in general, Government has negotiated with the World Bank for Banking Sector Support Loan (BSSL) totaling US \$ 3.2 billion so that the assistance is provided to all the needy PSBs during 2010–11 itself. A provision of Rs. 15,000.00 crore has been made in BE 2010–11.

The New Pension System (NPS) has been introduced by the Government of India with a view to develop the pension sector. It has been made mandatory for all new recruits to the Government (except armed forces) with effect from 1st January, 2004 and, based on Government's advice, has also been rolled out to all citizens with effect from 1st May, 2009 on a voluntary basis.

The process of making NPS available to all citizens entailed the appointment of NPS intermediaries, including twenty eight institutional entities as Points of Presence (POPs) that will serve as pension account opening and collection centres, a Centralised Record Keeping Agency (CRA) and six Pension Fund Managers to manage the pension wealth of the investors.

So far, 23 State Governments/UT Governments have notified to join the NPS. Of these, 9 (nine) States have already signed agreement with NPS Trust and 11 (eleven) States have signed agreements with CRA for carrying forward the implementation of the New Pension System. The other States are at different stages of preparation for roll out of NPS. Over 6.63 lakh employees of the Central and various State Governments are already a part of the NPS. The corpus being managed under the NPS has crossed Rs. 3000 crore.

Department of Posts has been appointed as a POP in November, 2009. The Department of Posts has proposed to initially start with 817 branches and eventually extend its NPS network to all of its electronically connected branches. In addition, PFRDA has appointed 7 more entities as POPs in December 2009, has added a Tier II to the NPS that will serve as a savings account for the pension subscriber with effect from 1st December, 2009 and is developing CRA-Lite-a low cost version of NPS meant to enroll people of lower economic strata like self help groups, affinity groups etc. The maximum entry age under the NPS has been increased to 60 years, as against the prevailing 55 years to enable more people to join the NPS.

Key achievements during the year 2009–10 were:

- ◆ Transfer of legacy data pertaining to the accumulated corpus in respect of Government subscribers.
- ◆ Opening of the NPS to all citizens.
- ◆ Appointment of NPS intermediaries including 29 Points of Presence (including the Department of Posts) and 6 Pension Fund Managers for the unorganised sector.
- ◆ Establishment of New Pension System Trust to supervise the Pension Fund Managers and ensure adherence to prescribed investment guidelines and to the provisions of the Investment Management Agreements.

In order to expand the reach of the NPS country wide, PFRDA invited the Department of Posts to join the NPS as a POP. After a series of discussions and receipt of a formal proposal from the Department of Posts, PFRDA appointed the Department of Posts as a POP in November, 2009. The Department of Posts has proposed to initially start with 817 branches and

eventually extend its NPS network to all of its electronically connected branches. PFRDA considers it a major milestone in the development of the pension sector, as the partnership with the Department of Posts will enable it make NPS available within the easy reach of all citizens in the remotest corners of the country. In addition, PFRDA appointed 7 more entities as POPs in December 2009, giving further fillip to the NPS distribution network. Several new initiatives were started like: adding a Tier II to the NPS that will serve as a savings account for the pension subscriber with effect from 1st December, 2009, and development of CRA-Lite-a low cost version of NPS meant to enroll people of lower economic strata like self help groups, affinity groups etc. PFRDA has approved the increase in the maximum entry age under the NPS to 60 years, as against the prevailing 55 years to enable more people to join the NPS.

Under the NPS for all citizens, a subscriber has the facility to open NPS account at any of the registered branches (880 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. This will be a major focus area for the PFRDA in the coming years. 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) as well as the website of other NPS intermediaries. Details of NPS intermediaries including Points of Presence and Pension Funds are also available on the PFRDA website.

In the first year of their operation i.e. FY 2008–09, the three pension fund managers appointed for the government sector provided a weighted average annual return of 14.82% on the corpus managed by them.

Status of Outcome of the Outcome Budget 2008–09 Demand 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/ Timeliness	Remarks/ Risk Factors	Status as on 31 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	MH 2235 – Debt Relief in interest to farmers on overdue loans	To share interest waived off on overdue loans payable by farmers in debt stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra	640.00	460.00	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. The total debt relief on interest given by the Government upto December, 2009 is Rs. 1814.09 crore.
2	MH 2235 – Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme.	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	8.00	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 was released during the year.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
3	MH 2235 – Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidising Pension Plan for Senior Citizens	200.00	150.00	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	MH 2416 – Grants in aid for revitalization of Cooperative Credit Structure (Short Term)	Revitalization of Cooperative Credit Structure in the country (Short Term)	3542.00	3960.26	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. 3,960.26 crore released.
5	MH 2416 – Grants in aid for revitalization of Cooperative Credit Structure (Long Term)	Revitalization of Cooperative Credit Structure in the country (Long Term)	600.00	599.09	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. The Government has constituted a Task Force to assess the impact of the implementation of the ADWDRS, 2008 and STCCS package on the financial health of the LTCCS.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008–09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
6	MH 2416 – Grants-in-aid – Interest subvention for providing short term credit to farmers.	Interest relief to farmers on short term production credit	1600.00	2600.00	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	MH 2416 – Recapitalisation of 27 Regional Rural Banks which have negative net worth	Improve viability of Regional Rural Banks	594.87	594.87	Recapitalisation of Regional Rural Banks in a phased programme	Two years	The programme will improve the viability of the Regional Rural Banks	Rs. 594.87 crore released. 27 Regional Rural Banks with negative net worth recapitalised.
8	MH 2416 – Government's Contribution towards constitution of Financial Inclusion Fund (FIF)	Support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections,	25.00	0.00	Ensure access to financial services and timely and adequate credit facility to 649.54 lakh farmer households.	Five years	649.54 lakh farmer households will be provided with financial services and credit facility at an affordable cost.	Out of GOI's share of 40%, an amount of Rs. 10.00 crore was released to NABARD in March, 2008 as initial contribution. Balance amount of Rs. 27.00 crore will be released in subsequent years. No amount was released during the year 2008–09.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008–09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
		low income groups and in backward regions/ hitherto unbanked areas.						
9	MH 2416 – Government's Contribution towards constitution of Financial Inclusion Technology Fund (FITF).	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	0.00	Extend facility under technological development to 649.54 lakh farmer households, who were hitherto excluded from the facility.	Five years	649.54 lakh farmer households will be covered under the scheme.	Out of GOI's share of 40% i.e. Rs. 65.00 crore, an amount of Rs. 10.00 crore was released to NABARD in 2007–08 as initial contribution. Balance amount of Rs. 55.00 crore will be released in subsequent years. No amount was released during the year 2008–09.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008–09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
10	MH 4885 – Subscription to Share Capital Export Import Bank	Strengthening of equity base of EXIM Bank.	100.00	300.00	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	MH 4885 – Subscription to Share Capital of India Infrastructure Finance Company Limited (IIFCL)	Enabling the programme of long-term infrastructure finance.	200.00	500.00	The Company would fill the gap for long term infrastructure finance which banks are not in a position to provide owing to concerns relating to mismatches in assets and liabilities.	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
12	MH 5465 – Contribution to Securities Redemption Fund	Contribution to Securities Redemption Fund for redeeming SLR Marketable Securities issued against subscription in the Rights Issue of equity shares of SBI, 2008	-	625.00	Contribution to the Securities Redemption Fund created for redeeming the Government Securities-2024 issued to SBI towards subscription to its Rights Issue 2008, on due date.	To be redeemed in 2024.	No risk factor is involved.	Sanction issued for transfer of funds to the Fund.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
13	MH 5465 – Capital infusion in Central Bank of India, UCO Bank, United Bank of India and Vijaya Bank	Infusion of capital funds in these banks would enable them maintain a comfortable level of CRAR for supporting the credit requirements of the productive sectors of the economy.	-	1,900.00 (3 rd Supplementary)	To enable the public sector banks (PSBs) maintain a comfortable level of CRAR at around 12% to support the credit requirements of the productive sectors of the economy.	June, 2010	It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit needs of the country.	Rs. 1,900 crore was released to these banks.
14	MH 7465 – Government's contribution towards payment of premium to a Fund to be maintained by LIC for Aam Aadmi Bima Yojana.	Insurance Cover to head of family or one earning member of rural landless households.	-	1000.00	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. 71,71,556 rural landless households covered.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008–09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
15	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.	To provide scholarship of Rs. 300.00 per quarter per child up to two children, studying between 9 th & 12 th Std., of the beneficiaries of Aam Aadmi Bima Yojana.	-	500.00	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 were 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 rd Supplementary in 2007–08

Status of Outcome of the Outcome Budget 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	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	MH 2235 – Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme.	The four public sector general insurance companies have been implementing Universal Health Insurance Scheme for improving the access of health care to BPL families	6.39	28.00	Coverage of 2.6 lakh families	One year	Being subsidy, no risk factor is involved.	As on 31.12.2009, 1,78,186 policies were issued covering 18,72,283 persons and 5,60,678 families
2	MH 2235 – Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidising Pension Plan for Senior Citizen	172.00	270.82	Under the Scheme pensioners get an effective yield of 9% p.a.	One year	Being subsidy no risk factor is involved.	Rs. 116.31 crore released.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
3	MH 2416 – Grants in aid for revitalization of Cooperative Credit Structure (Long Term)	Revitalization of Cooperative Credit Structure in the country (Long Term)	1000.00	1.00	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	The Government of India has constituted a Task Force to assess the impact of the implementation of the ADWDRS, 2008 and STCCS package on the financial health of the LTCCS.
4	MH 2416 – Grants-in-aid – Interest subvention for providing short term credit to farmers.	Interest relief to farmers on short term production credit	2011.00	2011.00	To provide short term production credit 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. 2011.00 crore released in 2009–10.
5	MH 2416 – Government's Contribution towards constitution of Financial Inclusion Fund (FIF)	Support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker	0.00	10.00	To ensure access to financial services and timely and adequate credit facility to 649.54 lakh farmer households.	Five years	649.54 lakh farmer households will be provided with financial services and credit facility at an affordable cost.	Rs. 10.00 crore only was released as an initial contribution from Government in 2007–08. No expenditure incurred upto December, 2009.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
		sections, low income groups and in backward regions/ hitherto unbanked areas.						
6	MH 2416 – Government’s Contribution towards constitution of Financial Inclusion Technology Fund (FITF).	Enhance investments in information communication technology aimed at promoting financial inclusion, stimulating transfer of research and technology in financial inclusion, increasing technological absorption capacity of financial service providers/ users.	-	10.00	Extend facility under technological development to 649.54 lakh farmer households, who were hitherto excluded from the facility.	Five years	649.54 lakh farmer households will be covered under the scheme.	Rs. 10.00 crore only was released as an initial contribution from Government in 2007–08. No expenditure upto December, 2009

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
7	MH 4885 – Subscription to Share Capital of EXIM Bank	Strengthening of equity base of EXIM Bank.	300.00	300.00	The Bank will have a standing in coordinating the working of Institutions engaged in financing exports and imports.	To increase the paid up capital of the Bank	To maintain investment credit rating.	Rs. 300.00 crore released in 2009–10. The paid up capital of the Bank now is Rs. 1700.00 crore.
8	MH 4885 – Subscription to Share Capital of India Infrastructure Finance Company Limited (IIFCL)	Enabling the programme of long-term infrastructure finance.	500.00	500.00	The Company would fill the gap for long term infrastructure finance which banks are not in a position to provide owing to concerns relating to mismatches in assets and liabilities.	To increase the paid-up capital of the Company by Rs. 500.00 crore		Rs. 500.00 crore released in 2009–10. The paid-up capital of the company is Rs. 1800.00 crore now.
9	MH 5465 – Contribution to Securities Redemption Fund towards subscription in the Right Issues of Equity Shares of the State Bank of India.	To contribution to Securities Redemption Fund for redeeming SLR Marketable Securities issued against subscription in the Rights Issue of equity shares of State Bank of India – 2008.	625.00	625.00	It is a contribution to the Securities Redemption Fund created for redeeming the Government Securities-2024 issued to SBI towards subscription to its Rights Issue 2008, on due date.	SLR Marketable Securities issued against subscription in the Rights Issue of equity shares of State Bank of India – 2008 are to be redeemed in 2024. A sum of Rs. 625 crore is to be contributed by the Government to this Fund	No risk factor is involved as it is only a contribution to the Securities Redemption Fund already created for the purpose.	Amount of Rs. 625.00 crore transferred to the Securities Redemption Fund on 2 nd December, 2009.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
						created for redeeming these Securities.		
10	MH 5465 – Acquisition cost of RBI stake in NABARD (Plan)	Transfer of 71.5% RBI shareholding in NABARD, amounting to Rs. 1,430 crore, to the Government in line with the recommendations of the committee of Banking Sector Reforms (Narismhan Committee)	1100.00	1450.00	With this transaction, stake of RBI in NABARD will stand transferred to the Government.	Transfer of RBI shareholding in NABARD to the Gol is in line with the recommendations of the Committee of Banking Sector Reforms (Narsimhan Committee) that it was inconsistent with the principles of effective supervision that the regulator was also the owner.	March, 2010	Approval of Finance Minister has been obtained. Procedural formalities are being finalized in consultation with RBI to ensure fund release by March, 2010.

Status of Outcome of the Outcome Budget 2008–09 Demand 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 st March, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1	MH 2070 – Other Administrative Services. Central Plan Scheme for enhancing training capacity of National Institute of Financial Management.	High level professional course covering basic elements of 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.	Two 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. 3.00 crore which was fully released for strengthening the infrastructure in the institute.

Status of Outcome of the Outcome Budget 2009–10 Demand No. 38 – Department of Expenditure							
S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay in 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st December, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1	MH 2070 – Other Administrative Services. Central Plan Scheme for enhancing training capacity of National Institute of Financial Management and infrastructural development of the Institute.	High level professional course covering basic elements of MBA (Finance) for officers dealing with Accounts and Finance matters to be offered by National Institute of Financial Management Society.	10.00 (Plan) (Rev. 3.60) (Cap. 6.40)	8.20 (Plan) Rev. 1.80 (Cap. 6.40)	Training 60 officers of Central/State UT Governments. The programme consists of trimesters having 12–14 weeks duration each. This is a combination of class room teaching and project work.	Two years	(i) Under Revenue Section, 25 candidates joined the course at NIFM, Faridabad. The provision reduced at RE stage due to less participation than expected. This has been fully utilized. (ii) Under Capital Section, the expenditure is Rs. 3.20 crore released for strengthening the infrastructure in the institute.

Status of Outcome of the Outcome Budget 2008–09 Demand No. 41 – Department of Revenue							
S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008–09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st March, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1	MH 2052 – Implementation of VAT Scheme	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	6.50	7.55	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

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st March, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
							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.
2	MH 2052 – Setting up of Tax Information Exchange System (TINXSYS)	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the Empowered Committee	15.00	15.00	- Implementation of TINXSYS Project for effective tracking of inter-State transactions. - Smooth functioning of EC.	The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation to be completed during 2008-09. Thereafter, it is to be run by the Service Provider for another about 2 years, before transfer to EC. J&K and HP VAT	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 crores over 5 year period. The expenditure in 2008-09 was Rs. 3.75 crore and the cumulative expenditure so far is Rs. 13.10 crores 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,

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008–09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st March, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
						Computerization Project: Initial phase is likely to be completed during 2009–10.	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.
3	MH 3601/3602 – Compensation to States/UTs for revenue loss due to implementation of VAT and other VAT related expenditure	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	3292.50	4292.37	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.	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

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008–09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st March, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
						Support for modernization of State VAT administration up to 2009–2010.	State-wise and year-wise releases and pending claims are given in Chapter 5. 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.
4	MH 3601/3602 – Compensation to States/UTs for revenue loss due to phasing out of CST	Grant-in-aid to States/UTs for CST compensation	2500.00	2000.00	To compensate States/UTs for revenue loss due to phasing out of CST	CST is being phased out in 3 years time. As per agreed formula, CST compensation will need to be provided to the States till 2009-10.	Under this scheme, budgetary provision of Rs. 2500 crore each was made for 2007-08 and 2008-09. A total amount of Rs. 4118.88 crores has been released to the State Govts which include an amount of Rs. 2168.88 crore released in 2007–08 and Rs. 1950 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 5.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008–09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st March, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
5	MH 2875 – Government Opium & Alkaloid Works	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	238.00	219.51	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. 203.73 crore.

Status of Outcome of the Outcome Budget 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	Process/ Timelines	Status as on 31 st December, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1	MH 2052 – Implementation of VAT Scheme	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	8.00	8.00	Computerization of VAT administration in NE States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura and Sikkim. Meghalaya also has recently requested for some assistance under the project.	The initial phase of implementation of the Project on Turnkey basis has been completed. The task during 2009–10 was to effectively utilize the systems already put in place and to add new need-based software applications and remove bottlenecks, if any.	Under this scheme, provision has been made for taking ahead the VAT Computerization in North-Eastern States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura and Sikkim and for other VAT related expenditure. The VAT computerization in Sikkim has been undertaken by NIC and in other NE states by TCS (on turnkey basis). The initial phase of implementation of these Projects has been completed. Expenditure of Rs. 3 crore has been incurred in the year 2009–10 and the total expenditure so far starting from 2004–05 including operations and maintenance expenditure is Rs. 29.43 crore (Rs. 4.30 crore in 2004–05, Rs. 5.74 crore in 2005–06, Rs.3.25 crore in 2006–07, Rs. 6.58 crore in 2007–08, Rs. 6.06 crore in 2008–09 and Rs. 3.50 crore in 2009–10 –till December 2009). 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 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st December, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
							A Price Negotiation Committee was set up for negotiating the price of AMC for coming years, starting from financial year 2009–10, with M/s. TCS. A draft Note for the CNE has been prepared for seeking its approval.
2	MH 2052 – Setting up of Tax Information Exchange System (TINXSYS)	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the Empowered Committee. (EC) and VAT computerization of HP and J&K.	26.65	13.29	- Implementation of TINXSYS Project for effective tracking of inter-State transactions. - Smooth functioning of EC.	The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation to be completed during 2009–10. Thereafter, it is to be run by the Service Provider for another about 2 years, before transfer to EC.	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 crores over 5 year period. So far, an amount of Rs. 13.10 crore has been released, out of the Central share, for implementation of the project (Rs. 2 crore in 2004–05, Rs. 2 crore in 2005–06, Rs. 2.35 crore in 2006–07, Rs. 3.50 crore in 2007–08, Rs. 3.25 crore in 2008–09). The implementation of TINXSYS is progressing fairly well. The Project has been reviewed and monitored by the Empowered Committee (EC). At the request of the EC, project specific review/monitoring meetings are now being held under the joint chairmanship of Additional Secretary (Revenue) and Member-Secretary, EC. As the current period of implementation of the project has expired on 31.10.2009, proposal

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st December, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
						HP and J&K VAT computerization Project: Sanction for implementation of the project at a total cost of Rs.40.49 crore with Central Govt.'s share of Rs.25.33 crore, has been issued on 3.7.2009. EC is to implement the project. The project is to be completed in 3 years i.e. up to 2011–12.	for extension of the project is under consideration. The first instalment of Central share of Rs.2 crore has been released. EC is likely to sign the agreement with vendors selected, after which work will actually start on ground and further release of Central share of assistance will be made.
3	MH 3601/3602 – Compensation to States/UTs for revenue loss due to implementation of VAT and other VAT related expenditure	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	3020.50	3152.00	To compensate States/UTs for revenue loss due to introduction of VAT with a view to ensure VAT implementation of all States/UTs as well as for meeting other VAT related expenditure of States/UTs	As per agreed formula, VAT Compensation is to be provided for 2005–06, 2006–07 and 2007–08. Claims of the last part of 2007–08 would need to be settled during 2009–10.	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. 17364.50 crore, out of which Rs. 2471.27 crore was released during 2005–06, Rs. 4092.13 crore during 2006–07, Rs. 3880.48 crore during 2007–08, Rs. 4361.95 crore during 2008–09 and Rs. 2558.67 crore

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st December, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
						Support for modernization of State VAT administration up to 2009–2010. Setting up/ upgradation of two Institutes for Taxation Studies in States/UTs	during 2009–10 (upto 31st December 2009). Residual claims of Delhi, Karnataka and Maharashtra are only to be settled, which are under consideration of the Department. Details of State-wise and year-wise releases and pending claims are given in Chapter 5. The Mission Mode Project for Commercial Taxation (MMP-CT) for modernization of State VAT Administrations has been appraised by the Committee on Non-Plan Expenditure and recommended for approval. The project is being placed before the Cabinet for its approval. States have started revising their DPRs to meet the standards prescribed. It is anticipated that at least few State projects will get the approval of the Empowered Committee in this financial year. The project proposal for financial assistance for upgradation of the Centre for Taxation Studies into Gulati Institute for Finance & Taxation (GIFT), at a total cost of Rs. 23.63 crore, has since been approved and first instalment of grant of Rs. 4 crore released to the Institute. The second

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st December, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
							Institute has also been identified and the proposal in this regard is awaited.
4	MH 3601/3602 – Compensation to States/UTs for revenue loss due to phasing out of CST	Grant-in-aid to States/UTs for CST compensation	6001.00	8735.18	To compensate States/UTs for revenue loss due to phasing out of CST	CST is being phased out in 3 years time. As per agreed formula, CST compensation will need to be provided to the States till 2009–10.	Under this Scheme, grant-in-aid is released to States/UTs for compensating them for revenue loss due to phasing out of CST. An amount of Rs. 10098.53 crore has been released to the State Govts till December 2009, which include an amount of Rs. 2168.88 crore released in 2007–08, Rs. 1950.00 crore released in 2008–09 and Rs. 5979.65 crore released in 2009–10 (till 31 st December, 2009). Claims amounting to Rs. 1026.24 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 5. CST Compensation package for 2009–10 is yet to be finalized between the Centre and EC.
5	MH 2875 – Government Opium & Alkaloid Works	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	355.32	283.27	Procurement of Opium (559 MTs) Procurement of 30 MTs of Codeine Phosphate Export of Opium (400 MTs)	The progress of revenue realization vis-à-vis expenditure was to be reviewed monthly/quarterly.	Against the project quantity of 559 MTs and 30 MTs, only 395 MTs of opium has been procured till December 09 as less opium has been procured due to crop failure and 4.5 MTs of Codeine Phosphate has been imported. The opium export has been 236 (MTs) up to December,

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Status as on 31 st December, 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
					Sale of alkaloids (46.300 MTs) This was to result into revenue receipt of Rs. 301 crore.		2009 against the targeted export of 400 MTs due to less procurement of opium. Revenue Receipts in 2009–10 (up to December 2009) have been Rs. 204.26 crore against projected revenue receipt of Rs. 301 crore at BE stage. The expenditure up to December, 2009 on Govt. Opium & Alkaloid Works is Rs. 138.97 crore.

Status of Outcome of the Outcome Budget 2008–09 Demand 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 st March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1	MH 2020 – Collection of Income Tax; Information Technology		225.00 (Non-Plan)	225.00			Actual expenditure – Rs. 197.92 crore.
	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 2010–11 - Single National Database to handle all Direct Taxes related transactions - Facilities management in the offices of Income Tax Department	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 Centre 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 st 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 Centre.
		D) Hiring of Data Centres for Primary, Business Continuity Planning and Disaster Recovery sites.			- Co-location of hardware equipments in Data Centres meeting industry standards - Security certification of BS 7799 for ensuring security of the equipment and data	Ongoing activity	-
	II. Tax Information Network (TIN)	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to: - Online Tax Account System (OLTAS), - Tax deductions coming from TDS returns			- 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	Ongoing activity	i) No. of challans received in OLTAS from 01.04.2008 to 31.03.2009 is 271,48,569. ii) The total amount received through OLTAS from 01.04.2008 to 31.03.2009 is Rs. 3,75,696 crore. iii) Further, 6,04,932 ECS refunds were issued during this period amounting Rs. 860.08 crore.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
		High value financial transactions coming through annual Information Returns and facility for generation of electronic TDS accounts.			Facilities to view tax payments made by the tax payers or by tax deductors on their behalf		i) 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.
	III. Business Process Re-engineering (BPR)	Complete revamping of existing business processes to meet the needs of stake holders			Submission of the report of the consultant and BPR Rollout Plan	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.
	IV. Tax payers services	To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar Sampark Kendra), Web-site of Income-Tax Department- www.incometaxindia.gov.in 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	Ongoing activity	- 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. - The website of the department www.incometaxindia.gov.in had on average an 27 lakh hits per month in FY 2008-09. - No. of e-returns increased from 21.93 lakh in 2007-08 to 48.38 lakh in 2008-09 registering a

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
					- Provision of tax related information facility for downloading of various forms/challans and return preparation software - Country wide facilities for e-filing of income tax returns - Centralized issue of refunds through designated refund banker - Facilities for e-payment.		growth of 120%. Of this, nearly 80% returns was filed voluntarily.
2	MH 4059 – Acquisition of Office Accommodation Purchase of ready built office accommodation at Delhi and Mumbai		198.00	188.25	- Office building from UTI at Cuffe Parade, Mumbai. - Office building at NBCC Plaza, Saket New Delhi.	- March, 2008 - April, 2008	Actual expenditure – Rs. 82.88 crore 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.82.88 crore since full

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st March 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
							payment in respect of NBCC Plaza, New Delhi could not be released for want of completion of procedural formalities on the part of NBCC.

Status of Outcome of the Outcome Budget 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	Processes/ Timelines	Status as on 31 st December 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1	MH 2020 – Collection of Income Tax; Information Technology		225.00 (Non-Plan)	213.75			Actual expenditure as on 31.12.2009 – Rs. 81.59 crore.
	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	Ongoing	Consolidation of Database completed. Acceptance of the project has been completed in May, 2009 after evaluation of implementation of the terms of contract by the vendor. During FY 2009–10, total 1,55,09,961 returns were processed till 31.12.2009 at the data centre.
		B) Modification of Aayakar Bhawan, Vaishali into a secure Information Technology Hub and its maintenance.			After modification of the Vaishali Building, National Computer Centre will be established.	30.09.2009	Work is in progress and is likely to be completed by the revised timeline i.e. 31.03.2010. The timeline is dependent on successful execution of contract.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st December 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	Ongoing	The work of LAN/WAN connectivity in all identified buildings across 510 cities has been completed. Accordingly, officers/staff of the department available on the network can now access the Central Data Centre.
		D) Hiring of Data Centres for Primary, Business Continuity Planning and Disaster Recovery sites.			- Co-location of hardware equipments in Data Centres meeting industry standards - Security certification of BS 7799 for ensuring security of the equipment and data	Ongoing	All the three Data Centres, namely, Primary Data Centre (PDC), Business Continuity & Planning (BCP) and Disaster Recovery (DR) sites are operational.
	II. Tax Information Network (TIN)	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to: - Online Tax Account System (OLTAS), - Tax deductions coming from TDS returns			- 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	Ongoing	During FY 2009–10, total 1,95,40,878 number of challans were received through OLTAS amounting to Rs. 2,99,464.37 crore of Direct Tax collection.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st December 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
		High value financial transactions coming through annual Information Returns and facility for generation of electronic TDS accounts.			Facilities to view tax payments made by the tax payers or by tax deductors on their behalf		Cases of non-filers/stop filers are being periodically identified. Facility for viewing tax payment challans, tax credit statements etc. are operational.
	III. Tax payers` services	To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar Sampark Kendra), Web-site of Income-Tax Department and e-friendly services			- Deliverables from Aayakar Sampark Kendra (ASK) are - Provision of PAN, Challan, Return Forms and related information - Facility to send forms by e-mail - Handling of PAN grievances - Provision of tax related information facility for downloading of various forms/ challans and	Ongoing	- The call centre 'Aayakar Sampark Kendra', set up by the Department, received 3,42,481 calls till 31.12.2009 during the current fiscal. - The website of the department www.incometax.india.gov.in had between 13 lakh to 27 lakh hits per month in FY 2008–09. - During FY 2009–10, 36 lakh e-returns have been received till 31.12.2009.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st December 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
					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.		
	IV. Centralized Processing Centre (CPC) Project	(A) Centralised processing of both paper based and e-filed Income Tax Returns (ITRs). (B) The CPC would enable the Department to cope with rapid growth in the number of taxpayers and consequently the volume of work for employees.			i) The CPC would initially process transactions for all e-filed Income Tax Returns (ITRs) and physical ITRs for Bangalore. ii) As the CPC stabilizes, the physical ITRs from Karnataka and Goa and an adjoining state would also be		CPC has been set up at an estimated cost of Rs. 255.56 crore spread over a period of five years. CPC has started giving output since October 2009. However, full time production is expected by March 2010.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st December 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
		(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.			given to the CPC to scale up the operation. iii) The CPC at Bangaluru will have scalability to process 20 lakh paper returns and 60 lakh e-filed returns from the Zone. iv) Eventually, it is envisaged that the CPC model would be replicated across the country, having gained experience and learning from the CPC in Bangaluru.	01.09.2009	
	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.	31.03.2010	The project has been kept in abeyance and RFP has not been issued due to recent developments of UID project. It has been decided to postpone the Biometric PAN Project till the Business Rules of UID project are finalised to avoid duplication of efforts.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st December 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
		(B) Biometric information, being more stable with time and difficult to change, would be able to detect duplicate PAN application with greater accuracy.			- Verify biometric features of applicants who apply for reprint of cards or change in PAN data. - Composite and scalable solution without vendor lock-in to be procured. - Solution to be integrated with new PAN application and also prospective use for the existing PAN holders.		
2	MH 4059 – Capital outlay on public works – office buildings		602.00	17.00			Actual Expenditure till 31.12.2009 is Rs. 1.13 crore
	(i) Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi.	To reduce shortage of office accommodation.			Office buildings and trainee hostel as mentioned under column 2 will be the physical assets created and owned by the Department.	31.03.2010	The work is at consideration stage. The outlay of Rs. 575.00 crore provided in BE 2009–10 has been surrendered at RE stage and work deferred to next year.

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31 st December 2009
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
	(ii) Construction of office building at Saket, New Delhi	To reduce shortage of office accommodation.				31.03.2010 (for award of work)	The project has been put on hold during the current fiscal.
	(iii) Construction of office building at Bhopal.	To reduce shortage of office accommodation.				31.03.2010 (for award of work)	Preliminary Estimate has been received and is under processing for further consideration of the Committee on Non Plan Expenditure (CNE). It is likely to be taken up during next year.
	(iv) Construction of advanced training centre at NADT, Nagpur.	To expand infrastructure for training at National Academy of Direct Taxes, Nagpur.				31.03.2010 (for award of work)	Proposal is under process. It is likely to be taken up during next year.
	(v) Construction of new hostel at NADT, Nagpur.					31.03.2010 (for award of work)	The work has been sanctioned at an estimated cost of Rs. 24.10 crore. An amount of Rs. 5 crore has been released. Further execution of the work will be taken up during next year.
3.	MH 4216 – Capital outlay on public works – Housing.		15.00	3.10			No expenditure has been incurred till 31.12.2009.
	(i) Construction of guest house at Golf Links, New Delhi.	To mitigate the shortage of guest house accommodation.			Assets creation	31.03.2010 (for award of work)	The proposal is under process.
	(ii) Residential quarters at Nariman Point, Mumbai.	To bridge the shortfall in residential accommodation.			Assets creation	31.03.2010 (for award of work)	The preliminary estimate (PE) is being modified due to increase in FSI. The work will be taken up during next year.

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

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

- (i) The collection of direct taxes has tripled from Rs. 1,05,088 crore in 2003–04 to Rs. 3,38,818 crore in 2008–09 at an average annual growth of 26.53% 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 55.4% of Central taxes.
- (iii) The Direct Tax – GDP ratio has significantly increased from 3.81% in 2003–04 to 6.27% 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

Direct Tax Collections vis-a-vis Budget Estimates

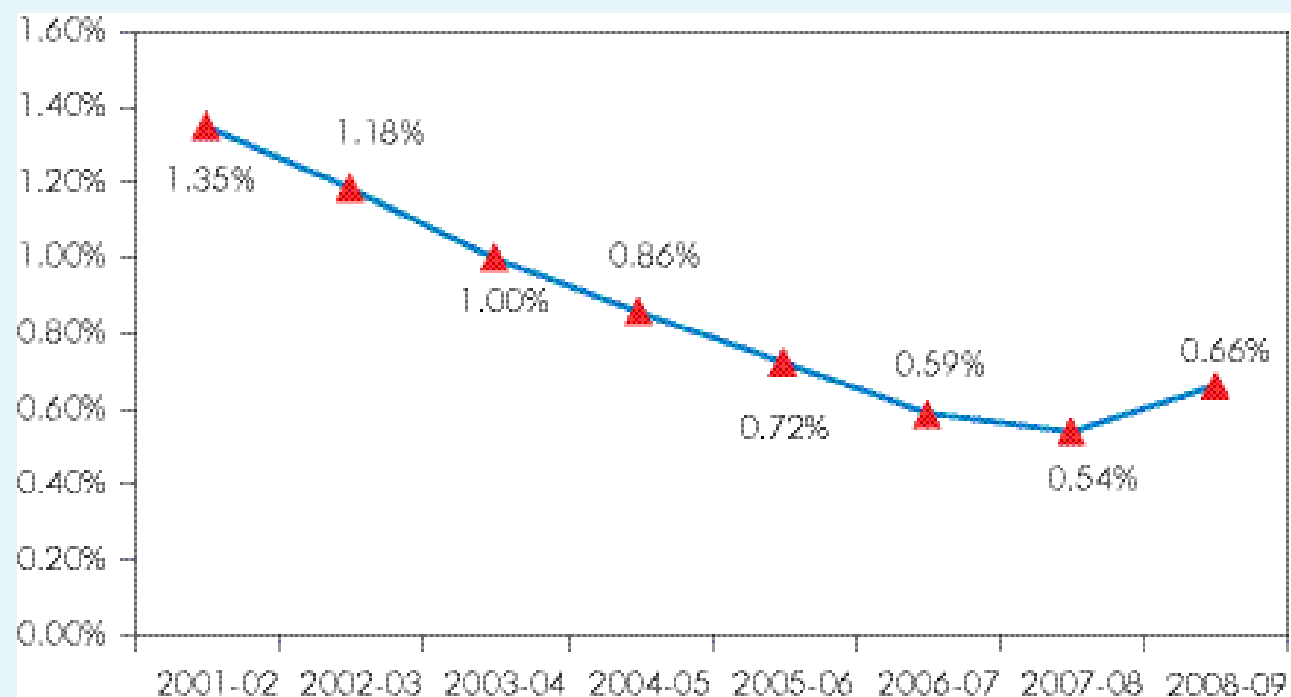


in 2008–09. The collection from regular assessment tax has also increased substantially from Rs. 16,150 crore in 2003–04 to more than Rs. 31,242 crore in 2008–09.

- (v) One of the best performance of the Department has been in the area of collection from Tax Deduction/Collection at Source (TDS/

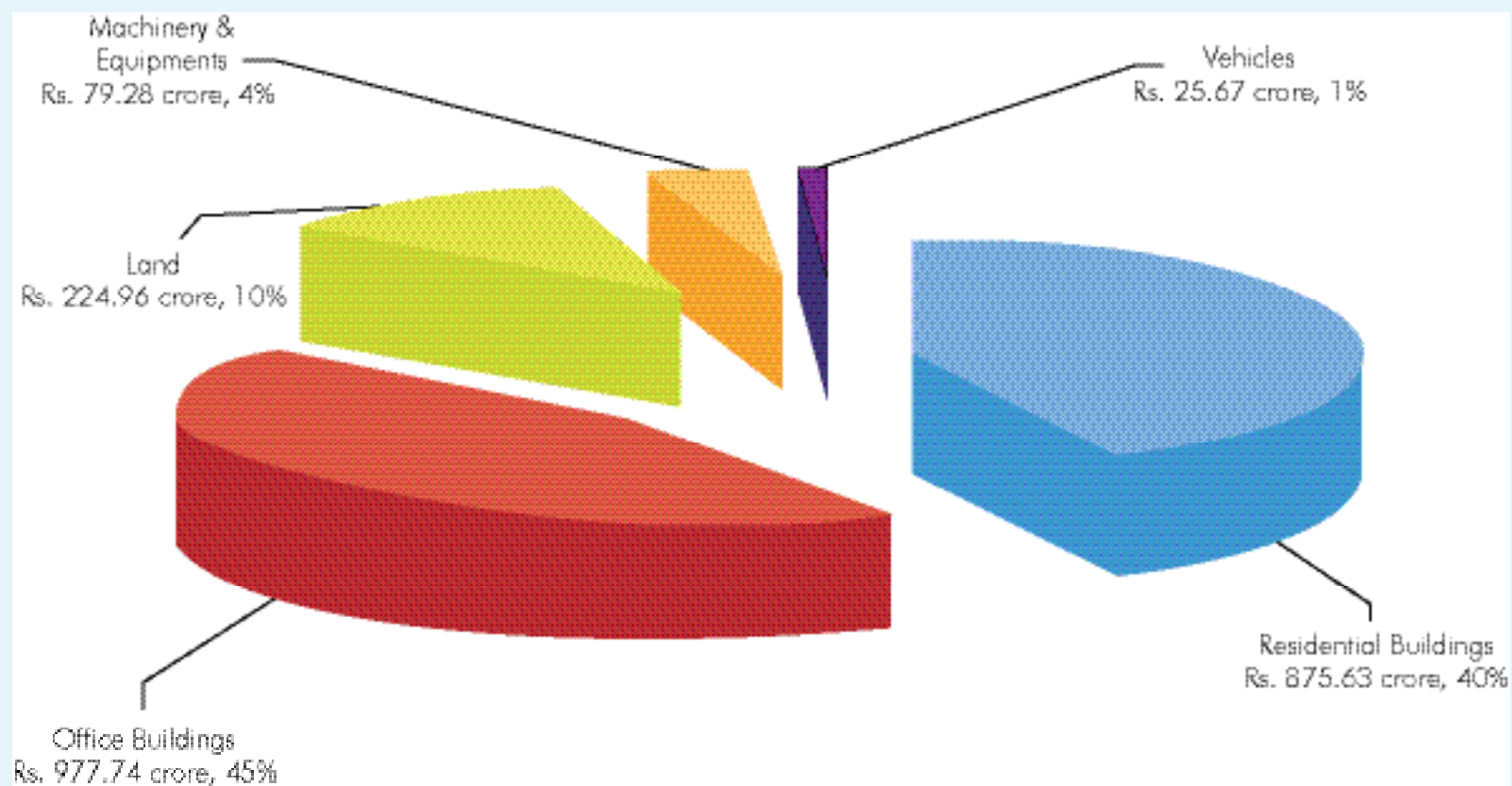
TCS). There has been considerable focus on TDS administration and one Directorate has been set up to exclusively man the TDS functions. During the year 2008–09, TDS collections were close to Rs. 1,30,172.00 crore which is around 24.3% higher than the corresponding collection in the previous year.

Cost of Collection in Terms of Percentage



- (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 0.66 paisa per rupee collected in the year 2008–09.
- (vii) As on 31st March, 2009, the physical assets owned by the Department were to the tune of Rs. 2,183.28 crore. The break-up of the assets is depicted as under:

**Break-up of Assets
As on 31.03.2009
(Total value of Assets – Rs. 2183.28 crore)**



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 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	MH 2037 and 2038 – Information Technology	Strengthening of IT capability for e-governance	141.00	325.00	-Setting up of an All-India Wide Area Network. -Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration.	-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. -Installation of hardware and its commissioning to be completed by July, 2008.	Massive effort is required in change management. CNE/CCEA approval for revised cost has been obtained.	Against RE of Rs.325.00 crore, the expenditure incurred during 2008–09 was Rs.167.17 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 was in progress. Out of 539 sites, 500 sites were connected and around 450 sites were delivered. Installation and commissioning of equipment was completed and Systems Acceptance milestone reached. The infrastructure was 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

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 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
					-Provision of local area network to all departmental users -Establishment of Data warehouse	-Phase-I: 16 weeks from the date of signing of contract, which was to be finalised by the end of March, 2008. -Phase-II: 6 months from the date of contract i.e.by October, 2008. -Phase-I (Customs data) – January, 2009.	CNE/CCEA approval for revised cost has been The timelines would have to be revised in view of	monitoring of the infrastructure was operational. The ACES application was made online for filing excise returns by assesses through internet. The ACES application was rolled out on pilot basis at selected six sites. The ICES (Customs) application was deployed on the pre-production server for testing. The RMS (Risk Management – Customs) application was also deployed on the pre-production server. Implementation of LAN was underway and expected to be completed in most of the cities, except for sites under shifting. The contract for establishment of Data Warehouse was awarded to M/s. Wipro.

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 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
					-Automation of Central Excise & Service Tax	-Phase-II (Central Excise and Service Tax data) -October, 2009. -Phase-II timelines are dependent upon the national rollout of the Automation of Central Excise & Service Tax (ACES) application. -Testing commenced in January, 07. ACES is a centralised application and would be launched as and when the hardware	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. The timeline is dependent on installation of Central Hardware.	Work commenced on low level design. The data extraction and loading into the Data Warehouse would commence only after availability of production data from ACES and ICES 1.5 at the Data Centre. Central hardware for development was configured for commencement of development activity. Interim reports on payments of Central Excise duties and Service Tax went live on ACES. The timelines was dependent upon the roll out of its source systems such as ICES 1.5 and ACES. ACES was rolled out on a pilot basis in six Commissionerates namely, LTU Bangaluru LTU Chennai, Service Tax Commissionerate Chennai and Central Excise Commissionerates of Coimbatore, Belapur and Bhubaneswar-II with Registration, Return and CLI Modules.

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 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
					-Gateway Project for Customs up-gradation -Setting up of Risk Management System (RMS)	is installed. Hardware is to come from System Integration tender. Work is likely to be completed by June, 2008. -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.	The timeline is dependent on installation of Central Hardware and availability of ICES 1.5 application in Data Centre. For Export RMS, the timeline is dependent on installation of Central Hardware which is contingent upon getting required approval and sanctions.	For sustenance and upgradation of ICEGATE (Gateway Project for Customs upgradation), the contract was awarded to Wipro Ltd. Development work completed to the extent of 80%. The Import module of RMS was rolled out in all the 23 locations, in 13 cities. Export module was ported in Data Centre. For container selection, RMS at Nhava Sheva was working.

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 st March, 2009												
1	2	3	4		5	6	7	8												
			4(i) BE	4(ii) RE																
					-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 operational at Bangaluru 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 Bangaluru, Chennai, Mumbai and Delhi.												
2	MH 4047 – Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smug- gling capabili- ty and im- proved coastal security	100.00	100.00	Following vessels are expected to be delivered to the Department during 2008–09: <table><tr><td>Category=</td><td>No.of Vessels</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>24</td></tr><tr><td>Total</td><td>62</td></tr></table>	Category=	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		For acquisition of marine vessels, revised proposal for acquiring 109 vessels at a cost of Rs. 277.27 crores was approved by CCEA on 22.02.2007. Orders for procurement of 24 vessels in Category-I were placed with M/s Gold Bridge, Malaysia and for procurement of 30 vessels in Category-III A and 33 vessels in Category-III B with M/s Brunswick, Singapore Contract for supply of 22 vessels of Category-II signed with M/s Al Dhaen Crafts, Bahrain in December, 2008.
Category=	No.of Vessels																			
I	12																			
II	02																			
III A	24																			
III B	24																			
Total	62																			

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 st March, 2009																												
1	2	3	4		5	6	7	8																												
			4(i) BE	4(ii) RE																																
						by March, 2008. The expected delivery schedule is as follows: Category= No.of Vessels 2007–08 <table><tr><td>III A</td><td>6</td></tr><tr><td>III B</td><td>6</td></tr><tr><td>Total</td><td>12</td></tr></table> 2008–09 <table><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></table> 2009–10 <table><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></table> 2010–11 <table><tr><td>II</td><td>08</td></tr><tr><td>Total</td><td>08</td></tr></table>	III A	6	III B	6	Total	12	I	12	II	02	III A	24	III B	24	Total	62	I	12	II	12	III B	03	Total	27	II	08	Total	08		In Category-I, delivery commenced by the Boat Builder in September, 2008 and 5 vessels were received up to March, 2009. Delivery of Category-III-A and III-B vessels commenced from January, 08. 24 vessels in each Category (III-A and III-B) were delivered by the Boat Builder up to March, 2009, including 2 vessels in each Category delivered in 2007–08. Against RE of Rs. 100.00 crore, the expenditure incurred during 2008–09 was Rs. 99.38 crore.
III A	6																																			
III B	6																																			
Total	12																																			
I	12																																			
II	02																																			
III A	24																																			
III B	24																																			
Total	62																																			
I	12																																			
II	12																																			
III B	03																																			
Total	27																																			
II	08																																			
Total	08																																			

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 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
3	MH 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	26.51	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 crores (non-recurring) and Rs. 18.61 crores 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 were to be acquired from respective Port authorities. Global tender for acquisition of 3 Mobile Gamma Ray Scanners was re-floated in January, 2009 and technical bids were opened on 03.03.2009. Tender for 4 X-ray Scanners was floated in November, 2008 and technical bids were opened on 23.03.2009. Against RE of Rs. 26.51 crore, the expenditure incurred during 2008–09 was Rs. 0.50 crore.
4	MH 4059 – Acquisition of office Accommodation	To meet shortfall in Office Accommodation	145.00	135.00	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 was made in February, 2009, holding the payment to local authority i.e. Mumbai Municipal Corporation with whom there is dispute regarding rate of stamp duty.

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 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
						-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.		Advance payment of Rs. 2.34 crore was made to NBCC in March, 2009 for interior work and furnishing of office space purchased from NBCC in New Delhi. Against RE of Rs. 135.00 crore, the expenditure incurred during 2008-09 was Rs. 18.58 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 st March, 2009
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
5	MH 4216 – Acquisition of Residential Accommodation		20.00	14.29	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.	Payment of 45% of the cost of Rs. 11.04 crore for 134 flats on milestone related progress was 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 was not agreed to by the Department and was under review. For purchase of 67 flats at National Games Housing Complex at Ranchi, payment of Rs. 12.04 crore was made in two instalments. Balance payment of Rs. 1.24 crore would be made at the time of taking possession. Against RE of Rs. 14.29 crore, the expenditure incurred during 2008–09 was Rs. 12.80 crore.

Status of Outcome of the Outcome Budget 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	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
1	MH 2037 & 2038 – Information Technology	Strengthening of IT capability for e-governance	200.00	200.00	-Setting up of an All-India Wide Area Network. -Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	Work on Phase-I and Phase-II is likely to be completed by October, 2009. Equipment has been installed and commissioned. System Acceptance milestone reached.	Massive effort is required in change management. CNE/CCEA approval for revised cost was obtained on 09.08.2007 and 29.11.2007 respectively.	Against RE of Rs. 200.00 crore, the expenditure up to December, 2009 is Rs. 100.93 crore. Contract for Establishment of a Data Centre and All India Wide Area Network at a total cost of Rs. 77.00 crore was awarded to the consortium of BSNL, VSNL and HP. Out of 539 sites, 506 sites have been delivered. Implementation phase has been declared closed. Rest of the sites are likely to be delivered by the vendor soon. Equipment has been installed and commissioned and System Acceptance milestone reached i.e. software applications for customs, central excise and service tax have been ported and are running from three national data centres. A Network Operations Centre has been set up for providing support for applications users

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
					-Provision of local area network to all departmental users	-LAN connectivity has been provided to CBEC users spread over 175 buildings. Phase-II covering 1035 buildings in over 200 cities is under implementation and is likely to be completed by June, 2009, barring exceptions and force majeure issues.	CNE/CCEA approval for revised cost was obtained.	and pro-active monitoring of the infrastructure. A helpdesk is in operation for infrastructure and applications support for operations and resolution of the end user problems. A Single Sign-on application has also been configured and rolled out for providing policy based access for officers to different applications. Implementation of LAN is underway and is expected to be completed in most of the cities by the end of 2009–10, except for sites under shifting and force majeure issues.

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2009-10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
					-Establishment of Data warehouse -Automation of Central Excise & Service Tax (ACES)	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. ACES has been rolled out on a pilot basis in six Commissionerates namely, LTU Bangaluru, LTU Chennai, Service Tax Commissionerate Chennai and Central Excise	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. The timeline is dependent on LAN/WAN as well as availability of related Hardware at all locations.	First set of reports showing collections in Central Excise and Service Tax time-wise, assessee-wise, location wise, minor account head-wise etc. has gone live. Data base modeling for pilot is completed and the development of Pilot ETL (Extraction of data from source systems and loading into the Data Warehouse) as well as Reports has commenced. The strategy for Pilot User Acceptance Testing is underway. ACES has been rolled out nationally in all 104 Commissionerates of Central Excise and Service Tax on 23.12.2009.

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
					-Gateway Project for Customs upgradation -Setting up of Risk Management System (RMS)	Commissionerates of Coimbatore, Belapur and Bhubaneshwar-II with Registration, Return and CLI Modules. ACES is expected to be rolled out to other locations by September, 2009. 80% work has been completed. Remaining work is mainly pertaining to integration of maps developed with the back end ICES 1.5 application and trading partners' applications and is expected to be completed by September, 2009. - The Import module of RMS has been rolled out in all the	Availability of ICES 1.5 application for Air, Sea and ICD and readiness of trading partners. Availability of ICES 1.5 application.	Work has been almost completed. Remaining work is mainly pertaining to integration of maps developed with the back end ICES 1.5 application and trading partners' applications. The Import module of RMS has been successfully commissioned in all the 23 locations, in 13 cities.

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2009-10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
					-Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	23 locations, in 13 cities. Export module has been ported in Data Centre. For container selection, RMS at Nhava Sheva is working. -An LTU specific website has been developed. The LTUs are currently operational at Bangaluru, Chennai, Mumbai and Delhi. Other LTU at Kolkata is planned to be operationalised by the end of 2009.		Export module has been ported in Data Centre and User Acceptance Testing is in progress. For container selection, RMS at Nhava Sheva Custom House is working. Website for LTU has been set up. LTUs are currently operational at Bangaluru, Chennai, Delhi and Mumbai.
2	MH 4047 – Preventive Functions -Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	120.00	102.00	The number of vessels that have been delivered to the Department up to December, 2009:	The orders for procurement of Category I, III A and III B vessels numbering 87 have been placed to the Boat Builders in the		For acquisition of marine vessels, revised proposal for acquiring 109 vessels at a cost of Rs. 277.27 crores was approved by CCEA on 22.02.2007. Orders for procurement of 24 vessels in Category-I were placed with

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
					Category No. of Vessels I 15 II Nil III A 30 III B 33 Total 78 Three vessels in the Category II are expected to be delivered up to 31.03.2010.	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: Cate- Expected gory time I June, 2010 II Sep., 2011 III A Completed III B Completed	-	M/s Gold Bridge, Malaysia and for procurement of 30 vessels in Category-III-A and 33 vessels in Category-III-B with M/s Brunswick, Singapore. Contract for supply of 22 vessels of Category-II signed with M/s Al Dhaen Crafts, Bahrain in December, 2008. Since delivery of the vessels started in Category-I 15 vessels have been received so far. In Category-II 3 vessels are expected to be received up to 31.03.2010. In category-III-A and III B all the vessels have been delivered during 2009–10. Against RE of Rs. 102.00 crore, the expenditure incurred up to December, 2009 is Rs. 44.26 crore.
3	MH 4047 – Acquisition of Anti-smuggling equipments	Facilitate cargo clearance, efficient handling of increased volume of container	100.00	57.00	Installation of 3 Mobile Gamma Ray Scanners, placement of order and start of civil construction for 4 Fixed X-Ray Scanners at a total project cost of Rs. 172.94 crore	3 mobile scanners would be installed and commissioned during 2009–10. Supply order for installation of 4 fixed scanners	Progress of the project depends on acquisition of land from the Port authorities and timely approval from statutory authorities. The	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 in the process

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
		traffic, improved Customs control through non-intrusive examination.			(non-recurring) and Rs. 18.61 crore per annum (recurring).	would be placed during 2009–10. After installation, fixed scanners are expected to be commissioned in 2010–11.	progress is being monitored by the Project Implementation Committee.	of acquisition from respective Port authorities Global tender for acquisition of 3 Mobile Gamma Ray Scanners was re-floated in January, 2009 and technical bids were opened on 03.03.2009 and price bids on 07.12.2009. Proposal for final decision of competent authority is under consideration. Tender for 4 X-ray Scanners was floated in November, 2008 and technical bids were opened on 23.03.2009 and considered by Technical Evaluation Committee on 22.12.2009. Against RE of Rs. 57.00 crore, no expenditure incurred up to February, 2010.
4	MH 4059 – Acquisition of Office Accommodation	To meet shortfall in Office Accommodation	50.00	12.00	The purchase of office accommodation will bridge the shortfall in requirement of office space.	- Further payment for acquisition of office space in NBCC building, Saket, New Delhi. - Payment of stamp duty and other charges to	Payment in such cases depends on various formalities involving consultation with different concerned authorities.	Part payment of Rs. 4.01 crore to NBCC has been paid in December, 2009 on completion of 50% of interior work in office space purchased from NBCC in New Delhi. Other payment has not been made due to non-completion

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
						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. - 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.		of necessary formalities by the NBCC. Payment of stamp duty and other charges in respect of building purchased from SUUTI at Mumbai payable to local authority i.e. Mumbai Municipal Corporation is still pending as dispute regarding rate of stamp duty has not been finalised. Other proposals for purchase of office accommodation from TNSCB at Chennai and office space for LTU, Kolkata have not been finalised. Against RE of Rs. 12.00 crore, the expenditure incurred up to December, 2009 is Rs. 4.06 crore.
5	MH 4216 – Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	19.80	1.80	The purchase of residential accommodation will bridge the shortfall in requirement.	Part payment in respect of purchase of flats from Allahabad Development Authority, balance payment for	The proposals involve obtaining clearance from CPWD, Ministry of Urban Development, SFC etc. after following	Payment of 45% of the cost of Rs. 11.04 crore for 134 flats on milestone related progress was made to Allahabad Development Authority (ADA). The ADA had earlier proposed revision of the cost to

S. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2009–10 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31 st December, 2009
1	2	3	4		5	6	7	8
			4 (i) BE	4(ii) RE				
						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 due procedure prescribed in GFRs.	Rs. 14.96 crore which was again revised to Rs. 21.15 crore which was not agreed to by the Department. After review, it has since been decided not to purchase the flats from ADA. For purchase of 67 flats at National Games Housing Complex at Ranchi, payment of Rs. 12.04 crore was made in two instalments. Balance payment of Rs. 1.24 crore would be made at the time of taking possession. Against RE of Rs. 1.80 crore, the expenditure incurred up to December, 2009 is Rs. 0.30 crore.

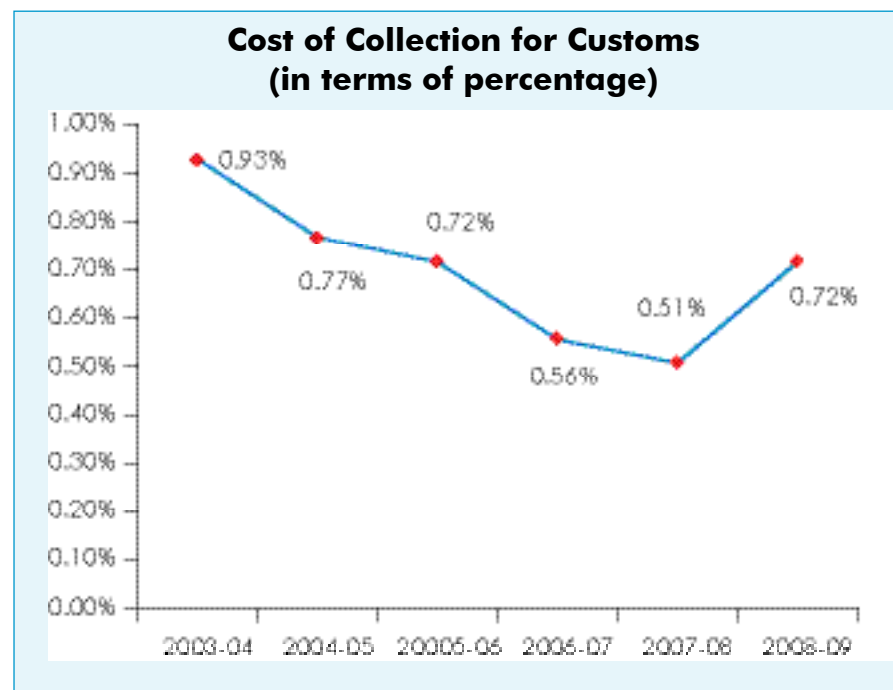
Salient features on overall performance of the Central Board of Excise and Customs (CBEC)

- ◆ Total Indirect Tax Revenues amounted to Rs. 2,69,895 crore in 2008–09. Union Excise Duties collection accounted for 40.51% (Rs. 1,09,343.00 crore), Customs: 37.00% (Rs. 99,850.00 crore) and Service Tax: 22.49% (Rs. 60,702.00 crore).
- ◆ Indirect Tax Revenues have increased by 83.71% from Rs. 1,46,910.00 crore in 2003–04 to Rs. 2,69,895.00 crore in 2008–09.
- ◆ There has been 4.10% decrease in Customs Duties collections and 11.11% decrease in Union Excise Duties collections in 2008–09 over previous year.
- ◆ Service Tax collections have grown by 18.33% in 2008–09 over previous year. In fact, Service Tax collections have shown phenomenal growth of 669% from 2003–04 (Rs. 7,891.00 crore) to 2008–09 (Rs. 60,702.00 crore). The share of Service Tax in Indirect Tax Revenues has increased from 1% in 1995–96 to 22.49% in 2008–09.
- ◆ In 2009–10 up to December, 2009, Indirect Tax Revenue collections amounted to Rs. 1,65,934 crore constituting Union Excise Duties – Rs. 69,747 crore, Customs Duties – Rs. 59,402.00 crore and Service Tax – Rs. 36,785.00 crore.
- ◆ Total Indirect Tax collection up to December, 2009 have shown decline of 18.10% over the comparative period of previous financial year. Union Excise Duties, Customs Duties and Service Tax collections respectively have declined by 13.20%, 28.40% and 6.50% over the collections in the comparative period of previous year.
- ◆ The cost of collection for Customs Duties had come down from 0.93% in 2003–04 to 0.51% in 2007–08 and now increased to 0.72% in 2008–09. The cost of collection for Central Excise & Service Tax had also come down from 0.76% in 2003–04 to 0.64% in 2007–08 and

increased to 0.97% in 2008–09. 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
Customs	0.93%	0.77%	0.72%	0.56%	0.51%	0.72%
Central Excise & Service Tax	0.76%	0.73%	0.67%	0.63%	0.64%	0.97%



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 5.5% of GDP in 2008-09.
- ◆ 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)
2006-07	1.79	4.14
2007-08	2.08	5.07
2008-09	3.22	4.92

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 was approved on 24.08.2006. Out of 539 sites, 506 sites have been delivered by the vendor. Remaining sites are likely to be delivered soon.
- Installation of Central Servers:** The Department would be acquiring new generation of servers and storage to provide computing, data storage, systems security infrastructure, central facilities management and related functionalities to all departmental and external users accessing the CBEC system. These would be located at National Data Centre, Business Continuity and Disaster Recovery Sites. All 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. System Acceptance milestone reached i.e. software applications for customs, central excise and service tax have been ported and are running from the three national data centres.
- Provision of Local area Network to all Departmental Users:** All applications of Customs, Central Excise and Service Tax will be accessed by the departmental users using this network. The connectivity of local area network has been provided at 1075 sites and work is in progress in remaining 70 sites.
- 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 assesses through automated work flow of all business processes. ACES has been rolled out nationally on 23.12.2009 in all 104 Commissionerates of Central Excise and Service Tax.
- vi) **Gateway for Customs upgradation:** A system for Electronic Data Interchange for Customs 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 this 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 has been almost completed. Remaining work is mainly pertaining to integration of maps developed with the back end application and trading partners' applications.
- vii) **Setting up of Risk Management System (RMS):** Transition from a consignment based control to 'intervention by exception' through identification of risk associated with imports. Facilitation of low risk, compliant trade and optimized use of resources for computer aided scrutiny of high risk consignments. 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. Rollout for Import has been completed at all chosen 23 locations, in 13 cities. The Export RMS has been ported in Data Centre. For container selection, RMS at Nhava Sheva Custom House is working.
- 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 Bangaluru, Chennai, Mumbai and Delhi. Other LTU at Kolkata is planned to be operationalised during 2010.

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 the Office of the Controller General of Accounts. The software has been functional in all Pay and Accounts Offices under CBEC.

E-Lekha is a web-based application that facilitates an ONLINE Financial Information System for fact based fiscal management. 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 the Office of the CGA.

Electronic Accounting System in Central Excise and Service Tax (EASIENT) is aimed for obtaining a complete, correct and useful database that can be used at accounting, reconciliation and for other MIS purposes. EASIENT has been rolled out throughout the Country w.e.f. 01.04.2007. EASIENT 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 has been redesigned by the NIC as a functional module of COMPACT with

advanced features. The software is designed to have integrity with the Central Server of Office of Pr. CCA viz. the PCBEC server through the VPN. The module shall provide necessary electronic outputs to integrate with the online tax information systems which are a part of the computerization project of CBEC. The salient features of the proposed REVACT module are as follows:

- ◆ Data Entry from physical challans and scrolls in case of manual payments and Data incorporation through electronic files received from Banks in case of e-Payments (i.e. electronic challans, electronic Main Scrolls).
- ◆ 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.

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

Centralized Delay Monitoring Module (CDMM) is the software through which the output from 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 Public Sector Banks have been authorized to collect CBEC revenue electronically for all Central Excise and Service Tax Commissionerates.

e-Payment of Customs Duty Collection was conceived to provide e-Payment facility to the importers and exporters. The matter is under process in consultation with NIC under the e-trade project of Department of Commerce. One e-PAO for Customs is proposed to be established in New Delhi w.e.f. 1.04.10.

Multi Protocol Level Switching Virtual Private Network (MPLS VPN) has been established. The VPN will connect all the field offices with the Central Server of Pr. CCA and will provide for updating and maintaining all the software running at field Pay and Account Offices. The required application software for the Central Server is being developed 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. Ministry of Shipping has approved allocation of land for installation of scanners at Mumbai, Kandla, Chennai and Tuticorin. The Mobile Scanners are expected to be installed and commissioned in 2010–11. Fixed scanners are likely to be commissioned in the year 2011–12.

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 revised cost of Rs. 277.27 crore was approved by CCEA on 22.02.2007. Orders were placed with the selected firms and the Department has received 78 vessels up to December, 2009 (15 vessels in Category-I and 30 vessels in Category III-A and 33 vessels Category III-B). A total number of 18 vessels in Category-I and II are expected to be delivered in 2010–11. Delivery of all vessels is expected to be over in 2011–12.

Demand 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 2009–10 for the Revenue Section and Capital Section were Rs. 18.78 crore and Rs. 1120.00 crore respectively, whereas the Revised Estimates for financial year 2009–10 is

Rs. 42.20 crore in the Revenue Section and is Nil in the Capital Section. This is due to the reason that the accounting procedure of NIF is under revision, for effecting the decision of the Cabinet Committee on Economic Affairs (CCEA) on 5.11.09 that with effect from April, 2009 to March 2012, the proceeds from disinvestment channelised into NIF would be available in full, as a one-time exemption, for meeting the capital expenditure in respect of identified social sector schemes decided by the Planning Commission and Department of Expenditure. The status-quo ante would be restored from April, 2012.

The estimates in BE 2008–09 under Capital Section was based on the receipts from disinvestment of small portion of Government's equity in NHPC. An amount of Rs. 12,740 crore has been received from disinvestment of small portions of equity in NHPC, OIL and NTPC during the year 2009–10 (up to 19 February, 2010).

- ◆ Government on 19th October 2009, approved disinvestment of 5% equity of National Thermal Power Corporation (NTPC) Limited and disinvestment of 10% equity of Sutlej Jal Vidyut Nigam (SJVN) Limited out of Government shareholding through Public Offering in the domestic market.
- ◆ Government on 29th October 2009 approved disinvestment of 5% equity of Rural Electrification Corporation Limited (REC) out of Government shareholding in conjunction with the issue of fresh equity of 15% by the company. The expected realization in this regard would be around Rs. 850.00 crore.
- ◆ Government on 3rd December 2009, approved disinvestment of 8.38% paid up equity of National Mineral Development Corporation (NMDC) Limited out of Government shareholding through Public offering in domestic market.

The Budget Estimates for disinvestment receipts and the amounts realized through disinvestment in PSUs during 2007-08, 2008-09 and 2009-10 are given below:

Year	Budgeted targets (Rs. in crores)	Proceeds from Disinvestment (Rs. in crore)	Remarks
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. 2,366.94 crore was realized and credited to the Consolidated Fund of India. The Government realized Rs. 994.82 crore from the sale of 5% equity in PGCIL, out of Government of India holding and Rs. 819.63 crore from the sale of 10% equity, out of Government's holding in REC.
2008-09	RE 1165.00 BE 1165.00	Nil	
2009-10	BE 1120.00 RE 0.00	12,740.00	An amount of Rs. 2,012.85 crore has been realized from disinvestment of 5% Government's equity in National Hydro-electric Power Corporation, Rs. 2,247.05 crore from disinvestment of 10% equity out of Government shareholding in Oil India Limited along with fresh issue of equity of 10% of pre-issue paid up capital of the Company and Rs. 8,480.10 crore from disinvestment of 5% equity of NTPC Limited. Further action on these receipts will be taken as per revised accounting procedure.

Summarized position of Schemes under Outcome Budget 2010–11 Demand No. 32 – Department of Economic Affairs								
								(Rs. in crore)
		2008–2009			2009–2010			2010–2011
S. No.	Scheme	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09*)	BE
1	Public Private Partnership (PPP) In infrastructure, Provision of Viability Gap Funding (VGF) (MH 5475) – Plan	92.10	61.67	54.07	150.00	45.95	15.30	480.26
2	Contribution for Railway Safety Works against additional levies on motor spirit and high speed diesel and ; Additional Budgetary Support (MH 3054) – Plan	773.90	773.90	773.90	958.36 241.64 1200.00	827.11 241.64 1068.75	718.77 - -	876.73 - -
3	Interest Equalisation Support to EXIM Bank of India (MH 3475) Non-Plan	232.00	209.75	191.57	278.00	139.41	53.85	130.00
4	Technical Economic Cooperation with other Countries – Technical aid to South & South East Asia under Colombo Plan (MH 3605) Non-Plan	5.96	6.12	7.61	6.00	8.95	4.18	8.45
	Total	1103.96	889.01	887.69	1634.00	1263.06	792.10	1495.44
	Percentage with reference to RE			99.85			62.71	

* Provisional

Demand No. 33 – Department of Financial Services

(Rs. in crore)							
S. No.	Scheme	2008-09			2009-10		
	Non-Plan	BE	RE	Actuals	BE	RE	Actuals upto Dec. 09
1	Agricultural Debt Waiver and Debt Relief Scheme for farmers, 2008 (MH 2235)	0.00	25,000.00	25,000.00	15,000.00	15,000.00	15,000.00
2	Payment of interest to lending institutions (MH 2235)	0.00	0.00	149.79	2151.00	2151.00	0.00
3	Subsidy to General Insurance Companies under Universal Health Insurance Scheme (UHS)- Health Care to BPL families (MH 2235)	25.00	8.00	2.00	6.39	28.00	6.39
4	Interest Subsidy to LIC for Pension Plan for Senior Citizens (MH 2235)	200.00	150.00	155.63	172.00	270.82	116.31
5	Grants for strengthening the Short Term Cooperative Credit Structure (MH 2235)	3542.00	3960.26	3960.26	0.00	800.00	0.00
6	Interest subvention for providing Short Term Credit to farmers @ 7% on loans up to Rs. 3.00 lakh (MH 2416)	1600.00	2600.00	2600.00	2011.00	2011.00	0.00
7	Government's contribution for constitution of Financial Inclusion Fund (FIF) (MH 2416)	25.00	0.00	0.00	0.00	10.00	0.00
8	Government's contribution for constitution of Financial Inclusion Technology Fund (FITF) (MH 2416)	25.00	0.00	0.00	0.00	10.00	0.00
9	Revival of Long Term Cooperative Credit Structure in the country (MH 2416)	600.00	599.09	20.00	1000.00	1.00	0.00
10	1% interest subvention on Housing Loans (MH 2885)	0.00	0.00	0.00	0.00	0.00	0.00
11	Grants to Industrial Development Bank of India (MH 2885)	0.00	0.00	0.00	0.00	0.00	0.00
12	Subscription in the rights issue of equity shares of State Bank of India (MH 3465) (MH 5465)	0.00	625.00	625.00	625.00	625.00	0.00
13	Subscription to the share capital of EXIM Bank (MH 4885)	100.00	300.00	300.00	300.00	300.00	300.00

(Rs. in crore)								
S. No.	Scheme	2008-09			2009-10			2010-11
	Non-Plan	BE	RE	Actuals	BE	RE	Actuals upto Dec. 09	BE
14.	Subscription to the share capital of India Infrastructure Finance Co. Ltd. (MH 4885)	200.00	500.00	500.00	500.00	500.00	500.00	500.00
15	Subscription to Tier-I instrument of Nationalised Banks to augment their capital funds (MH 5465)	0.00	0.00	1900.00	0.00	1200.00	0.00	1500.00
16	Recapitalisation of Public Sector Banks through World Bank loan (MH 5465)	0.00	0.00	0.00	0.00	0.00	0.00	15000.00
17	Government's contribution towards capital for setting up of Central Electronic Registry under SARFAESI Act, 2002 (MH 5465)	0.00	0.00	0.00	0.00	0.00	0.00	25.00
	Plan							
18	Assistance to Public Sector Banks for opening bank branches in unbanked blocks (MH 3465)	0.00	0.00	0.00	0.00	0.00	0.00	50.00
19	Acquisition cost of Reserve Bank of India stake in National Bank for Agriculture and Rural Development (NABARD) (MH 5465) (Plan Scheme)	1450.00	1450.00	0.00	1100.00	1450.00	0.00	0.00
20	Acquisition cost of Reserve Bank of India stake in National Housing Bank (NHB) (MH 5465) (Plan Scheme)	450.00	450.00	0.00	442.00	0.00	0.00	0.00
	Total	8217.00	35642.35	35212.68	23307.39	24356.82	15922.70	37522.30
	Percentage with reference to RE			98.79%			65.37%	
Demand No. 38 – Department of Expenditure								
1	Scheme for enhancing training Capacity of National Institute of Financial Managment Society and infrastructural development of NIFM (Plan Scheme)	10.00	5.30	5.30	10.00	8.20	1.35	10.50
	Total			5.30			1.35	
	Percentage with reference to RE			100%			16.46%	

								(Rs. in crore)
S. No.	Scheme	2008–09			2009–10			2010–11
	Non-Plan	BE	RE	Actuals	BE	RE	Actuals upto Dec. 09	BE
Demand No. 41 – Department of Revenue								
1	Implementation of VAT Scheme	6.50	7.55	5.96	8.00	20.00	4.34	20.00
2	Setting up of Tax Information Exchange System etc.	15.00	15.00	3.89	26.65	13.29	0	15.84
3	Compensation to States/UTs for revenue losses due to introduction of VAT and other VAT related expenditure	3292.50	4292.37	4361.95	3020.50	3152.00	2558.67	401.00
4	Compensation to State/UTs for revenue losses due to phasing out of CST	2500.00	2000.00	1950.00	6001.00	8735.18	5979.65	10000.00
5	Government Opium & Alkaloid Works	238.00	219.51	203.72	355.32	283.27	138.97	477.44
	Total	6052.00	6534.43	6525.52	9411.47	12203.74	8681.63	10914.28
	Percentage with reference to RE			99.86			71.14	
Demand No. 42 – Direct Taxes								
1	Schemes under 'Information Technology' in respect of Major Head 2020 – Collection of Income Tax – Non Plan	225.00	225.00	197.92	225.00	213.75	81.59	275.00
2	Purchase of Office Accommodation	198.00	188.25	82.88	602.00	17.00	1.13	1663.00
3	Purchase of ready built flats	3.00	1.00	0.00	15.00	3.10	0.00	15.00
	Total	426.00	414.25	280.80	842.00	233.75	82.72	1953.00
	Percentage with reference to RE			67.78			35.39	
Demand No. 43 – Indirect Taxes								
1	Strengthening of IT Capability for e-governance	141.00	325.00	167.17	200.00	200.00	100.93	150.00
2	Acquisition of Ships & Fleets	100.00	100.00	99.38	120.00	102.00	44.26	48.00
3	Acquisition of Scanners	50.00	26.51	0.50	100.00	57.00	0.00	73.00
4	Acquisition of Office Accommodation	145.00	135.00	18.58	50.00	12.00	4.06	132.00
5	Acquisition of Residential Accommodation	20.00	14.29	12.80	19.80	1.80	0.30	11.00
	Total	456.00	600.80	298.43	489.80	372.80	149.55	489.80
	Percentage with reference to RE			49.67			40.12	

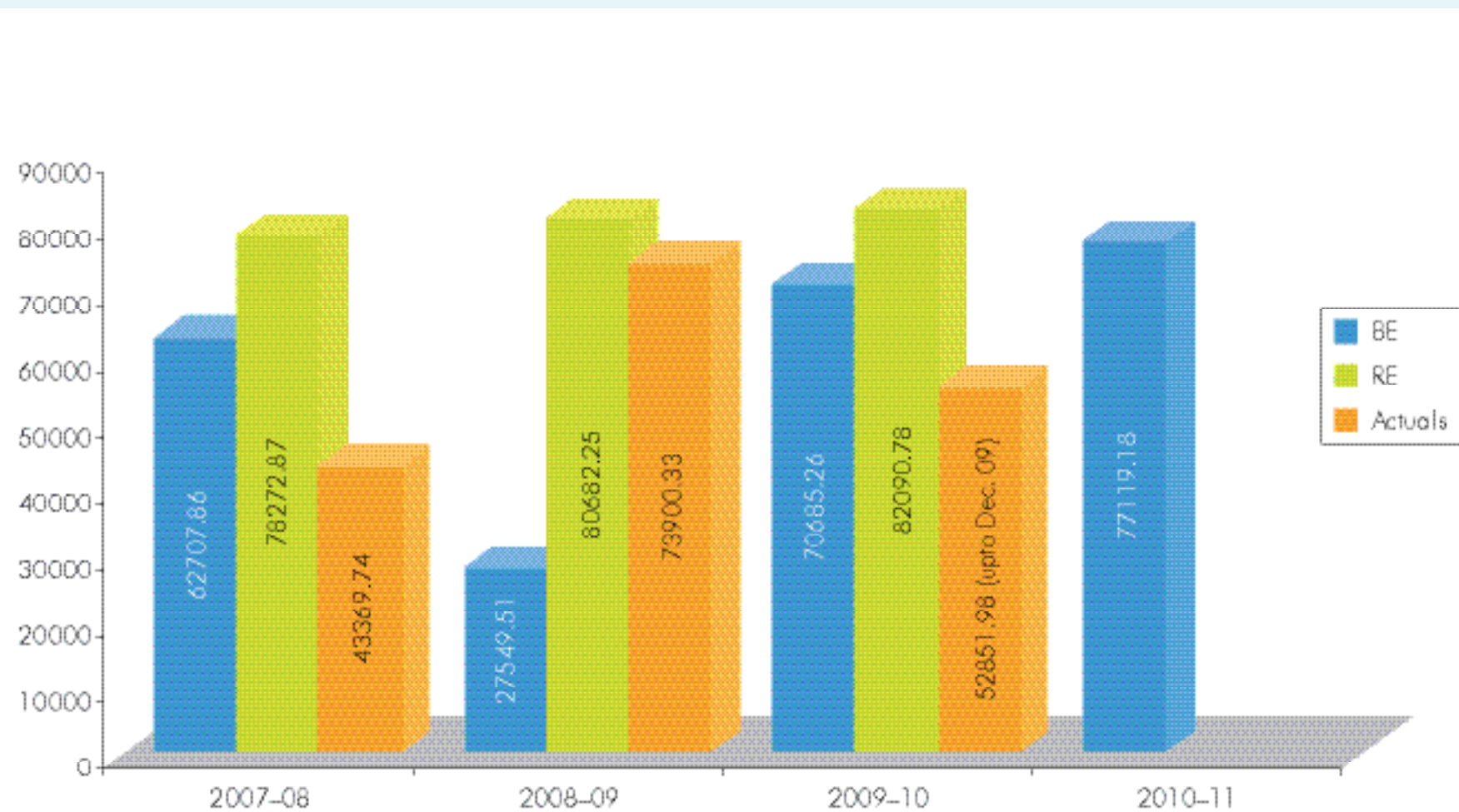


Chapter 5

Financial Review

Trend of Expenditure During Last Three Years

(Rs. in crore)



FINANCIAL REVIEW

5

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

(Rs. in crore)										
Name of the Grant	2007-08			2008-09			2009-10			2010-11
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)	BE
1. Department of Economic Affairs	3941.43	10629.96	10525.86	4723.96	6455.20	6375.16	13400.07	22350.76	6590.27	8671.48
2. Payments to Financial Institutions	46077.57	52769.00	35854.56	10072.87	59537.49	55542.87	-	-	-	-
3. Department of Financial Services	0.00	0.00	0.00	60.00	77.40	64.57	38413.54	41117.84	32998.14	49609.10
4. Department of Expenditure	144.00	93.34	37.02	47.86	61.96	53.77	78.00	81.94	50.10	120.85
5. Department of Revenue	5875.86	6413.90	1782.07	6197.82	6721.67	6692.60	9647.87	12404.57	8824.95	11122.89
6. Direct Taxes	1532.00	1752.42	1723.09	1975.00	2517.63	2331.90	3502.00	2840.40	1982.43	4524.00
7. Indirect Taxes	1831.00	1829.70	1194.80	2121.00	2962.00	2499.63	3385.00	3253.07	2401.01	3007.50
8. Department Disinvestment	3306.00	3310.00	3309.57	2351.00	2348.90	339.83	2258.78	42.20	5.08	63.36
Total	62707.86	78272.87	43369.74	27549.51	80682.25	73900.33	70685.26	82090.78	52851.98	77119.18

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

Statement showing Actual Expenditure vis-à-vis BE/RE position for the years 2007–08, 2008–09 and 2009–10
Demand No. 32 – Department of Economic Affairs

Rs. in crore (Gross)										
Description	Major Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec, 09)
Part-A – Non-Plan Items										
Secretariat-General Services	2052	43.82	46.26	45.16	41.15	53.07	49.89	66.37	66.18	48.17
Other Fiscal Services										
National Savings Institute	2047	12.69	12.10	11.63	12.10	11.02	9.75	11.07	11.61	9.35
Interests on deposits under Compulsory Deposits (Income Tax Payers Scheme, 1974)	2047	0.50	0.20	0.00	0.20	0.15	0.03	0.15	0.10	0.03
Contribution to ESAF/PRGF Trust subsidy account to IMF	2047	4.55	4.05	4.05	3.93	4.26	4.26	0.00	0.00	0.00
Other Expenditure	2047	4.82	5.32	4.86	0.20	0.21	0.18	0.21	0.21	0.02
Total	2047	22.56	21.67	20.54	16.43	15.64	14.22	11.43	11.92	9.40
Other Administrative Services										
Appellate Authority for Industrial and Financial Reconstruction	2070	2.18	2.11	1.37	0.00	0.00	0.00	0.00	0.00	0.00
Board for Industrial and Financial Reconstruction	2070	7.96	7.43	5.90	0.00	0.00	0.00	0.00	0.00	0.00
Debts Recovery Tribunals	2070	28.18	28.17	22.56	0.00	0.00	0.00	0.00	0.00	0.00
13 th Finance Commission	2070	2.00	6.92	6.29	11.95	14.44	14.23	13.80	13.59	10.79
Investment Commission	2070	0.94	0.76	0.70	0.94	0.71	0.07	0.90	0.75	0.00
Grants-in-aid to Insurance Regulatory and Development Authority	2070	0.01	0.00	0.34	0.00	0.00	0.00	0.00	0.00	0.00
Grants-in-aid to Pension Fund Regulatory and Development Authority	2070	6.56	6.00	4.75	0.00	0.00	0.00	0.00	0.00	0.00

Rs. in crore (Gross)										
Description	Major Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec, 09)
Other Expenditure (SAT)	2070	2.10	2.79	1.97	2.43	1.88	2.44	3.26	3.76	2.15
Total	2070	49.93	54.18	43.88	15.32	17.03	16.74	17.96	18.10	12.94
Miscellaneous General Services										
Guarantee Redemption Fund	2075	0.00	0.00	0.00	0.00	0.00	0.00	300.00	300.00	200.00
Other Programmes	2075	0.50	1.75	1.47	0.04	0.56	0.53	0.12	0.07	0.06
Total	2075	0.50	1.75	1.47	0.04	0.56	0.53	300.12	300.07	200.06
General Education										
Interest Subsidy on education loans to bright and needy students	2202	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Social Security and Welfare										
Insurance Schemes for the poor through GIC etc.	2235	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00
Institutional Capacity for Reforming India's pension system (Grant-in-aid)	2235	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Protected Savings Schemes (other charges)	2235	0.05	0.06	0.09	0.01	0.01	0.13	0.01	0.10	0.00
Total	2235	0.50	0.07	0.09	0.01	0.01	0.13	0.01	0.10	0.00
International Fund for Agricultural Development [IFAD]	2416	0.00	0.00	0.00	0.00	0.00	0.00	45.00	45.00	0.00
Additional Complementary contribution to IFAD	2416	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Total	2416	0.00	0.00	0.00	0.00	0.00	0.00	45.01	45.00	0.00

Rs. in crore (Gross)										
Description	Major Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec, 09)
Other Transport Services										
Subsidy to Railways towards dividend relief and other concessions	3075	1276.00	1525.33	1434.96	1707.69	1735.17	1700.91	2086.43	2243.44	695.47
Losses on operation of Strategic Railway Lines	3075	321.00	637.00	670.05	500.00	646.00	646.00	600.00	654.48	200.00
Assistance to Ministry of Railways for settlement of the amount counter guaranteed to RITES for execution of projects in Iraq	3075	0.00	0.00	0.00	0.00	166.62	166.62	0.00	0.00	0.00
Assistance to Ministry of Railways for settlement of the amount counter guaranteed to IRCON in Iraq	3075	0.00	0.00	0.00	0.00	22.72	22.72	0.00	0.00	0.00
Total	3075	1597.00	2162.33	2105.01	2207.69	2570.51	2536.25	2686.43	2897.92	895.47
International Financial Institutions										
Assessment Charges payable to international Monetary Fund [IMF]	3466	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.38	0.38
Emergency Assistance for Natural Disasters	3466	0.00	0.00	0.00	0.00	0.00	0.00	4.39	4.42	4.42
Afghanistan Reconstruction Trust Fund	3466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
World Bank	3466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00
Total	3466	0.00	0.00	0.00	0.00	0.00	0.00	4.74	8.80	4.80
Other General Economic Services										
Regulation of Joint Stock Companies	3475	0.80	0.95	0.72	0.00	0.00	0.00	0.00	0.00	0.00
Write off/losses	3475	0.00	3.65	3.64	0.00	0.00	0.00	0.00	0.00	0.00

Rs. in crore (Gross)										
Description	Major Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec, 09)
International Cooperation	3475	8.33	8.33	8.02	8.22	13.31	11.94	13.81	9.42	8.79
Other charges/IES/Embassy of India, Tokyo and Washington	3475	6.30	6.06	5.64	9.20	9.44	7.94	12.80	12.34	2.51
Grant to India Investment Centre	3475	0.01	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Grant in aid to other institutions	3475	2.75	2.36	1.95	2.85	2.08	1.98	2.23	2.74	0.90
Custom and Import Duties on Non-Indian personnel in UN agencies	3475	0.03	0.03	0.02	0.03	0.03	0.00	0.03	0.03	0.03
Exchange loss under NRI Bonds	3475	0.50	0.50	0.16	0.50	0.50	0.13	0.50	0.50	0.03
World Bank Grant for PPP	3475	1.61	0.87	0.44	0.53	1.01	0.92	0.00	0.00	0.00
Interest Equalisation support to EXIM Bank	3475	228.00	135.00	135.00	232.00	209.75	191.57	278.00	139.41	53.85
Waiver off interest on loans outstanding against Kyrgyzstan	3475	0.00	1.65	1.64	0.00	0.00	0.00	0.00	0.00	0.00
Total		248.33	159.41	157.23	253.34	236.12	214.48	307.37	164.44	66.11
Technical and Economic cooperation with other countries										
Contribution to UNDP	3605	22.03	18.65	18.62	22.05	20.26	20.26	22.05	22.43	21.50
Cooperation with other countries	3605	16.66	16.36	14.02	16.01	16.88	18.37	16.56	20.01	14.79
Other Expenditure	3605	0.01	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Development Assistance	3605	35.50	5.00	0.00	5.00	1.00	0.00	0.01	0.01	0.00
Total	3605	74.20	40.02	32.64	43.07	38.14	38.63	38.62	42.45	36.29
Capital Outlay of Currency, Coinage and Mints										
Purchase of Coins from SPMCIL	4046	253.20	589.58	589.58	500.00	885.20	885.19	894.00	894.00	0.00
Capital Outlay on Miscellaneous General Services										
Purchase of Machinery for Budget Press	4075	0.31	0.49	0.47	3.00	2.04	2.04	3.00	3.00	0.00

Rs. in crore (Gross)										
Description	Major Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec, 09)
Investment in General Financial and Trading Institutions										
National Skill Development Corporation(NSDC)	5465	0.00	0.00	0.00	0.00	1000.00	998.10	0.00	0.00	0.00
Investment in International Financial Institutions	5466									
Subscription to International Development Association	5466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subscription to African Development Fund	5466	0.00	0.00	0.00	0.00	0.00	0.00	14.51	14.51	0.00
Payment of Multilateral Debt Relief Initiative of African Development Fund	5466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subscription to African Development Bank	5466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subscription to International Monetary Fund [In Securities]	5466	0.00	0.00	0.00	0.00	0.00	0.00	3035.60	3094.26	0.00
Maintenance of Value [MOV] Obligation	5466	0.00	0.00	0.00	0.00	0.00	0.00	3653.93	12836.26	3682.81
Total	5466	0.00	0.00	0.00	0.00	0.00	0.00	6704.04	15945.03	3682.81
Capital Outlay on Other General Economic Services										
Transfer to Social and infrastructural development Capital Fund	5475	0.00	6000.00	6000.00	0.00	0.00	0.00	0.00	0.00	0.00
Activities for mainstreaming PPPs	5475	0.00	0.00	0.00	0.00	0.60	0.32	2.10	2.10	0.04
India Infrastructure Project Development Fund (IIPDF)	5475	0.00	0.00	0.00	0.01	12.01	1.32	10.50	7.00	0.12
Total	5475	0.00	6000.00	6000.00	0.01	12.61	1.64	12.60	9.10	0.16

Rs. in crore (Gross)										
Description	Major Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec, 09)
Interest free loan for Corporatisation of Security, Printing and Minting Corporation of India Limited(SPMCIL)	7465	0.01	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Loans for Infrastructure Development of National Council for Applied Eco. Research (NCAER)	7475	0.00	15.00	15.00	0.00	0.00	0.00	0.00	0.00	0.00
Advances to Foreign Governments										
(a) Mauritius	7605	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Srilanka	7605	77.00	60.00	37.56	0.00	10.51	11.16	0.01	2.84	0.00
(c) Surinam	7605	1.00	0.82	0.82	0.00	0.00	0.00	0.00	0.00	0.00
(d) Cambodia	7605	11.68	4.68	2.74	4.00	4.30	4.29	0.00	0.00	0.00
(f) Myanmar	7605	0.00	1.32	1.29	0.00	0.00	0.00	0.00	0.00	0.00
Total	7605	101.68	66.82	42.40	4.00	14.81	15.45	0.01	2.84	0.00
Total Non-Plan		2392.05	9157.59	9053.48	3084.07	4845.74	4773.29	11091.71	20408.97	4956.21
Part-B Plan Items										
Miscellaneous General Services										
Roads and Bridges	3054	1449.38	1449.38	1449.38	1547.80	1547.80	1547.80	2158.36	1895.86	1618.77
Assistance for infrastructure development-VGF	5475	100.00	23.00	23.00	92.10	61.67	54.07	150.00	45.95	15.30
Total Plan		1549.38	1472.38	1472.38	1639.90	1609.47	1601.87	2308.36	1941.81	1634.07
Grand Total		3941.43	10629.97	10525.86	4723.97	6455.21	6375.16	13400.07	22350.76	6590.28

Financial Review

Analysis of expenditure during 2007–08, 2008–09 and 2009–10.

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 RE at 2007–08 and 2008–09 has been enhanced on account of implementation of the recommendations of the Sixth Central Pay Commission including payment of arrears. There has been an increase in BE 2009–10 due to payment of balance of 60% arrears as well as more funds required due to entitlement of travel by air. During 2009–10 flow of expenditure up to December, 2009 is satisfactory.

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 PRGF (earlier ESAF) Trust Subsidy account of IMF. The decrease in BE 2009–10 over BE 2008–09 and BE 2008–09 over the BE 2007–08 is due to cut in Non-Plan expenditure in pursuance of economy instructions and reduction of staff. It also includes the provision made for interests on deposits under compulsory deposits (Income Tax Payers) Scheme, 1974. The flow of expenditure up to December, 2009 is satisfactory.

MH-2070 – Other Administrative Services

The provision under this head is for expenditure of Investment Commission, 13th Finance Commission and Security Appellate Tribunal (SAT). The decrease in expenditure in 2009–10 and 2008–09 is due to separate Demand made in respect of Department of Financial Services-Appellate Authority for Industrial and Financial Reconstruction (AAIFR)/Board for Industrial and Financial Reconstruction (BIFR)/Debt Recovery Tribunal (DRT)/Custodian Office etc. 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 – Department of Financial Services from this Head.

MH-2075 – Miscellaneous General Services

The Head includes interest payment of Central Securities in time barred cases and payment in connection with unclaimed securities credited to Government accounts, for which token provision of Rs 0.01 crore have been kept during 2008–09 and 2009–10. During 2007–08 a provision of Rs. 0.97 crore was made at RE stage and during BE 2008–09 provision of Rs. 0.01 crore, enhanced to Rs 0.44 crore at RE 2008–09 was kept, for making spill over payments for the Umbrella Support Project for Country Co-operation Framework-II under UNDP assistance. The project has since been completed. Under this Major Head, a provision of Rs. 0.48 crore for the year 2007–08, a provision of Rs. 0.01 crore for the year 2008–09 and Rs. 0.10 crore for the 2009–10 has been kept for creating Institutional Strengthening & Capacity Building of Aid Accounts & Audit Division of this Department. The project has since been completed. During BE 2009–10 Rs. 300.00 crore have been provided for transfer to Guarantee Redemption Fund. This provision was in Grant no. 33 – Department of Financial Services for earlier years.

MH-2202 – General Education

This token provision had been kept in the Budget 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 has been kept during 2008–09 and 2009–10.

MH-2235 – Social Security & Welfare

The provision has been kept for Protected Savings Schemes, 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. No expenditure has been incurred for Insurance Scheme for poor through GIC during 2007–08. A token provision has been kept during 2008–09 and 2009–10 under the Protected Savings Schemes.

MH-2416 – Agriculture Financial Institutions

The provision has been transferred from Demand No.33 – Department of Financial Services. The provision for the year 2009–10 is for making payment towards the first instalment of USD 9.00 million of the 8th Replenishment to the International Fund for Agricultural Development (IFAD) Resources.

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 2007–08 was kept at Rs. 1597.00 crore. The provision under this head has been increased to Rs. 2207.69 crore at BE 2008–09. BE 2009–10 has been kept at Rs. 2686.43 crore which has been increased to Rs. 2897.92 crore at RE 2009–10. During 2008–09 Rs. 189.34 crore were obtained in the First Batch of Supplementary for providing assistance to Ministry of Railways for settlement of amount counter-guaranteed to RITES (Rs. 166.62 crore) and IRCON International Ltd. (Rs. 22.72 crore) for execution of projects in Iraq on deferred payment basis.

MH-3466 – International Financial Institutions

The provision for BE 2009–10 has been transferred from Demand No.33 – Department of Financial Services. The provision is for Assessment charges payable to International Monetary Fund and Contribution to Emergency Assistance for Natural Disasters. A token supplementary has been obtained

in the First Batch of 2009–10 for provision of Rs. 1.00 crore for Afghanistan Reconstruction Trust Fund and Rs. 3.00 crore for World Bank Technical Assistance (TA) loan.

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, Tokyo, Training of Indian Economic Service Officers, India Trust Fund, Exchange Variation and Grants-in-Aid to Other Institutions. The provision for Interest Equalization support to EXIM Bank kept at Rs. 228.00 crore at BE 2007–08 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. The provision of Rs. 278.00 crore at BE 2009–10 has been reduced to Rs. 139.41 crore at RE 2009–10 due to less claims received. Rs 53.85 crore has been expended up-to December, 2009.

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 Development Assistance. The provision under the Development Assistance has been reduced from Rs. 35.50 crore at BE 2007–08 to Rs. 5.00 crore at RE 2007–08 and from Rs. 5.00 crore at BE 2008–09 to Rs. 1.00 crore at RE 2008–09 as the scheme has been only partially implemented and has not become fully operational. During 2009–10 only a token provision has been retained. The budgetary provisions and expenditure in respect of contribution to UNDP/GEF and technical cooperation with Colombo Plan countries is satisfactory.

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

The provision is for purchase of coins from Security Printing and Minting Corporation of India Limited (SPMCIL). The provision of Rs. 253.20

crore at BE 2007–08 was increased to Rs. 589.58 crore by obtaining supplementary. The whole provision was utilized. Similarly, the provision of Rs. 500.00 crore kept at BE 2008–09 has been increased to Rs. 885.20 crore at RE 2008–09 and has been fully utilized. For the year 2009–10 there is a provision of Rs. 894.20 crore. Expenditure under this head has not taken place till December, 2009. The cost determination of coins produced by SPMCIL has since been approved and the proposal for release of Rs. 502.60 crore is under consideration. There would be no cash outgo as the entire amount will be deducted as recovery from the credit recovered from Reserve Bank of India on circulation of coins.

MH-4075 – Capital Outlay on Miscellaneous General Services

The provision of Rs. 0.31 crore at BE 2007–08 was increased to Rs. 0.49 crore for purchase of CCTV and Digital Colour Printing Machine. The provision was fully utilized. A provision of Rs.3.00 crore has been kept at BE 2008–09 for purchase of a three knife cutting machine. The provision was utilized to the extent of Rs. 2.04 crore being the cost of the machine. For the year 2009–10 a provision of Rs.3.00 crore has been kept for procurement of gathering machine. However, it is not likely to be spent as the tendering process requires some more inputs.

MH-5465 – Investment in General Financial and Trading Institutions

This is a new Head for which a provision of Rs. 1000.00 crore was kept at RE 2008–09 for the National Skill Development Corporation (NSDC). Rs. 4.90 crore has been provided for Government of India Equity out of which Rs. 3.00 crore have been utilized and Rs. 995.10 crore has been provided towards the corpus of NSDC which has been fully utilized.

MH-5466 – Investment in International Financial Institutions

The provision has been transferred from Demand No. 33 – Department of Financial Services. The provision of Rs. 3035.60 crore at BE 2009–10

is for India's quota increase at International Monetary Fund (IMF) towards subscription to IMF (in securities) which has been increased to Rs. 3094.26 crore. Further, a provision of Rs. 3653.93 crore is for Maintenance of Value (MoV) towards valuation adjustment of Indian Rupees receivable by IMF. Rs. 3653.93 has been utilized. At RE the provision has been increased to Rs. 12836.26 crore. Supplementary of Rs. 9182.33 crore has been obtained in the final Batch for creation of securities This also includes a provision of Rs. 14.51 crore for subscription to African Development Bank.

MH-5475 – Capital Outlay on Other General Economic Services

Rs. 6000.00 crore was provided at RE 2007–08 for transfer to Social and Infrastructure Development Capital Fund kept in the Public account which was fully utilized. The provision is also for India Infrastructure Project Development Fund (IIPDF) and activities for mainstreaming Public Private Partnership (PPP) projects. For IIPDF Rs.12.01 crore has been provided at RE 2008–09 against a token provision of Rs. 1.00 lakh at BE 2008–09. Rs. 2.10 crore has been provided for activities for mainstreaming PPPs in BE 2009–10 against Rs. 0.60 crore provided at RE 2008–09 through supplementary. The BE 2009–10 provision of Rs 10.50 crore for IIPDF has been reduced to Rs 7.00 crore at RE 2009–10.

MH-7465 – Loans for General Financial & Trading Institutions

A token provision of Rs 1.00 lakh each for the years 2007–08 and 2008–09 under this Head was kept to accommodate Interest free loan for corporatization of Security Press, Paper Mill and India Government Mints. Since there is no further requirement no provision has been kept in the year 2009–10.

MH-7475 – Loans for Other General Economic Services

A loan of Rs. 15.00 crore was provided to National Council for Applied Economic Research (NCAER) at RE 2007–08 which was fully utilized. There is no provision in the following years.

MH-7605 -Advances to Foreign Governments

The provision is towards advances to foreign governments for promotion of exports goods and services from India through government to government Lines of Credit (LOC). Since, this scheme of providing assistance to foreign countries has been discontinued from 2003–04, no fresh Lines of Credit (LoCs) are being approved. Disbursements are going on in respect of previous LoCs. Therefore, there has been a gradual decrease in the provision during 2008–09 and 2009–10.

MH-7999 – Appropriation to the Contingency Fund of India

No provision has been kept during 2007–08, 2008–09 and 2009–10 as there are no requirements.

Plan

MH-3054 – Roads & Bridges

The provision is for Railway Safety Work. The cess being levied on petrol and diesel is allocated in terms of the Central Road Fund Act , 2000 for financing construction of Railway over/under bridges and other safety works. The provision is made strictly as per requirements from Railways

and their share of cess collections. An equivalent amount is transferred to Central Road Reserve Fund as Inter Account transfer. A provision of Rs. 958.36 crore has been kept during 2009–10 against a provision of Rs. 773.90 crore during 2008–09. At RE 2009–10 the provision has been reduced from Rs 958.36 crore to Rs 827.11 crore on account of less collection. During BE 2009–10 an additional provision of Rs. 241.64 crore has been provided as Additional Budget Support for Railway Safety Work. The provision has been fully utilized during 2007–08 and 2008–09. During the current year also the expenditure is satisfactory.

MH-5475 – Capital Outlay On Other General Economic Services

The provision is for Assistance for Infrastructure Development-Viability Gap Funding (VGF). During 2007–08 a provision of Rs. 100.00 crore was kept at BE stage which was reduced Rs. 23.00 crore at the RE 2007–08 as out of the 23 projects the bidding process could be completed only in 6 projects. Similarly, during 2008–09 the Budget provision of Rs. 92.10 crore was reduced to Rs. 61.67 crore as there was premium bidding in all the projects. The actual expenditure was Rs. 54.07 crore. During the year 2009–10 the BE provision of Rs. 150.00 crore was reduced to Rs. 45.95 crore due to general slowdown in the economy which resulted in failure of bids for three projects.

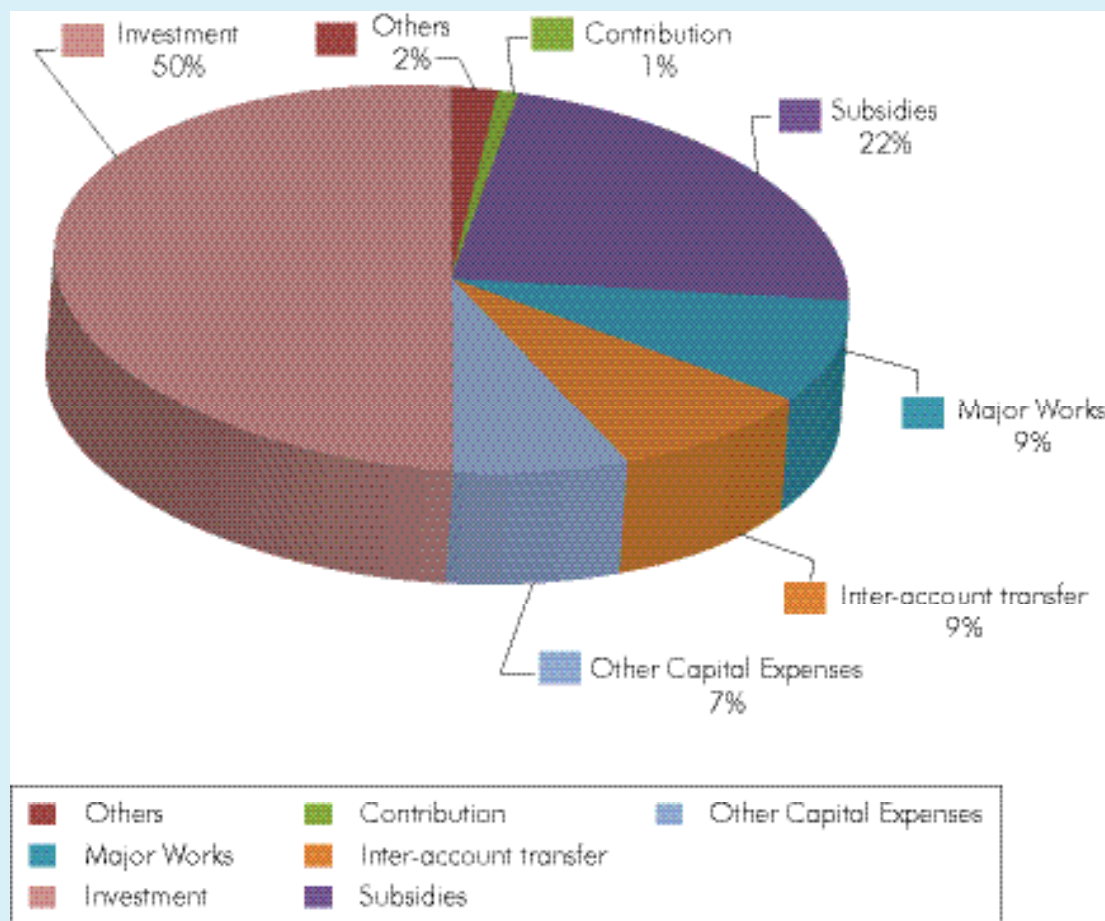
Object Head-wise Actual Expenditure vis-a vis BE/RE provisions for the years 2007-08, 2008-09 and 2009-10 Demand No. 32 – Department of Economic Affairs

Rs. in crore (Gross)									
Object Head	2007-08			2008-09			2009-10		
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec, 09)
Revenue Section									
01-Salaries	58.06	56.53	51.41	33.80	46.14	42.66	60.50	59.11	49.05
02-Wages	0.68	0.62	0.48	0.48	0.43	0.37	0.43	0.41	0.32
03-Overtimes Allowance	0.62	0.53	0.48	0.43	0.38	0.33	0.43	0.38	0.22
06-Medical Treatment	1.76	1.74	0.90	0.92	1.52	0.90	1.07	1.12	0.57
11-Domestic Travel Expenses	2.53	2.32	1.87	1.75	1.58	1.68	2.08	2.21	1.29
12-Foreign Travel Expenses	2.73	3.67	3.52	3.89	3.50	3.19	4.14	3.72	1.92
13-Office Expenses	13.14	13.35	12.48	7.90	7.11	7.12	9.13	9.03	5.71
14-Rent,Rates & Taxes	9.72	15.14	11.94	5.17	7.19	7.03	7.09	7.58	5.93
16-Publications	4.06	4.74	5.96	4.50	4.02	3.93	4.08	3.49	2.98
20-Other Administrative Expenses	0.52	1.73	1.34	1.39	1.24	1.05	1.31	1.45	0.39
21-Supplies and Material	0.80	0.55	0.61	0.80	0.76	0.81	0.80	1.00	0.36
26-Advertising and Publicity	0.77	0.77	0.24	0.60	0.54	0.28	0.56	0.50	0.06
27-Minor Works	0.95	1.25	0.35	1.02	0.97	1.09	0.86	1.02	0.03
28-Professional Services	3.51	3.19	3.17	2.18	1.96	1.78	2.08	3.99	1.20
31-Grants-in-aid	47.35	16.02	8.58	8.41	4.64	3.42	2.34	2.76	0.91
32-Contibution	51.74	47.54	44.87	50.36	54.88	55.00	101.99	102.46	49.51
33-Subsidies	1825.02	2297.34	2239.99	2439.69	2590.92	2538.48	2964.43	3037.33	949.32
42-Lumpsum	0.81	0.95	0.74	0.01	0.01	0.00	0.01	0.05	0.05

Object Head	Rs. in crore (Gross)								
	2007-08			2008-09			2009-10		
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec, 09)
44-Exchange variation	0.50	0.50	0.16	0.50	0.50	0.13	0.50	0.50	0.03
45-Interest	0.54	0.24	0.08	0.24	0.19	0.04	0.19	0.14	0.03
50-Other Charges	8.20	8.66	7.87	11.38	200.25	199.50	12.05	14.34	2.25
51-Motor Vehicles	0.13	0.14	0.11	0.14	0.13	0.11	0.13	0.15	0.05
52-Machinery and Equipment	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.00	0.00
53-Major Works	724.69	724.69	724.69	773.90	773.90	773.90	1200.00	1068.75	900.00
63-Inter-account transfer	724.69	724.69	724.69	773.90	773.90	773.90	1258.36	1127.11	918.77
64-Write off/Losses	0.01	5.31	5.28	0.01	0.01	0.00	0.01	0.00	0.00
Information technology-Other Charges	2.69	2.84	3.58	1.46	2.20	1.97	1.84	2.24	1.05
Total Revenue	3486.23	3935.06	3855.40	4124.84	4478.87	4418.67	5636.42	5450.84	2892.00
Capital Section									
32-Contribution	0.00	0.00	0.00	0.00	1000.00	998.10	0.00	0.00	0.00
42-Lumpsum	100.00	23.00	23.00	92.11	61.67	54.07	150.00	45.95	15.30
50-Other Charges	0.00	0.00	0.00	0.01	12.61	1.64	12.60	9.10	0.16
52-Machinery and Equipment	0.31	0.49	0.47	3.00	2.04	2.04	3.00	3.00	0.00
54-Investment	0.00	0.00	0.00	0.00	0.00	0.00	6704.04	15945.03	3682.81
55-Loans and advances	101.69	81.83	57.41	4.00	14.81	15.45	0.01	2.84	0.00
60-Other Capital Expenses	253.20	589.58	589.59	500.00	885.20	885.19	894.00	894.00	0.00
63-Inter-account transfer	0.00	6000.00	6000.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Capital	455.20	6694.90	6670.47	599.12	1976.33	1956.49	7763.65	16899.92	3698.27
Grand Total	3941.43	10629.96	10525.87	4723.96	6455.20	6375.16	13400.07	22350.76	6590.27

Analysis

Major Constituents of Expenditure under the Grant of DEA 2009-10



- Investment forms 50% of the Grant. The major portion is for payment to IMF for quota increase and for meeting Indias obligation for Maintenance of Value (MoV).
- Subsidies form 22% of the Grant. The major part of the subsidiy goes to Railways towards Dividend Relief and other Concessions and for Interest Equalisation support to EXIM Bank.
- Provision for Major Works is for financing construction of Railway over/under bridges and other Railway Safety Works.
- Inter-Account Transfer is for transfer of funds to the Central Road Fund and Guarantee Redemption Fund.
- Almost the entire amount under Other Capital Expenses is for purchase of coins from SPMCIL .
- Contribution to various International Bodies and organisations which are obligatory in nature form 1%.
- Others which includes salaries and other establishment expenditure forms 2% of Grant.

Object Head-wise analysis of expenditure trend for 2007–08, 2008–09 and 2009–10 (upto Dec. 09) – Demand No. 32 Department of Economic Affairs

Revenue Section

Non-Plan

Salaries

This object head caters to the expenditure on salaries of the Department of Economic Affairs (Main) secretariat, salaries in respect of IES probationers and IES officers on compulsory wait. 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. The actual expenditure during 2008–09 is Rs. 42.66 crore. BE 2009–10 has been kept at Rs. 60.50 crore to cater for higher salaries/dearness and travel allowances.

Over Time Allowance

There is downward trend in the actual expenditure over the years 2007–08 and 2008–09. This is due to compliance of economy instructions and austerity measures. The BE 2009–10 has been kept at the same level as of 2008–09. The actual expenditure incurred upto 31st December, 2009 is Rs. 0.22 crore.

Office Expenses

There has been significant reduction in the BE provision of 2008–09 from 2007–08 due to creation of 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. The

Budget provision for 2009–10 has been kept at Rs. 9.13 crore out of which Rs. 5.71 crore has been incurred upto 31st December , 09.

Rent, Rates and Taxes

This object head caters to the expenses on Rent and Taxes in respect of National Savings Institute, Thirteenth Finance Commission and the Security Appellate Tribunal. There has been an increase in the budget provision during 2007–08 due to increase in the rental of the offices of AAIFR 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 RE 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) and provide for arrears. BE 2009–10 has been kept at Rs. 7.09 crore due to the winding up of the Thirteenth Finance Commission by January 2010. Rs. 5.93 crore has been spent upto 31st December ,2009.

Other Administrative Expenses

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. BE 2009–10 was kept at Rs. 1.31 crore and enhanced to Rs. 1.45 crore at RE stage. The expenditure upto December , 2009 is Rs. 0.39 crore.

Advertising & Publicity

There is gradual decrease in expenditure under this Head during 2007–08 and 2008–09. Against the BE 2008–09 provision of Rs. 0.60 crore an expenditure of only Rs. 0.28 crore was incurred during the year. A provision of Rs. 0.56 crore has been kept under BE 2009–10 for this

purpose including selection of symbol for the Indian Rupee. The provision has been reduced to Rs. 0.50 crore at RE 2009–10. Upto December, 2009 the expenditure incurred is Rs. 0.06 crore.

Professional Services

There has been a gradual decrease in the budget provisions during 2007–08 and 2008–09. BE 2009–10 has been kept at Rs. 2.08 crore. There is a significant increase to Rs. 3.99 crore at RE 2009–10 to pay for the research studies assigned by the Thirteenth Finance Commission and requirements of the Department. The expenditure incurred upto December, 2009 is Rs. 1.20 crore.

Grant-in-Aid

The provision is mainly for Grants-in-Aid to various economic research oriented institutions. During 2007–08 the budget provision of Rs. 47.35 crore has been reduced to Rs. 16.02 crore at RE 2007–08 as the IDEAS scheme could not get the required approvals and the BE provision of Rs 35.50 crore was reduced to Rs. 5.00 crore at RE 2007–08. Actual expenditure was Rs. 8.58 crore. During 2008–09, against a Budget provision of Rs. 8.41 crore and RE of Rs. 4.64 crore the expenditure was Rs. 3.42 crore. BE 2009–10 has been kept at Rs. 2.34 crore, enhanced to Rs. 2.75 crore at RE 2009–10. Expenditure upto December, 2009 is Rs. 0.91 crore.

Contribution

Expenditure under this Head is incurred for payment of Rental cost of IMF Residents office in Delhi, Contribution to International Fund for Agricultural Development (IFAD), Emergency Assistance for Natural Disasters, Commonwealth Fund for Technical Cooperation, Technical programmes of Asian Development Bank, UNDP, contribution to Global Environment Facility (GEF) etc. 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. The provision has

been enhanced in BE 2009–10 to Rs. 101.99 crore and enhanced further to Rs. 102.46 crore at RE 2009–10. The increase is on account of exchange variation and increase in technical assistance to Colombo plan countries including provision of Rs. 2.40 crores for a one-time payment to Colombo Plan Staff College to support the 'Asia Pacific Capacity Building Project on Skills Development for Poverty Alleviation.' Contribution to Afghanistan Reconstruction Trust Fund (Rs. 1.00 crore) has also been provided at RE stage. The expenditure upto December, 2009 is Rs. 49.51 crore.

Subsidies

The major part of the subsidy goes to Railways towards Dividend Relief & other Concessions, Reimbursement of losses incurred by Railways on operating strategic railway lines and for Interest Equalization support to EXIM Bank. There has been increase at BE 2008–09 over BE 2007–08 as also BE 2009–10 over BE 2008–09. The actual expenditure in 2007–08 was Rs. 2239.99 crore and Rs. 2538.48 crore in 2008–09. The increase over the years is due to an increased demand by Railways. BE 2009–10 provision of Rs. 2964.43 crore has been increased to Rs. 3037.33 crore at RE stage. Though there is less requirement of Interest Equalisation support to EXIM Bank the BE 2009–10 provision for subsidy to Railways increased from Rs. 2686.43 crore to Rs. 2897.92 crore at RE 2009–10.

Other Charges

Expenditure on assessment charges payable to International Monetary Fund (IMF), Training of IES officers, Economic wings of Embassies of India in Washington and Tokyo are met under this Head. The increased provision at RE 2008–09 was 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. The budget provision of Rs. 12.05 crore for 2009–10 has been increased to Rs. 14.34 crore

at RE 2009–10 on account of World Bank Technical Assistance Loan for capacity building of Capital Markets/Pension Reform SEBI/PFRDA etc.

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/under bridges/Railway safety works at unmanned Railway crossings. The provision under this head is strictly as per the requirement projected for Railway Safety Works by the Railways and their share of cess collections. This is a Plan provision. There has been a gradual increase in the provision over the three years. BE 2008–09 was Rs. 773.90 crore. The provision under BE 2009–10 was Rs. 958.36 cr plus an additional Budgetary Support of Rs. 241.64 crore. At RE 2009–10 the provision has been reduced from Rs. 958.36 crore to Rs. 827.11 crore on account of less collection.

Capital Section

Contribution

During 2008–09 a provision of Rs. 1000.00 crore has been kept at RE 2008–09 for the newly constituted National Skill Development Corporation (NSDC) GOI equity (Rs. 4.90 crore) and corpus to the the National Skill Development Fund (NSDF) (Rs. 995.10 crore). Out of Rs. 4.90 crore an amount Rs. 3.00 crore was released as GOI equity to NSDC and Rs. 995.10 crore credited to the NSDF. No provision has been kept in 2009–10.

Lumpsum

The provision is for Assistance for Infrastructure Development – 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 as out of the 23 projects the bidding process could be completed in only six projects. The actual expenditure was Rs 23.00 crore. During 2008–09 the budget provision of Rs 92.10 crore was reduced to Rs 61.67 crore as there was premium bidding in all the projects. The actual expenditure was

Rs 54.07 crore. During the year 2009–10 the BE provision of Rs 150.00 crore has been reduced to Rs 45.95 crore at RE 2009–10 due to general slowdown in the economy.

Machinery and Equipment

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 one CCTV and Digital color printing machine for Budget Press, Department of Economic Affairs. In BE 2008–09 the provision was for purchase of a three knife trimmer machine for the Budget Press. An expenditure of Rs 2.04 crore was incurred. A provision of Rs 3.00 crore has been made for 2009–10 for purchase of a Gathering Machine which is not likely to be spent as the tendering process requires more inputs.

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 Lines of Credit (LOC) 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. The token BE provision of Rs 1.00 lakh for Sri Lanka has been enhanced to Rs 2.84 crore at RE 2009–10 on account of receipt of reimbursement claims.

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. The BE 2009–10 provision of Rs 894.00 crore has been retained at RE 2009–10. No expenditure has taken place upto December, 09 pending the finalisation of costing mechanism of the coins.

Inter Account Transfer

A provision of Rs. 6000.00 crore was made in RE 2007–08 for Social and Infrastructure Development Fund (SIDF) and the amount of Rs. 6000.00 crore was transferred to the SIDF under Public Account. No provision has been kept in 2008–09/2009–10.

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. A provision of Rs. 12.60 crore was made in BE 2009–10. This has been reduced to Rs. 9.10 crore at RE 2009–10.

Investment

The provision made in BE 2009–10 is for payment to IMF (in securities) for India's quota increase and for meeting India's obligation for Maintenance of Value (MOV) arising out of IMFs re-evaluation of its holding of Indian Rupees. It also includes India's share of capital replenishments in the African Development Fund. The provision of Rs. 6704.04 crore has been increased to Rs. 15945.03 crore on account of India's quota increase in IMF. Up-to December, 2009 an expenditure of Rs. 3682.81 crore has been incurred.

Statement Showing Actual Expenditure vis-à-vis BE/RE provisions for the years 2007–08, 2008–09 and 2009–10 Demand No. 33 – Department of Financial Services											
(Rs. in crore)											
S. No.	Description	Major Head	2007–08*			2008–09*			2009–10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Part A – Non-Plan items											
1	Secretariat General Services	2052	0.00	0.00	6.74	8.00	12.92	10.06	13.28	13.61	10.22
2	Other Expenditure (Special Courts & Office of Custodian)	2047	4.61	5.13	4.63	5.19	8.05	6.91	10.42	8.56	5.75
Other Administrative Services											
3	Appellate Authority for Industrial and Financial Reconstruction	2070	2.18	2.11	1.37	2.18	2.77	1.99	3.21	2.23	1.67
4	Board for Industrial and Financial Reconstruction	2070	7.96	7.43	5.90	7.95	8.59	7.66	10.25	9.47	6.19
5	Debt Recovery Tribunals	2070	28.18	28.17	22.56	29.03	38.86	32.65	50.18	42.89	32.82
6	Pension Fund Regulatory and Development Authority	2070	6.56	6.00	4.75	6.30	5.20	4.50	16.00	16.00	7.30
	Total Other Administrative Services		44.88	43.71	34.58	45.46	55.42	46.80	79.64	70.59	47.98
Other General Economic Services											
7	Other Expenditure (Office of Court Liquidator, Kolkata	3475	0.80	0.95	0.67	0.82	1.00	0.80	1.10	0.57	0.49
Capital Outlay on Public Works											
8	Debt Recovery Tribunal										
	8.01 Construction of buildings for DRT, Chandigarh	4059	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.00
	8.02 Purchase of land for construction of buildings for DRT, Chandigarh		0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.00	0.00

(Rs. in crore)											
S. No.	Description	Major Head	2007-08*			2008-09*			2009-10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Industrial Financial Institutions											
9	Grants to Industrial Development Bank of India Ltd.	2885	282.35	260.20	260.20	0.00	0.00	0.00	0.00	0.00	0.00
10	Redemption of securities issued to SASF	2885	500.00	0.00	0.00	500.00	1500.00	1225.00	0.00	400.00	0.00
11	Grants to Industrial Finance Corporation of India Ltd.	2885	1300.00	100.00	0.00	433.40	0.00	0.00	0.00	0.00	0.00
12	Grants to ICICI Bank towards KfW Interest Differential Fund	2885	0.01	23.84	23.84	0.01	0.00	0.00	0.00	0.00	0.00
13	Subscription to share capital of Export Import Bank of India	4885	100.00	100.00	100.00	100.00	300.00	300.00	300.00	300.00	300.00
14	Equity support to India Infrastructure Finance Co. Ltd. (IIFCL)	2885	0.00	0.00	0.00	0.00	0.00	0.00	1.61	1.61	1.61
		4885	200.00	700.00	700.00	200.00	500.00	500.00	500.00	500.00	500.00
	Total Industrial Financial Institutions		2382.36	1184.04	1084.04	1233.41	2300.00	2025.00	801.61	1201.61	801.61
Agricultural Financial Institutions											
15	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	0.00	0.00	0.00
16	Grants through NABARD for strengthening Short Term Co-operative Credit Structure (STCCS)	2416	1500.00	2045.37	2045.37	3542.00	3960.26	3960.26	0.00	800.00	0.00
17	Interest Subsidy to NABARD on Agricultural Credit	2416	0.00	37.26	37.26	0.00	0.00	0.00	0.00	0.00	0.00

(Rs. in crore)											
S. No.	Description	Major Head	2007-08*			2008-09*			2009-10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
18	Interest Subvention for providing short term credit to farmers	2416	1676.86	1700.00	1700.00	1600.00	2600.00	2600.00	2011.00	2011.00	2011.00
19	Revival of Long Term Cooperative Credit Structure	2416	0.00	0.00	0.00	600.00	599.09	20.00	1000.00	1.00	0.00
20	Contribution to Financial Inclusion Fund (FIF)	2416	0.00	10.00	10.00	0.00	0.00	0.00	0.00	10.00	0.00
21	Contribution to Financial Inclusion Technology Fund (FITF)	2416	0.00	10.00	10.00	0.00	0.00	0.00	0.00	10.00	0.00
22	Contribution towards recapitalisation of Regional Rural Banks (RRBs)	4416	0.00	303.11	303.11	594.87	594.87	594.87	0.00	0.00	0.00
	Total Agricultural Financial Institutions		3177.77	4106.65	4106.65	6337.78	7755.13	7176.04	3011.00	2832.00	2011.00
General Financial and Trading Institutions											
23	Acquisition cost of RBI stake in SBI	5465	40000.00	35531.33	35531.33	0.00	0.00	0.00	0.00	0.00	0.00
24	Subscription to Rights issue of equity shares of State Bank of India	5465	0.00	10000.00	9996.01	0.00	0.00	0.00	0.00	0.00	0.00
25	Restructuring the equity capital of United Bank of India	5465	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1266.00	0.00
26	Subscription to Tier-I Instrument for capitalization of Public Sector Banks	5465	0.00	0.00	0.00	0.00	0.00	1900.00	0.00	1200.00	0.00

(Rs. in crore)											
S. No.	Description	Major Head	2007-08*			2008-09*			2009-10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
27	Contribution to Securities Redemption Fund towards subscription in the rights issue of equity shares of SBI	3465	0.00	0.00	0.00	0.00	0.00	625.00	0.00	0.00	0.00
		5465	0.00	0.00	0.00	0.00	625.00	0.00	625.00	625.00	0.00
	Total General Financial and Trading Institutions		40000.00	45531.33	45527.34	0.00	625.00	2525.00	625.00	3091.00	0.00
International Financial Institutions											
28	MOV towards valuation adjustment of Indian rupees receivable by IMF	5466	0.00	0.00	0.00	0.00	1077.49	1077.48	0.00	0.00	0.00
29	International Monetary Fund	5466	39.57	39.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	African Development Fund/Bank	5466	14.18	13.65	13.40	14.36	14.30	13.39	0.00	0.00	0.00
31	International Fund for Agricultural Development	2416	28.01	28.01	23.75	0.01	27.99	29.25	0.00	0.00	0.00
32	Afghanistan Reconstruction Trust Fund	3466	0.95	0.84	0.81	0.84	0.88	0.88	0.00	0.00	0.00
33	Emergency Assistance for Natural Disasters	3466	0.00	1.85	1.86	1.85	4.39	4.42	0.00	0.00	0.00
	Total International Financial Institutions		82.71	83.92	39.82	17.06	1125.05	1125.42	0.00	0.00	0.00
34	Interest Subsidy to Goan Banks	2885	7.75	7.75	0.08	7.75	0.23	0.08	0.08	0.08	0.00
Other General Economic Services											
35	Compensation for exchange loss to National Housing Bank	3475	6.93	5.67	5.67	36.66	36.66	36.66	0.00	0.00	0.00
36	Other Expenditure	3466	0.25	0.21	0.21	0.20	0.32	0.32	0.00	0.00	0.00
	Total Other General Economic Services		7.18	5.88	5.88	36.86	36.98	36.98	0.00	0.00	0.00

(Rs. in crore)											
S. No.	Description	Major Head	2007-08*			2008-09*			2009-10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Social Security & Welfare											
37	Agricultural Debt Waiver and Debt Relief Scheme, 2008										
	i. Trasnfer to Reserve Fund	2235	0.00	0.00	10000.00	0.00	15000.00	15000.00	15000.00	15000.00	15000.00
	ii. Relief/Waiver fo loans through lending institutions	2235	0.00	0.00	0.00	0.00	25000.00	25000.00	15000.00	15000.00	15000.00
38	Payment of interest to lending institutions towards ADWDR Scheme	2235	0.00	0.00	0.00	0.00	0.00	149.79	2151.00	2151.00	0.00
39	Subsidy to Public Sector General Insurance Cos. For Community based Universal Health Insurance Scheme	2235	45.00	20.00	20.00	25.00	8.00	2.00	6.39	28.00	6.39
40	Interest subsidy to LIC for Pension Plan for senior citizens	2235	249.77	242.68	235.42	200.00	150.00	155.63	172.00	270.82	116.31
41	Waiver of interest on overdue loans in debt stressed States of AP, Karnataka, Kerala & Maharashtra	2235	0.00	0.00	0.00	640.00	460.00	454.96	0.00	0.00	0.00
	Total Social Security & Welfare		294.77	262.68	10255.42	865.00	40618.00	40762.38	32329.39	32449.82	30122.70
Loans for General Finance & Trading Institutions											
42	Government’s share of premium payment for implementation of Aam Aadmi Bima Yojana (AABY)	7465	0.00	1000.00	1000.00	0.00	1000.00	1000.00	0.00	0.00	0.00

(Rs. in crore)											
S. No.	Description	Major Head	2007–08*			2008–09*			2009–10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
43	Fund for granting scholarships to the children of the beneficiaries of Aam Admi Bima Yojana (AABY)	7465	0.00	500.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Loans for General Fin. & Trading Instts.		0.00	1500.00	1500.00	0.00	1000.00	1000.00	0.00	0.00	0.00
Miscellaneous General Services											
44	Transfer to Guarantee Redemption Fund	2075	125.00	125.00	125.00	125.00	300.00	300.00	0.00	0.00	0.00
	Total Non-Plan		46127.83	52857.04	62690.85	8682.35	53837.79	55015.47	36871.54	39667.84	32999.75
Part B-Plan Items											
1	Acquisition cost of RBI stake in NABARD	5465	0.00	0.00	0.00	1450.00	1450.00	0.00	1100.00	1450.00	0.00
2	Acquisition cost of RBI stake in NHB	5465	0.00	0.00	0.00	450.00	450.00	0.00	442.00	0.00	0.00
	Total Plan		0.00	0.00	0.00	1900.00	1900.00	0.00	1542.00	1450.00	0.00
	Grand Total		46127.83	52857.04	62690.85	10582.35	55737.79	55015.47	38413.54	41117.84	32999.75
	Percentage w.r.t. RE				118.60%			98.70%			80.26%

* Figures included for the important schemes/programmes for the years 2007–08 & 2008–09.

Scheme/Programme-wise Analysis of Expenditure During 2007–08, 2008–09 and 2009–10

Revenue Section

Plan

Investment in General Financial and Trading Institutions

MH-5465 – Acquisition cost of RBI stake in NABARD and NHB – Reserve Bank of India had sent a proposal for transfer of its shareholding in National Bank for Agriculture and Rural Development (NABARD) and National Housing Bank (NHB) to the Government of India in line with the recommendations of the Committee of Banking Sector Reforms (Narasimhan Committee) since it was inconsistent with the principles of effective supervision that the regulator was also the owner.

As per the decision taken by the Government on 1st February, 2007, RBI had to transfer its shareholding in NABARD and NHB to the Government of India at the total holding cost of Rs.1900 crore i.e. for NABARD-Rs. 1450 crore and for NHB-Rs. 450 crore. Accordingly, the provisions were made in 2008–09 but were not utilised. It has been decided to effect transfer of 71.5% RBI shareholding in NABARD amounting to Rs. 1,430 crore, to the Government during the year 2009–10. Accordingly, a provision of Rs. 1100.00 crore made to NABARD in BE 2009–10 has been enhanced to Rs. 1,450 crore in RE 2009–10. No amount has been released upto December, 2009. As regards the acquisition cost of RBI stake in NHB, the BE provision of Rs. 442.00 crore has been reduced to nil in RE 2009–10.

Non-Plan

MH-2052 – Secretariat General Services – The provision under this head is for the Secretariat expenditure of the Department of Financial

Services. In BE 2008–09, the provision of Rs. 8.00 crore was increased to Rs. 12.92 crore in RE. Out of which, a sum of Rs. 10.06 crore was spent. The drastic increase in RE over BE was due to implementation of revised pay scales to the Central Government employees on the basis of recommendations of the 6th Central Pay Commission. In 2009–10, the BE was kept at Rs. 13.28 crore which has been increased to Rs. 13.61 crore in RE 2009–10. An expenditure of Rs. 10.22 crore has been incurred upto December, 2009.

MH-2047 – Other Fiscal Services – The provision under this head is for meeting the expenditure of office of Special Courts and Office of Custodian. In 2007–08, BE of Rs. 4.61 crore was increased to Rs. 5.13 crore in RE. Out of which, an expenditure of Rs. 4.63 crore was incurred. In 2008–09, BE and RE provisions were kept at Rs. 5.19 crore and Rs. 8.05 crore respectively. The increase in RE was due to implementation of 6th Central Pay Commission's recommendations. An expenditure of Rs. 6.91 crore was incurred during the year. In 2009–10, the provision of Rs. 10.42 crore in BE was reduced to Rs. 8.56 crore in RE; out of this an expenditure Rs. 5.75 crore has been incurred upto December, 2009.

MH-2070 – Other Administrative Services – The provision under this head is for meeting the expenditure of Appellate Authority for Industrial and Financial Reconstruction/Board for Industrial and Financial Reconstruction, Debt Recovery Tribunals and grants-in-aid to Pension Fund Regulatory and Development Authority. In 2007–08, BE was kept at Rs. 44.88 crore, which was reduced to Rs. 43.71 crore at RE. Actual expenditure in 2007–08 was Rs. 34.58 crore. In 2008–09, BE and RE provisions were kept at Rs. 45.46 crore and Rs. 55.42 crore respectively. Actual expenditure incurred in 2008–09 was Rs. 46.80 crore. In 2009–10, BE of Rs. 79.69 crore has been reduced to Rs. 70.59 crore at RE stage. The reduction in RE is mainly due to implementation of economy instructions issued by the Department of Expenditure. Expenditure upto December, 2009 is Rs. 47.98 crore.

MH-3475 – Other General Economic Services – The provision under this head is for meeting the expenditure towards payment of lump sum provision to the Office of Court Liquidator, Kolkata. Against a BE provision of Rs. 0.80 crore, RE was enhanced Rs. 0.95 crore in RE during 2007–08. Actual expenditure during the year was Rs. 0.67 crore. In 2008–09, BE and RE provisions were kept at Rs. 0.82 crore and Rs. 1.00 crore respectively. Actuals during the year was at Rs. 0.80 crore. In 2009–10, the provision of Rs. 1.10 crore in BE has been reduced to Rs. 0.57 crore at RE stage. The less provision in RE 2009–10 has been due to decrease in staff strength on account of redeployment as per recommendation of SIU and ACP Scheme not being implemented. Actual expenditure during the year upto December, 2009 is Rs. 0.49 crore.

Industrial Financial Institutions

MH-2885 – Grants to Industrial Development Bank of India Limited towards restructuring of liabilities – 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 was made during the years 2008–09 and 2009–10.

MH-2885 – Redemption of Securities issued to Stressed Assets Stabilisation Fund (SASF) for weeding out stressed assets of IDBI – To address the issue of stressed assets of IDBI Bank Ltd, Government of India (GoI) set up a Special Purpose Vehicle called Stressed Assets Stabilisation Fund (SASF) to take care of the bad assets of IDBI. SASF invested Rs. 9,000.00 crore in 20 years non-interest bearing GoI IDBI Special Securities, 2004. SASF transferred these Special Securities of Rs. 9,000.00 crore to IDBI, and IDBI, in turn, transferred NPAs valued at Rs. 9,000.00 crore to SASF. Upto March, 2009, SASF remitted a sum of Rs. 2869.00 crore out of the recoveries made by it from NPAs acquired from IDBI Bank Ltd., and Special Securities of the like amount have been redeemed. A sum of Rs. 400.00 crore is likely to be recovered from NPAs acquired from IDBI Bank during the financial year 2009–10.

A provision of Rs. 500.00 crore was made in BE 2007–08. As an alternate system for redemption of securities was evolved, no amount was released during the year. In RE 2008–09, a provision of Rs. 1500.00 crore was made. Out of this, a expenditure of Rs. 1225.00 crore was incurred i.e. 81.66% of RE. In RE 2009–10, a provision of Rs. 400.00 crore has been made. Utilisation upto December, 2009 is nil.

MH-2885 – Grants to Industrial Finance Corporation of India Limited towards restructuring of liabilities – As against the provision of Rs. 1300.00 crore in BE 2007–08, only a provision of Rs. 100.00 crore was made in RE. But, no amount was utilized during the period. Due to improvement in the financial status of the Corporation, no amount was utilized against BE provision of Rs. 433.40 crore in 2008–09. Consequently, no provision has been made in 2009–10.

MH-2885 – Grants to ICICI Bank towards Kreditanstalt Fur Wiederaufbau (KfW) Interest Differential Fund – 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 was made during the financial years 2008–09 and 2009–10.

MH-4885 – Subscription to share capital of Export Import Bank of India – In order to maintain the EXIM Bank's international credit rating, to augment the financial position and also to strengthen the Bank's capital base from risk management, it was proposed to increase the authorized capital of the Bank to Rs. 2,000.00 crore. An amount of Rs. 300.00 crore was released during the year 2009–10. With this, the paid up capital of the Bank has increased to Rs. 1700.00 crore.

The BE, RE and actuals for 2007–08 were same, i.e., Rs. 100.00 crore. The utilisation was 100%. In BE 2008–09, a provision of Rs. 100.00 crore was made, which was increased to Rs. 300.00 crore at RE and the entire amount was utilized i.e., 100%. In BE/RE 2009–10, a provision of Rs. 300.00 crore has been made and the entire provision has been utilised i.e., 100%.

MH-4885 – Equity support to India Infrastructure Finance Company Ltd. (IIFCL)

– The authorized capital of the Company at present is Rs. 2000.00 crore. Present paid up capital of the company is Rs. 1800.00 crore as on 2009–10. In the business plan submitted by IIFCL, capital requirement as per RBI norms was Rs. 1783.00 crore for 2009–10 and Rs. 5780.00 crore for 2010–11. This capital requirement with regard to new activities is based on the projected portfolio size of Rs. 10,000.00 crore. As the new schemes are yet to take shape, the provision to the fullest extent may not be advisable at this stage. The BE provision of Rs. 200.00 crore in 2007–08 was enhanced to Rs. 700.00 crore at RE stage and the entire provision was utilized i.e. 100% of RE. The RE 2008–09 was increased to Rs. 500.00 crore against the BE of Rs. 200.00 crore. The RE provision was utilized 100%. During 2009–10, the paid up capital would fully meet the capital requirement indicated above. A provision of Rs. 500 crore kept in BE/RE 2009–10 has been fully utilised.

Agricultural Financial Institutions

MH-2416 – Grants to NABARD towards external aided component (SDC (I-IV) agreements between Government of India and SDC)

– In 2007–08 and 2008–09, the BE and RE provisions were the same, i.e., Rs. 0.91 crore. The utilisation was 100% in both the years. No provision has been made in 2009–10.

MH-2416 – Grants through NABARD for strengthening Short Term Cooperative Credit Structure (STCCS)

– This is towards revitalization of Short Term Cooperative Credit Structure in the States, for implementing the package of Rs. 13,596.00 crore approved by the Government on the basis of the recommendations of the Task Force headed by Prof. A. Vaidyanathan. The scheme has gained momentum with the signing of MoUs by 25 States, viz., Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya,

Mizoram, Nagaland, Rajasthan, Orissa, Punjab, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal with NABARD and the Government of India for implementing the package. Under the scheme, the expenditure is to be shared by the Government of India, the State Governments and the Cooperative Credit Societies in the ratio of 68:28:4.

The BE 2007–08 provision of Rs. 1500.00 crore was enhanced to Rs. 2045.37 crore at RE stage. However, an expenditure of Rs. 2045.37 crore in 2007–08 was made, which accounted for 100% of RE. The BE 2008–09 provision of Rs. 3542.00 crore was enhanced to Rs. 3960.26 crore at RE stage, which was fully utilised during the year. A provision of Rs. 800.00 crore has been made in RE 2009–10 and upto December, 2009, no release has been made.

MH-2416 – Subsidy to NABARD towards Interest Subvention for providing refinance for Cooperative Banks and Regional Rural Banks

– In RE 2007–08, a provision of Rs. 37.26 crore was made which was utilised fully. Since the scheme was discontinued, no provision was made in 2008–09 and 2009–10.

MH-2416 – Subsidy to NABARD towards Interest Subvention for providing Short Term Production Credit to Farmers (STPCF)

– Govt announced a scheme to provide Interest Subvention for Short Term crop loan to farmers during the year 2006–07 and a decision was taken to (i) give an interest subvention of 2% to PSBs, RRBs and Cooperative Banks on the amount of loan disbursed out of their own resources (ii) provide refinance at concessional rates to the Cooperative Banks and RRBs by subventing the interest differential between the cost of funds and the rate of refinance by NABARD. The subvention was to be given on the condition that the Banks make available Short Term Credit upto Rs. 3.00 lakh at ground level at 7% per annum. The Interest Subvention Scheme has further been extended vide Budget announcements during 2007–08, 2008–09 and 2009–10. The entire provision has been

utilised. The Government approved the Scheme for the year 2008–09 at an estimated cost of Rs. 4311.00 crore while BE 2009–10 of Rs. 2011.00 crore has been retained at RE stage. The BE 2007–08 provision of Rs. 1676.86 crore was enhanced to Rs. 1700.00 crore at RE stage. The utilisation was 100%. In 2008–09, the BE provision of Rs. 1600.00 crore was enhanced to Rs. 2600.00 crore and the utilisation was 100%.

MH-2416 – Revival package for the Long Term Cooperative Credit Structure (LTCCS) – The recommendations of Vaidyanathan Task Force-II were approved by the Government of India on 26.02.2009. The total outlay for implementation of the Revival of Long Term Cooperative Credit Structure (LTCCS) is for Rs. 3,070.00 crore (Rs. 2,206.00 crore for Gol, Rs. 482.00 crore for State Government and Rs 382 crore for Agriculture and Rural Development Banks or LTCCS). A sum Rs. 20.00 crore was released to NABARD for implementation of this Package against BE provision of Rs. 600.00 crore during 2008–09. The provision of Rs. 1,000.00 crore made in the BE 2009–10 has been reduced to Rs. 1.00 crore at RE. However, the Government of India has constituted a Task Force to assess the impact of the implementation of the Agricultural Debt Waiver & Debt Relief Scheme (ADWDRS), 2008 and STCCS package on the financial health of the LTCCS.

MH-2416 – Contribution for “Financial Inclusion Fund” and “Financial Inclusion Technology Fund” – Pursuant to the Budget Speech for 2007–08 and on the basis of recommendations of the Committee on Financial Inclusion set up under the Chairmanship of Dr. C. Rangarajan, the Government had constituted two Funds viz. ‘Financial Inclusion Fund’ for meeting the cost of developmental and promotional interventions for ensuring financial inclusion and “Financial Inclusion Technology Fund” to meet the cost of technology adoption. The funds are housed in NABARD and consist of an overall corpus of Rs. 500.00 crore to be contributed by the Gol, RBI and NABARD in a ratio of 40:40:20 in a phased manner over five years depending upon utilization of funds. There is a budget

requirement of Rs. 92.50 crore for FIF and Rs. 162.50 crore for FITF till 2009–10. Of this, the share of Govt. of India is Rs. 37 crore for FIF and Rs. 65.00 crore for FITF. A sum of Rs. 10 crore each was released by Gol to FIF and FITF in 2007–08. A sum of Rs. 10.00 crore each has been made at RE stage in 2009–10. No amount has been utilised till December, 2009. 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.

MH-4416 – Contribution towards Recapitalisation of Regional Rural Banks (RRBs) – A provision of Rs. 303.11 crore was made in RE 2007–08, which was utilised 100%. In 2008–09, a provision of Rs. 594.87 crore made in BE and retained at RE stage was fully utilised. No provision has been made in 2009–10.

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 was utilized 100%. There is no provision in 2008–09 and 2009–10.

MH-5465 – Subscription to Rights issue of equity shares of State Bank of India – A provision of Rs. 10,000.00 crore was made in RE 2007–08, out of which a sum of Rs. 9996.01 crore was utilised during the year, thus accounting an utilization of 99.96%. There is no provision in 2008–09 and 2009–10.

MH-5465 – Restructuring the equity capital of United Bank of India – The provision of Rs. 1266.00 crore in RE 2009–10, which has been obtained through First Batch of Supplementary Demands for Grants is towards restructuring the equity capital of United Bank of India. No release has been made upto December, 2009. Provision was made to enable book entry, which was cash neutral.

MH-5465 – Subscription to Tier-I instrument for capitalization of Public Sector Banks – The provision is for subscription to Tier-I instrument towards augmenting the capital funds of Public Sector Banks viz., Central Bank of India, UCO Bank, Vijaya Bank and United Bank of India. An amount of Rs. 1900.00 crore was obtained through Supplementary Demands for Grants in 2008–09 and the entire provision was utilised. In RE 2009–10, provision of Rs. 1200.00 crore has been made.

MH-5465 – Contribution to Securities Redemption Fund towards subscription in the rights issue of equity shares of State Bank of India – The provision is towards contribution of an equal amount of Rs. 625.00 crore every year to Securities Redemption Fund from 2008–09 to 2023–24 to accumulate an amount equivalent to the value of securities issued for redeeming these securities on due date. An amount of Rs. 625.00 crore was obtained through Supplementary at RE stage and was released in 2008–09. In 2009–10, a provision of Rs. 625.00 crore has been made in BE/RE and the same has been released.

International Financial Institutions

MH-5466 – Subscription to International Monetary Fund (in securities) – 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. This head has since been transferred to Demand No. 32 – Department of Economic Affairs from the year 2009–10.

MH-5466 – Subscription to African Development Fund/Bank – A provision of Rs. 14.18 crore was made in BE 2007–08, which was reduced to Rs. 13.65 crore at RE stage. An amount of Rs. 13.40 crore was spent during the year, which accounted 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%. This head has since been transferred to Demand No. 32 – Department of Economic Affairs from the year 2009–10.

MH-2416 – Contribution to International Fund for Agricultural Development (IFAD) – The BE provision of Rs. 28.01 crore in 2007–08 was retained at RE stage also. An amount of Rs. 23.75 crore was utilised during the year, accounting 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 was Rs. 30.00 crore, which accounted for 107% of RE. This head has since been transferred to Demand No. 32 – Department of Economic Affairs from the year 2009–10.

MH-3466 – Contribution to Afghanistan Reconstruction Trust Fund (ARTF) – In 2007–08, the BE provision of Rs. 0.95 crore was reduced to Rs. 0.84 crore at RE stage. This amount was utilized 100%. In 2008–09, the BE provision was Rs. 0.84 crore, which was enhanced to Rs. 0.88 crore at RE stage. This was fully utilised during the year. This head has since been transferred to Demand No. 32 – Department of Economic Affairs from the year 2009–10.

MH-3466 – Contribution to Emergency Assistance for Natural Disasters – A provision of Rs. 1.85 crore was made in RE 2007–08 and a sum of Rs. 1.86 crore was released during the year. The utilisation was 100.54%. In 2008–09, the provision in BE was Rs. 1.85 crore was increased to Rs. 4.39 crore in RE and the actual utilisation was Rs. 4.44 crore, accounting for 101% of RE. This head has since been transferred to Demand No. 32 – Department of Economic Affairs from the year 2009–10.

MH-2885 – Interest Subsidy to Goan Banks – 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 and a sum of Rs. 0.08 crore only was utilised out of this, accounting for 34.78% of RE. A provision of Rs. 0.08 crore has been made in BE/RE 2009–10. No release has been made upto December, 2009.

Other General Economic Services

MH-3475 – Compensation for exchange variation to National Housing Bank – In 2007–08, the BE provision of Rs. 6.93 crore was reduced to Rs. 5.67 crore at RE stage and the RE provision was utilised 100%. In 2008–09, the BE provision of Rs. 36.66 crore was kept in RE also, and the entire provision was utilized, thus accounting for utilization of 100%. No provision has been made in 2009–10.

MH-3466 – Assessment Charges payable to International Monetary Fund (IMF) – During 2007–08, a provision of Rs. 0.25 crore made in BE was reduced to Rs. 0.21 crore at RE stage, which was 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 was utilised 100%. This head has since been transferred to Demand No. 32 – Department of Economic Affairs from the year 2009–10.

Social Security and Welfare

MH-2235 – Agricultural Debt Waiver and Debt Relief Scheme, 2008 – The provision is towards 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 31st March, 2007, overdue as on 31st December, 2007 and that remained unpaid till 29.02.2008. An amount of Rs. 10,000.00 crore was released in 2007–08. The provision of Rs. 15,000.00 crore each made in 2008–09 and 2009–10 respectively has been fully released.

MH-2235 – Payment of interest to lending institutions towards ADWDR Scheme – The provision is towards payment of interest to lending institutions. This is due to implementation of Agricultural Debt Waiver and Debt Relief Scheme announced by the Government of India. An amount of Rs. 149.79 crore was obtained through Supplementary and

the entire provision was utilised in 2008–09. In 2009–10, an amount of Rs. 2151.00 crore has been made in BE/RE. No release has been made upto December, 2009.

MH-2235 – Subsidy to Public Sector General Insurance Companies for Community based Universal Health Insurance Scheme – A provision of Rs. 45.00 crore made in BE 2007–08, was reduced to Rs. 20.00 crore at RE stage. The RE provision was utilised 100%. In 2008–09, the BE provision of Rs. 25.00 crore was reduced to Rs. 8.00 crore. However, a sum of Rs. 2.00 crore was actually utilized, accounting for 25% of the RE provision. The provision of Rs. 6.39 crore made in BE 2009–10 has been increased to Rs. 28.00 at RE stage, out of which a sum of Rs. 6.39 crore has been utilised upto December, 2009.

MH-2235 – Interest Subsidy to LIC for Pension Plan for Senior Citizens – In 2007–08, the provision of Rs. 249.77 crore was made in BE 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 reduced to Rs. 150.00 crore at RE stage. The actual utilisation amounted to Rs. 155.63 crore, i.e., 103.75% of RE. In BE 2009–10, a provision of Rs. 172.00 crore has been made, which has been increased to Rs. 270.82 crore. Out of this, a sum of Rs. 116.31 crore has been utilized upto December, 2009.

MH-2235 – Waiver of interest on overdue loans in Debt Stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra – A provision of Rs. 640.00 crore was made 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. No provision has been made in 2009–10.

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 was fully utilised

during the year. In 2008–09 too, a provision of Rs. 1,000.00 crore was made at RE stage, which was utilised 100%. No provision has been made during in 2008–09 and 2009–10.

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 made in RE 2007–08 was utilised 100%. No provision has been made in 2008–09 and 2009–10.

MH-2075 – Transfer to Guarantee Redemption Fund – The BE provision of Rs. 125.00 crore during 2007–08 was retained at RE stage which was utilized 100%. The BE provision of Rs. 125.00 crore was enhanced to Rs. 300.00 crore at RE 2008–09 stage. This amount was utilised 100%. This head has since been transferred to Demand No. 32 – Department of Economic Affairs from the year 2009–10.

Object Head-wise Actual Expenditure vis-à-vis BE/RE provisions for the years 2007-08, 2008-09 and 2009-10 Demand No. 33 – Department of Financial Services

(Rs. in crore)										
	Description	2007-08*			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Revenue Section										
01	Salaries	-	-	-	28.39	42.38	38.05	54.60	50.49	41.94
02	Wages	-	-	-	0.22	0.22	0.17	0.29	0.23	0.12
03	OTA	-	-	-	0.22	0.17	0.14	0.25	0.15	0.06
06	Medical Treatment	-	-	-	0.96	0.94	0.46	1.07	0.72	0.35
11	Domestic Travel Expenses	-	-	-	1.12	1.09	0.84	1.43	1.21	0.68
12	Foreign Travel Expenses	-	-	-	0.32	0.27	0.12	0.40	0.36	0.14
13	Office Expenses	-	-	-	6.70	5.83	6.18	8.00	7.52	5.00
14	Rent, Rates & Taxes	-	-	-	10.40	14.05	10.12	15.69	11.23	6.46
16	Publications	-	-	-	0.30	0.23	0.15	0.33	0.25	0.13
20	Other Administrative Exp.	-	-	-	0.23	0.25	0.46	0.25	0.23	0.13
26	Advt. & Publicity	-	-	-	0.17	3.00	0.13	0.18	0.33	0.09
27	Minor Works	-	-	-	0.30	0.06	0.04	0.28	0.25	0.00
28	Professional Services	-	-	-	1.65	1.30	1.21	2.45	2.19	0.94
31	Grants-in-Aid	3583.27	2430.32	2367.58	3983.11	3966.37	3965.67	16.00	816.00	7.30
32	Contribution	28.96	50.70	46.42	52.71	1158.25	1159.55	0.00	20.00	0.00
33	Subsidy	1979.39	2008.51	3493.07	2432.76	3655.72	2862.71	3189.47	2310.90	2133.70
42	Lumpsum	-	-	-	0.82	1.00	0.80	1.10	0.57	0.49
44	Exchange Variation	6.93	5.67	5.67	36.66	36.66	36.66	0.00	0.00	0.00

(Rs. in crore)										
	Description	2007-08*			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
45	Interest	0.01	0.00	0.00	0.01	0.00	149.79	2151.00	2151.00	0.00
50	Other charges	0.25	0.21	0.21	641.59	26964.72	26683.82	15003.73	15403.23	15000.61
63	Inter Account Transfer	125.00	125.00	10125.00	125.00	15300.00	15300.00	15000.00	15000.00	15000.00
	Total Revenue Section	5723.81	4620.41	16037.95	7323.64	51152.52	50217.04	35446.52	35776.84	32198.14
	Capital Section									
54	Investments	40353.76	46648.59	46743.74	2809.23	7462.37	4390.40	2967.02	5341.00	800.00
55	Loans	0.00	1500.00	1500.00	0.00	1000.00	1000.00	0.00	0.00	0.00
	Total Capital Section	40353.76	48148.59	48243.74	2809.25	8462.37	5390.40	2967.02	5341.00	800.00
	Grand Total (Gross)	46077.57	52769.00	64281.69	10132.87	59614.88	55607.44	38413.54	41117.84	32998.14

* The provisions for 2007-08 under these heads formed part of Demand No. 31 – Department of Economic Affairs.

Object Head-wise analysis of expenditure trend for 2007–08, 2008–09 and 2009–10 (upto Dec. 09) – Demand No. 33 – Department of Financial Services

Revenue Section

Plan Schemes

Investment – No Plan provision had been included in BE during the year 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 was incurred under this object-head during the year. A provision of Rs. 1542.00 crore has been made in BE 2009–10, which has been reduced to Rs. 1450.00 crore at RE stage and no expenditure has been incurred upto December, 2009.

Non-Plan Schemes

Until 2007–08, the Demand No. 33 – Department of Financial Services formed a part of Demand No. 31 – Department of Economic Affairs. From the year 2008–09, this Demand has been separated and Demand No. 32 – Payments to Financial Institutions has been merged with this Demand. The provisions under the object-heads relating to establishment for the years 2008–09 and 2009–10 are briefly given below:

Salaries – In BE 2008–09, a provision of Rs. 28.39 crore was made, which was increased to Rs. 42.38 crore at RE stage. Out of this, an expenditure of Rs. 38.04 crore was incurred. The increase in RE was on account of implementation of revised pay scales the basis of recommendations of the 6th Central Pay Commission. In 2009–10, BE provision of Rs. 54.60 crore has been reduced to Rs. 50.49 crore at RE stage, of which an expenditure of Rs. 41.94 crore has been spent upto December, 2009. The decrease in

RE is on account of vacant posts and implementation of austerity measures of the Government.

Wages – In the year 2008–09, the BE/RE was kept at Rs. 0.22 crore. The actual expenditure was Rs. 0.17 crore. In 2009–10, BE of Rs. 0.29 crore has been reduced to Rs. 0.23 crore at RE, of which an expenditure of Rs. 0.12 crore has made upto December, 2009. Reduction in RE is on account of implementation of austerity measures of the Government.

OTA – In BE 2008–09, a provision of Rs. 0.22 crore was made, which was reduced to Rs. 0.17 crore at RE stage. Out of this, an expenditure of Rs. 0.14 crore was made. In 2009–10, a provision of Rs. 0.25 crore has been made in BE, which has been reduced to Rs. 0.15 crore in RE, of which an expenditure of Rs. 0.06 crore has been made upto December, 2009. Reduction in RE is on account of implementation of austerity measures of the Government.

Medical Treatment – In BE 2008–09 a provision of Rs. 0.96 crore was made which was reduced to Rs. 0.94 crore. Out of this, an expenditure of Rs. 0.46 crore was incurred. In 2009–10, BE of Rs. 1.07 crore has been reduced to Rs. 0.72 crore at RE, of which an expenditure of Rs. 0.35 crore has been incurred upto December 2009.

Domestic Travel Expenses – In BE 2008–09, an amount of Rs. 1.12 crore was made which was reduced to Rs. 1.09 crore at RE stage. Out of this, an expenditure of Rs. 0.84 crore has been incurred. In BE 2009–10, the provision of Rs. 1.43 crore has been decreased to Rs. 1.21 crore at RE, of which Rs. 0.68 crore has been incurred upto December, 2009. The decrease in RE is on account of implementation of austerity measures of the Government.

Foreign Travel Expenses – In BE 2008–09, a provision of Rs. 0.32 crore was made which was reduced to Rs. 0.27 crore in RE. Out of this, an expenditure of Rs. 0.12 crore was incurred. In BE 2009–10, a provision of

Rs. 0.40 crore has been made which has been reduced to Rs. 0.36 crore at RE, out of which an expenditure of Rs. 0.14 crore has been incurred upto December, 2009. The decrease in RE is on account of implementation of austerity measures of the Government.

Office Expenses – In BE 2008–09, a provision of Rs. 6.70 crore was made, which was reduced to Rs. 5.83 crore. Out of this, an expenditure of Rs. 6.18 crore was incurred. In 2009–10, the provision of Rs. 8.00 crore in BE has been reduced to Rs. 7.52 crore at RE. The decrease in RE is on account of implementation of austerity measures of the Government. Actuals upto December, 2009 is Rs. 5.00 crore.

Rent, Rates & Taxes – In BE 2008–09, a provision of Rs. 10.40 crore was made, which was increased to Rs. 14.05 crore. Out of this, an expenditure of Rs. 10.12 crore was incurred. In 2009–10, the provision of Rs. 15.69 crore in BE has been reduced to Rs. 11.23 crore at RE, out of which upto December, 2009, an expenditure Rs. 6.46 crore has been incurred.

Publications – In BE 2008–09, a provision of Rs. 0.30 crore was made, which was reduced to Rs. 0.23 crore. Out of this, an expenditure of Rs. 0.15 crore was incurred upto December, 2009. BE 2009–10 of Rs. 0.33 crore has been reduced to Rs. 0.25 crore at RE, of which an expenditure Rs. 0.13 crore has been incurred upto December, 2009.

Other Administrative Expenses – In BE 2008–09, a provision of Rs. 0.23 crore was made which was enhanced to Rs. 0.25 crore at RE stage. An expenditure of Rs. 0.46 crore was been incurred under this object-head during the year. In 2009–10, a provision of Rs. 0.25 crore in BE has been reduced to Rs. 0.23 crore, of which an expenditure Rs. 0.13 crore has been incurred upto December, 2009.

Advertising & Publicity – The BE 2008–09 provision of Rs. 0.17 crore was increased to Rs. 3.00 crore at RE stage. The increase in RE was on account

of advertisement and publicity (Rs. 2.85 crore) towards Agricultural Debt Waiver and Debt Relief Scheme. The entire amount was utilised under this object-head during the year. In 2009–10, a provision of Rs. 0.18 crore in BE has been enhanced to Rs. 0.33 crore at RE, out of which an expenditure Rs. 0.09 crore has been incurred upto December, 2009. The increase in RE is on account of payment of pending bills of Office of Custodian.

Minor Works – In BE 2008–09, a provision of Rs. 0.30 crore was made which was reduced to Rs. 0.06 crore at RE stage. Out of this, an expenditure of Rs. 0.04 crore was incurred. In 2009–10, the provision of Rs. 0.28 crore in BE has been reduced to Rs. 0.25 crore at RE and no expenditure has been made upto December, 2009 under this head. The sharp increase in BE 2009-10 over RE 2008–09 is on account of provision made for renovation of rooms in the Department of Financial Services.

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 expenditure of Rs. 1.21 crore was incurred. In 2009–10, the provision of Rs. 2.45 crore in BE has been reduced to Rs. 2.19 crore at RE, out of which an expenditure of Rs. 0.94 crore has been incurred upto December, 2009. The sharp increase in 2009–10 over 2008–09 is on account of increase of legal fees etc. made by the Ministry of Law & Justice.

Grants-in-aid – The BE and RE provisions during the year 2007–08 were Rs. 3583.27 crore and Rs. 2430.32 crore, respectively. Against this, an expenditure of Rs. 2367.58 crore was incurred. This amounts to 97.42% of the RE provision. During 2008–09, a budgetary provision of Rs. 3983.11 crore was made under this object-head, which was reduced to Rs. 3966.37 crore at RE stage. 99.98% of RE was spent, which comes to Rs. 3965.67 crore. Lion's share of this provision was meant for grants for Strengthening the Cooperative Credit Structure (Rs. 3960.26 crore) and towards grant to Pension Fund Regulatory Development Authority (Rs. 4.50 crore). In 2009–10, the provision of Rs. 16.00 crore

in BE has drastically been increased to Rs. 816.00 crore at RE. Out of this, a sum of Rs. 800.00 crore is towards Strengthening the Short Term Cooperative Credit Structure, which was obtained through the First Batch of Supplementary Demands for Grants. Actuals upto December, 2009 is Rs. 7.30 crore only.

Contribution – 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. During 2008–09, a provision of Rs. 52.71 crore was made in BE which was enhanced to Rs. 1158.25 crore at RE stage. An expenditure of Rs. 1159.55 crore was incurred during the year, which comes to 100.17% of the RE provision. Major share of this provision was towards contribution to augment Social Security Fund maintained by LIC towards Janshree Bima Yojana for Women Self Help Groups (Rs. 500.00 crore) and towards subscription in the rights issue of equity of State Bank of India (Rs. 625.00 crore). No provision has been made in BE 2009–10. RE 2009–10 has been kept at Rs. 20.00 crore towards Financial Inclusion Fund and Financial Inclusion Technology Fund which is being obtained through the 2nd and final Supplementary. No release has been made upto December, 2009.

Subsidy – During the year 2007–08, a provision of Rs. 1979.39 crore was made in BE and Rs. 2008.51 crore in RE. Rs. 3493.07 crore was spent during the year, which comes to 173.91% of the RE provision. The BE provision for 2008–09 was Rs. 2432.76 crore, which was enhanced to Rs. 3655.72 crore at RE stage. A sum of Rs. 2862.71 crore was released, which comes to 78.38% of the RE provision. In 2009–10, the BE provision of Rs. 3189.47 crore has been reduced to Rs. 2310.90 crore at RE. Out of this, an expenditure Rs. 2133.70 crore has been made. Major portion of this provision is towards interest subvention for providing Short Term Credit to Farmers (Rs. 2011.00 crore). The reduction in RE over BE is on account of Long Term Cooperative Credit Structure, for which a sum of Rs. 1.00 crore only has been kept against the BE provision of Rs. 1000.00 crore.

Lump sum – In BE 2008–09, a provision of Rs. 0.82 crore was made which was increased to Rs. 1.00 crore at RE. Out of this, an expenditure Rs. 0.80 crore was incurred. In 2009–10, a provision of Rs. 1.10 crore has been made in BE, which has been reduced to Rs. 0.57 crore at RE, out of which a sum of Rs. 0.49 crore has been spent. The reduction 2009–10 over 2008–09 is on account of decrease in staff strength because of redeployment as per the recommendations of SIU and ACP Scheme not being implemented in the Office of Court Liquidator, Kolkata.

Exchange Variation – In 2007–08, the BE provision was Rs. 6.93 crore and RE was Rs. 5.67 crore. The utilisation was 100% of RE. The BE/RE provision for 2008–09 was Rs. 36.66 crore. The entire provision was utilised. No provision has been made in 2009–10.

Interest – A 3rd supplementary of Rs. 149.79 crore was obtained and utilised fully during 2008–09. A provision of Rs. 2151.00 crore has been made in BE/RE 2009–10, but no fund has been released upto December, 2009. The entire provision is towards payment of interest to lending institutions on account of Agricultural Debt Waiver and Debt Relief Scheme.

Other Charges – In 2007–08, a nominal provision was made towards information technology for computerization of Department of Financial Services and its subordinate offices. But in 2008–09, the provision under the head was Rs. 641.59 crore, which was increased to Rs. 26,964.72 crore, out of which a sum of Rs. 26,683.82 crore was spent. In 2009–10, BE has been kept at Rs. 15,003.73 crore which has been increased to Rs. 15,403.23 crore, of which Rs. 15,000.61 crore has been spent upto December, 2009. Lion's share of this provision pertains to Agricultural Debt Waiver and Debt Relief Scheme.

Inter Account Transfer – A provision of Rs. 125.00 crore each was made in BE 2007–08, which was retained at RE stage. In 2007–08, a sum of Rs. 10,125.00 crore was spent, which was 8100% of RE. The BE 2008–09 of Rs. 125.00 crore was enhanced to Rs. 15,300.00 crore in

RE. The entire provision was utilized. In 2009–10, the provisions of BE & RE and Actuals are Rs. 15,000.00 crore respectively. In all the three years, funds of Rs. 10,000.00 crore, 15,000.00 crore and Rs. 15,000.00 crore respectively were released towards the Agricultural Debt Waiver and Debt Relief Scheme.

Capital Section

Investment – The BE provision of Rs. 40353.76 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. Out of this, a sum of Rs. 35,531.33 crore was towards acquisition cost of RBI stake in SBI and Rs. 9,996.01 crore for subscription in the rights issue of equity shares of State Bank of India. The provision of Rs. 2809.23 crore in BE 2008–09 was enhanced to

Rs. 7462.37 crore at RE stage. Out of this, an amount of Rs. 4390.40 crore was spent. This comes to 58.83% of the RE provision. In 2009–10, BE of Rs. 2967.02 crore has been increased to Rs. 5341.00 crore, out of which Rs.800.00 crore has been spent upto December, 2009. Under this head, the major chunk consists of acquisition cost of RBI stake in NABARD and NHB, Maintenance of Value towards valuation adjustment of Indian rupees receivable by International Monetary Fund and subscription to Tier-I instrument for capitalization of Public Sector Banks etc.

Loans – A provision of 1500.00 crore was made in RE 2007–08 and the entire amount was utilized. In 2008–09, a provision Rs. 1000.00 crore was made in RE and the amount was utilised 100%. This was towards contribution for payment of premium for rural landless households and also granting scholarship to the children of beneficiaries towards implementation of Aam Aadmi Bima Yojana.

Statement of Net Profit earned by Public Sector Banks

S. No.	Name of the Bank	PAT+ 2008-09	Equity as on March, 2009	GOI holding as on March, 2009	(Rs. in crore)								
					2007-08			2008-09			2009-10		2010-11
					BE	RE	Actuals	BE	RE	Actuals	BE	RE	BE
1	Allahabad Bank	768.60	446.70	246.70	101.00	80.00	86.34	85.00	86.34	61.68	78.00	61.68	60.00
2	Andhra Bank	653.05	485.00	250.00	90.00	95.00	100.00	97.00	50.00	112.50	90.00	112.50	105.00
3	Bank of Baroda	2227.20	364.27	196.00	102.00	117.00	156.8 0	120.00	156.80	176.4 0	140.00	176.40	170.00
4	Bank of India	3007.35	525.18	338.58	103.00	118.00	135.43	120.00	135.43 @101.57	270.86	140.00	270.29	119.00
5	Bank of Maharashtra	375.17	430.52	330.52	14.00	66.00	66.10	70.00	66.1 0	49.58	60.00	49.58	50.00
6	Canara Bank	2072.42	410.00	300.00	200.00	210.00	240.00	215.00	240.00	240.00	215.00	240.00	215.00
7	Central Bank of India (Equity Shares)	571.24	404.14	324.14	52.00	100.00	64.82	105.00	64.82	64.82	58.00	64.82	30.00
	Interim Dividend proposed	-	-	-	-	-	-	-	-	-	-	32.00	-
8	Central Bank of India (Preference Shares)	-	800.00	800.00	-	-	70.00	0.00	70.00	0.00	-	-	-
9	Corporation Bank	892.77	143.44	82.00	60.00	74.00	86.1 0	75.00	49.2 0	102.50	78.00	65.60	90.00
10	Dena Bank	422.66	286.82	146.82	5.00	12.00	14.68	15.00	14.68	17.62	13.00	17.62	15.00
11	Indian Bank (Equity Shares)	1245.32	429.77	343.82	102.00	135.00	137.53	105.00	137.53 @68.76	171.91	145.00	189.10	69.05

(Rs. in crore)													
S. No.	Name of the Bank	PAT+ 2008–09	Equity as on March, 2009	GOI holding as on March, 2009	2007–08			2008–09			2009–10		2010–11
					BE	RE	Actuals	BE	RE	Actuals	BE	RE	BE
12	Indian Bank (Preference Shares)	0.00	400.00	400.00	-	-	35.00	32.00	35.00	0.00	54.00	0.00	0.00
13	Indian Overseas Bank	1325.79	544.80	333.60	89.00	100.00	116.76	103.00	116.76	150.12	105.00	150.12	135.00
14	Oriental Bank of Commerce	905.42	250.54	128.00	75.00	65.00	60.16	70.00	60.16	93.44	54.00	93.44	85.00
15	Punjab & Sind Bank	437.18	183.06	183.06	10.00	-	-	-	-	-	-	-	-
16	Punjab National Bank	3090.80	315.30	182.24	180.00	182.00	236.91	185.00	236.91	364.48	212.00	544.48	170.00
17	Syndicate Bank	912.82	521.97	346.95	89.00	97.00	97.16	100.00	45.10	104.00	88.00	104.10	95.00
18	UCO Bank	557.72	549.36	349.36	10.00	60.00	59.94	60.00	59.94	34.91	54.00	34.94	30.00
19	Union Bank of India	1726.55	505.12	280.00	101.00	100.00	112.00	105.00	112.00	140.00	100.00	140.00	125.00
20	United Bank of India	184.71	1532.43	1532.43	47.00	47.00	45.97	50.00	45.97	0.00	0.00	45.00	0.00
21	Vijaya Bank	262.48	433.52	233.52	25.00	47.00	46.70	50.00	46.70	23.35	40.00	23.35	20.00
22	State Bank of India	9121.23	634.88	377.20	0.00	440.00	810.99	500.00	810.99	1093.90	730.00	1473.90	620.00
23	IDBI Bank Ltd.	858.54	724.78	381.78	-	-	76.35	65.00	76.35	95.40	70.00	95.43	85.00
	Total	31,619.02	10,121.60	6886.73	1450.00	2145.00	2855.74	2327.00	2887.11	3367.63	2470.00	3984.35	2288.05

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

Statement Showing Actual Expenditure vis-à-vis BE/RE provisions for the years 2007-08, 2008-09 and 2009-10 Demand No. 38 – Department of Expenditure											
(Rs. in crore)											
S. No.	Description	Major Head	2007-08			2008-09			2009-10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
1	Secretariat – Gen. Services	2052	29.29	29.52	28.09	31.64	41.59	39.34	51.27	51.18	41.14
2	Other Admn. Services	2070	14.71	13.82	8.93	10.22	17.37	11.43	20.33	24.36	8.96
	i) Training Centre in Civil Accounting Deptt. (INGAF)		2.41	2.39	2.25	3.64	3.42	3.28	3.32	3.14	2.04
	ii) Scheme for enhancing training capacity of NIFM Society		2.40	2.15	2.15	5.40	3.70	3.70	5.00	3.20	2.40
	iii) Contributions		0.01	0.01	0.01	0.01	0.01	0.00	0.01	0.02	0.01
	iv) Modernization of Office of Controller General of Accounts		1.40	0.80	0.48	0.35	0.85	0.66	-	-	-
	v) Sixth Central Pay Commission		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	12.00	18.00	4.52
3	Other General Economic Services										
	i) Development of National Institute of Financial Management	4070	-	-	-	6.00	3.00	3.00	6.40	6.40	-
	ii) Loan to Administrative Staff College of India	7475	-	-	-	-	-	-	-	-	-
	iii) Funding for Plan schemes and projects of Ministries Departments	3475	100.00	50.00	-	-	-	-	-	-	-
	Total		144.00	93.34	37.02	47.86	61.96	53.77	78.00	81.94	50.10

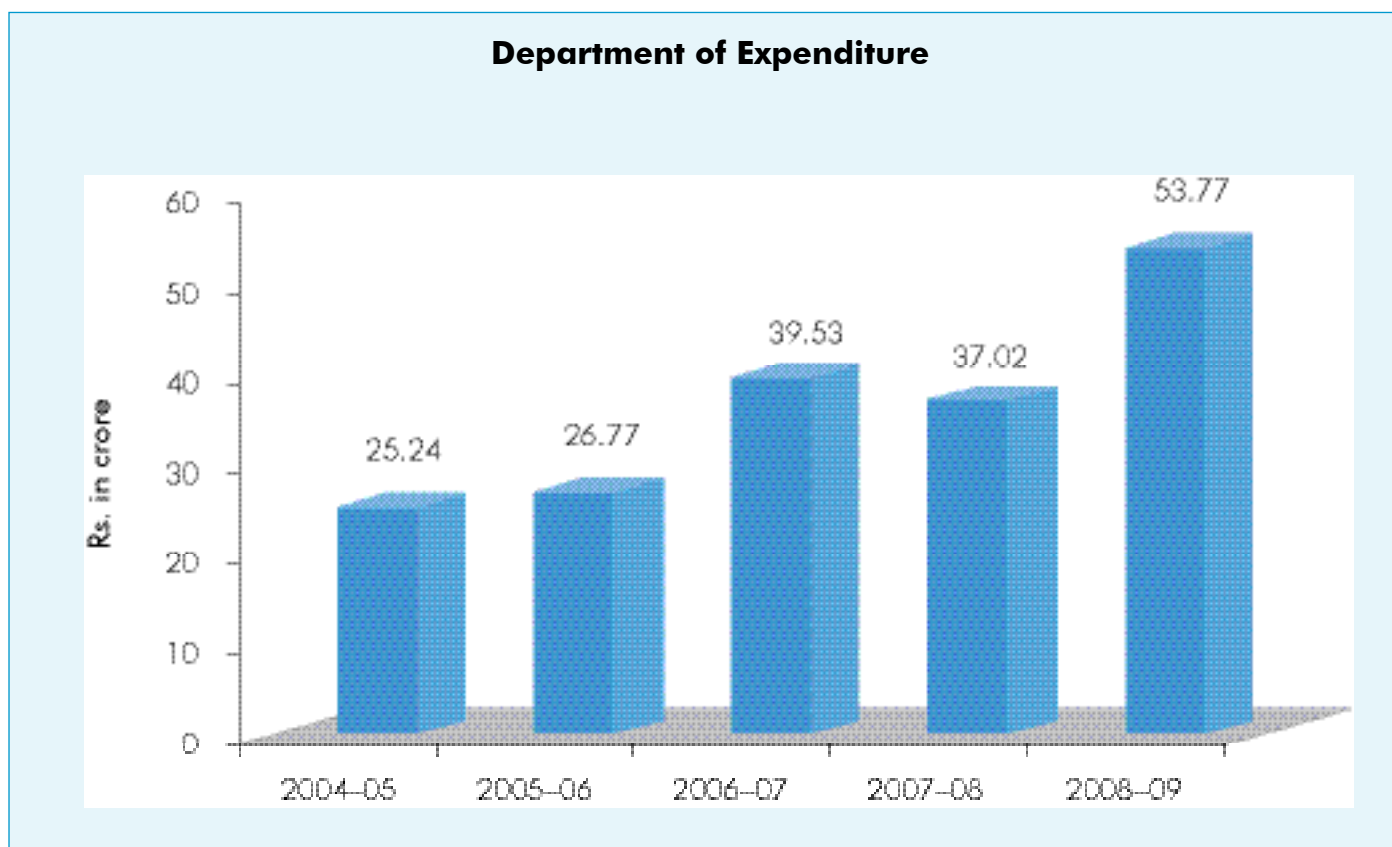
Object Head Wise Financial Review Demand No. 38 – Department of Expenditure

(Rs. in crore)										
		2007-08			2008-09			2009-10		
S No.	Description	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Revenue Section										
1	Salaries	19.80	19.74	18.76	20.69	31.00	30.99	40.19	39.93	3.38
2	Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Overtime Allowances	0.19	0.17	0.17	0.18	0.15	0.16	0.18	0.15	0.11
4	Medical treatment	0.57	0.65	0.38	0.64	0.40	0.42	0.54	0.57	0.34
5	Domestic Travel Expenses	1.84	1.79	1.03	0.81	0.62	0.69	0.80	0.70	0.36
6	Foreign Travel Expenses	1.29	1.28	0.54	0.88	1.07	0.99	0.57	0.52	0.32
7	Office Expenses	12.31	11.36	8.85	9.99	9.98	7.57	9.31	8.67	6.36
8	Rent, Rates & Taxes	1.60	1.60	1.29	0.30	0.14	0.13	0.00	0.21	0.00
9	Publication	0.22	0.25	0.29	0.24	0.21	0.22	0.23	1.83	0.11
10	Other Admn. Expenses	0.53	0.55	0.51	0.39	9.37	3.58	0.00	0.02	0.00
11	Advertising and Publicity	0.00	0.00	0.00	0.00	0.00	0.00	12.37	0.32	4.73
12	Minor Works	0.02	0.04	0.00	0.02	0.00	0.00	0.15	1.63	0.00
13	Professional Services	2.32	2.28	1.77	0.96	1.25	1.10	1.03	32.01	0.00
14	Grants-in-aid	2.40	2.15	2.15	5.40	3.70	3.70	5.00	0.02	1.20
15	Contribution	0.01	0.01	0.01	0.01	0.01	0.00	0.01	1.31	2.40
16	Loans and Advances	-	-	-	-	-	-	-		0.07
17	Funding for Plan schemes and projects of Ministries/Departments	100.00	50.00	-	0.00	0.00	0.00	0.00	0.00	0.00
18	Information Technology	0.75	1.47	1.27	1.37	1.06	1.22	1.21	6.40	0.49
	Total	144.00	93.34	37.02	41.86	58.96	50.77	71.60	75.54	50.10
Capital Section										
19	Major Works				6.00	3.00	3.00	6.40	6.40	0.00
	Grand Total	144.00	93.34	37.02	47.86	61.96	53.77	78.00	81.94	50.10

Analysis of Trends in 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.

Actual expenditure during 2008–09 is Rs. 53.77 crore which comprises Rs. 50.77 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 58% of total expenditure incurred during 2008–09. Expenditure under this head increased by 61.89% due to implementation of Sixth CPC recommendations.

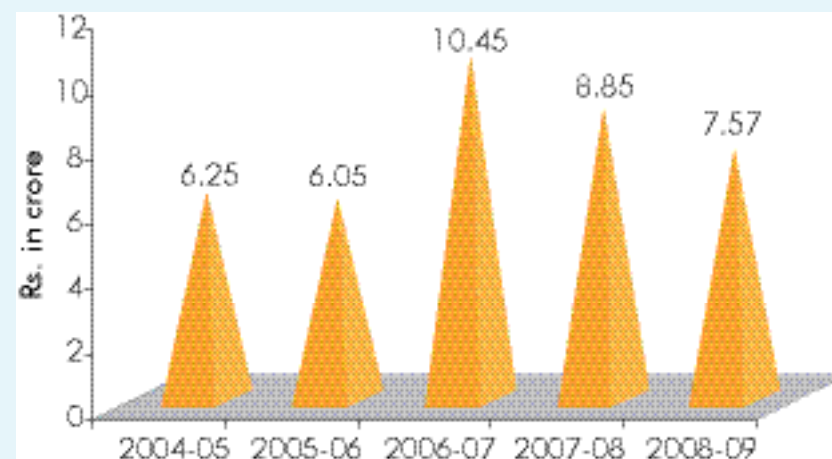
Salary and Wages



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.

Office Expenses



Statement Showing Actual Expenditure vis-à-vis BE/RE provisions for the years 2007–08, 2008–09 and 2009–10 Demand No. 41 – Department of Revenue											
											(Rs. in crore)
S. No.	Description	Major Head	2007–08			2008–09			2009–10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
1	Secretariat-General Services	2052	77.20	74.92	68.13	87.89	103.79	86.86	140.73	123.40	66.71
	Total	2052	77.20	74.92	68.13	87.89	103.79	86.86	140.73	123.40	66.71
2	Other Fiscal Services										
	Enforcement Directorate	2047	22.61	24.66	19.76	27.45	37.74	28.57	51.42	36.91	28.86
	National Institute of Public Finance & Policy	2047	4.41	6.93	5.58	3.63	8.67	8.67	11.19	10.17	9.97
	International Cooperation	2047	0.29	0.31	0.34	0.36	0.51	0.51	0.59	0.70	0.62
	Other Expdtr. (ATFP/CESTAT)	2047	11.24	11.19	10.05	11.51	14.84	13.91	20.29	19.84	14.60
	Total	2047	38.55	43.09	35.73	42.95	61.76	51.66	83.49	67.62	54.05
3	Other Administrative Services										
	Narcotics Control	2070	19.35	21.36	21.30	22.00	30.45	26.85	34.30	37.23	27.03
	International Cooperation etc.	2070	1.80	1.80	1.24	1.80	2.22	1.87	2.26	1.46	0.02
	Transfer to National Fund for Control of Drug Abuse	2070	1.00	1.00	0.00	1.00	0.01	0.00	0.01	2.00	0.00
	Total	2070	22.15	24.16	22.54	24.8	32.68	28.72	36.57	40.69	27.05
4	Opium & Alkaloids Factories										
	Revenue Expenditure	2875	230.64	223.85	205.36	237.50	218.86	203.11	354.55	282.61	137.95
	Chief Controller, Govt. Opium & Alkaloid Factories	2875	0.49	0.50	0.49	0.50	0.65	0.62	0.77	0.66	0.54
	Total	2875	231.13	224.35	205.85	238.00	219.51	203.73	355.32	283.27	138.49

	(Rs. in crore)										
S. No.	Description	Major Head	2007-08			2008-09			2009-10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
5	Other Taxes & Duties on Commodities & Services										
	Collection of Inland Air Travel Tax	2045	9.90	9.90	0.00	9.90	9.90	8.83	6.90	0.00	0.00
	Collection of Foreign Travel Tax	2045	0.10	0.10	0.08	0.10	0.10	0	0.10	0.00	0.00
	Total	2045	10.00	10.00	0.08	10.00	10.00	8.83	7.00	0.00	0.00
6	Collection of Taxes on Income & Expenditure										
	Other Charges	2020	0.36	0.36	0.34	0.36	0.36	0.30	0.45	0.42	0.28
	Total	2020	0.36	0.36	0.34	0.36	0.36	0.30	0.45	0.42	0.28
7	Grant in Aid to States (VAT)	3601	2940.00	3530.00	3880.48	3275.00	4290.37	4361.95	3018.50	3151.00	2558.67
8	Grant in Aid to UTs (VAT)	3602	55.00	5.00	0	17.50	2.00	0.00	2.00	1.00	0.00
9	Grant-in-Aid to States (CST)		2400.00	2490.00	2168.88	2450.00	1950.00	1950.00	6000.00	8735.18	5979.65
10	Grant-in-Aid to UTs (CST)		100.00	10.00	0	50.00	50.00	0.00	1.00	0.00	0.00
	Total		5495.00	6035.00	6049.36	5792.50	6292.37	6311.95	9021.50	11887.18	8538.32
11	Aid Materials & Equipment		0.00	1.00	0.92	0.50	0.50	0.00	0.50	0.35	0.00
	Total (Revenue Section)		5874.39	6412.88	6382.95	6197.00	6720.97	6692.05	9645.56	12402.93	8824.90
12	Capital Section										
	Capital Expenditure	4875	1.47	1.02	0.33	0.82	0.70	0.55	2.31	1.64	0.05
	Total (Capital Section)	4875	1.47	1.02	0.33	0.82	0.70	0.55	2.31	1.64	0.05
	Grand Total		5875.86	6413.90	6383.28	6197.82	6721.67	6692.60	9647.87	12404.57	8824.95
	Less										
	(i) Revenue Receipts		258.00	300.52	286.74	300.52	311.14	314.29	300.97	300.97	204.75
	(ii) Recoveries		40.45	35.97	32.17	36.30	45.53	41.55	39.90	56.17	0.00
	Net		5577.41	6077.41	6064.37	5861.00	6365.00	6336.76	9307.00	12047.43	8620.20

Object Head-wise Actual Expenditure vis-à-vis BE/RE provisions for the years 2007-08, 2008-09 and 2009-10
Demand No. 41 – Department of Revenue

(Rs. in crore)										
S. No.	Object Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
A) Revenue Section										
1	Salary	78.13	83.66	83.08	88.96	135.62	123.05	172.96	166.88	127.41
2	Wages	0.33	0.29	0.24	0.30	0.37	0.37	0.42	0.49	0.36
3	Overtime Allowance	0.97	0.98	0.92	1.00	0.91	0.79	2.08	1.10	0.45
4	Pensionary Charges	0.80	0.79	0.75	0.82	1.21	1.33	1.51	1.47	0.00
5	Rewards	0.09	0.26	0.32	0.07	0.10	0.02	0.12	0.33	0.00
6	Medical Treatment	2.59	2.42	1.70	2.80	2.72	2.14	3.04	2.48	1.17
7	Domestic Travel Expenses	4.45	4.57	4.22	4.81	4.61	4.53	5.47	5.09	3.04
8	Foreign Travel Expenses	2.85	2.85	2.74	3.29	2.96	1.69	3.50	3.05	2.86
9	Office Expenses	21.51	23.90	22.36	22.99	21.33	21.37	24.32	23.16	14.95
10	Rent, Rates & Taxes	4.81	4.70	3.86	5.34	6.57	4.76	7.69	6.90	2.97
11	Publications	0.24	0.25	0.18	0.27	0.37	0.39	0.38	0.34	0.19
12	Banking Transaction Tax	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
13	Other Administrative Services	1.94	1.55	0.79	1.57	1.71	1.88	1.89	2.11	0.68
14	Supplies & Material (Voted)	137.00	141.38	131.03	153.77	124.84	112.90	259.54	171.06	104.81
	Supplies & Material (Charged)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Advertising & Publicity	0.28	0.08	0.01	0.09	0.18	0.10	0.20	0.45	0.02
16	Minor Works	1.07	1.13	0.80	1.06	1.02	0.85	1.39	1.53	0.41
17	Professional Services	6.98	7.43	6.72	8.53	8.53	9.25	11.32	11.61	8.40
18	Other Contractual Services	0.00	1.00	0.92	0.50	0.50	0.00	0.50	0.35	0.00

S. No.	Object Head	(Rs. in crore)								
		2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
19	Grant-in-Aid	5508.76	6048.78	6059.28	5811.53	6316.44	6324.86	9059.74	11912.85	8548.30
20	International Contribution	2.09	2.11	1.58	2.17	2.73	2.38	2.85	2.16	0.64
21	Secret Service Expenditure	1.92	0.85	0.47	1.92	1.56	1.43	1.94	1.56	1.29
22	Interest on Capital	20.10	19.85	17.20	18.29	13.81	13.81	11.68	12.83	0.00
23	Other Charges									
	Charged	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.00
	Voted	23.62	19.02	7.19	18.11	19.45	16.28	17.02	9.75	5.31
24	Machinery & Equipment	0.04	0.04	0	0.04	0.04	0.04	0.04	0.03	0.00
25	Inter Account Transfer	43.05	37.86	32.82	38.68	46.39	43.17	40.77	57.45	0.00
26	Information Technology	10.75	7.11	3.76	10.07	6.98	4.66	15.17	7.88	1.64
	Total-Revenue Section	5874.39	6412.88	6382.95	6197.00	6720.97	6692.05	9645.56	12402.93	8824.90
	Charged	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.00
	Voted	5874.37	6412.86	6382.95	6196.98	6720.95	6692.05	9645.54	12402.91	8824.90
B) Capital Section										
27	Machinery & Equipment	0.87	0.42	0.09	0.68	0.54	0.42	1.88	1.21	0.05
28	Major Works	0.60	0.60	0.24	0.14	0.16	0.13	0.43	0.43	0.00
29	Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total-Capital Section	1.47	1.02	0.33	0.82	0.70	0.55	2.31	1.64	0.05
	Grand Total	5875.86	6413.90	6383.28	6197.82	6721.67	6692.60	9647.87	12404.57	8824.95
	Charged	0.02	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00
	Voted	5875.84	6413.90	6383.28	6197.80	6721.65	6692.60	9647.85	12404.55	8824.95

Analysis of Expenditure During 2007-08, 2008-09 and 2009-10 Demand No. 41 – Department of Revenue									
	(Rs. in crore)								
	2007-08			2008-09			2009-10		
Description	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
VAT* - MH 2052	14.00	14.00	9.80	21.50	22.55	9.86	21.29	35.84	4.31
VAT/CST** - 3601/3602	5495.00	6035.00	6049.36	5792.50	6240.37	6311.95	9021.50	11887.18	8538.32
Non-VAT/CST	366.86	364.90	324.11	383.82	458.75	370.79	605.08	481.55	282.32
Total	5875.86	6413.90	6383.27	6197.82	6721.67	6692.60	9647.87	12404.57	8824.95
Non-VAT/CST	366.86	364.90	324.11	383.82	458.75	370.79	605.08	481.55	282.32
CCF (GOAWs)									
2875	231.13	224.35	205.85	238.00	219.51	203.72	355.32	283.27	138.49
4875	1.47	1.02	0.33	0.82	0.70	0.56	2.31	1.64	0.05
Others *** – Non-VAT/CST and Non – GOAWs	134.26	139.53	117.93	145.00	238.54	166.51	247.45	196.64	143.78
Total – Salary	78.93	83.66	83.08	88.96	135.62	123.05	172.95	166.88	127.41
Non-Salary	5796.93	6330.24	6300.19	6108.86	6586.05	6569.55	9474.92	12237.69	8697.54

* 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.

Analysis of Trends in Expenditure

Salary expenditure increased in 2008–09 by 51.89% over 2007–08 due to implementation of the recommendations of the 6th Central Pay Commission and payment of arrears whereas non-salary expenditure increased by 4.28% 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 constituted the very major portion of expenditure i.e.

94.31% of total expenditure under Grant No. 41 – Department of Revenue. In 2009–10, VAT Compensation of Rs. 2558.67 crores has been released to various State Governments till 31st December 2009. An amount of Rs. 5979.65 crores has been released towards phasing out of CST till 31st December 2009. Thus, up to 31st March 2009, total VAT Compensation of Rs. 17,364.50 crores has been provided to State Governments and CST Compensation amounting to Rs. 10098.53 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	Compensation paid in 2009–10	Total Compensation	Pending claims as on 31 st Dec, 09
1	Andhra Pradesh	404.06	0	1.88	0	0	405.94	0
2	Assam	0	0	30.06	38.73	150.10	218.89	0
3	Bihar	165.87	78.23	0	0	0	244.10	0
4	Chhattisgarh	0	0	75.00	281.59	31.91	388.50	0
5	Haryana	0	0	0	27.84	59.85	87.69	0
6	Karnataka	1038.92	625.36	354.71	369.05	116.04	2504.08	64.26
7	Kerala	456.47	426.23	123.19	243.46	0	1249.35	0
8	Madhya Pradesh	0	0	46.24	0	0	46.24	0
9	Maharashtra	259.89	2814.72	1203.83	1895.00	1225.00	7398.44	327.40
10	Sikkim	1.84	4.03	0	0	0	5.87	10.95
11	Tripura	5.12	3.81	5.57	19.81	0	34.31	0
12	West Bengal	139.10	139.75	0	0	0	278.85	0
13	Tamil Nadu	0	0	2040.00	1000.00	0	3040.00	0
14	Delhi	0	0	0	362.81	726.00	1088.81	42.36

(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	Compensation paid in 2009-10	Total Compensation	Pending claims as on 31 st Dec, 09
15	Orissa	0	0	0	18.93	163.32	182.25	0
16	Jharkhand				104.73	86.45	191.18	0
	Total	2471.27	4092.13	3880.48	4361.95	2558.67	17364.50	444.97

CST Compensation							(Rs. in crore)	
S. No.	Name of State Government	Compensation paid in 2007-08	Compensation paid in 2008-09	Compensation paid in 2009-10	Total Compensation paid	Pending claims as on 31 st Dec, 09		
1	Andhra Pradesh	0	905.24	540.19	1445.43	0		
2	Assam	70.89	0	197.70	268.59	0		
3	Chhattisgarh	101.37	48.64	522.76	672.77	0		
4	Delhi	183.70	154.76	758.00	1096.46	82.02		
5	Gujarat	338.14	156.57	556.58	1051.29	523.99		
6	Haryana	150.00	400.00	896.49	1446.49	0		
7	Jharkhand	69.47	35.55	335.04	440.06	0		
8	Karnataka	350.00	155.00	455.30	960.30	0		
9	Orissa	131.53	5.49	425.40	562.42	0		
10	Punjab	0	24.32	0	24.32	0		
11	Rajasthan	126.24	18.56	239.75	384.55	0		
12	Tamil Nadu	647.54	0	500.00	1147.54	54.79		
13	Uttarakhand	0	0	55.00	55.00	85.46		
14	West Bengal	0	45.87	319.44	365.31	0		
15	Maharashtra	0	0	123.00	123.00	123.36		
16	Madhya Pradesh	0	0	55.00	55.00	55.96		
17	Puducherry	0	0	0	0	100.66		
	Total	2168.88	1950.00	5979.65	10098.53	1026.24		

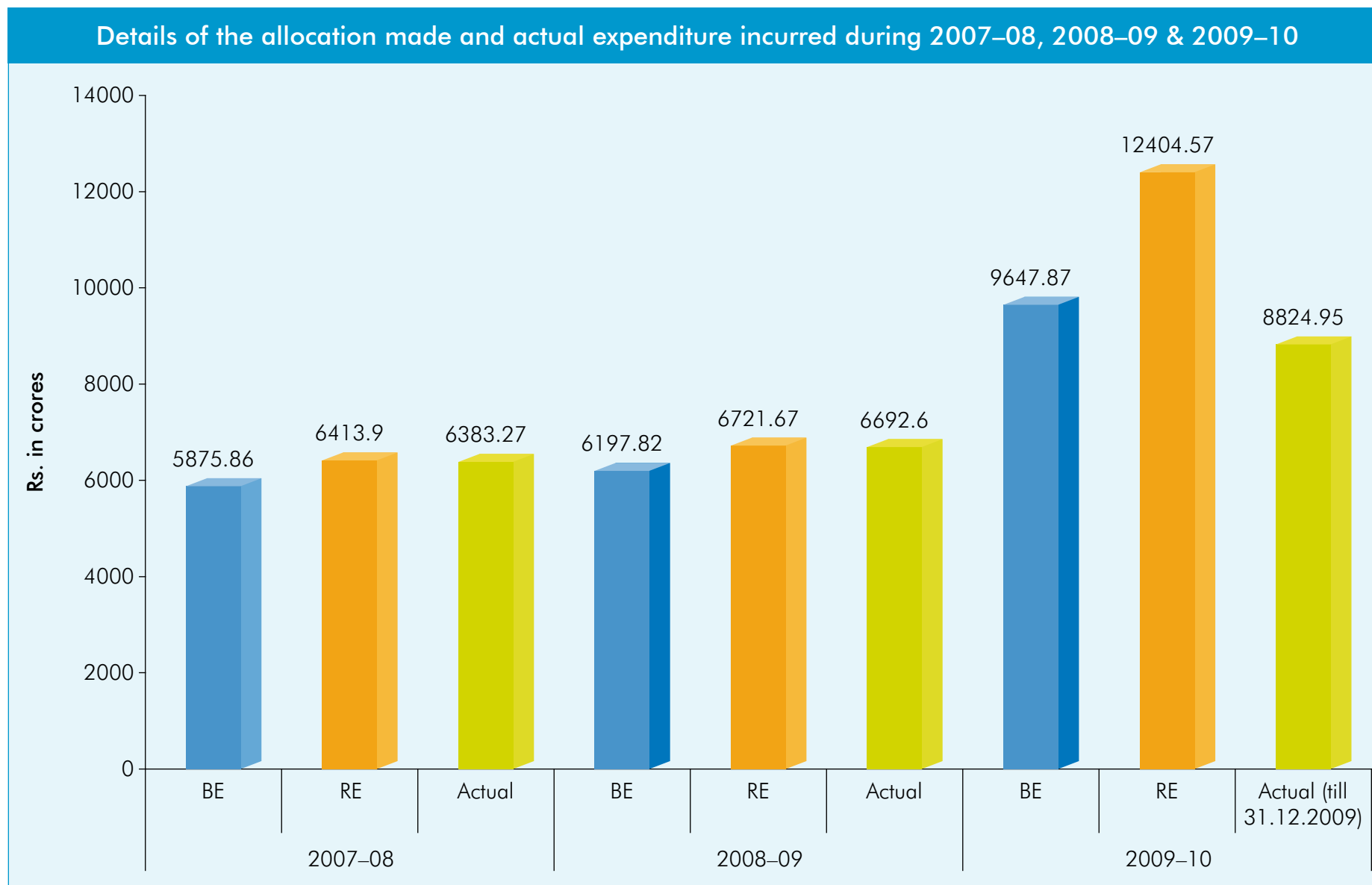
Scheme-wise financial performance during 2007–08, 2008–09 and 2009–10 is as under:

Scheme	(Rs. in crore)								
	2007–08			2008–09			2009–10		
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Implementation of VAT Scheme	5.00	7.50	5.80	6.50	7.55	5.96	8.00	20.00	4.34
Setting up of Tax Information Exchange System etc.	9.00	6.50	4.00	15.00	15.00	3.89	26.65	13.29	0
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	3152.00	2558.67
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	8735.18	5979.65
Total	5509.00	6049.00	6059.16	5814.00	6314.92	6321.83	9056.15	11920.47	8542.66

The position in respect of Government Opium and Alkaloid Works, vis-vis actual expenditure in 2007–08, 2008–09 and 2009–10 on gross expenditure and revenue receipts is as under:

	(Rs. in crore)					
	Expenditure			Receipts		
	BE	RE	Actuals	BE	RE	Actuals
2007–08	231.13	224.35	205.85	258.00	300.52	286.74
2008–09	238.00	219.51	203.72	300.52	311.14	314.29
2009–10	355.32	283.27	138.97 (till 31 st December 2009)	300.97	300.97	204.26 (upto Dec. 09)

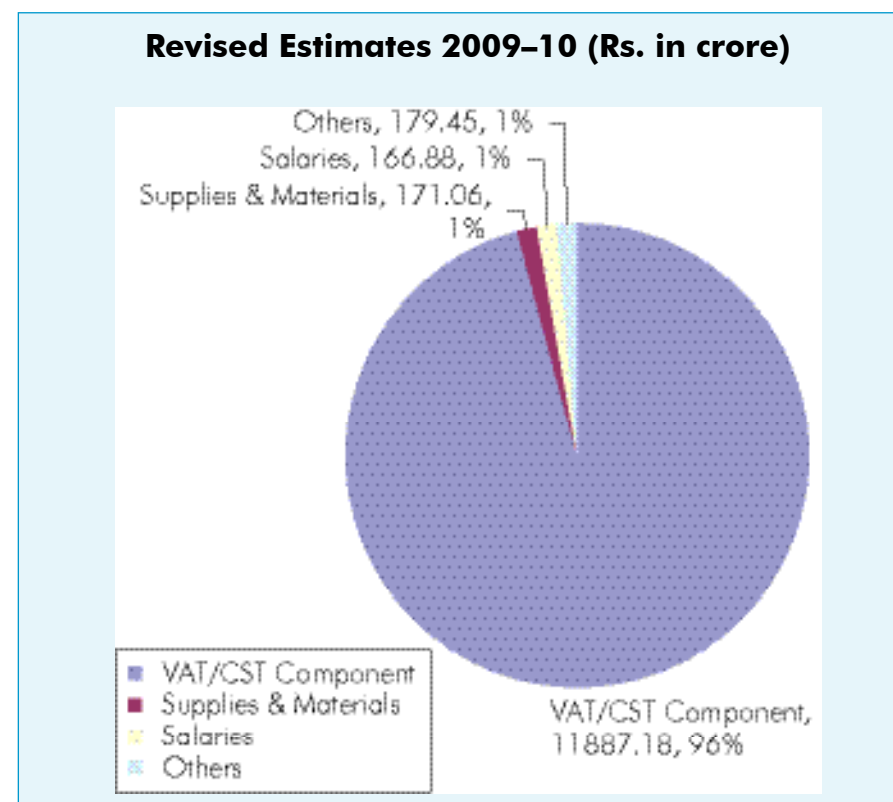
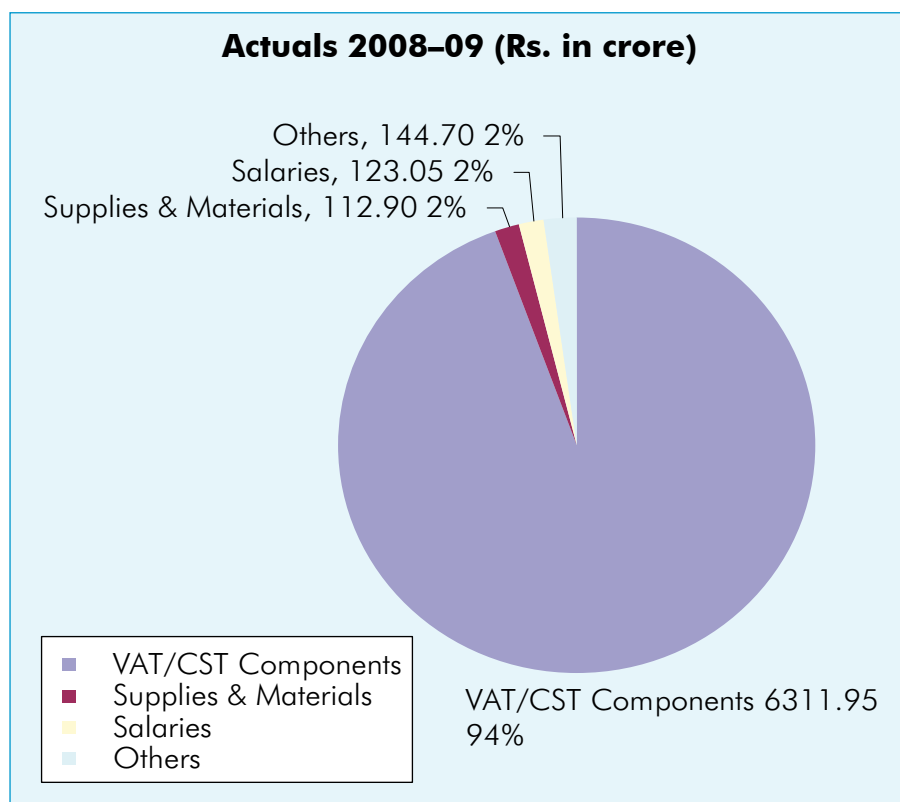
After VAT, the second major constituent of expenditure is on Govt. Opium & Alkaloid Works which constituted 3.04% of total expenditure in 2008–09. Reduction at RE stage in 2008–09 was due to less procurement of opium. Against the estimated revenue receipt of Rs. 300.52 crore for 2008–09, the revenue amounting to Rs. 314.29 crore was collected.



The actual expenditure under the grant in 2008–09 amounted to Rs. 6692.60 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. 6311.95 crore constituting 94.31% of the expenditure, Supply and material was the next major component under which expenditure of Rs. 112.90 crore was incurred constituting 1.69% of the total expenditure. This expenditure is mainly on account of procurement of opium and import of Codeine Phosphate. The expenditure on salaries was 1.84% of the

total expenditure whereas other items constituted 2.16% of the total expenditure.

In the 2009–10, the VAT/CST Compensation and VAT related expenditure has increased to Rs. 11887.18 crore constituting 95.83% of the total expenditure. The next major component is Supplies & Materials amounting to Rs. 171.06 crore which constitutes 1.38% of the total expenditure and expenditure on salaries amounting to Rs. 166.88 crore also constitutes 1.35% and other items constitute 1.45% of the total expenditure.



Statement Showing Actual Expenditure vis-à-vis BE/RE provisions for the years 2007–08, 2008–09 and 2009–10 Demand No. 42 – Direct Taxes										
(Rs. in crore)										
Description	Major Head	2007–08			2008–09			2009–10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Revenue Section										
Collection of taxes on income and expenditure	2020	1391.44	1593.27	1540.85	1620.49	2128.17	2052.96	2637.42	2798.25	1981.01
Collection of Estate Duty, Taxes on Wealth and Gift Tax	2031	130.09	148.96	146.47	151.51	198.96	195.45	246.58	21.15	0.00
Total Revenue Section		1521.53	1742.23	1687.32	1772.00	2327.13	2248.41	2884.00	2819.40	1981.01
Capital Section										
Purchase of ready built office building	4059	1.00	7.00	35.03	198.00	188.25	82.88	602.00	17.00	1.13
Purchase of ready built residential building	4216	7.47	1.19	0.00	3.00	1.00	0.00	15.00	3.10	0.00
Acquisition of immovable property under Income Tax Act	4075	2.00	2.00	0.74	2.00	1.25	0.61	1.00	0.90	0.29
Total Capital Section		10.47	10.19	35.77	203.00	190.50	83.49	618.00	21.00	1.42
Grand Total		1532.00	1752.42	1723.09	1975.00	2517.63	2331.90	3502.00	2840.40	1982.43

Object Head-wise Actual Expenditure vis-à-vis BE/RE provisions for the years 2007-08, 2008-09 and 2009-10 Demand No. 42 – Direct Taxes

(Rs. in crore)									
Description	2007-08			2008-09			2009-10		
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Revenue Section									
Salaries	910.00	899.83	879.42	958.00	1431.00	1399.95	1859.40	1859.40	1530.09
Wages	10.00	12.00	13.24	12.00	14.00	14.10	18.00	17.10	11.25
Overtime Allowance	1.35	1.20	0.91	1.20	1.08	0.72	1.20	1.05	0.39
Medical Treatment	18.00	20.00	20.33	21.00	19.95	17.55	21.00	19.95	11.02
Domestic Travel Expenses	25.00	24.59	23.18	25.00	25.00	23.83	29.00	35.00	22.26
Foreign Travel Expenses	0.15	0.56	0.20	0.75	0.68	0.23	1.00	1.00	0.28
Office Expenses (Charged)	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.00
Office Expenses (Voted)	221.98	308.50	314.07	319.98	399.98	392.83	461.98	400.04	225.70
Rent, Rates & Taxes	100.00	250.00	221.72	100.00	100.00	94.58	180.00	180.00	52.94
Publications	2.00	2.50	2.63	2.50	2.50	2.27	2.70	2.43	1.13
Banking Cash Trans. Tax	0.08	0.08	0.02	0.10	0.02	0.01	0.00	0.00	0.00
Other Administrative Expenses	5.25	5.50	5.16	5.75	7.68	6.83	10.50	11.35	8.00
Advertising and Publicity	32.00	31.75	31.29	30.00	30.00	29.91	38.00	40.00	22.79
Minor Works	4.00	6.50	5.54	7.00	7.00	7.17	7.50	7.10	1.82
Professional Services	10.00	14.50	16.46	15.00	15.00	14.55	20.00	23.00	9.03
Contributions	0.20	0.20	0.15	0.20	0.20	0.17	0.20	0.19	0.03
Secret Service Expenditure	5.00	5.00	4.83	4.00	3.80	3.23	4.00	3.80	1.82
Other Charges	4.50	4.50	2.97	4.50	4.22	2.56	4.50	4.22	0.87
Inter Account Transfer	30.00	30.00	30.00	40.00	40.00	40.00	0.00	0.00	0.00
Information Technology	142.00	125.00	115.20	225.00	225.00	197.92	225.00	213.75	81.59
Total Revenue Section	1521.53	1742.23	1687.32	1772.00	2327.13	2248.41	2884.00	2819.40	1981.01

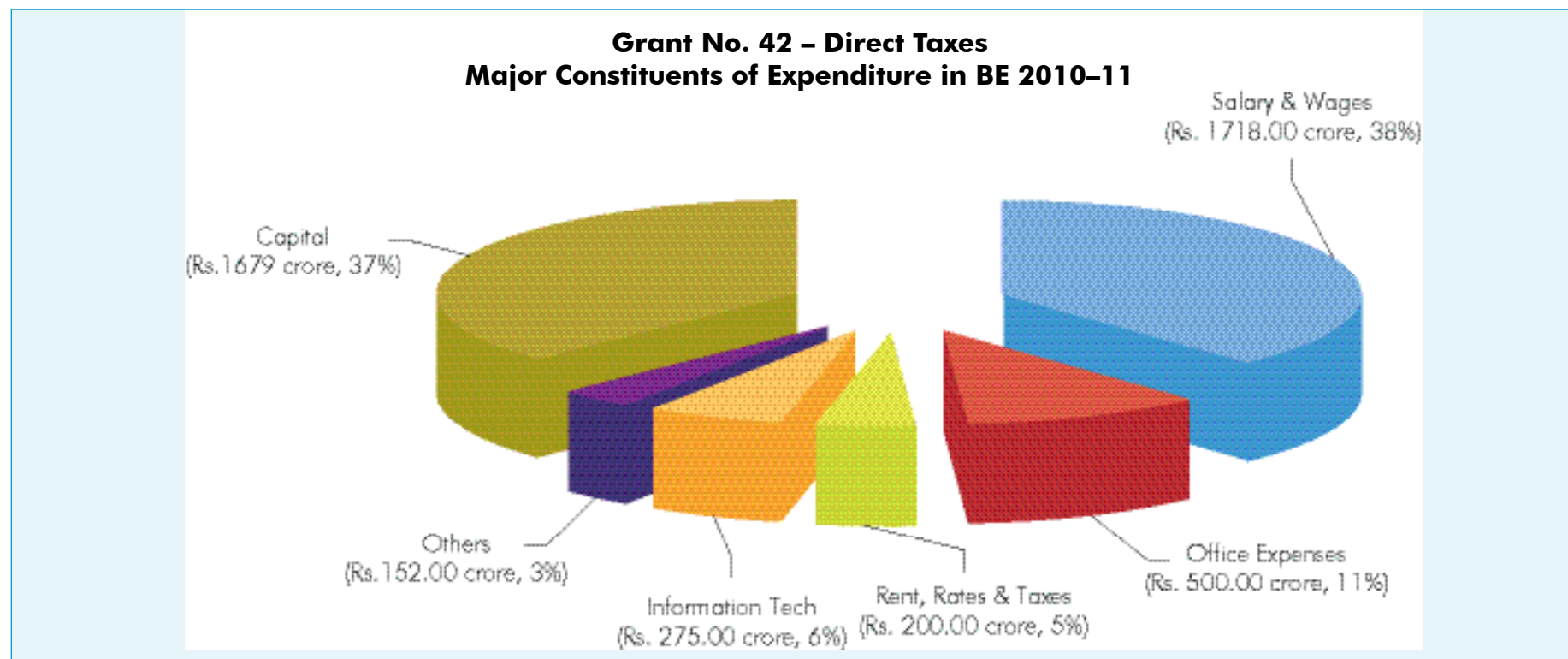
Object Head-wise Actual Expenditure vis-à-vis BE/RE provisions for the years 2007-08, 2008-09 and 2009-10 Demand No. 42 – Direct Taxes									
(Rs. in crore)									
Description	2007-08			2008-09			2009-10		
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Capital Section									
MH-4059 Acquisition of Ready Built Office Accommodation	1.00	7.00	35.03	198.00	188.25	82.88	602.00	17.00	1.13
MH-4216 Acquisition of Ready Build Flats	7.47	1.19	0.00	3.00	1.00	0.00	15.00	3.10	0.00
MH-4075 Acquisition of Immovable Property under Chapter XXC of Income Tax Act 1961	2.00	2.00	0.74	2.00	1.25	0.61	1.00	0.90	0.29
Total Capital Section	10.47	10.19	35.77	203.00	190.50	83.49	618.00	21.00	1.42
Grand Total	1532.00	1752.42	1723.09	1975.00	2517.63	2331.90	3502.00	2840.40	1982.43

Analysis of Trends in Expenditure

During 2009–10, total expenditure incurred up to 31st December 2009 is Rs. 1982.43 crore. Out of this, the expenditure under Revenue Section is Rs. 1981.01 crore which reflects an increase of 25.02% over the expenditure during the corresponding period of previous year. The main reason of this increase is the disbursement of 2nd Instalment of Sixth CPC arrears under the head 'Salaries'. Expenditure under the head 'Domestic Travel Expenses' have also increased by 48.43% over the corresponding period of previous year due to enhancement of TA

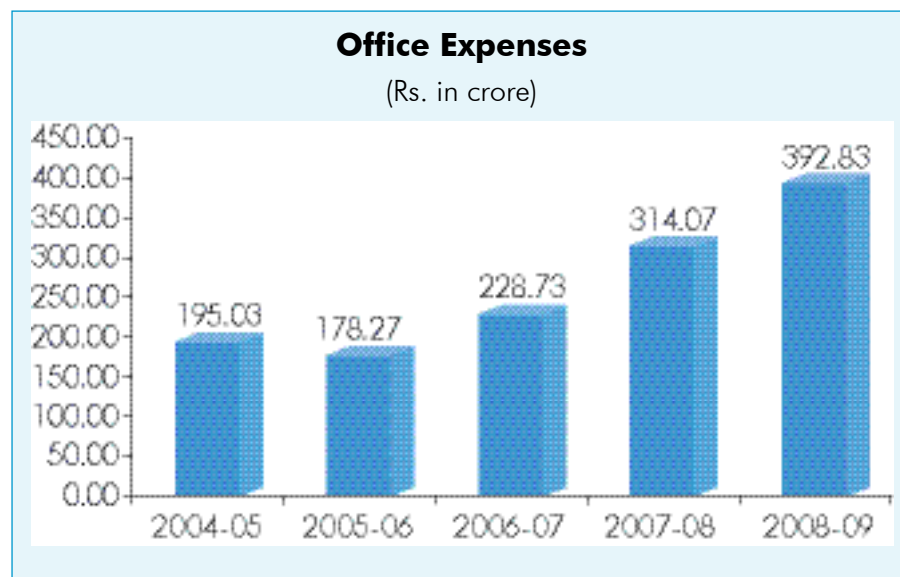
entitlements etc. Under the 'Capital Section', the expenditure is Rs. 1.42 crore reflecting a sharp decline as compared to the expenditure during the corresponding period of previous year. This is due to the reason that many works have been deferred depending upon physical progress and resource availability.

In Budget Estimates 2010–11, a total provision of Rs. 4,524.00 crore has been proposed which comprises a provision of Rs. 2,845.00 crore under 'Revenue Section' and Rs. 1,679.00 crore under 'Capital Section'. Major constituents of expenditure are shown as under:



Expenditure Trend: Office Expenses

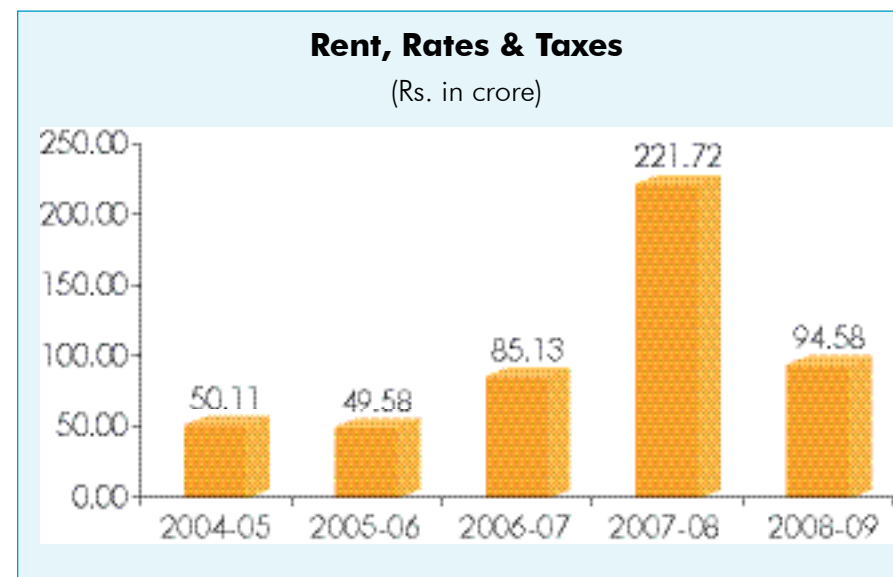
Office Expenses are incurred to meet the requirements of running of field offices of the Income Tax Department which are responsible for collection of direct taxes. The trend of expenditure under this Object head has varied as per the enhanced activities undertaken by the Department. The expenditure during 2008–09 increased by 25.08% over the preceding year. During 2009–10, the expenditure upto 31 Dec. 2009 is Rs. 225.70 crore which reflects an increase of 20.30% over the expenditure during the corresponding period of previous 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. 500.00 crore has been proposed in BE 2010–11.



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 to Rs. 94.58 crore.

During the year 2009–10, expenditure upto 31st December, 2009 is Rs.52.94 crore against the BE provision of Rs. 180.00 crore. However, it is expected to increase in subsequent months in view of revision of rent in respect of a few office buildings. A provision of Rs. 200.00 crore has been proposed in BE 2010–11.



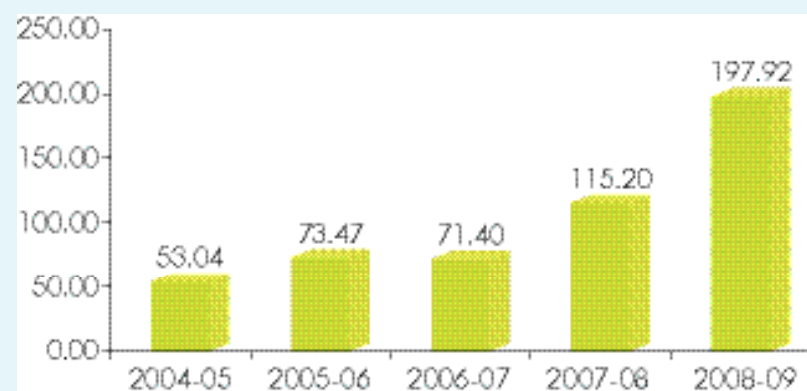
Expenditure Trend: Information Technology

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. 197.92 crore which was 71.81% higher than the expenditure incurred during the preceding year. During 2009-10, the expenditure upto 31 December 2009 is Rs. 81.59 crore which reflects an increase of 4.41% over the corresponding period of previous year. A provision of Rs. 275.00 crore has been proposed in BE 2010-11.

Information Technology

(Rs. in crore)



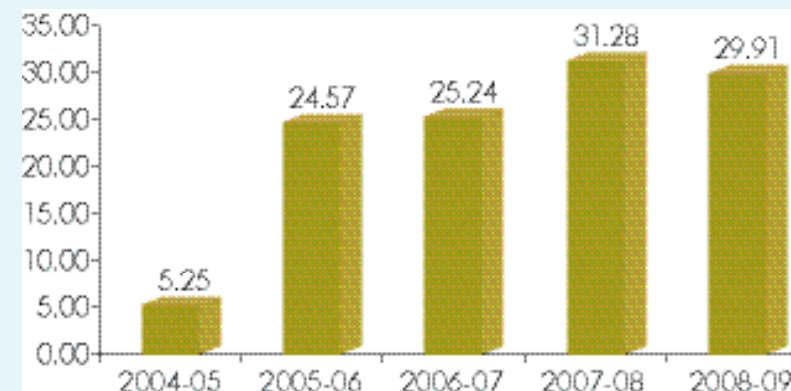
Expenditure Trend: Advertising and Publicity

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.

During 2009-10, expenditure upto 31 December 2009 is Rs. 22.79 crore which reflect an increase of 71.10% over the corresponding period of the previous year. A provision of Rs. 40.00 crore has been proposed in BE 2010-11 in view of further expansion of publicity programme.

Advertising & Publicity

(Rs. in crore)



Statement Showing Actual Expenditure vis-à-vis BE/RE provisions for the years 2007-08, 2008-09 and 2009-10 Demand No. 43 – Indirect Taxes											
(Rs. in crore)											
S. No.	Descriptions	Major Head	2007-08			2008-09			2009-10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
Revenue Section											
1	MH-2037 (Customs)										
	Collection of Customs	2037	520.87	536.35	512.24	554.75	785.25	703.40	950.29	931.86	687.67
	Customs Welfare Fund	2037	10.00	10.00	12.87	10.00	10.52	10.52	10.50	9.00	0.00
	Missions Abroad	2037	1.05	1.05	1.05	1.15	1.15	1.15	1.20	1.30	1.20
2	MH-2038 (Union Excise Duties)										
	Collection of Union Excise Duties	2038	945.65	988.44	972.47	1026.69	1505.92	1404.16	1855.67	1831.05	1481.24
	Printing of Banderols etc.	2038	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.00	0.00
	Directorate of Inspection	2038	137.44	135.37	84.02	17.78	23.49	24.94	28.62	31.51	26.46
	Systems and Data Management	2038	0.00	0.00	0.00	120.37	269.17	145.82	146.64	157.24	99.80
	Vigilance	2038	4.64	4.70	4.01	4.83	7.10	6.97	8.52	13.35	6.88
	National Academy of Customs, Excise & Narcotics	2038	14.97	16.42	11.96	13.17	19.04	20.56	21.16	26.37	18.90
	Directorate of Publicity & Public Relations	2038	26.41	24.41	8.37	23.50	22.02	18.07	24.68	24.64	4.23
	Directorate of Central Excise Intelligence	2038	18.83	22.14	20.75	20.30	28.31	23.31	32.35	31.21	19.17
	Other Offices	2038	5.92	6.10	5.73	6.24	7.36	6.53	8.35	14.54	5.96
3	MH-2216 (Housing)										
	Housing-Maintenance & Repair	2216	4.50	5.00	2.39	6.50	6.15	2.94	6.50	8.00	0.88

(Rs. in crore)											
S. No.	Descriptions	Major Head	2007-08			2008-09			2009-10		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
4	MH-3606 (Aid Material)										
	Aid Material & Equipment	3606	0.50	0.50	0.43	0.50	0.50	0.00	0.50	0.00	0.00
	Total-Revenue Section		1690.80	1750.50	1636.29	1805.80	2686.00	2368.37	3095.00	3080.07	2352.39
	Capital Section										
5	MH-4047 (Customs)										
	Acquistion of Marine Vessels	4047	50.00	50.00	26.95	100.00	100.00	99.38	120.00	102.00	44.26
	Acquistion of Container Scanners	4047	50.00	15.00	0.47	50.00	26.51	0.50	100.00	57.00	0.00
	Major Works	4047	0.20	0.20	0.00	0.20	0.20	0.00	0.20	0.20	0.00
6	MH-4059 (Office Accommodation)										
	Acquistion of Ready Built Office Buildings	4059	25.00	6.00	32.24	145.00	135.00	18.58	50.00	12.00	4.06
7	MH-4216 (Residential Accommodation)										
	Acquisition of Ready Built Residential Buildings	4216	15.00	8.00	2.62	20.00	14.29	12.80	19.80	1.80	0.30
	Total-Capital Section		140.20	79.20	62.28	315.20	276.00	131.26	290.00	173.00	48.62
	Grand Total		1831.00	1829.70	1698.57	2121.00	2962.00	2499.63	3385.00	3253.07	2401.01
	Recoveries		-1.00	-1.00	-0.78	-1.00	-1.00	-0.27	-1.00	-0.50	0.00
	Net		1830.00	1828.70	1697.79	2120.00	2961.00	2499.36	3384.00	3252.57	2401.01

Object head-wise Actual Expenditure vis-à-vis BE/RE provisions for the years 2007–08, 2008–09 and 2009–10
Demand No. 43 – Indirect Taxes

(Rs. in crore)										
S. No.	Object Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec.09)
Revenue Section										
1	Salaries	1100.00	1150.00	1140.41	1178.10	1855.00	1764.05	2301.00	2333.00	1983.53
2	Wages	7.70	7.29	6.81	7.60	8.50	7.21	10.00	10.00	7.17
3	Overtime Allowance	15.00	13.50	11.95	14.00	12.60	10.58	13.50	12.00	6.66
4	Rewards	20.00	19.00	17.89	22.50	21.50	19.87	23.00	19.00	5.98
5	Medical Treatment	25.00	24.80	22.42	27.00	26.00	20.80	27.50	22.50	12.28
6	Domestic Travel Expenses	37.30	35.80	31.86	38.00	35.00	32.23	38.00	41.80	30.74
7	Foreign Travel Expenses	0.60	0.60	0.53	0.60	0.54	0.23	0.60	0.54	0.07
8	Office Expenses	195.42	195.00	189.88	205.00	215.00	192.73	285.00	232.00	136.12
9	Rent, Rates & Taxes	74.00	88.10	72.89	90.00	103.00	89.89	103.00	120.00	45.87
10	Publications	0.85	0.86	0.66	0.90	0.95	0.77	1.13	1.00	0.52
11	Banking Cash Transaction Tax	0.29	0.26	0.06	0.26	0.02	0.01	0.02	0.00	0.00
12	Other Administrative Expenses	4.35	4.40	3.89	4.90	6.81	6.08	8.00	7.70	4.92
13	Advertising & Publicity	25.00	22.50	5.87	22.00	19.50	14.59	22.00	21.00	1.09
14	Minor Works	7.50	9.00	5.22	11.50	10.90	5.42	12.00	14.00	1.40
15	Professional Services	10.00	11.00	9.71	11.00	11.00	10.63	12.00	12.00	5.35
16	Other Contractual Services	0.50	0.50	0.43	0.50	0.50	0.00	0.50	0.00	0.00
17	Grants-in-Aid	0.07	0.07	0.05	0.09	0.09	0.05	0.10	0.09	0.01
18	Secret Service Expenditure	3.80	3.80	3.54	4.00	3.85	3.96	4.15	4.10	2.44
19	Other Charges									
	(Charged)	1.00	1.00	0.22	1.20	1.20	0.38	1.20	0.50	0.01
	(Voted)	1.42	2.02	3.92	1.65	1.62	1.53	1.80	1.84	1.44

(Rs. in crore)										
S. No.	Object Head	2007-08			2008-09			2009-10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec.09)
20	Machinery & Equipment	10.00	13.00	10.75	14.00	16.90	9.67	20.00	18.00	5.86
21	Inter Accounts Transfer	23.30	24.00	26.17	24.40	29.52	24.92	33.50	34.00	0.00
22	Deduct Recoveries	13.30	14.00	13.30	14.40	19.00	14.40	23.00	25.00	0.00
23	Information Technology	141.00	138.00	84.46	141.00	325.00	167.17	200.00	200.00	100.93
	Total-Revenue Section	1690.80	1750.50	1636.29	1805.80	2686.00	2368.37	3095.00	3080.07	2352.39
Capital Section										
	I. Major Head '4047'									
24	Acquisition of Ships & Fleets	50.00	50.00	26.95	100.00	100.00	99.38	120.00	102.00	44.26
25	Acquisition of Anti Smuggling Equipment	50.00	15.00	0.47	50.00	26.51	0.50	100.00	57.00	0.00
26	Major Works	0.20	0.20	0.00	0.20	0.20	0.00	0.20	0.20	0.00
	Total-Major Head '4047'	100.20	65.20	27.42	150.20	126.71	99.88	220.20	159.20	44.26
	II. Major Head '4059'									
27	Purchase of Ready Built Office Accommodation	25.00	6.00	32.24	145.00	135.00	18.58	50.00	12.00	4.06
	III. Major Head '4216'									
28	Purchase of Ready Built Residential Accommodation	15.00	8.00	2.62	20.00	14.29	12.80	19.80	1.80	0.30
	Total-Capital Section	140.20	79.20	62.28	315.20	276.00	131.26	290.00	173.00	48.62
	Grand Total	1831.00	1829.70	1698.57	2121.00	2962.00	2499.63	3385.00	3253.07	2401.01
	Recoveries	1.00	1.00	0.78	1.00	1.00	0.27	1.00	0.50	0.00
	Net	1830.00	1828.70	1697.79	2120.00	2961.00	2499.36	3384.00	3252.57	2401.01

Analysis of Trends in Expenditure

During 2008–09, total expenditure of Rs. 2499.63 crore was 47.16% more than the expenditure of Rs. 1698.57 crore incurred in 2007–08. In Revenue Section, the increase is 44.74% 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 110.76% 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.

In 2009–10, total estimated expenditure of Rs. 3253.07 crore is 30.14% more than the expenditure of Rs. 2499.63 crore incurred in 2008–09. In Revenue Section, the anticipated increase is 30.05% which is mainly due to enhancement of pay and allowances and payment of 60% arrear consequent upon revision of pay after implementation of recommendations of 6th Central Pay Commission, 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, more expenditure on hired accommodation and computerization of the Department.

Under Capital Section, there is anticipated increase of 31.80% in 2009–10 vis-à-vis expenditure in 2008–09. This is on account of anticipated payment towards lease rent for acquisition of land from concerned Port authorities for installation of scanners and for advance payment for procurement of scanners.

Expenditure under 'Advertising and Publicity' was Rs. 14.59 crore in 2008–09, 148.55% more than the expenditure of Rs. 5.87 crore in 2007–08. This

is on account of more emphasis on publicity programme in general and clearance of bills pertaining to previous year. The estimated expenditure for 2009–10 is Rs. 21.00 crore which is 43.93% more on account of wider campaigns on Service Tax Provision regarding new services added.

Under 'Information Technology' expenditure during 2008–09 was Rs. 167.17 crore which is 97.93% more than the expenditure of Rs. 84.46 crore incurred in 2007–08 because of progress in implementation of some of the components of consolidation of computerization programme during 2008–09. For 2009–10, estimated expenditure of Rs. 200.00 crore is 19.64% more than the expenditure incurred in 2008–09 because of implementation of most of the components of consolidation project during 2009–10.

For procurement of Marine Vessels, expenditure during 2008–09 was Rs. 99.38 crore which is 268.76% more than the expenditure of Rs. 26.95 crore incurred in 2007–08 because of scheduled payment to the Boat Builders for construction and delivery of boats. Expenditure of Rs. 102.00 crore is likely to be incurred during 2009–10 towards scheduled payments for vessels. Out of 109 vessels to be procured, 78 vessels (15 in Category-I and 30 in Category III-A and 33 in Category III-B) have been delivered to the Department by December, 2009.

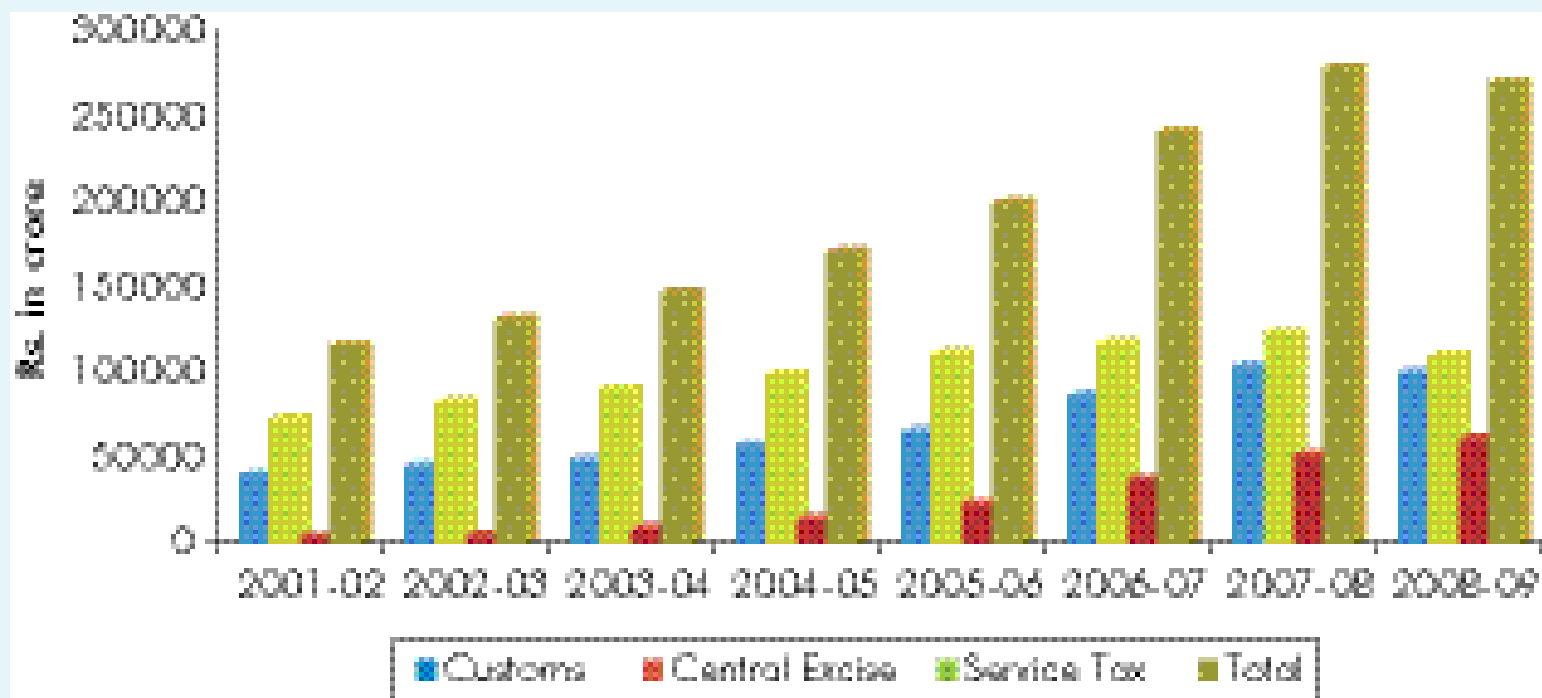
For procurement of container scanners, expenditure during 2008–09 was Rs. 0.50 crore which is 6.38% more than the expenditure of Rs. 0.47 crore incurred in 2007–08. This was because of sanction of payment towards acquisition of land at Tuticorin for installation of scanners. During 2009–10, expenditure of Rs. 57.00 crore is likely to be incurred towards payment of lease rent for acquisition of land from concerned Port authorities for installation of scanners and for advance payment for procurement of scanners.

For acquisition of office accommodation, expenditure during 2008–09 was Rs. 18.58 crore against Rs. 32.24 crore in 2007–08. This included

balance payment in respect of purchase of building at Mumbai from Specified Undertaking of Unit Trust of India and advance payment for interior work at office accommodation at NBCC Plaza, New Delhi. For 2009–10, estimated expenditure is Rs. 12.00 crore towards part payment for interior work being done in office accommodation at NBCC Plaza, New Delhi and token amount for building to be purchased for LTU, Kolkata.

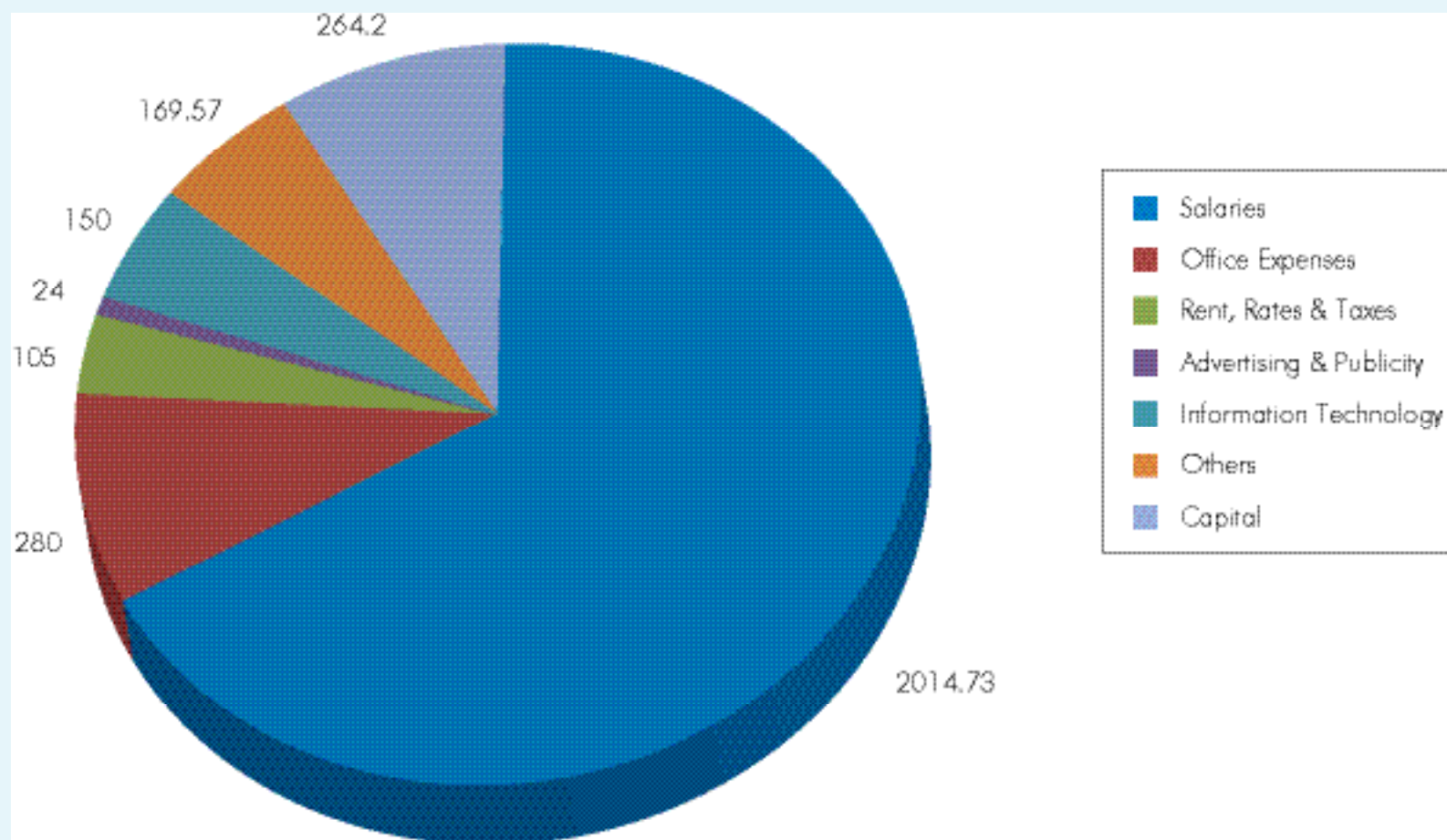
For acquisition of residential accommodation, expenditure during 2008–09 was Rs. 12.80 crore which is 388.54% more than the expenditure of Rs. 2.62 crore incurred in 2007–08 because of payment made in respect of purchase of 67 flats at National Games Housing Complex, Ranchi. For 2009–10, estimated expenditure of Rs. 1.80 crore is 85.94% less than the expenditure incurred in 2008–09 because no fresh project was cleared during the year.

Collections from Indirect Taxes

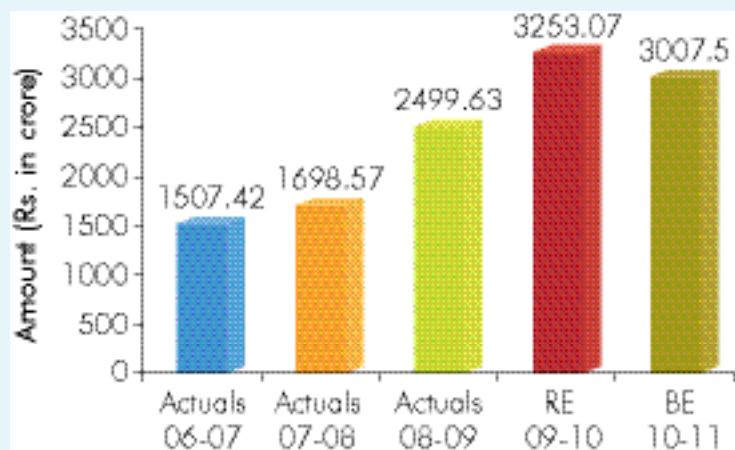


Major Constituents of Expenditure under the Grant of Indirect Taxes in BE 2010-11

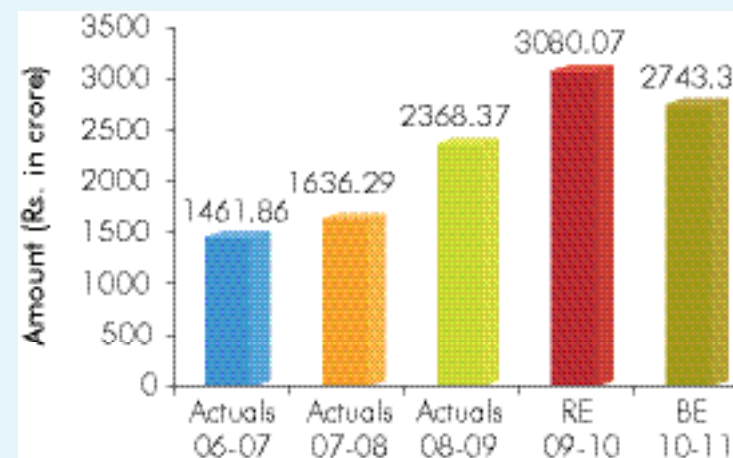
(Rs. in crore)



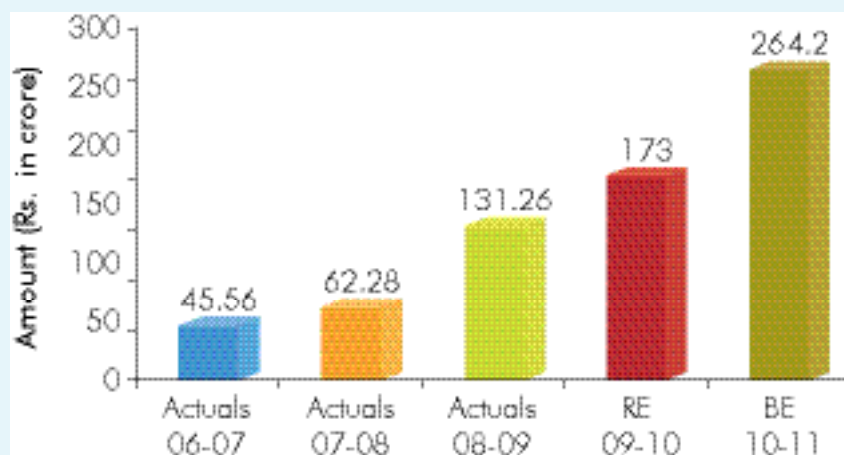
Total Expenditure



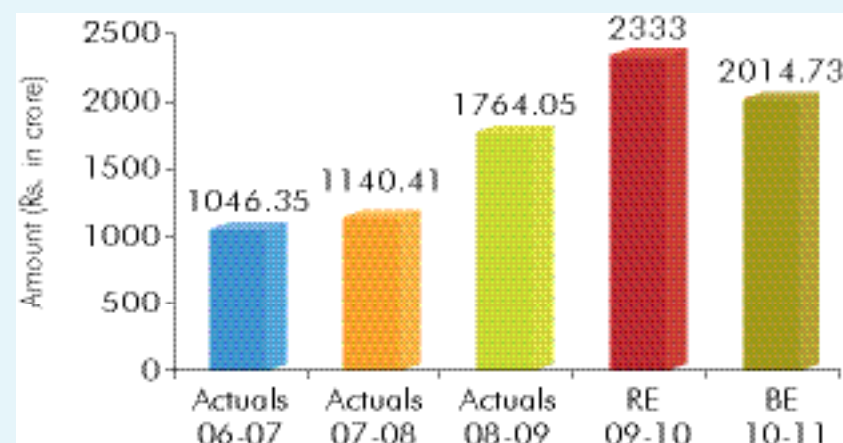
Revenue Expenditure



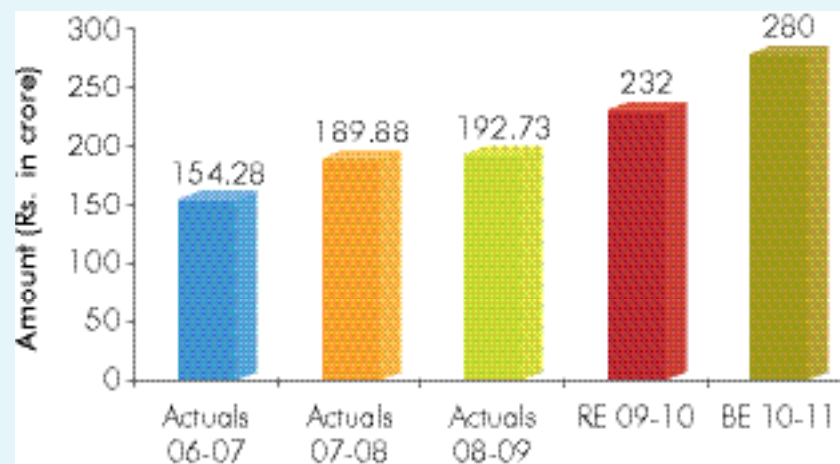
Capital Expenditure



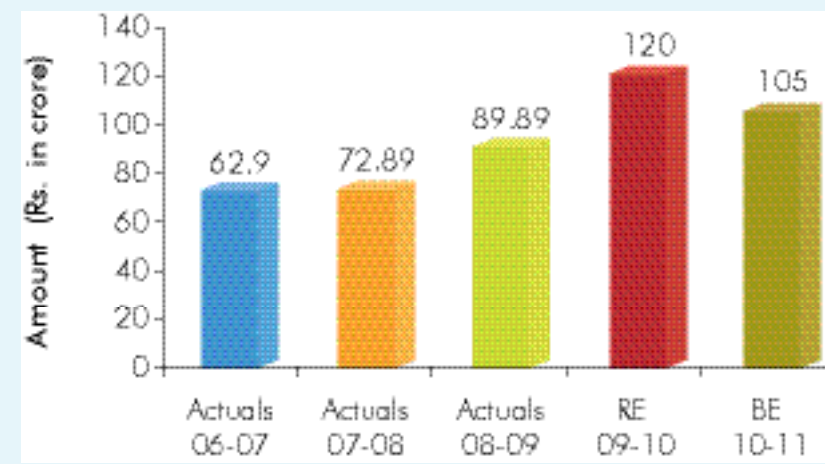
Expenditure under Salaries



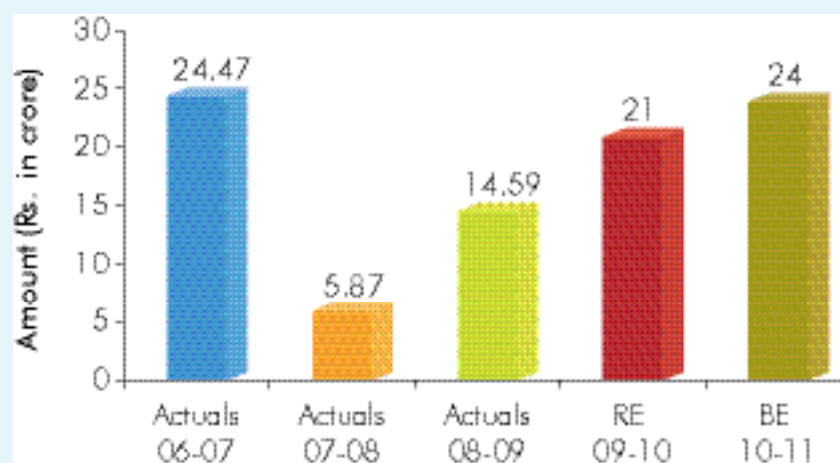
Expenditure under Office Expenses



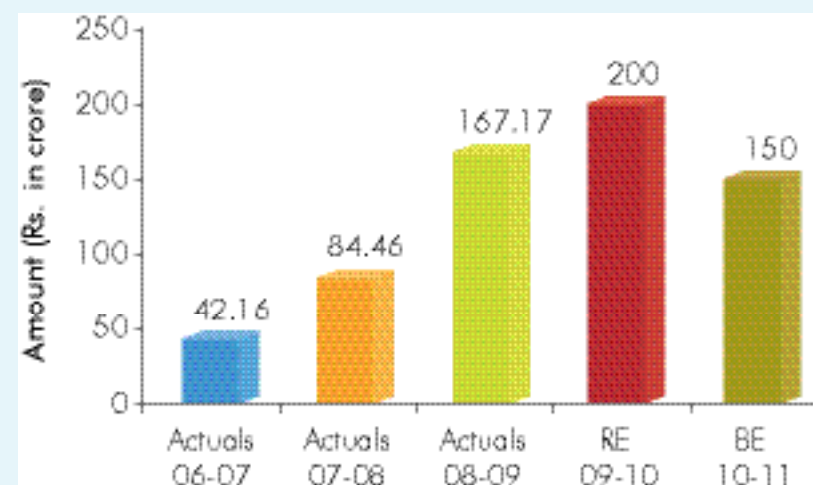
Expenditure under Rent, Rates & Taxes



Expenditure under Advertising & Publicity



Expenditure under Information Technology



Object Head-wise Actual Expenditure vis-à-vis BE/RE provisions for the years 2007–08, 2008–09 and 2009–10 Demand No. 44 – Department of Disinvestment

(Rs. in crore)										
S. No.	Description	2007–08			2008–09			2009–10		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto Dec. 09)
	REVENUE SECTION									
1	Salaries	1.50	1.50	1.33	1.80	2.37	2.08	3.06	3.06	2.52
2	Wages	0.00	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	0.02	0.01	0.00
4	Medical Treatment	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.02	0.02
5	Domestic Travel Expense	0.06	0.05	0.05	0.04	0.04	0.05	0.05	0.04	0.02
6	Foreign Travel Expenses	0.02	0.02	0.01	0.05	0.04	0.00	0.04	0.10	0.01
7	Office Expenses	0.34	0.32	0.32	0.50	0.40	0.40	0.50	0.45	0.36
8	Publication	0.00	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.00
9	Other Administrative Expenses	0.00	0.01	0.01	0.01	0.01	0.02	0.03	0.02	0.01
10	Professional Services	2.00	6.01	5.79	18.45	15.93	10.28	15.00	38.46	2.13
11	Information Technology (other charges)	0.05	0.05	0.03	0.10	0.07	0.07	0.05	0.03	0.01
	Total Revenue Section	4.00	8.00	7.57	21.00	18.90	12.94	18.78	42.20	5.08
	Capital Section	3302.00	3302.00	3302.00	2330.00	2330.00	326.89	2240.00	0.00	0.00
	Grand Total	3306.00	3310.00	3309.57	2351.00	2348.90	339.83	2258.78	42.20	5.08

(Note: Under Capital section, the expenditure in respect of disinvestment receipts has been shown in Gross terms. In 2008–09, after adjustment of recoveries as reduction in expenditure, the net expenditure was Rs. 163.45 crore which actually pertained to the transfer of disinvestment proceeds in respect of REC Limited realized in the preceding year).

Analysis of Trends In Expenditure

The overall Revenue expenditure under this Grant was Rs. 7.57 crore in 2007–08, 12.94 crore in 2008–09 and Rs. 5.14 crore in 2009–10 upto

December 2009. This expenditure is mainly to meet the requirements of the Secretariat of the Department. There is Nil expenditure under Capital section during this financial year.



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

6

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. Security Printing and Minting Corporation of India Limited (SPMCIL) is a Government owned Corporation, under the administrative control of the Department of Economic Affairs. The details about this organisation are as under:

Security Printing & Minting Corporation of India Ltd

The Security Printing & Minting Corporation of India Ltd. (SPMCIL) was incorporated on 13th January, 2006 with Headquarters at New Delhi for managing 9 units (four India Government Mints; two Bank Note Presses , two Security Presses and one Security Paper Mill) which were being managed directly by the Department of Economic Affairs. The employees of the said nine 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. 1st 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. The said Corporation is headed by a Chairman & Managing Director along with three functional Directors, viz., Director (HR), Director (Tech.) and Director (Finance).

As per accounts of the Corporation for the period from 1st April, 2008 to 31st March, 2009, the Corporation has assets worth Rs 4424.40 crores as against Rs 4155.09 crores as on 31st March, 2008 and a consolidated profit after tax amounting to Rs. 433.83 crores on total turnover of Rs. 2557.18 crores. The corporation is now a Mini Ratna company because of regular profits for more than 3 years.

Reserve Bank of India is the sole Client for the two currency presses for currency notes. For another two security presses, the State Governments are the clients for non judicial stamp papers and allied stamps and postal department for postal stationery, stamps etc. Security presses also produce various security items like cheques for various clients and passport, visa stickers and other travel documents for Ministry of External Affairs. Similarly, the RBI is the sole client for the different denomination of coins which are minted by the India Government Mints and are circulated through the RBI in the whole of the country. Mints are also minting Commemorative Coins, medal for distribution through corporate entities though small payments are received from individuals for commemorative coins etc.

The Corporation has taken various steps to envisage modernization of security paper mill, enhancement of capacity of security paper production, modernization of currency printing unit and automation of various activities.

A Statement indicating projects under implementation and sanctioned by the Board of SPMCIL for the year 2009–10, 2010–11 is as under:

(Rs. in crore)					
Name of Project	Sanctioned Cost	Scheduled date of completion	Total expenditure planned during 2010–11	Likely date of completion	Remarks
Single Note Examination & Processing Machine	200000	31.03.2011	200000	31.03.2011	To increase the capacity/production
Semi finishing machines (Counting Banding & Shrink Wrap Label Machine)	120000	31.03.2011	120000	31.03.2011	To increase the capacity/production
Online Print Quality Inspection Section	340000	31.03.2011	340000	31.03.2011	To increase the capacity/production
Ultra violet varnish Quotating Machine	100000	31.03.2011	100000	31.03.2011	To increase the capacity/production
Coining Presses 4 Nos.	200222	31.03.2010		31.03.2010	To increase the capacity/production
Blanking Line (1 no.)	209155	31.03.2010		31.03.2010	To increase the capacity/production
Micro perforation m/c	150000	31.03.2011	150000	31.03.2011	To increase the capacity/production
6 colour offset sheet fed machine	200000	31.03.2011	200000	31.03.2011	To increase the capacity/production
Retrofitting of APMS unit of e-passport with new gumming m/c	115000	31.03.2010		31.03.2010	To increase the capacity/production
New e-passport mfg. complete line	265000	31.03.2011	265000	31.03.2011	To increase the capacity/production
Schuler Coining Press	105200	31.03.2010		31.03.2010	To increase the capacity/production
Blanking Line	245000	31.03.2010		31.03.2010	To meet the entire demand of coins of the country
Finishing Line Fully auto	130000	31.03.2010		31.03.2010	To increase the capacity/production
Envelope Making Mc	190000	31.03.2011	190000	31.03.2011	To increase the capacity/production
New Pulp Plant	600000	31.03.2011	600000	31.03.2011	Production of paper as import substitute
Slitting/Rewinding Machine & Cutter	100000	31.03.2011	100000	31.03.2011	To increase the capacity/production
Mould Cylinder (4 Nos.)	100000	31.03.2011	100000	31.03.2011	To increase the capacity/production
Upgradation of Paper Machine	300000	31.03.2011	300000	31.03.2011	To increase the capacity/production
Centrifugal Finishing Lines Fully Automatic	120829	31.03.2010		31.03.2010	To increase the capacity/production
Coining Press	150447	31.03.2010		31.03.2010	To meet the entire demand of coins of the country
Blanking Line	208727	31.03.2010	208727	31.03.2010	To meet the entire demand of coins of the country

(Rs. in crore)					
Name of Project	Sanctioned Cost	Scheduled date of completion	Total expenditure planned during 2010-11	Likely date of completion	Remarks
Online Inspection system for super simultaneous, intaglio and numbering machines	150000	31.03.2011	150000	31.03.2011	To increase the capacity/production
one line printing and finishing machine	2330000	31.03.2011	2330000	31.03.2011	To increase the capacity/production
ERP Hardware etc	350000	31.03.2011	350000	31.03.2011	To improve MIS and control
Purchase of ready built flats for officers	100000	31.03.2011	100000	31.03.2011	To increase the capacity/production
Guest House and Training Centre at Noida	100000	31.03.2011	100000	31.03.2011	To extend trainings to employees
Other Machines	2958173	31.03.2011	2958173	31.03.2011	To increase the capacity/production
Total	8861900		8861900		

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, refinance loans granted for agricultural development by State Cooperative Banks (SCBs), State Cooperative Agriculture and Rural Development Banks (SCADRBs), Scheduled Commercial Banks and Regional Rural Banks (RRBs), and provides direct financial assistance to certain types of institutions as approved by the Central Government.

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

2007-08			2008-09		2009-10 (As on 12.02.2010)	
(Rs. in crore)						
Agency	Sanctioned	Max O/S	Sanctioned	Max O/S	Sanctioned	Max O/S
Cooperative Banks	15199.50	13599.70	20053.25	17412.37	16488.49	12262.77
RRBs	3091.61	2752.72	4829.26	4068.65	6397.05	5200.70
Total	18291.11	16352.42	24882.51	21481.02	2285.54	17463.47

Medium Term Conversion loan is also provided to Cooperative Banks and Regional Rural Banks to support farmers who are unable to repay production credit dues to the banks due to natural calamities. Refinance is provided to all Rural Financial Institutions including Commercial Banks for investment purposes in farm and off farm activities leading to increased production and incremental income to farmers and entrepreneurs. The investments

financed include minor irrigation, land development, farm mechanization, allied agricultural activities such as plantation and horticulture, dairy, poultry, sheep/goat/piggery, fishery, storage and market yards, rural housing, non-farm sector activities etc. These investments lead to private capital formation in rural areas, The Bank has provided refinance for such purposes during the last three years (including SHG financing) as under:

(Rs. in crore)			
Agency	Disbursed during 2007–08	Disbursed during 2008–09	Target for 2009–10
SCADRBs	1950.58	1986.54	2290.00
SCBs	826.55	801.51	1040.50
Commercial Banks	3951.73	5867.19	6085.50
RRBs	2313.99	1879.04	1879.00
PUBs/ADFCs	3.42	1.01	5.00
Contingencies			500.00
Total	9046.27	10535.29	11800.00

National Housing Bank

The NHB was set up by the National Housing Bank Act, 1987 as a principal agency to promote housing finance institutions (HFCs) and to provide financial and other support to such institutions. The main activities of NHB include re-finance to Banks and HFCs. At present, there are 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 (July-June)	2007-08	2008-09 (as on 30.06.09)	2009-10
Loans & Advances (o/s)	17671.17	16850.96	Figures not available
Disbursements	9036.38	10889.03	
Total Assets	19897.90	19927.29	
Net NPAs	0.00	0.00	
Profit After Tax	169.70	235.62	
CRAR (%)	24.51	18.19	

The following programmes are presently under implementation of the NHB:

Performance				
(Rs. in crore)				
Programmes	Government Assistance	2007-08	2008-09 (as on 30.6.09)	2009-10 up to Dec., 2009
1. Golden Jubilee Rural Housing Refinance Scheme (GJRHS) - Monitoring & Refinancing	-	3856.19	718.44	689.00
2. Regular Refinance Scheme	1760.33 (RHF)	4730.70	4393.89 3979.81 (SRF)	942.72 100.00 (SRF), 724.84 (RHF)
3. Project Finance Scheme including MFIs (mainly for EWS/LIG)	-	449.49	35.41	5.18

The following information/status is in respect of (a) Rural Housing Fund (RHF) from NHB, (b) Special Refinance Facility, (c) Reverse Mortgage Loan, and d) 1% Interest Subvention on housing Loans up to Rs. 10 lakh for inclusion in the Outcome Budget, 2010–11 in respect of Ministry of Finance:

(Rs. in crore)			
	2008–09	2009–10	Total
Amount Allocated by RBI	2000.00 (in two allocations of Rs.1000 each)	2000.00 (in one allocation)	4000.00
Amount Deposited by Banks	1760.33	998.68	2759.01
Amount Disbursed under RHF	1761.48	803.52	2565.00

(a) Rural Housing Fund (RHF): In the first year of RHF in the year 2007–08 (July to June), NHB had disbursed the amount of Rs. 1761.48 crore against the amount of Rs. 1760.33 crore received during the period under the RHF. During the current year 2009–10, NHB has so far disbursed Rs. 803.52 crore against the allocated amount of Rs. 2000.00 crore. It is expected that NHB will be fully disbursing the amount of Rs. 2000.00 crore during the year July 2009-June 2010.

(b) Special Refinance Facility of RBI (SRF): This facility was extended by the RBI to NHB for providing temporary liquidity to the Housing Finance Companies upto March 31, 2010 when the entire amount of Rs. 4000.00 crore. is payable back to RBI. The month-wise position of the SRF is furnished below for the period December 2008 to December 2009.

As on 21.01.2010 the total disbursement outstanding under SRF is Rs. 3429.44 crore.

(Rs. in crore)		
Month	Amount Outstanding	Amount Disbursed
December 2008	720.00	718.00
January 2009	2118.00	1400.00
February 2009	2960.24	842.24
March 2009	3220.24	260.00
April 2009	3498.24	278.00
May 2009	3805.24	307.00
June 2009	3979.81	174.57
July 2009	3758.17	-

(c) Reverse Mortgage Loan

- ◆ Pursuant to the announcement made in Budget 2007–08 (Para 89) by the Hon'ble Finance Minister regarding introduction Reverse Mortgage, NHB came out with Reverse Mortgage Loan draft operational guidelines in May 2007 to be implemented by Primary Lending Institutions, (PLIs) viz. Scheduled Commercial Banks and Housing Finance Companies.
- ◆ In the Union Budget 2008–09, the Income-tax Act, 1961 was amended. The amendments were (i) A new sub-section (xvi) to Section 47 of the Income Tax Act providing that reverse mortgage would not amount to "transfer" and (ii) insertion of a new sub-section (43) under Section 10 of the Income Tax Act to the effect that the stream of payments received by the senior citizen under RML scheme made and notified by the Central Government would not be treated as "income". Consequent to these amendments, a borrower, under this scheme, will be liable to income tax (in nature of tax on Capital Gains) only at the point of alienation of the mortgaged property by the mortgagee for the purposes of recovering the loan.
- ◆ The Reverse Mortgage Scheme has been notified by the Government of India vide the notification number S. O. 2310 (E), 30th September, 2008.

- ◆ NHB has now launched an extension of the RML product viz. Reverse Mortgage Loan enabled Annuity (RMLeA), in association with Star Union Dai-ichi Life Insurance Co. Ltd., thereby extending the maximum disbursement period of loan from 20 years to lifetime.
- ◆ As per information available, 23 Banks and 2 HFCs have launched RML and around 5811 RMLs aggregating to about Rs. 1,113.66 crore sanctioned (as on Dec. 31, 2009), which is as follows:

(Rs. in crore)			
No.	Name of Banks/HFCs	No. of Accounts	Amount Sanctioned
1	State Bank of India	4,865	916.99
2	Punjab National Bank	159	69.20
3	State Bank of Hyderabad	92	22.69
4	Corporation Bank	122	23.54
5	Indian Bank	116	16.47
6	State Bank of Travancore	89	16.03
7	Vijaya Bank	27	8.32
8	Central Bank of India	31	4.10
9	Bank of Baroda	40	9.11
10	Axis Bank	29	7.52
11	Union Bank of India	21	4.23
12	State Bank of Bikaner & Jaipur	7	0.99
13	Punjab & Sind Bank	32	1.95
14	UCO Bank	18	2.42
15	Dewan Housing Finance Ltd	8	1.16
16	Andhra Bank	20	3.05
17	State Bank of Indore	33	4.80
18	The Federal Bank	1	0.24
19	State Bank of Mysore	92	0.20
20	United Bank of India	6	0.47
21	Allahabad Bank	1	0.12
22	Canara Bank	2	0.06
Total		5,811	1,113.66

- ◆ NHB's Reverse Mortgage Loan Counselling Programme introduced on a 'pilot' basis, in association with reputed NGOs. Six Counselling Centres have been established at New Delhi, Hyderabad, Chandigarh, Kolkata and Bengaluru including one at Head Office of NHB in New Delhi.
- ◆ Two Toll free Helplines, at NHB (1-800-115-432) and a Call Centre of Harmony Foundation for Silvers at Mumbai (1-800-100-1111) also made available whereby Senior Citizens from anywhere in India may seek information on RML Toll free numbers
- ◆ NHB has been widely disseminating information on RML. Seminars/workshops/interactions have been held at different centres such as Delhi, Mumbai, Hyderabad, Chandigarh, Faridabad, Kolkata, Pune, Mysore, Bengaluru.
- ◆ A separate section on RML is made available on NHB's website.

(d) 1% Interest Subvention on Housing Loans upto Rs. 10.00 lakh

The Finance Minister had announced a Scheme of 1% Interest Subvention on Housing Loan up to Rs. 10 lakh. An allocation of Rs. 1,000 Crore was also announced for the purpose.

Pursuant to the above mentioned announcement, the Government of India has approved a Scheme of Interest Subvention on Housing Loan up to Rs. 10 lakh, provided the cost of the unit does not exceed Rs. 20 lakh. The Scheme will be implemented throughout the country and will be in operation for a period of 1 year starting from 1st October, 2009 to 30th September, 2010. Interest subsidy of 1%, by way of reduction in interest rate by 100 basis points per annum, will be applicable for first 12 months of eligible loans sanctioned and disbursed during the currency of the Scheme.

The Scheme will be implemented through the Scheduled Commercial Banks (SCBs) and Housing Finance Companies (HFCs) registered with National Housing Bank (NHB). The Reserve Bank of India (RBI) and NHB will be Nodal Agencies for the Scheme for SCBs and HFCs respectively.

The Government has allocated a sum of Rs. 700.00 crore for implementation of the Scheme during the financial year 2010-11. The Scheme guidelines along with operational modalities have been circulated among the HFCs. National Housing Bank has forwarded claims totaling Rs. 88.19 lakh from 4 HFCs for release of interest from the Department of Financial Services.

India Infrastructure Finance Company Limited (IIFCL)

The 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. 1800.00 crore.

Since commencement of operations in April 2006 till December, 2009, the Company has sanctioned Rs. 21,001 crore in 125 infrastructure projects in sectors like roads, power, airport, ports and urban infrastructure. These projects involve a total cost of Rs. 1,72,497 crore. Of the total number of 125 projects sanctioned, financial closure has been achieved in 121 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 December, 2009 stood at Rs. 7110.16 crore in 97 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

December 31, 2009, the paid up capital of the Bank was Rs. 1400.00 crore as against the authorized capital of Rs. 2000.00 crore.

During the financial year 2008–09, the Bank approved loans of Rs. 33628 crore as against Rs. 32805 crore during 2007–08. Disbursements during the year amounted to Rs. 28933 crore, as compared to Rs. 27159 crore during the previous year. Loan assets reached Rs. 30318 crore as on December, 31, 2009. Profit after tax amounted to Rs.477 crore during financial year 2008–09 as against profit after tax of Rs. 333 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. 34505 crore as on March 31, 2009. As on March 31, 2009, 222 project export contracts valued at Rs. 71468 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. 21825 crore under execution in 17 countries, by 17 companies, were secured during the current financial year 2008–09.

Pension Fund Regulatory and Development Authority (PFRDA)

The New Pension System (NPS) has been introduced by the Government of India with a view to develop the pension sector. It has been made mandatory for all new recruits to the Government (except armed forces) with effect from 1st January, 2004 and has also been rolled out to all citizens with effect from 1st May, 2009 on a voluntary basis.

The NPS architecture is transparent and web-enabled. It allows a subscriber to monitor his/her investments and returns. The subscriber has the choice of choosing his/her Fund Manager and investment options,

apart from being able to switch his/her investment options/Pension Fund Managers over time. The facility for seamless portability is designed to enable subscribers to maintain a single pension account throughout the saving period.

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

So far, 25 State Governments/UT Governments have notified to join the NPS. Of these, 9 (nine) States have already signed agreement with NPS Trust and 17 (Seventeen) States/UTs have signed agreements with CRA for carrying forward the implementation of the New Pension System. The other States are at different stages of preparation for roll out of NPS. In addition, over 7.5 lakh employees of the Central and various states Government are already a part of the NPS. The corpus being managed under the NPS has crossed Rs. 3000 crore.

The Department of Posts, has also been appointed as a POP in November, 2009. The Department of Posts has proposed to initially start with 817 branches and eventually extend its NPS network to all of its electronically connected branches. PFRDA considers it a major milestone in the development of the pension sector, as the partnership with the Department of Posts will enable it make NPS available within the easy reach of all

citizens in the remotest corners of the country. In addition, PFRDA appointed 7 more entities as POPs in December 2009, giving further fillip to the NPS distribution network. Several new initiatives were started like: adding a Tier II to the NPS that will serve as a savings account for the pension subscriber with effect from 1st December, 2009, and development of CRA-Lite-a low cost version of NPS meant to enroll people of lower economic strata like self help groups, affinity groups etc. The maximum entry age under the NPS has been increased to 60 years, as against the prevailing 55 years to enable more people to join the NPS.

Under the NPS for all citizens, a subscriber has the facility to open NPS account at any of the registered branches (880 branches so far) of the Twenty nine (29) 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 is available on the website of PFRDA (www.pfrda.org.in) as well as the website of other NPS intermediaries.

In the first year of their operation i.e. FY 2008–09, the three pension fund managers appointed for the government sector provided a weighted average annual return of 14.82% on the corpus managed by them.

PFRDA has taken keen interest in participating in international forums for the development of pension sector and exchange of views in the field of regulation and supervision of the pension sector. The pension reforms in India have generated widespread international interest, and PFRDA has been elected a member of the Executive Committee of the International Organization of Pension Supervisors (IOPS), giving PFRDA opportunity to benefit from the international experience and participate in the process of evolution of international standards and best practices.

It is important that the pension reforms in India are carried forward. Substantial interest has been generated in the defined contribution

pension schemes and market related investments, notwithstanding the turbulence in the financial sector. Pension funds, with their long investment horizons, have the inherent advantage of providing the stabilising force to the financial markets. It is felt that as the pension sector in India grows, it will play an important role in providing socio-economic stability as well as in meeting the long term financing needs of the economy.

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, sixteen batches of probationers of various Accounts, Audit and Finance Services have been successfully trained for the 44 weeks training course. In the 16th course completed in November, 2009, 11 probationers completed the course. The 17th batch of probationers commenced on 4th January, 2010 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 2008–09, 55 programmes and in 2009–10 (up to 31.12.2009), 23 programmes were 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) commenced on 28th January, 2009 in which 25 candidates from various Central/State and PSUs have joined. The new batch of PGDBM (FM) will start on 5th May, 2010 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. The present batch , which commenced on 2nd June, 2009, has 26 participants. The new batch of 35 participants will start in May/June, 2010 .

Fellow Program in Management

This is an open program to pursue research work to produce competent researchers, teachers and consultants. The program is duly approved by AICTE. The first batch commenced in July, 2009 with 5 participants.

Executive Programme in Capital Market with BSE

The NIFM in collaboration with BSE has launched one year Weekend Executive Programme, which focuses in developing trained professionals

capable of occupying positions of responsibility in stock exchanges, commodity exchanges, regulatory bodies, market intermediaries, banks, mutual funds and asset management companies and other similar entities covering all financial markets like cash equity, equity derivatives, currency derivatives, commodities and foreign exchanges. The first batch commenced in July, 2009 with 16 participants. For the next batch, to commence from March, 2010, the target for is for 30 participants.

Consultancy Projects

During the year 2009–10, three consultancy projects have been completed by NIFM. Currently, the consultancy project on 'Inventory (Movable and Immovable Properties) Assessment and Management of Ministry of Home Affairs, New Delhi' is in progress.

Workshop

During the year, Workshop on ' Capacity Building Programme for Accounts Officers' of Haryana Government was conducted in collaboration with Haryana Institute of Public Administration (HIPA).

Financial Statement The Income & Expenditure Accounts as on 31 st March, 2009		
	(Amount in Rupees)	
Income	31.03.2009	31.03.2008
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
Total (A)	12,47,72,924	7,68,67,325
Expenditure		
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
Total (B)	9,76,97,587	5,87,03,740
Balance being Surplus/Deficit of Income over Expenditure (A-B)	2,70,75,337	1,81,63,585
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
Net Surplus/Deficits	3,01,89,625	2,13,19,634
Balance being Surplus/Deficit carried over to Balance-Sheet	3,01,89,625	2,13,19,634

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 2008–09 were as under:

(Rs. in crore)			
	Source of funding	Grant/Income	Expenditure
1	Ministry of Finance	8.67	8.67
2	Other sources	4.03	2.33
	Total	12.70	11.00

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
Actual 2008–09	8.67
Budget Estimates 2009–10	11.19
Revised Estimates 2009–10	10.17
Actual (till 31.12.2009)	10.17

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.
- As per MOU, salary grant to meet 90% of the expenditure on salary, allowances like DA, HRA and Transport Allowance or any other allowances or pay revision of the core staff of the Institute following release of D.A. Instalments/or any pay revision of Central Government employees or/and UGC as per the recommendations of the Pay Commission, Computation of 90% of the salary to be covered by this recurring grant will be based on the total expenditure on salary and allowances, calculated on the mid point of the Pay Scale attached to the Core Staff as indicated in Annexures I to IV without reference to the salary and allowances of core staff charged to various sponsored projects of the Institute.
- A core grant equivalent to 20% of the salary grant as calculated in para 3(a) to cover the non-salary expenditure of the Institute.
- A Tax Research Cell (TRC) has been set up in the Institute with effect from June 9, 2005 with financial assistance of Rs. 20.00 lakh per annum from Ministry of Finance, which is still continuing.
- As regards construction of Research and Training Centre, the Government of India, Ministry of Finance has provided a sum of Rs. 3,00,93,929/- to the Institute during the financial years 2007–08 and 2008–09. The Research & Training Centre will cater to the Institute's requirement of capacity building of officials of the Central, States and local Governments from India and abroad and also international agencies.
- The Government has provided a sum of Rs. 2.00 crore as Endowment Grant to the Institute in 2009–10 for instituting Dr. Raja Chelliah Memorial Annual Lecture Series by an eminent fiscal expert and

Dr. Raja Chelliah visiting Professorship. Accordingly, Professor Alan Auerbach, Director, Robert D. Burch Centre for Tax Policy and Public Finance, University of California, Berkeley delivered the first public lecture “On the Adoption of Tax Reforms” on December 15, 2009. The Endowment Grant of Rs.2 crore has been kept in a separate fund and the amount has been invested. The return on investment earned by the Institute is utilized for the annual lecture series.

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

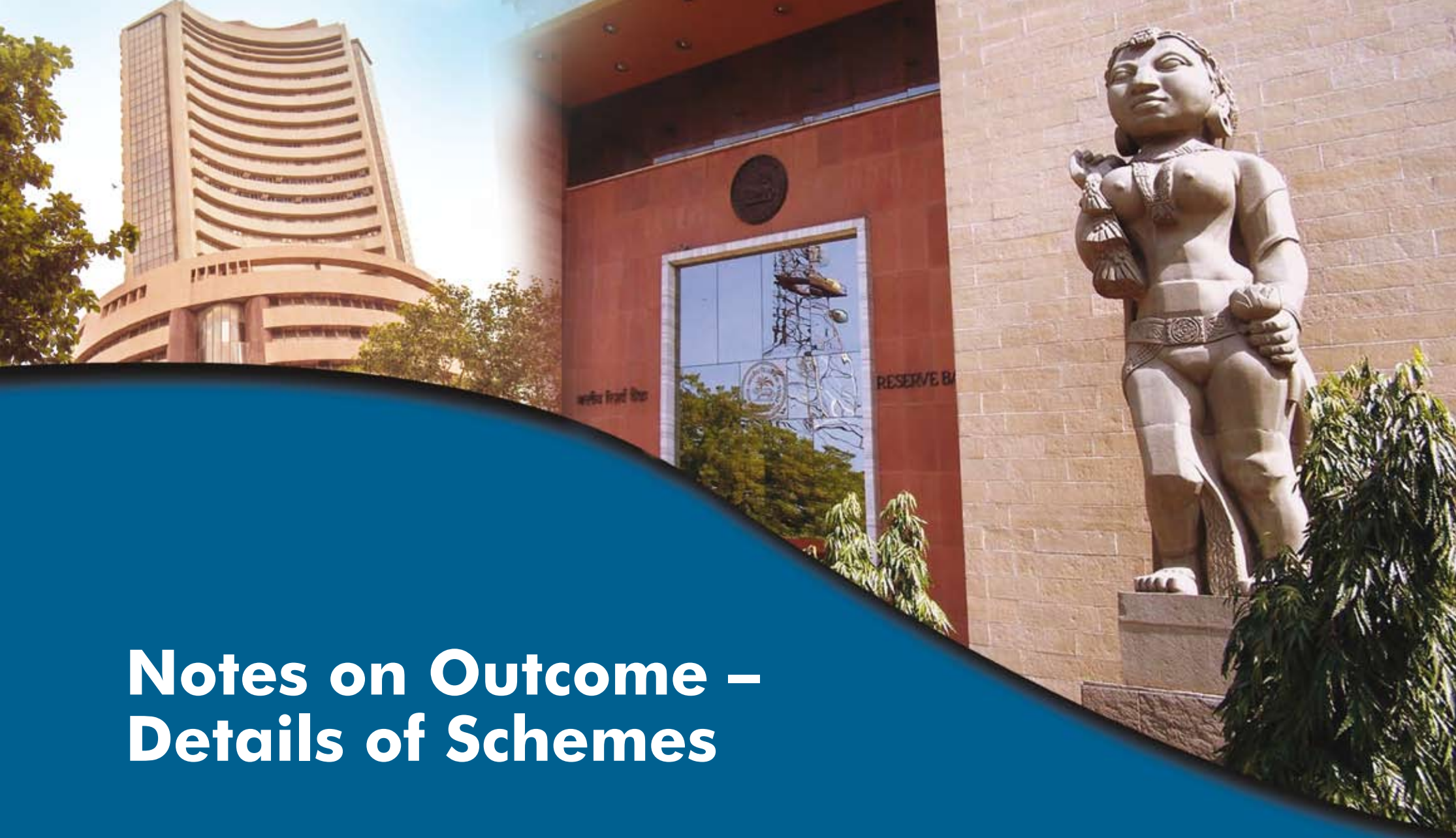
- (i) Inter-state Distribution of Central Expenditure and Subsidies -13th Finance Commission.
- (ii) Impact on State of Central Tax Preferences – 13th Finance Commission.
- (iii) Rationalizing Taxation of Petroleum Products – 13th Finance Commission.
- (iv) Strengthening Financial Management System.
- (v) Projection of CT and IT Receipts for Financial Year 2008–09.
- (vi) Government of Punjab – Preparation of a Memorandum.
- (vii) Expert Group to Determine MRP for Various Commodities.
- (viii) Resource Mobilization and Plan Finance in Bihar.
- (ix) Rajasthan: A Report on Cost under Recovery and User Charges in Selected Services.
- (x) Medium Term Fiscal Policy in Goa 2007–08.
- (xi) Evaluating Progress of the State Government in Achieving FRBM Targets – Haryana.
- (xii) North Eastern Region Vision 2020.
- (xiii) Tracing the Urban Reform Agenda under the JNJURM.
- (xiv) Fiscal Health of Selected Indian Cities.
- (xv) Gender and Taxation: Revenue Generation for Social Protection in Developing Countries.
- (xvi) Economics of Tobacco and Tobacco in India.
- (xvii) NIPFP-DEA Research Programme on capital Flows and their Consequences.
- (xviii) Building Capacity and Consensus for Financial and Monetary Policy Reform.
- (xix) Cost Benefit Analysis of Area-Based Exemptions.
- (xx) Study on Insurance Schemes in India.
- (xxi) Fiscal Federalism for the Commission on Centre-State Relations.
- (xxii) Inputs on Fiscal Policy-India: Impact of the Financial Crisis and Opportunity.
- (xxiii) Preparation of a PFM Performance Report for the Indian Union Level using the PEMF Framework
- (xxiv) Macro Policy Modeling (MPMP Phase-1).
- (xxv) Macroeconomic Policy Modeling (MPM) Phase-II).
- (xxvi) Public Expenditure on Elementary Education.
- (xxvii) Revenue Implications and Estimation of Revenue Neutral Rates for Karnataka.
- (xxviii) An Assessment of the Revenue of Jharkhand.
- (xxix) Property Tax Potential.
 - (a) Preparation of a National Urban Poverty Reduction Strategy.
 - (b) A Review of the reports of the State Finance Commission primarily to ascertain if the SFCs made any recommendations/ dispensations for functions such as poverty alleviation and slum improvement and upgrading.
 - (c) Preparation of a paper on Poverty Alleviation in a Fiscal Federal Framework.

- (xxx) Functions and Finances of Urban Local Bodies in Jharkhand.
- (xxxi) Gender Responsive Budgeting Programme in Asian-Arab Countries: Analysis and Training.
- (xxxii) Toolkit for Resource Mapping of HIV/AIDS Expenditure.
- (xxxiii) Financing Human Development in India, UNDP.
- (xxxiv) Public Finance Information System.
- (xxxv) Fiscal Financial and Monetary Policy Reform in India by Percy Mistry, Oxford International group.
- (xxxvi) The Interface between Development, Health and Environment in India: An Econometric Investigation by A.L. Nagar, Senior Consultant, NIPFP.

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) Public Lecture by Dr. Albert Breton.
- (ii) Conferences on Asian Tax Reform jointly by the NIPFP and Ministry of Finance.
- (iii) Seminar on issues before the 13th Finance Commission sponsored by the 13th Finance Commission.
- (iv) 5th Refresher Course for University Teachers.
- (v) Workshop on State Level Debt Management System.
- (vi) National Workshop on Strengthening the Financial Management System in India.
- (vii) Meeting on Capital Flow at India Habitat Centre.
- (viii) Two weeks training programme for the Middle Level Officers.
- (ix) Principal Issues of Tax Policy in Indirect Taxation and Tax Administration in Developing Countries.
- (x) NIPFP-DEA Research Program on Capital Flows and their Consequences, Research Meetings.
- (xi) Seminar on Gender and Taxation.
- (xii) 13th Meeting of the Standing Committee of State Secretaries of Stamp and Registration.
- (xiii) International Conference – Growth, Inequality and Institutions.
- (xiv) Inauguration of new Research and Training Centre by Shri P. Chidambaram, Hon'ble Union Home Minister on 23.12.2008 in the presence of Dr. C. Rangarajan, Chairman, NIPFP.
- (xv) Workshop on Building Capacity and Consensus for Monetary and Financial Reform.
- (xvi) Public Lecture on "Imaging India: Future Challenges" by Shri Nandan Nilekani.
- (xvii) Meeting of Advisory Board of NIPFP-DEA Research Programme.
- (xviii) Fiscal Policy and Budget Management for State Government Officials.



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) Power;
- (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 can 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. 61.67 crore in Revised Estimates 2008–09. An amount of Rs. 54.07 crore was disbursed in 2008–09. A provision of Rs. 150.00 crore has been made in Budget 2009–10 and has been restricted to Rs. 45.95 crore in Revised estimates 2009–10. Rs 15.30 crore have been disbursed during 2009–10 upto December 2009.

Under the revised scheme 57 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. 7357.39 crore for the 57 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. 94.47 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 enabled 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 giving information in this regard. Once the awareness for the scheme 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.

Appendix – B

Demand No. 32 – Department of Economic Affairs

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 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 under:

- 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 in para 2 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. 120.00 crore of seven countries including five 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 subsidise 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 7 years, 121 (55 countries) GOI supported Lines of Credit through EXIM Bank of India involving a collective amount of credit of US\$ 5 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 GOI 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.

As per Cabinet approval/PM's announcement during the India-Africa Forum Summit held in New Delhi on 8–9th April 2008, out of US\$ 5.4 billion allocated for Lines of Credit (LOCs) to African Countries, US\$ 500 million have been earmarked for LOCs to African Countries during the financial year 2009–10. So far, 19 LOCs to the tune of US\$ 404.06 million have been approved during the financial year 2009–10.

Statement showing disbursement of amounts under various GOI (Government-to-Government) lines of Credit to foreign countries during 2007–08, 2008–09 and 2009–10 (Upto January 2010)

(Rs. in crore)									
Name of the Country	2007–08			2008–09			2009–10		
	BE	RE	Actual Utilisation	BE	RE	Actual Utilisation	BE	RE	Actuals (upto Dec. 09)
Sri Lanka	77.00	60.00	37.56	-	10.51	11.16	0.01	2.84	0.00
Cambodia	11.68	4.68	2.73	4.00	4.30	4.29	-	-	-
Suriname	1.00	0.82	0.82	-	-	-	-	-	-
Myanmar	0.00	1.32	1.28	-	-	-	-	-	-
Mauritius	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Appendix – C

Demand No. 32 – Department of Economic Affairs**Operational GOI Supported EXIM Bank of India Lines of Credit (LOCs) to Foreign Countries during 2009–10 (Upto 31.1.2010) (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 years	2.5% p.a.	Ethylene Pipeline Project
2	Govt. of Zambia	10	LIBOR+1% p.a.	5 years	1.5% p.a.	Purchase of various equipment from India
3	Govt. of Djibouti	10	1.5% p.a.	10 years	LIBOR+1.5% p.a.	Purchase of various goods from India
4	Govt. of Mozambique	20	1.75% p.a.	20 years Grace – 5 years	LIBOR+1.25% p.a.	Financing of exports of various goods from India
5	Govt. of Ghana	15	LIBOR+ 0.5% p.a.	7 years Grace – 3 years	2% p.a.	Purchase of various goods from India
6	Govt. of Vietnam	27	1.5% p.a.	25 years Grace – 5 years	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 years Grace – 2 years	2.5% p.a.	Upgradation of Yangon-Mandalay Railways System
8	Govt. of Sudan	50	LIBOR+ 0.5% p.a.	11 years	2% p.a.	Purchase of various goods from India
9	Govt. of Lesotho	5	LIBOR+ 0.5% p.a.	8 years	2.5% p.a.	Purchase of various goods from India.
10	Govt. of Syria	25	LIBOR+ 0.5% p.a.	12 – 14 years Grace – 3 years	2.5% p.a.	For sourcing plants & equipment, goods and services.

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
11	Govt. of Myanmar	7	LIBOR+ 0.5% p.a.	8 years Grace – 1 years	2% p.a.	Establishment of an OFC link between Moreh and Mandalay, an ADSL high-speed data link in Yangon area and a reduced number of COR-DECT lines.
12	Govt. of Guyana	4	1.75% p.a. (fixed)	20 years Grace – 5 years	LIBOR+ 1.25% p.a.	Fixed and movable irrigation pumps.
13	Govt. of Suriname	16	LIBOR+ 0.5% p.a.	15 years Grace – 5 years	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 years Grace – 5 years	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 years Grace – 5 years	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 years Grace – 1 years	2.25% p.a.	Purchase of petroleum products
17	Govt. of Guyana	19	1.75% p.a. (fixed)	20 years Grace – 5 years	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 years Grace – 5 years	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 years Grace – 5 years	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.	8–10 years Grace – 2–3 years	1.5% p.a.	Up-gradation of railway line.
22	Govt. of Sri Lanka	100	LIBOR+0.5% p.a.	8–10 years Grace – 2–3 years	1.5% p.a.	Purchase of defence equipments/supplies
23	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.

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 Chad	50	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Bicycle Plant, Agricultural Plant, Steel Billet Plant & Rolling Mill and Cotton Yarn Plant
25	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
26	Govt. of Mali	27	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Rural electrification, Agricultural machinery
27	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
28	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
29	Govt. of Mali and Govt. of Senegal (combined)	27.70 (20.62 to Mali) and 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
30	Govt. of Myanmar	20	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Renovation of Thanlyin Refinery.
31	Govt. of Honduras	30	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Communication equipment, Medical equipment, Transport equipment.
32	Govt. of Niger	17	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Procurement of buses and automobiles.
33	Govt. of Gambia	6.7	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Assembly Plant for tractors.
34	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.
35	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
36	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
37	Govt. of Mozambique	20	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Electrification of Gaza province in Mozambique
38	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.
39	ECOWAS Bank	250	1.75% p.a.	20 years Grace – 5 years	LIBOR + 0.75% p.a.	Public Sector Projects
40	Govt. of Seychelles	8	LIBOR + 0.5% p.a.	8–10 years Grace – 2–3 years	1.5% p.a.	General purpose.
41	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.
42	Govt. of Sudan	48	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Supply of agricultural inputs for the Sudanese Agricultural Bank, (US\$ 15 mn), technical and laboratory equipment to Higher Educational Institutions (US\$ 15 mn), scientific equipments for Ministry of Science and Technology (US\$ 3 mn), solar electrification (US\$ 5 mn) and meeting requirements of Sudan Railways (US\$ 10 mn)
43	Govt. of Vietnam	45 mn.	1.75% p.a.	15 years Grace – 5 years	1.5% p.a.	NAM Chien Hydropower project (200MW) at Son La Province.

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 Nepal	100 mn.	1.75% p.a.	20 years, Grace – 5 years	LIBOR+ 0.75% p.a.	Road projects, rural electrification projects, power transmission projects and hydro power projects.
45	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.
46	Govt. of Gabon	14.5 mn.	LIBOR + 0.5% p.a.	12 years Grace – 4 years	1.5% p.a.	Housing project.
47	Govt. of Rwanda	20 mn. (as 1 st 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.)
48	Govt. of Cambodia	35.20 mn.	1.75% p.a.	15 years Grace – 5 years	1.5% p.a.	Stung Tasal development project by WAPCOS, purchase of water pumps, construction of electricity transmission line between Kratie and Stung Treng by WAPCOS
49	Govt. of Sudan	52 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+ 0.75% p.a.	For various projects.
50	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.
51	Govt. of Suriname	10.4 mn.	LIBOR + 0.5% p.a.	15 years Grace – 5 years	1.5% p.a.	Water supply project.
52	Govt. of Ethiopia	122 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Development of sugar industries.
53	Govt. of Malawi	30 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Supply of Irrigation/Storage Tobacco Threshing Plant.
54	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.
55	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
56	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.
57	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.
58	Govt. of Niger	20 mn.	LIBOR + 0.5% p.a.	15 years Grace – 5 years	LIBOR+0.75% p.a.	For power project.
59	Central African Republic	29.5 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Setting up a modern dry process cement plant of 400 TPD capacity (US\$ 24 mn) and procurement of 100 buses for internal transport (US\$ 5.5 mn)
60	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.
61	Govt. of Madagascar	25 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Project for rice productivity (US\$ 10 mn) and project for fertilizer production (US\$ 15 mn)
62	Govt. of Seirra Leone	15 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+ 0.75% p.a.	Procurement of tractors and connected implements, harvesters, rice threshers, rice mills, maize shellers and pesticide spray equipment
63	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.
64	Govt. of Cameroon	37.65	1.75% p.a	20 years Grace – 5 years	LIBOR+ 0.75% p.a.	For Plantation Project
65	Govt. of Guyana	2.10	1.75% p.a	20 years Grace – 5 years	LIBOR+ 0.75% p.a.	Traffic signalling system Project.

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
66	Govt. of Senegal	11	1.75% p.a.	20 years Grace – 5 years	LIBOR+ 1.25% p.a.	Supply of 70 multipurpose oil presses, 70 mini bakeries and 70 cereal and fruit processing units for women poverty alleviation and supply of 320 pick up vehicles and 80 station wagons for support of decentralized administration.
67	Govt. of Senegal	10	1.75% p.a.	20 years Grace – 5 years	LIBOR+ 1.25% p.a.	IT training projects.
68	Govt. of Mozambique	25 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	To finance IT Park Project which will comprise construction of building and (a) incubator facility, (b) research and learning centre and (c) technology park and administrative facility.
69	Govt. of Ethiopia	166.23	1.75% p.a.	20 years Grace – 5 years	LIBOR + 0.75% p.a.	Development of Sugar industry.
70	Govt. of Lao PDR	17.34 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Development of irrigation schemes in the Champassack Province.
71	Govt. of Mozambique	30 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Rural Electrification Project in the provinces of Gaza, Zambia and Nampula
72	Govt. of Eritrea	20 mn.	LIBOR+ 0.5% p.a.	15 years Grace – 5 years	1.5% p.a.	Multipurpose agricultural projects and educational projects
73	Govt. of Senegal	27 mn.	1.75% p.a.	20 years Grace – 5 years	LIBOR+ 1.25% p.a.	Irrigation project.

Demand No. 32 – Department of Economic Affairs

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 14 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.

Annexure – II

(Ref. S. Nos. 1 to 18 of Statement of Outlays and Outcomes 2010–11 of Chapter 2)

Demand No. 33 – Department of Financial Services

- ◆ **Farmers' Debt Relief Fund for implementation of Agricultural Debt Waiver and Debt Relief Scheme for Farmers – 2008 (S.No. 1, Chapter 2)**– This is towards payment to RBI to reimburse the claims of the lending Institutions towards implementation of the Agricultural Debt Waiver and Debt Relief Scheme, 2008 (ADWDR). Finance Minister, while replying to the discussion on General Budget 2008–09 in Lok Sabha on the issue of financing the farm loan waiver package on 14th March, 2008, had stated that the disbursement of funds to the lending institutions would be spread over a period of 36 months in the following manner:
As per the reply given by Finance Minister in the Parliament, a Farmers Debt Relief Fund was to be created with an initial corpus of Rs. 10,000.00 crore transferred from the Consolidated Fund of India to Public Accounts. During the year 2007–08 an amount of Rs. 25,000.00 crore was released after the First Supplementary

(Rs. in crore)	
Payment Schedule	Amount
In Budget 2008–09	25,000.00
In Budget 2009–10	15,000.00
In Budget 2010–11	12,000.00
In Budget 2011–12	8,000.00
Total	60,000.00

2008–09 as approved by Parliament to the lending Institutions. Out of this, an amount of Rs. 10,000.00 crore was credited to the Farmers' Debt Relief Fund in March, 2008 after obtaining the same in the Third Batch of Supplementaries 2007–08. A provision of Rs. 15,000.00 crore made in BE 2009–10 has fully been released. A provision of Rs. 12,000.00 crore has been made in BE 2010–11 for the scheme.

- ◆ **Payment of interest to lending institutions towards Agricultural Debt Waiver and Debt Relief Scheme, 2008 (S.No. 2, Chapter 2)** – In the backdrop of the RBI Circular on provisioning and staggered payment schedule of the reimbursable claims, and in view of the fact that the interest in excess of the principal amount, unapplied interest, penal interest, legal charges, inspection charges and miscellaneous charges, etc. will be borne by the lending institutions and not reimbursed by the Government or claimed from the farmer, the Government has decided to pay interest on the 2nd, 3rd and 4th instalments of the Reimbursable Claims from the date of payment of 1st instalment of Rs. 25,000 crore to the lending institutions. Payment of interest on the balance amount will be sufficient to enable the banks to avoid provisioning requirements prescribed by the RBI. The Government approved the payment of interest of Rs. 3872.00 crore (2151.00 crore in July 2009, Rs. 1434.00 crore in July 2010 and Rs. 287.00 crore in July 2011). Accordingly, a provision of Rs. 2151.00 crore has been provided in BE 2009–10. However, the exact quantum of demand has not been received from the RBI. Keeping in view the requirement of funds, as approved by the Government, a provision of Rs. 1434.00 crore has been made in BE 2010–11.

- ◆ **Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme (S.No. 3, Chapter 2)** – In July 2004, the scheme was restricted to only BPL (Below Poverty Line) families with a subsidy of Rs. 200.00 for an individual, Rs. 300.00 for a family of five and Rs. 400.00 for a family of seven. The premium to be contributed by the policy holder is Rs. 165.00 for individual, Rs. 248.00 for a family of five and Rs. 330.00 for a family of seven. The benefits available under the scheme are (i) reimbursement of medical expenses up to Rs. 30,000.00 towards hospitalization floated amongst the entire family, (ii) death cover of Rs. 25,00.00 to the earning member of the family due to an accident and (iii) compensation due to loss of earning of the earning member @ Rs. 50.00 per day up to a maximum of 15 days.

The scheme has further been extended to BPL families of Tsunami affected areas in Tamil Nadu, Andhra Pradesh, Kerala and Puducherry with a subsidy of Rs. 500/- from Prime Minister's Relief Fund and Rs. 300/- by Government of India. As on 31.12.2009, under Tsunami Jan Bima Yojana, 1,45,754 families in Tamil Nadu, 65,126 in Andhra Pradesh, 51,598 in Kerala have been covered.

- ◆ **Payment to Life Insurance Corporation of India towards Pension Plan for Senior Citizens (S.No. 4, Chapter 2)** – In the Union Budget for 2003–04, Finance Minister announced the Varishta Pension Bima Yojana for citizens aged 55 years and above. This was a Government subsidized scheme and LIC was given the privilege to administer the same. The scheme was launched on 14.07.2003 and withdrawn on 09.07.2004.

The benefits of the scheme were framed in such a manner that the pensioner get an effective yield of 9% per annum on the investment. It was a pension plan under annuity payments commencing immediately after the purchase of the policy. In the event of unfortunate death of the pensioner, purchase price is payable to nominee. Approximately,

3.5 lakh senior citizens, who had enrolled during the currency of the scheme, are being provided benefits under the scheme.

Out of a provision of Rs. 270.82 crore made in RE 2009–10 a sum of Rs. 116.31 crore has already been released and the balance of subsidy would be released before the end of the financial year. A provision of Rs. 209.32 crore has been made in BE 2010–11.

- ◆ **Grants for Strengthening the Short Term Cooperative Credit Structure (S.No. 5, Chapter 2)** – The Government of India, on the basis of the recommendations of the Task Force headed by Prof. A. Vaidyanathan, has agreed for revitalization of Short Term Cooperative Credit Structure in the States, which agree to implement the package with the signing of MoUs by 25 States, viz., Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Rajasthan, Orissa, Punjab, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal with NABARD with the Government of India. Under the scheme, the expenditure is to be shared by the Government of India, the State Governments and the Cooperative Credit Societies in the ratio of 68:28:4. The total share of Government of India is Rs. 9245.28 crore, out of which releases made so far were Rs. 1425.00 crore, Rs. 2082.64 crore, Rs. 3960.26 crore and Rs. 800.00 crore to NABARD in the years 2006–07, 2007–08, 2008–09 and 2009–10 respectively. A provision of Rs. 984.65 crore has been made in BE 2010–11.

- ◆ **Interest Subvention for providing short term credit to farmers (S.No. 6, Chapter 2)** – The Budget 2005–06 provided interest relief of 2% point in the interest rate on the principal amount up to Rs. 1.00 lakh on crop loans availed by farmers for Kharif 2005 and Rabi 2005–06. As on 31st March, 2006, an amount equal to two percentage points of the borrower's interest liability on the principal amount up to Rs. 1.00 lakh has been credited to the borrower's account.

Government decided to ensure that the farmers receive short term credit at 7%, with an upper limit of Rs. 3.00 lakh on the principal amount during the year 2006–07 also. Accordingly, 2% interest subvention per annum has been provided to Public Sector Banks, Regional Rural Banks and Cooperative Banks on their own funds and concessional refinance to Cooperative Banks at 2.5% per annum and Regional Rural Banks at 4.5% during 2006–07. This scheme has been continued during the year 2007–08 also with a view to minimizing the difficulties faced by the farmers. Releases made so far were Rs. 1100.00 crore, Rs. 1700.00 crore, Rs. 2600.00 crore and Rs. 2011.00 crore in 2006–07, 2007–08, 2008–09 and 2009–10, respectively. A provision of Rs. 3000.00 crore has been made in BE 2010–11.

- ◆ **Revival of Long Term Cooperative Credit Structure (S.No. 7, Chapter 2)** – The recommendations of Vaidyanathan Task Force-II were approved by the Government of India on 26.02.2009. The total outlay for implementation of the Revival of Long Term Cooperative Credit Structure (LTCCS) is for Rs 3,070 crore (Rs 2,206 crore for GoI, Rs 482 crore for State Government and Rs 382 crore for Agriculture and Rural Development Banks or LTCCS). A sum Rs 20 crore was released to NABARD for implementation of this Package against BE provision of Rs. 600.00 crore during 2008–09. The provision of Rs 1,000 crore made in the BE 2009–10 has been reduced to Rs. 1.00 crore at RE. However, the Government of India has constituted a Task Force to assess the impact of the implementation of the Agricultural Debt Waiver & Debt Relief Scheme (ADWDRS), 2008 and LTCCS package on the financial health of the LTCCS.
- ◆ **Contribution for “Financial Inclusion Fund” and “Financial Inclusion Technology Fund” (S.Nos. 8 & 9, Chapter 2)**– Pursuant to the Budget Speech for 2007–08 and on the basis of recommendations of the Committee on Financial Inclusion set up under the Chairmanship of Dr. C. Rangarajan, the Government had constituted two Funds viz. ‘Financial Inclusion Fund’ for meeting the

cost of developmental and promotional interventions for ensuring financial inclusion and “Financial Inclusion Technology Fund” to meet the cost of technology adoption. The funds are housed in NABARD and consist of an overall corpus of Rs. 500.00 crore to be contributed by the GoI, RBI and NABARD in a ratio of 40:40:20 in a phased manner over five years depending upon utilization of funds. There is a budget requirement of Rs. 92.50 crore for FIF and Rs. 162.50 crore for FITF till 2009–10. Of this, the share of Govt. of India is Rs. 37 crore for FIF and Rs. 65.00 crore for FITF. A sum of Rs. 10 crore each was released by GoI to FIF and FITF in 2007–08. A sum of Rs. 10.00 crore each has been made at RE stage in 2009–10. No amount has been utilised till December, 2009. 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.

- ◆ **Payment of subsidy to Nodal agencies i.e. Reserve Bank of India/National Housing Bank towards 1% interest subvention on housing loans (S.No. 10, Chapter 2)** – Government of India announced a Scheme of 1% Interest Subvention on Housing Loan up to Rs. 10.00 lakh with an allocation of Rs. 1,000.00 crore.

Under this scheme, 1% interest subvention on housing loan up to Rs. 10.00 lakh has been allowed, provided the cost of the unit does not exceed Rs. 20.00 lakh. The Scheme will be implemented throughout the country and will be in operation for a period of 1 year starting from 1st October, 2009 to 30th September, 2010. Interest subsidy of 1%, by way of reduction in interest rate by 100 basis points per annum, will be applicable for first 12 months of eligible loans sanctioned and disbursed during the currency of the Scheme.

The Scheme will be implemented through the Scheduled Commercial Banks (SCBs) and Housing Finance Companies (HFCs) registered with National Housing Bank (NHB). The Reserve Bank of India (RBI)

and NHB will be Nodal Agencies for the Scheme for SCBs and HFCs respectively.

The Government has allocated a sum of Rs. 700.00 crore for implementation of the Scheme during the financial year 2010–11.

The guidelines along with operational modalities have been circulated among the HFCs. National Housing Bank has forwarded claims totaling Rs. 88.19 lakh from 4 HFCs for release of interest from the Department of Financial Services.

- ◆ **Grants-in-aid to IDBI Bank Limited (S.No. 11, Chapter 2)** – Government of India approved on 17th February, 2005 the proposal to provide assistance amounting to Rs. 2521.89 crore to IDBI Bank Limited for servicing the liabilities over 2003–04 to 2007–08. Out of the total assistance, a sum of Rs. 2367.56 crore was released upto 2007–08. The balance amount of Rs. 154.33 crore will be released in 2010–11, for which a provision has been made.
- ◆ **Contribution to Securities Redemption Fund (S.No. 12, Chapter 2)** – While approving subscription of around Rs. 10,000 crore by the Government in the Rights Issue – 2008 of the State Bank of India (SBI), Government had also approved creation of a ‘Securities Redemption Fund’ for redeeming the Government Securities-2024 issued to SBI towards subscription to its Rights Issue 2008, on due date. A sum of Rs. 625.00 crore is to be transferred annually in the ‘Fund’ starting from 2008–09. This amount is to be transferred to the Fund up to the year 2023–24 i.e. for 16 years. Accordingly, a sum of Rs. 625.00 crore has been provided by the Government on 02.12.2009 in the ‘Securities Redemption Fund’ for the year 2009–10. The same amount is to be provided by the Government in the ‘Securities Redemption Fund’ for the year 2010–11 as well.
- ◆ **Opening of bank branches in unbanked blocks in the country (S.No. 13, Chapter 2)** – On the advice of Central Government through NABARD, RRBs have been advised to undertake expansion

of branches aggressively, especially to cover the uncovered districts and to open the branches in un-served areas. In pursuance, thereof, RRBs have opened 715 branches from April, 2007 to March 31, 2009 (provisional data). Further, RRBs have been advised to open 2000 new branches in the next two years i.e. by March 2011.

- ◆ **Subscription to the share capital of Export Import Bank of India (EXIM Bank) (S.No. 14, Chapter 2)** – In order to maintain the EXIM Bank’s international credit rating, to augment the financial position and also to strengthen the Bank’s capital base from risk management, it was proposed to increase the authorized capital of the Bank to Rs. 2,000.00 crore. Release of Rs. 300.00 crore each for 2008–09 and 2009–10 has been made. With this, the paid up capital of Bank at present is stands at Rs. 1700.00 crore. Further a provision of Rs. 300.00 crore has been made in BE 2010–11 for this purpose.
- ◆ **Subscription to the share capital of India Infrastructure Finance Company Ltd. (IIFCL) (S.No. 15, Chapter 2)** – IIFCL is a special purpose vehicle created to lend funds, especially debt of longer-term maturity, directly to the eligible projects to supplement other loans from Banks and financial institutions. The company could fill the gap for long term infrastructure finance, which the Banks are not in a position to address owing to concerns relating to mismatches in assets and liabilities. The authorised capital of the Company is Rs. 2000.00 crore. The paid up capital of the Company at present is Rs. 1,800.00 crore. In the business plan submitted by IIFCL, capital requirement as per RBI norms will be Rs. 1783.00 crore for 2009–10 and Rs.5780.00 crore for 2010–11. This capital requirement with regard to new activities is based on the projected portfolio size of Rs. 10,000.00 crore. The said new schemes are yet to take shape. Therefore, provision to the fullest extent may not be advisable at this stage. A provision of Rs. 500 crore was kept in BE/RE 2009–10 which has been released. A provision of Rs. 500.00 crore has been made in BE 2010–11.

- ◆ **Subscription to Tier-I instrument of Nationalized Banks to augment their capital funds (S.No. 16, Chapter 2)** – To enable the Public Sector Banks (PSBs) to maintain a comfortable level of CRAR for supporting the credit requirements of the productive sectors of the economy and to ensure compliance with Basel II regime, Government decided to infuse capital funds amounting to Rs. 4,600 crore in four Nationalized Banks, namely Central Bank of India (Rs. 1400.00 crore), UCO Bank (Rs. 1200.00 crore), Vijaya Bank (Rs. 1200.00 crore) and United Bank of India (Rs. 800.00 crore) through investment in their Tier-I instruments. A sum of Rs. 1,900 crore, out of Rs. 4,600 crore, was infused in these nationalised banks (Central Bank of India – Rs. 700 crore, UCO Bank – Rs. 450 crore, Vijaya Bank – Rs. 500 crore and United Bank of India – Rs. 250 crore) during the year 2008–09. The balance amount of Rs. 2,700 crore was to be infused in these banks i.e. Central Bank of India (Rs. 700 crore), UCO Bank (Rs. 750 crore), Vijaya Bank (Rs. 700 crore) and United Bank of India (Rs. 550 crore). While a sum of Rs. 1200.00 crore has been provided in RE 2009–10 for this purpose, the balance amount of Rs. 1500.00 crore has been provided in BE 2010–11.
- ◆ **Recapitalisation of Public Sector Banks through World Bank Loan (S.No. 17, Chapter 2)** – As part of the Second Stimulus Package

announced on 2.01.2009 to stimulate the economy, Government underlined certain measures required to provide economic stimulus which include proposals for recapitalisation of the Public Sector Banks. Government is considering to provide capital assistance to those Public Sector Banks which require such funds to be able to meet the credit requirement of the economy while maintaining Capital to Risk Weighted Assets Ratio (CRAR) at around 12%, through World Bank assistance. To meet the capital requirements of PSBs, in general, Government has negotiated with the World Bank for Banking Sector Support Loan (BSSL) totaling US \$ 3.2 billion so that the assistance is provided to all the needy PSBs during 2010–11 itself. A provision of Rs. 15,000.00 crore has been made in BE 2010–11 for this purpose.

- ◆ **Setting up of Central Electronic Registry (S.No. 18, Chapter 2)** – The provision is towards Government's contribution for setting up of a Central Electronic Registry under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act., 2002 for registration of the transactions relating to securitization and reconstruction of the financial assets and creation of security interest over property. This will also help reduce frauds, improve securitization and mortgage markets. A provision of Rs. 25.00 crore has been made in BE 2010–11 for the purpose.

Annexure – III

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
	Total	598.97

