Outcome Budget

2013-2014

Ministry of Finance

Government of India

अर्थमूलं कार्यम्

Outlays for Outcomes

CONTENTS

PREFACE

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

In addition to an Executive Summary, the Outcome Budget 2013-14 contains seven separate sections relating to seven Demands under Ministry of Finance for which the Outcome Budget is to be prepared. These are Economic Affairs, Financial Services, Expenditure, Revenue, Direct Taxes, Indirect Taxes and Disinvestment. Each section discusses the statement of outlays and outcomes; reform measures; policy initiatives and programmes initiated; review of past performance; financial review for three years and a review of the performance of statutory and autonomous bodies.

EXECUTIVE SUMMARY

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

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

Six Demands viz; 35 - Interest Payments, 36 - Transfers to State and Union Territory Governments, 37 - Loans to Government Servants, etc., 38 - Repayment of Debt, 40 - Pensions and 41 ï Indian Audit and Accounts Department are specifically exempted from the purview of outcome budgeting. Summary of Budgetary Provisions for all 13 Demands under the Ministry is provided in the Annexure to this Executive Summary.

A brief summary of the Outcome Budget 2013-14 of the Ministry is presented below:

Demand No. 33- Department of Economic Affairs

The Department of Economic Affairs is the nodal Department of the Union Government which formulates countryôs economic policies and programmes having a bearing on domestic and international aspects of economic management. This Department prepares the Annual Union Budget (excluding the Railway Budget) and the Economic Survey. Some key activities and programmes are mentioned below:-

- Contribution for Railway Safety Works (₹ 1102.45 crore) against additional levies on Motor Spirit & High Speed Diesel (Plan) - Under this scheme during 2013ï 14, Ministry of Railways have targeted to strengthen the safety at busy level crossing by proposing to construct 1000 Road under bridges /subways and 225 Road over bridges.
- The Scheme for Financial Support to PPPs in Infrastructure provides Viability Gap Funding (VGF) to PPP projects up to 20 per cent of the Total Project Cost (TPC) of the project. So far 145 projects have been granted approval with Total Project Cost (TPC) of ₹ 80203.28 crore and VGF support of ₹15672.68 crore. However, the actual level of VGF amount of these proposals will be known once the bidding process is completed. The financial closure has been achieved for 45 projects. 14 projects in Madhya Pradesh and Gujarat have been awarded on premium where no VGF support will be required. An amount of ₹ 902.96 crore has been disbursed till December, 2012 under the VGF Scheme. A budget provision of ₹ 678.00 crore has been made in the BE 2013-14 based on sponsoring Authority requirements and the number of projects already granted final approval.
- The India Infrastructure Project Development Fund (IIPDF) Scheme assists up to 75 per cent of the total Project Development expenses of PPP projects. So far, 49 projects have been approved with an IIPDF assistance of ₹60.06 crore. ₹ 1.32 crore, ₹ 7.55 crore, ₹7.00 crore and ₹7.00 crore has been disbursed under the Scheme in 2008-09, 2009-10, 2010-11 and 2011-12 respectively. Around ₹ 1.76 crore has been disbursed during 2012-13, up to December, 2012.
- A provision of ₹290.00 crore has been made for Interest Equalization Support to Exim Bank of India during 2013-14. The scheme was started in 2003-04. During the period of 7 years, 137 Government of India supported lines of credit through Exim Bank of India involving collective amount of credit of US $ 6414.97 million have been approved. These lines of credit have been extended to 57 developing countries situated in different continents of the world. We have disbursed Interest Equalization Support to Exim Bank of India amounting to ₹ 127.70 crore, ₹139.48 crore, and 145.97 crore in 2010-11, 2011-12 and 2012-13 (up-to December, 2012) respectively.

Demand No. 34- Department of Financial Services

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

- ₹14588 crore was provided for capitalization of Public Sector Banks (PSBs) in BE 2012-13 to enable the PSBs to maintain their Capital to Risk Weighted Asset Ratio (CRAR) at comfortable level and to ensure that they remain compliant with capital adequacy norms under BASEL-III. Having considered the requirement, the provision was reduced to ₹12517 crore in RE 2012-13. A provision of ₹14000 crore is proposed for recapitalisation of PSBs in 2013-14.

- Under the scheme of Interest Subvention for providing Short Term Credit to Farmers, the provision of ₹6000 crore in BE 2012-13 was reduced to ₹5400 crore in RE 2012-13. ₹4377.99 crore was released upto December, 2012. There is a provision of ₹6000 crore for this scheme during 2013-14.

- Government provides equity support to Export Import (EXIM) Bank of India and India Infrastructure Finance Co. Ltd. (IIFCL) to raise their paid up capital within their authorized capital. Entire provision of ₹200 crore for EXIM Bank and ₹400 crore for IIFCL has been released during 2012-13. Provision of ₹700 crore for EXIM Bank and ₹400 crore for IIFCL is proposed in BE 2013-14.

- ₹500 crore provided in BE 2012-13 towards capital support to NABARD was raised to ₹1000 crore in RE 2012-13. ₹500 crore was released up to December, 2012. Further provision of ₹700 crore is proposed in BE 2013-14

- ₹200 crore was provided for recapitalization of Regional Rural Banks (RRBs) in BE 2012-13 which was raised to ₹535 crore in RE 2012-13 keeping in view the proportionate share released by concerned State Government and sponsor banks. ₹200 crore was released upto December, 2012. A further provision of ₹88 crore is proposed in BE 2013-14 for this purpose.

- To encourage people from unorganized sector to save for their retirement by enrolling under New Pension System (NPS) 'Swavalamban Schemeô was launched during 2010-11 with provision of Governmentôs contribution of ₹ 1000 in the NPS account of the subscribers. A provision of ₹ 220 crore for this scheme in BE 2012-13 was reduced to ₹128 crore in RE 2012-13 keeping in view the pace of enrolment under the scheme. A further provision of ₹170 crore is proposed for this Scheme in BE 2013-14.

- Provision of ₹400 crore in BE 2012-13 towards 1% interest subsidy for Housing Loan through NHB was raised to ₹500 crore in RE 2012-13. ₹200 crore was released to NHB up to December, 2012. Further provision of ₹200 crore is proposed in BE 2013-14.

Demand No.39 – Department of Expenditure

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

- Releases for schemes on the Plan side are made on the recommendation of the Planning Commission/nodal Ministry concerned. The important flagship schemes for which funds are being provided under the Plan head in 2012-13 include Accelerated Irrigation Benefits Programme (AIBP), Jawaharlal Nehru National Urban Renewal Mission (JNNURM), National Social Assistance Programme (NSAP), Border Area Development Programme, Hill Area/Western Ghats Development Programme, National e-Governance Programme, Backward Regions Grant Fund Scheme etc. Against an outlay of ₹ 99543.00 crore in BE 2012-13 for Central Assistance to State Plans in Demand No.36 of Department of Expenditure, ₹ 53099.335 crore has been released as on 31.12.2012.

- An outlay of ₹4.00 crore under Revenue Section has been provided in 2013-14 for the Central Plan Scheme for enhancing training capacity of National Institute of Financial Management (NIFM). Out of this, the provision of ₹3.00 crore is targeted to train 60 officers of the Central/State/UT Governments for high level professional course covering basic elements Post Graduate Diploma in Business Management (PGDBM) ï Finance. In the year 2012-13, 47 candidates were sponsored from various Central/State/UT Govts. The provision of ₹1.00 crore under Revenue Section is for providing one year training programme to 20 officers of Central / State / UT Governments in Post Graduate Programme in Financial Markets, in collaboration with National Stock Exchange.

Demand No. 42 – Department of Revenue

- Under Demand No.42 ï 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 ₹ 9300 crore for 2013-14. The second major expenditure is towards Govt. Opium & Alkaloid Works (GOAWs), which is budgeted at ₹260.14 crore. VAT/VAT related expenditure is budgeted at ₹132 crore for 2013-14. The other non-Plan expenditure included in the Outcome Budget is expenditure related to setting up of Tax Information Exchange System (TINXSYS) and Special Purpose Vehicle for Goods and Services Tax Network (GSTN).

- The successful implementation of VAT in all States has been an achievement. So far, VAT Compensation amounting to ₹19002.82 crore has been released to the States and claims of all the States have been settled.

- 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 ₹ 30860.42 crore has been released to the States which includes ₹ 2168.88 crore released in 2007-08, ₹1950 crore in 2008-09, ₹ 8735.18 crore in 2009-10, ₹13833.78 crore in 2010-11 and ₹ 4172.58 crore in 2011-12.

- The Mission Mode Project for Computerization of Commercial Taxes Administrations of the State Government with overall cost of ₹1133.41 crore has been approved and an amount of ₹501.94 crore released as Central share till 31st December 2012, which includes ₹145 crore released in 2009-10, ₹206.32 crore in 2010-11 and ₹102.83 crore in 2011-12 and ₹47.79 crore in 2012-13 (till December, 2012).

- Government has decided to set up a Special Purpose Vehicle (SPV) for Goods and Service Tax Network (GSTN) to create enabling environment for smooth introduction of GST. It will provide IT infrastructure and services to various stakeholders, including the Centre and States. A budget provision of ₹100 crore has been kept in 2013-14 for GSTN: SPV.

- 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 ₹383.54 crore in 2011-12 against the BE of ₹312 crore. In 2012-13, they have realized a revenue of ₹265.79 crore (till December 2012) against the BE of ₹366.73 crore.

- The Smart Card Project for Poppy Cultivators has been expanded in 2007-08 to cover all 17 Opium Divisions. The project once fully and successfully implemented will enable monitoring of various cultivation activities and would also be useful for policy level decisions.

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

Demand No. 43 – 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 17 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. The key activities are summarized below:

- An outlay of ₹ 421.00 crore has been provided in Budget Estimates 2013-14 under ‘Information Technologyôto be spent, inter alia, on following major programmes/schemes:
  - Perspective Plan for Phase-III of Comprehensive Computerisation Programme in the Income Tax Department-
    - System Integration
    - All India Tax network
    - Hiring of Data Centers
    - Physical Storage of arrear Pan forms of period 2003-09.
    - Scanning of arrear Pan forms of period 2003-09.
  - Tax Information Network (TIN)
  - Taxpayers Services
  - Aaykar Sampark Kendras
  - e-filing of ITRs
  - e-Payment of taxes
  - on-line tracking of refunds
  - Refund Banker
  - Centralised Processing Cell(CPC)TDS

    - (both paper based & e-filed)
  - Centralized Processing Centre(CPC) Banglore.
  - Data Warehouse and Business Intelligence(DW&BI) Solution
  - New ITD Application.

- An outlay of ₹546.98 crore has been provided under Capital section in BE 2013-14 for purchase/construction of office accommodation at various places including completion of acquisition of office space in MCD Civic Centre, NBCC Plaza, Saket at Delhi and Bhopal, construction of an advanced training centre at National Academy of Direct Taxes, Nagpur, construction of office buildings at Noida, Firozabad, Bangalore, Srinagar, Nariman Point, Mumbai, Pune, Surat, Navasari and Daman, construction of RTI building at Mohali, construction of office cum residential buildings at Lucknow, Srinagar and Shahjahanpur, construction of guest house at Golf Links, New Delhi and Purchase of Land at Belgaom, Ahmedabad, Bangalore, Erode and Kochi.

- An outlay of ₹41.00 crore has been provided under Capital section in BE 2013-14 for construction of residential quarters at Hadapsar, Jammu, Chennai and Surat and for up-gradation of quarters at Bhopal

- The initiatives and measures undertaken by the Department has focused on simplification of tax laws and procedures, better facilities 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, centralized processing of returns, Refund Banker scheme which includes direct credit of refunds to taxpayerꞌs account through ECS, e-payment of taxes, on-line tracking of refunds, Tax Return Preparer Scheme (TRPS), setting up of 60 Aaykar Sewa Kendras for single window Tax Payer Services, Aaykar Sampark Kendras (call centres) etc. Also a ñ**Sevottam'** scheme with the view to bring in excellence in public service delivery based on a newly rewritten Citizensô Charter has been initiated.

- 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 ₹2.00 lakh each. The value of such assets as on 31.03.2012 is ₹4854.33 crore.

- The actual expenditure in 2011-12 under this grant was ₹3239.85 crore against the Revised Estimates of ₹3315.78 crore which shows an utilisation of 97.71%. In FY 2012-13, actual expenditure till Dec 31, 2012 stands at ₹2487.08 crore against the Revised Estimates of ₹3735.51 crore which shows an utilization of 66.58 %.

Demand No.44 - Indirect Taxes

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

- The revised cost of ₹598.97 crore for the Information Technology Infrastructure Consolidation Project of CBEC was approved by the CCEA and the project is under implementation. Comprehensive computerization comprising of setting up of Wide Area/Local Area Network linking all Offices, Seaports, Airports, Container Depots, setting up of Data Warehouse, Automation of Central Excise and Service Tax, setting up of Risk Management Systems for easy clearance of imports etc. was taken up. Contracts for implementation of various components of the Project were awarded to the vendors. Most of the components have almost been completed. ₹84.46 crore, ₹167.17 crore, ₹186.41 crore, ₹145.58 crore and ₹ 144.31 have been spent for the years 2007-08, 2008-09 2009-10, 2010-11 and 2011-12 respectively. During 2012-13, ₹77.21 crore have been spent up December, 2012.

- The Risk Management System (RMS) is operational in all major Customs Ports/ Airports covering more than 95% of Indiaꞌs international trade. A new upgraded version of RMS is operational at 69 locations.

- Procurement of 7 more Container Scanners (3 Mobile Gamma Ray Scanners and 4 Fixed X-ray Scanners) for facilitating cargo clearance is underway. Mobile and Fixed Scanners are expected to be commissioned in 2013-14. 109 Marine Vessels for strengthening anti-smuggling operations in the territorial waters have been procured. A total provision of ₹100.00 crores has been made for the year 2013-14. ₹27.42 crore, ₹99.88 crore, ₹78.64 crore, ₹33.20 crore and ₹46.52 have been spent for the years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively under these schemes. During 2012-13, ₹1.44 crore have been spent up December, 2012.

- Single Window Service for Large Tax Payers paying excise duty, income tax/corporate tax and service tax has been set up at Bengaluru, Chennai, Mumbai and Delhi. Any person or company who has paid income tax/corporate tax of more than ₹10 crore or excise duty of ₹5 crore or service tax of ₹5 crore during any previous year can opt to function as large taxpayer by giving consent to the concerned Large Taxpayer Unit.

- In pursuance to Department of Expenditureꞌs 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, CBEC has sanctioned/allocated ₹160.44 crores upto 31.01.2013 for various purposes such as Capacity building/improvement of infrastructure in Central Excise and Customs Ranges, hiring of vehicles for increasing organisational efficiency and outdoor preventive activities etc.

Demand No. 45 – Department of Disinvestment

Mandate

Department of Disinvestment is mainly responsible for disinvestment of Government shareholding in CPSEs. Additionally, it deals with all matters relating to sale of Central Government equity through offer for sale or private placement in erstwhile CPSEs.

Approach

Presently, the following approach has been adopted for disinvestment:

i. Already listed profitable Central Public Sector Enterprises (CPSEs) not meeting the mandatory public shareholding of 10% are to be made compliant by public offering out of Government shareholding or issue of fresh equity by the CPSEs concerned or a combination of both;

ii. All unlisted CPSEs having positive net worth, no accumulated losses and having earned net profit for three preceding consecutive years, are to be listed through public offerings out of Government shareholding or issue of fresh equity by the company or a combination of both;

iii. Further public offerings by listed CPSEs taking into consideration their capital investment requirements with Government of India simultaneously or independently offering a portion of its shareholding in such CPSEs.

iv. All cases of disinvestment are to be decided on a case by case basis as each CPSE has different equity structure, financial strength, fund requirement, sector of operation, etc., factors that will not permit a uniform pattern.

v. Government retains at least 51 per cent equity and management control in all cases of disinvestment through public offerings.

Benefits of disinvestment –

(i) Disinvestment and listing of CPSEs on stock exchanges takes the economic reform agenda forward and inter alia,

➢ **Improves corporate governance**

- Higher disclosure levels as mandated by SEBI/stock exchanges and under Company Law bring in greater transparency and answerability. The oversight mechanism therefore becomes robust and multilayered.
- Enhanced corporate governance with the induction of independent Directors.
- Higher levels of investor focused scrutiny and research demand adherence to professional conduct of business resulting in improved corporate culture.
- The company will be subject to market discipline that helps improve the working culture both at the managerial level as well as at the shop floor level. Day to day variations in trading price not only benchmarks the performance but also signifies the impact of everyday events.

➢ **Develops and deepens the capital market through spread of equity culture**

- The process of listing of CPSEs on stock exchanges facilitates development and deepening of capital market and spread of equity culture.
- Resources locked in sectors developed enough to raise money from the market are channelized into areas of economy that are less likely to access resources from the market because of their stage of economic development.
- When more resources are used for infrastructure development, it creates jobs for large number of unemployed and simultaneously provides platform for higher economic growth.

(i) This also creates fiscal space for relocation of resources locked in CPSEs.

➢ **Unlocks true value of the Enterprises for all stakeholders, namely, investors, employees of the CPSE concerned, the Company and the Government**

- Consequent to listing, the CPSEs will be able to approach the capital market to raise resources for their capital expenditure requirements as is the case among private companies. Thus, the dependence on Government funding will be reduced.

(ii) Raise budgetary resources for the Government.

Utilization of Disinvestment proceeds

- The resources mobilized through disinvestment are channelized into the ₹National Investment Fundô (NIF). The income of the fund is used to finance social sector schemes which promote education, health and employment and also to meet the capital investment requirements of profitable and revivable CPSEs to finance their expansion/ diversification.
- However, in view of the difficult economic situation caused by the global slowdown of 2008-09 and a severe drought that was likely to adversely affect the 11th Plan growth performance, the Government in November, 2009 decided that all proceeds from disinvestment of CPSEs will be utilized in full to meet capital expenditure requirements of social sector schemes decided by Planning Commission/ Department of Expenditure. This one time exemption from depositing the proceeds into NIF which was for a three year period 1 April, 2009 to 31 March 2012, was further extended for one more year till 31 March 2013.

Thus, from April 2009 onwards, till date the disinvestment proceeds are being used in full for funding capital expenditure of the following social sector programmes of the Government, namely:-

(i) Mahatma Gandhi National Rural Employment Guarantee Scheme

(ii) Indira Awas Yojana

(iii) Rajiv Gandhi Gramin Vidyutikaran Yojana

(iv) Jawaharlal Nehru National Urban Renewal Mission

(v) Accelerated Irrigation Benefits Programme

(vi) Accelerated Power Development and Reform Programme

Budget target

The budgetary target for disinvestment for 2012-13 is ₹30,000 crore. The Government has, till December, 2012, realized an amount of ₹6905.20 crore from disinvestment in National Building Construction Corporation Ltd., Hindustan Copper limited and National Mineral Development Corporation.

Annexure

SUMMARY OF BUDGETARY PROVISIONS UNDER MINISTRY OF FINANCE

(In Crores of Rupees)

Description	Actuals 2011-2012			Budget Estimates 2012-2013			Revised Estimates 2012-2013			Budget Estimates 2013-2014		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO. 33 DEPARTMENT OF ECONOMIC AFFAIRS												
Total-Revenue Section	**3685.58**	**3400.19**	**7085.77**	**4704.90**	**4376.45**	**9081.35**	**3824.90**	**3912.04**	**7736.94**	**4464.45**	**4400.67**	**8865.12**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	3685.58	3400.19	**7085.77**	4704.90	4376.45	**9081.35**	3824.90	3912.04	**7736.94**	4464.45	4400.67	*8865.12*
Total-Capital Section	**300.00**	**13505.68**	**13805.68**	**437.55**	**58523.53**	**58961.08**	**437.55**	**16782.84**	**17220.39**	**678.00**	**65730.89**	**66408.89**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	300.00	13505.68	**13805.68**	437.55	58523.53	**58961.08**	437.55	16782.84	**17220.39**	678.00	65730.89	*66408.89*
Total (Revenue&Capital)	***3985.58***	***16905.87***	***20891.45***	***5142.45***	***62899.98***	***68042.43***	***4262.45***	***20694.88***	***24957.33***	***5142.45***	***70131.56***	***75274.01***
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	3985.58	16905.87	**20891.45**	5142.45	62899.98	**68042.43**	4262.45	20694.88	**24957.33**	5142.45	70131.56	75274.01
DEMAND NO. 34 DEPARTMENT OF FINANCIAL SERVICES												
Total-Revenue Section	**200.00**	**6311.61**	**6511.61**	**200.00**	**8335.23**	**8535.23**	...	**7459.42**	**7459.42**	**200.00**	**7268.99**	**7468.99**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	200.00	6311.61	**6511.61**	200.00	8335.23	**8535.23**	...	7459.42	**7459.42**	200.00	7268.99	7468.99
Total-Capital Section	**14297.43**	**14.00**	**14311.43**	**15888.00**	**14.01**	**15902.01**	**14652.00**	**1.00**	**14653.00**	**29888.00**	**12.40**	**29900.40**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	14297.43	14.00	**14311.43**	15888.00	14.01	**15902.01**	14652.00	1.00	**14653.00**	29888.00	12.40	29900.40
Total (Revenue & Capital)	***14497.43***	***6325.61***	***20823.04***	***16088.00***	***8349.24***	***24437.24***	***14652.00***	***7460.42***	***22112.42***	***30088.00***	***7281.39***	***37369.39***
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	14497.43	6325.61	**20823.04**	16088.00	8349.24	**24437.24**	14652.00	7460.42	**22112.42**	30088.00	7281.39	37369.39
APPROPRIATION NO. 35 INTEREST PAYMENTS												
Total-Revenue Section	...	**287182.18**	**287182.18**	...	**324769.43**	**324769.43**	...	**333997.49**	**333997.49**	...	**385000.46**	**385000.46**
Charged	...	*287182.18*	**287182.18**	...	*324769.43*	**324769.43**	...	*333997.49*	**333997.49**	...	*385000.46*	385000.46
Voted	...	...	...	...	...	...	...	...	...	...	...	...
Total-Capital Section	...	...	...	...	...	...	...	...	...	...	...	...
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	...	...	...	...	...	...	...	...	...	...	...
Total (Revenue & Capital)	...	***287182.18***	***287182.18***	...	***324769.43***	***324769.43***	...	***333997.49***	***333997.49***	...	***385000.46***	***385000.46***
Charged	...	*287182.18*	**287182.18**	...	*324769.43*	**324769.43**	...	*333997.00*	**333997.00**	...	*385000.46*	385000.46
Voted	...	...	...	...	...	...	...	...	...	...	...	...

Description	Actuals 2011-2012			Budget Estimates 2012-2013			Revised Estimates 2012-2013			Budget Estimates 2013-2014		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO. 36 TRANSFERS TO STATE AND UNION TERRITORY GOVERNMENTS												
Total-Revenue Section	**74056.91**	**52842.59**	**126899.50**	**95908.00**	**68022.46**	**163930.46**	**80435.00**	**64420.35**	**144855.35**	**91957.00**	**72059.40**	**164016.40**
Charged	...	*43972.67*	**43972.67**	...	*58357.46*	**58357.46**	...	*55031.80*	**55031.80**	...	*62134.40*	62134.40
Voted	74056.91	8869.92	**82926.83**	95908.00	9665.00	**105573.00**	80435.00	9388.55	**89823.55**	91957.00	9925.00	101882.00
Total-Capital Section	**9995.35**	**...**	**9995.35**	**11000.00**	**1000.00**	**12000.00**	**11000.00**	**1000.00**	**12000.00**	**11000.00**	**1000.00**	**12000.00**
Charged	*9995.35*	...	**9995.35**	*11000.00*	*1000.00*	**12000.00**	*11000.00*	*1000.00*	**12000.00**	*11000.00*	*1000.00*	*12000.00*
Voted	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...
Total (Revenue & Capital)	***84052.26***	***52842.59***	***136894.85***	***106908.00***	***69022.46***	***175930.46***	***91435.00***	***65420.35***	***156855.35***	***102957.00***	***73059.40***	***176016.40***
Charged	*9995.35*	*43972.67*	**53968.02**	*11000.00*	*59357.46*	**70357.46**	*10000.00*	*56031.80*	**66031.80**	*10000.00*	*63134.40*	*73134.40*
Voted	74056.91	8869.92	**82926.83**	95908.00	9665.00	**105573.00**	80435.00	9388.55	**89823.55**	91957.00	9925.00	101882.00
DEMAND NO. 37 LOANS TO GOVERNMENT SERVANTS ETC.												
Total-Revenue Section	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
Charged	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...
Voted	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...
Total-Capital Section	**...**	**212.68**	**212.68**	**...**	**250.00**	**250.00**	**...**	**235.00**	**235.00**	**...**	**225.00**	**225.00**
Charged	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...
Voted	...	212.68	**212.68**	...	250.00	**250.00**	...	235.00	**235.00**	...	225.00	225.00
Total (Revenue & Capital)	**...**	***212.68***	***212.68***	**...**	***250.00***	***250.00***	**...**	***235.00***	***235.00***	**...**	***225.00***	***225.00***
Charged	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...
Voted	...	212.68	**212.68**	...	250.00	**250.00**	...	235.00	**235.00**	...	225.00	225.00
APPROPRIATION NO. 38 REPAYMENT OF DEBT												
Total-Revenue Section	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
Charged	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...
Voted	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...
Total-Capital Section	**...**	**3495928.70**	**3495928.70**	**...**	**3786074.35**	**3786074.35**	**...**	**3301906.00**	**3301906.00**	**...**	**4014248.55**	**4014248.55**
Charged	...	*3495928.70*	**3495928.70**	...	*3786074.35*	**3786074.35**	...	*3301906.00*	**3301906.00**	...	*4014248.55*	*4014248.55*
Voted	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...
Total (Revenue & Capital)	**...**	***3495928.70***	***3495928.70***	**...**	***3786074.35***	***3786074.35***	**...**	***3301906.00***	***3301906.00***	**...**	***4014248.55***	***4014248.55***
Charged	...	*3495928.70*	**3495928.70**	...	*3786074.35*	**3786074.35**	...	*3301906.00*	**3301906.00**	...	*4014248.55*	4014248.55
Voted	...	...	**...**	...	...	**...**	...	...	**...**	...	...	...

Description	Actuals 2011-2012			Budget Estimates 2012-2013			Revised Estimates 2012-2013			Budget Estimates 2013-2014		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO. 39 DEPARTMENT OF EXPENDITURE												
Total-Revenue Section	**2.45**	**115.25**	**117.70**	**4.00**	**131.25**	**135.25**	**2.88**	**121.97**	**124.85**	**4.00**	**136.12**	**140.12**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	2.45	115.25	**117.70**	4.00	131.25	**135.25**	2.88	121.97	**124.85**	4.00	136.12	140.12
Total-Capital Section	**1.03**	...	**1.03**	...	...	...	...	...	...	...	...	...
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	1.03	...	**1.03**	...	...	...	...	...	...	...	...	...
Total (Revenue & Capital)	***3.48***	***115.25***	***118.73***	***4.00***	***131.25***	***135.25***	***2.88***	***121.97***	***124.85***	***4.00***	***136.12***	***140.12***
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	3.48	115.25	**118.73**	4.00	131.25	**135.25**	2.88	121.97	**124.85**	4.00	136.12	140.12
DEMAND NO. 40 PENSIONS												
Total-Revenue Section	...	**17977.51**	**17977.51**	...	**19800.00**	**19800.00**	...	**19564.00**	**19564.00**	...	**21049.00**	**21049.00**
Charged	...	*75.43*	**75.43**	...	*90.00*	**90.00**	...	*90.00*	**90.00**	...	*95.00*	95.00
Voted	...	17902.08	**17902.08**	...	19710.00	**19710.00**	...	19474.00	**19474.00**	...	20954.00	20954.00
Total-Capital Section	...	...	...	...	...	...	...	...	...	...	...	...
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	...	...	...	...	...	...	...	...	...	...	...
Total (Revenue & Capital)	...	***17977.51***	***17977.51***	...	***19800.00***	***19800.00***	...	***19564.00***	***19564.00***	...	***21049.00***	***21049.00***
Charged	...	*75.43*	**75.43**	...	*90.00*	**90.00**	...	*90.00*	**90.00**	...	*95.00*	95.00
Voted	...	17902.08	**17902.08**	...	19710.00	**19710.00**	...	19474.00	**19474.00**	...	20954.00	20954.00
DEMAND NO. 41 INDIAN AUDIT & ACCOUNTS DEPARTMENT												
Total-Revenue Section	...	**2421.17**	**2421.17**	...	**2558.49**	**2558.49**	...	**2618.16**	**2618.16**	...	**2794.54**	**2794.54**
Charged	...	*74.02*	**74.02**	...	*78.83*	**78.83**	...	*86.61*	**86.61**	...	*97.69*	97.69
Voted	...	2347.15	**2347.15**	...	2479.66	**2479.66**	...	2531.55	**2531.55**	...	2696.85	2696.85
Total-Capital Section	...	**0.61**	**0.61**	...	**10.00**	**10.00**	...	**5.00**	**5.00**	...	**10.00**	**10.00**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	0.61	**0.61**	...	10.00	**10.00**	...	5.00	**5.00**	...	10.00	10.00
Total (Revenue & Capital)	...	***2421.78***	***2421.78***	...	***2568.49***	***2568.49***	...	***2623.16***	***2623.16***	...	***2804.54***	***2804.54***
Charged	...	*74.02*	**74.02**	...	*78.83*	**78.83**	...	*86.61*	**86.61**	...	*97.69*	97.69
Voted	...	2347.76	**2347.76**	...	2489.66	**2489.66**	...	2536.55	**2536.55**	...	2706.85	2706.85

Description	Actuals 2011-2012			Budget Estimates 2012-2013			Revised Estimates 2012-2013			Budget Estimates 2013-2014		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO. 42 DEPARTMENT OF REVENUE												
Total-Revenue Section	...	**5256.94**	**5256.94**	...	**1167.05**	**1167.05**	...	**855.24**	**855.24**	...	**10117.19**	**10117.19**
Charged	...	...	...	...	*0.02*	**0.02**	...	*0.02*	**0.02**	...	*0.02*	0.02
Voted	...	5256.94	**5256.94**	...	1167.03	**1167.03**	...	855.22	**855.22**	...	10117.17	10117.17
Total-Capital Section	...	**3.57**	**3.57**	...	**11.54**	**11.54**	...	**8.91**	**8.91**	...	**100.71**	**100.71**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	3.57	**3.57**	...	11.54	**11.54**	...	8.91	**8.91**	...	100.71	100.71
Total (Revenue & Capital)	...	***5260.51***	***5260.51***	...	***1178.59***	***1178.59***	...	***864.15***	***864.15***	...	***10217.90***	***10217.90***
Charged	...	*0.02*	**0.02**	...	*0.02*	**0.02**	...	*0.02*	**0.02**	...	*0.02*	0.02
Voted	...	5260.51	**5260.51**	...	1178.57	**1178.57**	...	864.13	**864.13**	...	10217.88	10217.88
DEMAND NO. 43 DIRECT TAXES												
Total-Revenue Section	...	**2971.85**	**2971.85**	...	**3071.18**	**3071.18**	...	**3301.51**	**3301.51**	...	**3771.91**	**3771.91**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	2971.85	**2971.85**	...	3071.18	**3071.18**	...	3301.51	**3301.51**	...	3771.91	3771.91
Total-Capital Section	...	**260.99**	**260.99**	...	**809.28**	**809.28**	...	**434.00**	**434.00**	...	**589.98**	**589.98**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	260.99	**260.99**	...	809.28	**809.28**	...	434.00	**434.00**	...	589.98	589.98
Total (Revenue & Capital)	...	***3232.84***	***3232.84***	...	***3880.46***	***3880.46***	...	***3735.51***	***3735.51***	...	***4361.89***	***4361.89***
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	3232.84	**3232.84**	...	3880.46	**3880.46**	...	3735.51	**3735.51**	...	4361.89	4361.89
DEMAND NO. 44 INDIRECT TAXES												
Total-Revenue Section	...	**3193.66**	**3193.66**	...	**3481.88**	**3481.88**	...	**3535.78**	**3535.78**	...	**3830.25**	**3830.25**
Charged	...	*0.16*	**0.16**	...	*0.50*	**0.50**	...	*0.50*	**0.50**	...	*0.50*	0.50
Voted	...	3193.50	**3193.50**	...	3481.38	**3481.38**	...	3535.28	**3535.28**	...	3829.75	3829.75
Total-Capital Section	...	**47.34**	**47.34**	...	**119.20**	**119.20**	...	**34.83**	**34.83**	...	**149.25**	**149.25**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	47.34	**47.34**	...	119.20	**119.20**	...	34.83	**34.83**	...	149.25	149.25
Total (Revenue & Capital)	...	***3241.00***	***3241.00***	...	***3601.08***	***3601.08***	...	***3570.61***	***3570.61***	...	***3979.50***	***3979.50***
Charged	...	*0.16*	**0.16**	...	*0.50*	**0.50**	...	*0.50*	**0.50**	...	*0.50*	0.50
Voted	...	3240.84	**3240.84**	...	3600.58	**3600.58**	...	3570.11	**3570.11**	...	3979.00	3979.00

Description	Actuals 2011-2012			Budget Estimates 2012-2013			Revised Estimates 2012-2013			Budget Estimates 2013-2014		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
DEMAND NO. 45 DEPARTMENT OF DISINVESTMENT												
Total-Revenue Section	...	**35.26**	**35.26**	...	**63.24**	**63.24**	...	**25.83**	**25.83**	...	**63.24**	**63.24**
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	35.26	**35.26**	...	63.24	**63.24**	...	25.83	**25.83**	...	63.24	63.24
Total-Capital Section	...	...	...	...	...	...	...	...	...	...	...	...
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	...	...	...	...	...	...	...	...	...	...	...
Total (Revenue & Capital)	...	***35.26***	***35.26***	...	***63.24***	***63.24***	...	***25.83***	***25.83***	...	***63.24***	***63.24***
Charged	...	...	...	...	...	...	...	...	...	...	...	...
Voted	...	35.26	**35.26**	...	63.24	**63.24**	...	25.83	**25.83**	...	63.24	63.24

DEPARTMENT OF ECONOMIC AFFAIRS

INTRODUCTION

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

- Formulation and monitoring of macro-economic policies including issues relating to fiscal policy and public finance, inflation, public debt management and the functioning of Capital Markets, 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).

In this Demand, the major portion of the Budget is towards subsidy to Railways for dividend relief and reimbursement of losses to Railways on operating strategic railway lines, contribution to Railway Safety Works, investments in the International Monetary Fund (IMF)/Asian Development Bank (ADB)and other financial institutions, Interest Equalisation Support to EXIM Bank for Government of India concessional Lines of Credit (LOCs) to other developing 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 eg National Savings Institute (NSI), Securities Appellate Tribunal (SAT); the 14th Finance Commission and the Financial Sector Legislative Reforms Commission(FSLRC) and GOI contributions towards International bodies. Therefore there are very few activities/ outlays for which Outcome/targets can be set in tangible, quantifiable/measureable terms. The activities under Plan and Non Plan, indicating 'Outlays' and 'Outcomes' for the financial year 2013-14 are depicted in the following Statements:

STATEMENT OF OUTLAYS AND OUTCOMES 2013 - 14

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2013-14 (₹ 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) CEBR				
1.	**Major Head 3054 -Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)**	Under this Scheme money under Central Road Fund is used for financing construction of railway over/ under bridges and railway safety works at unmanned railway crossings to ensure safety and provide smooth and safe passage for traffic.	...	1102.45	...	- Manning at 1600 locations. - interlocking at 300 locations - all manned gates to be provided telephones. - Construction of 1000 Nos Road under bridges/ Subways. - Construction of 225 Nos of Road Over Bridges.	Ensure safety at unmanned level crossing and provide smooth passage for road traffic and rail operations. Fuel is saved and carbon emissions reduced where ROBs/RUBs are constructed.	-For manning of unmanned level crossing, gated/lifting barriers have to be erected and duty huts/gate lodges constructed for gate-keepers. -Laying of cable between station/level crossing location for connecting signalling system & telephones. -ROB/RUBs are provided in lieu of busy level crossing on cost sharing basis. Proposal of ROB/RUB with Train Vehicle Units (TVUs) above 1 lakh is sponsored by State Govt. /local bodies with undertakings, i.e. consent such as closure of LC after completion of ROB, 50:50 cost sharing, arrangement of encum-brance's free land, etc.	Construction of ROB/RUB is a joint work of Railway and/State Govt/local bodies. Some time com-pletion of ROB works get delayed due to contractual problem, non-availability of land, delay in diversion of road traffic, shifting of level crossing gates, fund crunch with State Govt, bridge portion and approach portion of ROB being constructed by two agencies.

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

1	2	3	4			5	6	7	8
			4(i) Non-Plan	4(ii) Plan	4(iii) CEBR				
2.	**Major Head 5475- Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure (Plan Scheme).**	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	...	678.00	...	145 proposals have been granted 'in principle/final approval' for total project cost of ₹80203.28 crore and VGF grant of ₹15672 .68 crore The total approvals for VGF grant till now is of the order of ₹11996.87 crore. The actual level of VGF for these proposals will be known once the bidding process is completed.	Development of Infrastructure through Public Private Partnership mode.	There is time lag between grant of 'in principle' approval and the final disbursement.	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.
3.	**Major Head 3475 - Interest Equalisation Support to Exim Bank of India. (Non-Plan)**	The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to EXIM Bank of India for GOI supported Lines of Credit.	416.50	...	...	Lines of Credit (LOCs) to other developing countries through EXIM Bank for exports of Indian goods and services.	Interest equalization support to Exim Bank of India has to be given by GOI in respect of the GOI supported Exim Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship with developing countries like Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d' Ivoire, Djibouti, Guinea Bissau, Guyana, etc.	The provision is to be utilised upto 31st March, 2014.	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.

Reform Measures and Policy Initiatives

1.1 Assistance for Infrastructure Development (Plan)

This scheme puts in place an innovative funding mechanism Public Private Partnership (PPP) in Infrastructure sector for Viability Gap support. The Government recognizes the need for significantly improving the availability and quality of critical infrastructure in the country in order to make the economy competitive and take it on to a high growth trajectory. It has been decided to encourage Public Private Partnership in infrastructure sectors in order to augment the pace of development of physical infrastructure through enhanced investment. Provision has been made for extending support for viability gap funding, for public private partnerships projects in various infrastructure sectors such as roads, seaports, airports, railways, convention centres, power, water supply, sewage and solid waste disposal in urban areas etc. To intensify and deepen the capacity building of public functionaries at the State and municipal level and integrate the capacity building programme on PPPs in the ongoing programmes at the State level, a comprehensive National Capacity Building Programme has been developed by DEA, which has been rolled out at the State level in collaboration with KfW Development Bank. Around 65 Training programmes have been conducted to train 155 Trainers, who have trained over 1975 public functionaries who deal with PPPs in their domain. An Online Toolkits for PPP projects, risk and contingent liability frameworks and communication strategy for PPPs have been developed. These are available at this Department's website on PPPs, i.e. www.pppinindia.com. The PPP Toolkit is a web-based resource that has been designed to help improve decision-making for infrastructure PPPs in India and to improve the quality of the infrastructure PPPs that are implemented in India. To promote PPPs and to ensure that the PPP projects are procured and implemented by following laid down process and observing principles of transparency, competitive bid process, affordability and value for money, the draft PPP Policy and draft PPP Rules have been prepared. These are undergoing extensive consultation process at the Central and State Governments level before their finalization.

1.2 Scheme for Financial Support to PPPs in Infrastructure (Plan)

A unique characteristic of infrastructure projects is that the positive externalities caused by projects cannot be captured by project revenues alone. Hence, a project may be economically essential but commercially unviable. Such projects, which are marginally viable or unviable, can be made financially attractive through a grant. The Government has created a Viability Gap Funding arrangement for such project in the infrastructure sector. So far 145 projects have been granted approval with Total Project Cost (TPC) of ₹80203.28 crore and VGF support of ₹15672.68 crore. However, the actual level of VGF amount of these proposals will be known once the bidding process is completed. The financial closure has been achieved for 45 projects and is under consideration. 14 projects in Madhya Pradesh and Gujarat have been awarded on premium where no VGF support will be required. An amount of ₹902.9623 crore has been disbursed till December, 2012 under the VGF Scheme. A budget provision of ₹678.00 crore has been made in the BE 2013-14 based on sponsoring Authority requirements and the number of projects already granted final approval.

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

The Union Finance Minister, in his Budget Speech for 2007-08, announced the setting up of a Revolving Fund with a corpus of ₹100 crore to quicken the process of project preparation. The Government of India notified the Scheme and Guidelines for India Infrastructure Project Development Fund to operationalise financial support for quality project development activities to the States and the Central Ministries. The objective is to fund project development expenses of potential Public Private Partnership projects' including cost of engaging consultants and transaction advisor, thus increasing the quality and quantity of successful PPPs and allowing informed decision making by the Government based on good quality feasibility reports. The IIPDF will assist projects that closely support the best practices in PPP project identification and preparation. So far, 49 projects have been approved with an IIPDF assistance of ₹60.06 crore. ₹1.32 crore, ₹7.55 crore, ₹7.00 crore and ₹7.00 crore respectively has been disbursed under the Scheme in 2008-09, 2009-10, 2010-11 and 2011-12. Around ₹1.762 crore has been disbursed till December, 2012 and amount of ₹4.00 crore has been provided for the FY 2013-14.

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

GOI provides concessional Lines of Credit (LOCs) to foreign countries through EXIM Bank India. Under this Scheme, 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) is paid to the EXIM Bank. 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 ₹145.96 crore during the period from April to October, 2012. During 2012-13 four GOI supported EXIM Bank of India Lines of Credit (LOCs) for a total amount of US$ 310.52 million have been approved by this Department.

1.5 National Clean Energy Fund (NCEF)

National Clean Energy Fund has been created for funding research and innovative projects in clean technologies. Clean Energy Cess is being levied on coal produced in India, as well as on imported coal. The cess so collected is transferred to NCEF, as per requirement. The provision for expenditure on identified schemes is being made in the Demand for Grants of different Ministries/Departments.

1.6 Financial Sector Legislative Reforms Commission

The Government has also set up the Financial Sector Legislative Reforms Commission (FSLRC) under the chairmanship of Retd. Supreme Court Justice, Shri B.N. Srikrishna. This has been done with a view to help rewriting and harmonizing the financial sector legislation, rules and regulations to address the contemporaneous requirements of the sector. The Commission is expected to submit its report within its 24-month time-frame which would fall in March, 2013.

1.7 Cabinet Committee on Investments (CCI)

The Government has set up the Cabinet Committee on Investments (CCI) with the Prime Minister as the Chairman to expedite decisions on approvals/clearances for implementation of projects. The CCI will monitor and review the implementation of major projects to ensure accelerated and time-bound grant of various licenses, permissions and approvals. This is likely to improve the investment environment by bringing transparency, efficiency and accountability in accordance of various approvals and sanctions. This will also help in attracting private sector investments and generation of productive employment and improvement in economy and infrastructure.

1.8 Infrastructure Debt Funds (IDFs)

One major problem faced by banks while disbursing loans to infrastructure projects is the asset liability mismatch inherent with these projects. Therefore many such projects are denied financing by banks. Infrastructure Debt Funds (IDFs) through innovative means of credit enhancement is expected to provide long-term low-cost debt for infrastructure projects by tapping into source of savings like Insurance and Pension Funds which have hitherto played a comparatively limited role in financing infrastructure in India. Further, the IDFs set up as NBFC shall invest only in PPP projects which have successfully completed one year of commercial operation. The income of Infrastructure Debt Funds has been exempted from income tax. Reduction in withholding tax has also been allowed on interest payment on borrowings of IDFs from existing 20% to 5%. Buy-out Guarantee from Project Authority will enable IDF-NBFC to maintain zero NPAs and raising funds at cheaper rates. The cost and tariff of Infrastructure services would go down as a result of low cost long term debt provided by IDFs. The taking over of existing bank debts by IDFs will release an equivalent volume for fresh lending by banks to infrastructure projects. Thus the IDFs would present an attractive option for such entities who wish to invest for long term in comparatively secure instruments.

1.9 Tax Free Bonds

The Government has also allowed the issue of Tax Free Bonds amounting to ₹54,500 crore for the FY 2012-13, doubled from ₹30,000 crore in FY 2011-12. These bonds would mobilize much needed long-term funds for the infrastructure development of the country by offering attractive coupon rates to the retail and non-retail investors, linked to Government Securities rates.

1.10 Rajiv Gandhi Equity Savings Scheme (RGESS)

The Government on 23rd November 2012 notified a new tax saving scheme called "Rajiv Gandhi Equity Savings Scheme"(RGESS) exclusively, for the first time retail investors in securities market. This Scheme would give 50% deduction of the amount invested from the taxable income for that year, to new investors, who invest up to ₹50,000 and whose annual income is below ₹10 lakh. The operational guidelines were issued by SEBI on 6th December 2012.

1.11 Electronic Voting Facility made mandatory for top listed companies

Union Budget 2012-13 has made it mandatory for top listed companies to offer electronic voting facility to its shareholders. On 13 July 2012, SEBI has come out with necessary amendments to be made to the equity listing agreement by stock exchanges in this regard. To make a beginning electronic voting is now made mandatory for top 500 listed companies at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), chosen based on market capitalization, in respect of those businesses to be transacted through postal ballot. This was made applicable for the shareholders' meetings, for which notices were issued on or after October 01, 2012.

1.12 Launched SME Exchange/Platform

Separate trading platforms for small and medium scale enterprises (SMEs) were launched and became functional at BSE and NSE in March, 2012 and September 2012 respectively. As on 14th January 2013, the number of equities listed on the BSE and NSE SME platforms is 12 and 2, respectively.

1.13 Reduced Securities Transaction Tax (STT) for cash delivery transactions by 20%

Following the Union Budget announcement of 2012-13 the rate of STT has been revised downwards by 20% to 0.1% from 0.125%, for delivery based transactions in the cash market, with effect from 1st July 2012.

1.14 Reformed the regulatory framework for governance and ownership of stock exchanges, clearing corporations and depositories:

Based on the recommendations of the Dr. Bimal Jalan Committee, a revised policy for the ownership structure and governance of securities market infrastructure institutions (MIIs) like, depositories, clearing corporations (CCs) and stock exchanges (SEs) was finalised on 2 April 2012. Based on the same, a new Regulation - Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, - was notified on June 20, 2012 to regulate recognition, ownership and governance in stock exchanges and clearing corporations. Further, the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2012 has been brought in w.e.f. 11 September 2012 to regulate the ownership and governance norms of depositories.

1.15 Revised Guidelines with respect to Exit Policy for De-recognized/Non-operational Stock Exchanges:

Securities and Exchange Board of India (SEBI) vide its Circular dated on 30 May 2012 (CIR/MRD/DSA/14/2012) has revised the policy on "Exit Policy for De-recognized/Non-operational Stock Exchanges" for stock exchanges. The policy provides for de-recognition (voluntary/compulsory) of non-performing stock exchanges.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2011-12

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2011-12 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31st March 2012
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1.	**Major Head 3054- Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)**	Under this Scheme money under Central Road Fund is used for financing construction of Road over/ under bridges in lieu of busy manned level crossings and railway safety works at unmanned railway crossings to ensure safety and smooth passage for traffic.	1040.63	1059.56	- Manning at 800 (revised target 1500) locations. - Lifting Barrier at 160 locations. - Basic infrastructure at 1011 locations. - all manned gates to be provided telephones. - interlocking at 386 locations - Construction of 150 Nos limited height Subways. - Construction of 100 Nos of Road Over and Under Bridges.	- For manning of unmanned level crossing, gated/lifting barriers have to be erected and duty huts/ gate lodges constructed for gatekeepers. Qualified/suitable willing gate keepers are to be selected and posted at the gates. - Laying of cable between station/level crossing location for connecting signalling system & telephones.	Construction of Road Over/Under bridges is the joint work of Railway and State Government/Local Bodies and sometime work is delayed due to contractual problems, non availability of land, State/local bodies not starting the work in time because of encroachments/ financial crunch etc.	The entire outlay of ₹1059.56 crore has been released. The following output has been achieved: - Manning at 1258 locations. - Lifting Barrier at 117 locations. - Basic infrastructure at 958 locations completed. - Interlocking at 422 locations. - Telephones at 650 locations. - Construction of 653 subways completed. - Construction of 83 Road Over/ Under bridges completed including approaches done by the State Government.

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
2.	**Major Head 5475- Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure**	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	499.37 (Plan)	300.00 (Plan)	84 proposals under the scheme were given 'in principle' approval by the Empowered Institution. Financial closure has been achieved for 25 proposals out of which 14 proposals have been awarded on premium where no VGF would be 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.	The BE 2011-12 of ₹499.37 crore was framed on the basis of requirement sought by Sponsoring Authorities. The provision was reduced to ₹300.00 crore at RE 2011-12. The reduction is due to delay in implementation of the Mumbai Metro Line 2 Project where VGF amounting to ₹200.00 crore was estimated to be required in 2011-12. However there is no requirement of VGF for this project in 2011-12.The entire amount of ₹300.00 crore was disbursed.
3.	**Major Head 3475 - Interest equalisation support to Exim Bank of India**	The objective is to project Indiaǿs strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to Exim Bank of India for GOI supported Lines of credit.	139.69	139.00	Interest equalization support to Exim Bank of India is given by GOI in respect of the GOI supported Exim Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship with countries like Angola, Burkina Faso, Cambodia, Chad, Congo, Cote d' Ivoire, Djibouti, etc.	The provision was to be utilised upto 31st March, 2012.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to EXIM Bank as counter-guarantee of GOI have been given to EXIM Bank for the lines of credit.	₹139.48 crore have been paid to Exim Bank of India as interest equalisation support during 2011-12.

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
4.	**Major Head 3605 -Technical and Economic Cooperation with other countries, Technical aid to South East Asia under the Colombo Plan; Contribution**	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	3.00	1.10	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.	₹ 1.70 crore have been incurred for meeting financial liabilities on training of students from various Colombo Plan countries.

Review of Past Performance

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2012-13

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2012-13 (₹ In Crore)			Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2012
1	2	3	4			5	6	7	8
			4(i) BE	4(ii) RE	4(iii) CEBR				
1.	**Major Head 3054- Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel. (Plan)**	Under this Scheme money under Central Road Fund is used for financing construction of road over/ under bridges and railway safety works at unmanned railway crossings to provide smooth and safe passage for traffic.	1102.45	1102.45	...	- Manning at 2500 (revised target 1735) locations. - Lifting Barrier at 200 locations. - Basic infrastructure at 755 locations. - all manned gates to be provided telephones. - interlocking at 300 locations. - Construction of 821 Nos Subways. - Construction of 100 Nos of Road Over and Under Bridges.	- For manning of unmanned level crossing, gated/lifting barriers have to be erected and duty huts/ gate lodges constructed for gate-keepers. Qualified/ suitable willing gate keepers are to be selected and posted at the gates. - Laying of cable between station/level crossing location for connecting signalling system & telephones.	Construction of Road Over/Under bridges is the joint work of Railway and State Government/ Local Bodies and sometime work is delayed due to contractual problems, non availability of land ,State/ local bodies not starting the work in time because of encroachments/ financial crunch etc.	An amount of ₹ 551.22 crore has been released upto December, 12. The following output has been achieved: - Manning at 647 locations. At 520 places infrastructure is ready but not manned. - Lifting Barrier at 97 locations. - Basic infrastructure at 630 locations completed. - Interlocking at 321 locations. - Telephones at 241 locations. - Construction of 280 subways completed up to Dec,12. - Construction of 42 Road Over/ under bridges completed.

1	2	3	4(i) BE	4(ii) RE	4(iii) CEBR	5	6	7	8
2.	**Major Head 5475-Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure (Plan)**	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	437.55 (Plan)	437.55 (Plan)	...	145 proposals were given 'in principle' approval by the Empowered Institution. Financial closure has been achieved for 45 proposals out of which 14 proposals have been awarded premium where no VGF would be required.	There is a time lag between 'in principle' approval and final disbursement and normally it takes 12 to 18 months from the process of bidding to financial closure after giving In- principle approval to a proposal.	Disbursement of fund takes place only after commencement of construction of work of the project and the private party selected through competitive bidding process has invested its share of equity.	The BE 2012-13 of ₹ 437.55 crore crore was framed on the basis of requirement sought by Sponsoring Authorities and the balance VGF remaining to be disbursed for the approved projects. Till December, 2012 an amount of ₹351.65 crore has been disbursed to 12 road projects totalling 492 Km and 110 Km of Power Transmission line.

1	2	3	4(i) BE	4(ii) RE	4(iii) CEBR	5	6	7	8
3.	**Major Head 3475 –Interest equalisation support to Exim Bank of India (Non-Plan)**	The objective is to project Indiaôs 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.	225.00	290.00	...	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 dô Ivoire, Djibouti, etc.	The provision is to be utilised upto 31st March, 2013.	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.	₹ 145.97 crore have been paid to Exim Bank of India as interest equalisation support during 2012- 13 upto 31st December, 12.
4.	**Major Head 3605 –Technical and Economic Cooperation with other countries, Technical aid to South East Asia under the Colombo Plan. Contribution**	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	1.00	1.62	...	Human Resource Development through technical education to 410 students every year from Colombo Plan countries.	Development of long standing economic relationship through continued technical assistance to countries like Afghanistan, Bangladesh, Bhutan,Fiji, Indonesia, Iran, Korea, Malaysia, Laos, Nepal, Maldives, Mangolia, Myanmar, Srilanka, Papua New Guinea, Thailand and Vietnam.	There is no risk factor involved as the funds are being utilized for the objective mentioned in Col.3.	Work related to the Colombo Plan has been transferred to MEA w.e.f April, 2010. ₹ 0.26 crore has been incurred during 2012-13 upto December, 2012 for meeting the balance financial liabilities on students from various Colombo plan countries who had undergone training in different Institutes in India upto 2009-10.

SUMMARIZED POSITION OF SCHEMES UNDER DEMAND NO. 33 – DEPARTMENT OF ECONOMIC AFFAIRS

(₹ in Crore)

S.No	Scheme	2011 - 2012			2012 - 2013			2013-2014
		BE	RE	Actual	BE	RE	Actuals Up-to Dec. 12*	BE
1.	Public Private Partnership (PPP) In infrastructure, Provision of Viability Gap Funding (VGF) (MH 5475) – Plan	499.37	300.00	300.00	437.55	437.55	351.65	678.00
2.	Contribution for Railway Safety Works against additional levies on motor spirit and high speed diesel and; (MH 3054) - Plan	1040.63	1059.56	1059.56	1102.45	1102.45	551.22	1102.45
3.	Interest Equalisation Support to EXIM Bank of India (MH 3475) Non-Plan	139.69	139.00	139.48	225.00	290.00	145.97	416.50
4.	Technical Economic Cooperation with other Countries - Technical aid to South & South East Asia under Colombo Plan (MH 3605) Non-Plan	3.00	1.10	1.70	1.00	1.62	0.26	0.50
	Total	**1682.69**	**1499.66**	**1500.74**	**1766.00**	**1831.62**	**1049.10**	**2197.45**

* *Provisional*

MAJOR HEADWISE ACTUAL EXPENDITURE VIS-À-VIS BE/RE PROVISIONS FOR THE YEARS 2010-11, 2011-12 AND 2012-13

₹ in crore

Description	Major Head	2010-11 B.E.	2010-11 R.E.	2010-11 Actual	2011-12 B.E.	2011-12 R.E.	2011-12 Actual	2012-13 B.E.	2012-13 R.E.	Actuals upto Dec, 2012
1	2	3	4	5	6	7	8	9	10	11
PART - A NON-PLAN ITEMS										
Secretariat-General Services	**2052**	**70.37**	**79.30**	**71.37**	**84.71**	**76.68**	**75.80**	**81.03**	**88.23**	**60.67**
Other Fiscal Services										
National Savings Institute	2047	11.48	12.25	11.21	12.40	12.45	13.61	12.94	12.41	10.15
Interests on deposits under Compulsory Deposits (Income Tax Payers Scheme, 1974)	2047	0.10	0.05	0.00	0.03	0.03	0.01	0.05	0.03	0.01
Other Expenditure	2047	0.21	0.21	0.20	0.23	0.24	0.47	0.21	0.20	0.03
Total	**2047**	**11.79**	**12.51**	**11.41**	**12.66**	**12.72**	**14.09**	**13.20**	**12.64**	**10.19**
Other Adminstrative Services										
14th Finance Commission	2070	0.00	0.00	0.00	0.00	0.00	0.00	3.00	6.34	0.04
Financial Sector Legislative Reforms Commission (FSLRC)	2070	0.00	0.00	0.00	1.00	4.40	4.21	5.10	4.86	1.50
Other Expenditure (SAT)	2070	3.72	3.88	3.28	3.28	3.87	3.24	4.05	5.57	1.46
Total	**2070**	**3.72**	**3.88**	**3.28**	**4.28**	**8.27**	**7.45**	**12.15**	**16.77**	**3.00**
Miscellaneous General Services										
Guarantee Redemption Fund	2075	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	200.00
Other Programmes	2075	0.03	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01
Total	**2075**	**300.03**	**300.01**	**300.01**	**300.01**	**300.01**	**300.00**	**300.01**	**300.01**	**200.01**
General Education										
Social Security and Welfare										
Protected Savings Schemes (other charges)	2235	0.10	0.14	0.03	0.14	0.05	0.00	0.10	0.05	0.00
Total	**2235**	**0.10**	**0.14**	**0.03**	**0.14**	**0.05**	**0.00**	**0.10**	**0.05**	**0.00**
International Fund for Agricultural Development [IFAD]	2416	40.00	35.52	35.52	40.00	39.76	39.76	50.00	54.00	0.00
Total	**2416**	**40.00**	**35.52**	**35.52**	**40.00**	**39.76**	**39.76**	**50.00**	**54.00**	**0.00**
Other Transport Services										
Subsidy to Railways towards dividend reliefs and other concessions	3075	2829.88	2190.87	2013.27	3022.61	2598.26	2034.37	3003.89	2384.23	1001.27

1	2	3	4	5	6	7	8	9	10	11
Lossses on Strategic Railway Lines	3075	600.00	648.97	634.38	657.92	652.00	652.00	600.00	637.00	200.00
Total	**3075**	**3429.88**	**2839.84**	**2647.65**	**3680.53**	**3250.26**	**2686.37**	**3603.89**	**3021.23**	**1201.27**
International Financial Institutions										
Assesment Charges payable to International Monetary Fund	3466	2.19	0.22	0.00	0.23	0.39	0.38	0.42	0.38	0.38
Afghanistan Reconstruction Trust Fund	3466	1.00	0.93	0.93	0.00	0.00	0.00	0.00	0.00	0.00
World Bank PPA	3466	12.50	6.00	8.09	7.50	1.87	1.78	0.01	0.00	0.00
South Experience Exchange Trust Fund (SEETF)	3466	0.00	2.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**3466**	**15.69**	**9.55**	**9.02**	**7.73**	**2.26**	**2.16**	**0.43**	**0.38**	**0.38**
Other General Economic Services										
International Cooperation	3475	9.23	19.33	18.64	19.33	20.73	19.91	20.55	21.23	0.22
Other charges/IES/Embassy of India, Tokyo, Beijing and Washington	3475	11.61	16.58	13.22	20.25	17.92	15.94	19.80	18.69	15.36
Grant-in-aid-General to other institutions	3475	2.60	2.77	2.75	2.93	22.93	22.90	3.23	28.22	1.71
Custom and Import Duties on Non-Indian personnel in UN agencies	3475	0.03	0.01	0.00	0.03	0.03	0.00	0.03	0.02	0.00
Exchange loss under NRI Bonds	3475	0.50	0.50	2.85	0.50	0.50	0.00	0.50	0.00	0.00
Interest equalisation support to EXIM Bank	3475	130.00	127.77	127.70	139.69	139.00	139.48	225.00	290.00	145.97
Waiver off outstanding dues in respect of line of credit extended to Government of Yemen	3475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.07	0.00
Waiver of outstanding dues and interest/penal interest on loans outstanding against the line of credit extended in 1995 to Government of Turkmenistan	3475	0.00	24.50	24.44	0.00	0.00	0.00	0.00	0.00	0.00
Waiver of outstanding loan and interest on loans to Republic of Seychelles	3475	0.00	0.00	0.00	18.00	6.22	6.24	3.53	3.56	1.79
Waiver of outstanding dues and interest/penal interest on loans outstanding against the line of credit extended in 1993 to Government of Kazakhstan	3475	0.00	0.00	0.00	0.00	34.91	34.91	0.00	0.00	0.00

1	2	3	4	5	6	7	8	9	10	11
Waiver of outstanding dues and interest/penal interest on loans outstanding against the line of credit extended in 1994 to Government of Uzbekistan	3475	0.00	0.00	0.00	0.00	0.40	0.39	0.00	0.00	0.00
Total	**3475**	**153.97**	**191.46**	**189.60**	**200.73**	**242.64**	**239.77**	**272.64**	**363.79**	**165.05**
Technical and Economic cooperation with other countries										
Contribution to UNDP	3605	22.55	21.59	21.55	22.55	21.21	21.20	22.55	24.72	0.00
Cooperation with other countries	3605	19.52	18.58	5.92	14.06	12.67	1.76	1.07	1.68	0.26
Global Enovironment Facility (GEF)	3605	0.00	0.00	10.10	0.00	0.00	11.75	11.00	12.54	12.54
46th AGM of ADB	3605	0.00	0.00	0.00	0.00	0.15	0.07	8.38	16.00	0.59
Total	**3605**	**42.07**	**40.17**	**37.57**	**36.61**	**34.03**	**34.78**	**43.00**	**54.94**	**13.39**
Capital Outlay of Currency, Coinage and Mints										
Purchase of Coins from SPMCIL	4046	1063.20	1852.00	1463.42	1584.80	1225.00	1225.00	1645.35	1000.00	484.70
Capital Outlay on Miscellaneous General Services										
Purchase of Machines for Budget Press	4075	3.00	2.50	2.17	1.50	1.47	1.44	3.00	3.91	0.00
Investment in General Financial and Trading Institutions										
National Financial Holdings Comp any Limited	5465	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
Security Printing and Minting Corporation of India Limited (SPMCIL)	5465	0.00	0.00	0.00	400.00	0.00	0.00	400.00	0.00	0.00
National Skill Development Corporation(NSDC)	5465	0.00	0.00	0.00	0.00	501.90	501.90	0.00	0.00	0.00
Total	**5465**	**0.00**	**0.00**	**0.00**	**400.00**	**501.90**	**501.90**	**400.00**	**1.00**	**0.00**
Investment in International Financial Institutions										
Subcription to the IBRD	5466	0.00	0.00	0.00	183.65	183.65	206.11	183.65	205.04	0.00
Subscription to International Development Association	5466	0.01	0.01	0.00	0.01	9.17	9.18	0.00	0.00	0.00
Subscription to Asian Development Bank	5466	216.19	199.85	199.85	199.85	205.52	205.52	205.53	234.95	234.95
Subscription to African Development Fund	5466	14.93	37.37	37.36	22.12	22.12	22.11	22.21	22.11	0.00

1	2	3	4	5	6	7	8	9	10	11
Payment of Multilateral Debt Relief Initative of African Development Fund	5466	0.00	0.00	0.00	1.83	1.83	1.83	2.13	2.11	0.00
Subscription to African Development Bank	5466	0.01	5.21	5.03	5.21	0.01	0.00	5.35	5.85	5.89
Subscription to International Monetary Fund [In Securities]	5466	0.01	0.00	6243.43	11729.41	0.00	2444.53	42000.00	0.00	0.00
Subscription to International Monetary Fund [In Cash]	5466	0.00	0.00	0.00	0.00	0.00	0.00	14000.00	0.00	0.00
Maintenance of Value [MOV] Obligation	5466	0.01	0.00	0.00	0.01	1609.79	1609.78	0.01	4005.44	4005.44
India's Contribution to wards lending resources of IMF	5466	63.67	63.67	2.85	50.00	25.00	0.00	50.00	2.16	0.00
Total	**5466**	**294.83**	**306.11**	**6488.52**	**12192.09**	**2057.09**	**4499.06**	**56468.88**	**4477.66**	**4246.28**
Capital Outlay on Other General Economic Services										
Activities for mainstreaming PPPs	5475	2.10	1.12	0.83	0.80	2.67	1.70	1.30	1.17	0.32
India Infrastructure Project Development Fund (IIPDF)	5475	7.00	7.00	6.75	5.00	9.00	7.00	5.00	4.50	0.43
Total	**5475**	**9.10**	**8.12**	**7.58**	**5.80**	**11.67**	**8.70**	**6.30**	**5.67**	**0.75**
Loans for Other Economic Services										
Loans to IMF under New Arrangements to Borrow (NAB)	7475	0.00	0.00	0.00	0.00	9003.04	7269.58	0.00	11294.60	0.00
Total	**7475**	**0.00**	**0.00**	**0.00**	**0.00**	**9003.04**	**7269.58**	**0.00**	**11294.60**	**0.00**
Advances to Foreign Government										
Srilanka	7605	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Non-Plan		**5437.76**	**5681.11**	**11267.15**	**18551.59**	**16766.85**	**16905.86**	**62899.98**	**20694.88**	**6385.69**
PART - B PLAN ITEMS										
National Social Security Fund for Unorganised Sector workers	2235	1000.00	1000.00	1000.00	500.00	500.00	500.00	1000.00	120.00	0.00
New and Renewable Energy	2810	0.00	0.00	0.00	0.00	1066.46	1066.46	1500.00	1500.00	750.00
Roads and Bridges	3054	1753.46	1865.62	1865.62	2081.26	2119.12	2119.12	2204.90	2204.90	1102.44
Assistance for infrastructure development - VGF	5475	480.26	125.00	125.00	499.37	300.00	300.00	437.55	437.55	351.65
TOTAL PLAN		**3233.72**	**2990.62**	**2990.62**	**3080.63**	**3985.58**	**3985.58**	**5142.45**	**4262.45**	**2204.09**
Grand Total		***8671.48***	***8671.73***	***14257.77***	***21632.22***	***20752.43***	***20891.44***	***68042.43***	***24957.33***	***8589.78***

OBJECT HEAD - WISE ACTUAL EXPENDITURE VIS-À-VIS BE/RE PROVISIONS FOR THE YEARS 2010-11, 2011-12 AND 2012-13

(Gross) ₹ in crore

Object Head	2010-11 B.E.	2010-11 R.E.	2010-11 Actual	2011-12 B.E.	2011-12 R.E.	2011-12 Actual	2012-13 B.E.	2012-13 R.E.	Actuals upto Dec, 2012
1	2	3	4	5	6	7	8	9	10
REVENUE SECTION									
01 Salaries	52.96	57.30	53.65	59.17	52.32	58.99	59.50	66.23	51.78
02 Wages	0.43	0.36	0.36	0.45	0.28	0.39	0.31	0.44	0.30
03 Overtimes Allowance	0.40	0.30	0.24	0.41	0.17	0.13	0.22	0.16	0.05
06 Medical Treatment	1.12	0.96	1.02	1.35	1.17	0.77	1.43	1.22	0.77
11 Domestic Travel Expenses	1.75	2.38	2.00	2.15	2.54	2.10	2.54	2.29	1.22
12 Foreign Travel Expenses	4.77	5.07	4.49	5.82	5.82	5.00	6.95	6.04	3.90
13 Office Expenses	8.36	8.18	8.41	8.38	8.99	8.73	9.00	8.14	5.36
14 Rent,Rates & Taxes	3.45	4.19	2.08	4.65	4.30	2.49	4.80	8.99	0.70
16 Publications	4.20	3.75	3.69	4.37	5.27	4.96	5.27	5.19	4.73
20 Other Administrative Expenses	0.84	2.91	1.81	4.99	5.25	3.96	11.00	20.71	2.81
21 Supplies and Material	1.05	1.05	0.77	1.05	0.85	0.74	0.85	0.77	0.19
26 Advertising and Publicity	0.56	0.72	0.53	0.65	0.61	1.86	0.65	0.50	0.04
27 Minor Works	1.06	1.38	0.95	2.16	1.97	1.34	2.95	2.54	0.77
28 Professional Services	5.20	3.61	2.22	4.30	5.18	3.78	5.80	8.45	1.80
31 Grant-in-aid-General	2.61	2.79	2.75	2.95	22.95	22.90	3.25	28.23	0.56
32 Contibution	92.47	98.53	99.90	96.11	94.55	94.85	105.34	114.37	12.84
33 Subsidies	3559.88	2967.61	2775.34	3820.22	3389.26	2825.84	3828.89	3311.23	1347.23
42 Lumpsum	0.02	0.00	0.00	0.00	0.01	0.00	0.01	0.01	0.01
44 Exchange variation	0.50	0.50	2.85	0.50	0.50	0.00	0.50	0.00	0.00
45 Interest	0.14	0.08	0.03	0.09	0.09	0.02	0.09	0.04	0.01
50 Other Charges	1023.22	21.23	13.32	26.36	19.91	17.12	20.27	17.90	15.29

1	2	3	4	5	6	7	8	9	10
51 Motor Vehicles	0.13	0.10	0.09	0.12	0.11	0.11	0.12	0.11	0.11
52 Machinery and Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53 Major Works	876.73	932.81	932.81	1040.63	1059.56	1059.56	1102.45	1102.45	551.22
63 Inter-account transfer	1176.73	2232.81	2232.81	1840.63	2926.02	2926.02	3902.45	3022.45	1501.22
64 Write off/Losses	0.00	24.50	24.44	18.00	41.52	41.54	3.53	5.63	1.78
50 Information Technology-Other Charges	2.50	4.88	4.51	3.15	3.06	2.56	3.18	2.85	1.71
TOTAL REVENUE SECTION	**6821.08**	**6378.00**	**6171.07**	**6948.66**	**7652.26**	**7085.77**	**9081.35**	**7736.94**	**3506.40**
CAPITAL SECTION									
32 Contribution	0.00	0.00	0.00	0.00	500.00	500.00	0.00	0.00	0.00
42 Lumpsum	480.26	125.00	125.00	499.37	300.00	300.00	437.55	437.55	351.65
52 Machinery and Equipment	3.00	2.50	2.17	1.50	1.47	1.45	3.00	3.91	0.00
55 Loans and advance	0.01	0.00	0.00	0.00	9003.04	7269.58	0.00	11294.60	0.00
60 Other Capital Expenditure	1126.87	1915.67	1466.27	1634.80	1250.00	1225.00	1695.35	1004.00	484.70
63 Inter-account transfer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50 Other Charges	9.10	8.12	7.58	5.80	11.67	8.69	6.30	5.67	0.75
54 Investment	231.16	242.44	6485.68	12542.09	2033.99	4500.96	56818.88	4474.66	4246.28
TOTAL CAPITAL SECTION	**1850.40**	**2293.73**	**8086.70**	**14683.56**	**13100.17**	**13805.68**	**58961.08**	**17220.39**	**5083.38**
GRAND TOTAL	***8671.48***	***8671.73***	***14257.77***	***21632.22***	***20752.43***	***20891.44***	***68042.43***	***24957.33***	***8589.78***

ANALYSIS OF EXPENDITURE DURING 2010-11, 2011-12 AND 2012-13

NON-PLAN

MH-2052 - Secretariat General Services

The provision under this head is kept for the Secretariat expenditure of the Department of Economic Affairs, G-20 Secretariat and Directorate of Currency. During 2010-11 the RE has been increased for the newly created Directorate of Currency. At RE 2011-12 the decrease is due to non filling up of posts for the G-20 Secretariat as well as for the Directorate of Currency. RE 2012-13 has been enhanced to provide for increased requirement on account of salaries ,Other Administrative expenses for organising various conferences including the Delhi Economic Conclave and also payment for Professional services. The flow of expenditure up to December, 2012 is satisfactory.

MH-2047 - Other Fiscal Services

The provision under this head is for expenditure of National Savings Institute with its network of regional offices. It also includes provision in respect of interests on deposits under Compulsory Deposits (Income Tax Payers) Scheme, 1974; Rental cost of IMF Residents office and Indias' contribution to International Saving Bank Institutions. The flow of expenditure up to December, 2012 is satisfactory.

MH-2070 - Other Administrative Services

The provision under this head is for expenditure of Investment Commission, 14th Finance Commission, Security Appellate Tribunal (SAT) and Financial Sector Legislative Reforms Commission (FSLRC). The decrease in expenditure in 2010-11 is due to winding up of 13th Finance Commission in January, 2010 as well as due to winding up of Investment Commission. The increase in 2011-12 is due to provision for the newly created FSLRC. There is an increase at BE 2012-13 to provide for the Advance Cell of the 14th Finance Commission. BE 2012 -13 has been enhanced at RE 2012-13 to provide for rental charges etc. for the 14th Finance Commission subsequent to its constitution as also revision of rent and payment of rent and arrears in respect of SAT.

MH-2075 - Miscellaneous General Services

The provision is for interest payments on Central Securities in time barred cases and payment in connection with unclaimed securities credited to Government accounts. A provision of ₹300.00 crore is kept for transfer to the Guarantee Redemption Fund.

MH-2235 - Social Security & Welfare

The provision has been kept for Protected Savings Schemes.

MH-2416 - Agriculture Financial Institutions

International Fund for Agricultural Development (IFAD): India is one of the founder members of International Fund for Agricultural Development (IFAD) and has so far contributed US $ 114 million to IFAD resources till the 8th Replenishment. Since 1979, IFAD has assisted in 25 projects in the agriculture, rural development, tribal development, women's empowerment, natural resources' management and rural finance sector with the commitment of US$ 797.3 million (approx.). Out of these, 15 projects have already been closed. Presently, ten projects with a total assistance of US$ 378.8 million are under implementation. For the 9th Replenishment, India has committed to contribute US$ 30 million. The payment is to be made in three instalments of US$ 10 million in 2012-13, 2013-14 and 2014-15. India has contributed US$ 10 million as 1st instalment of the 9th Replenishment towards IFAD resources in December 2012.The BE 2012-13 provision of 50.00 crore was enhanced to ₹54.00 crore on account of exchange rate fluctuation. India has been allocated US$ 133 million for Performance Based Allocation System (PBAS) Cycle 2013-15 for projects under areas of operation of IFAD.

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

Subsidy to Railways for Dividend Relief and other concession is based on the dividend paid by the Ministry of Railways, to the General Revenues, on the entire capital (excluding dividend free capital) invested on Railways from the General Revenues. The rate of dividend for 2011-2012, payable by Railways to General Revenues, was reduced from 6% to 5% vide recommendation no.77 contained in Second Report of Railway Convention Committee (2009) on 'Rate of Dividend for 2011-2012 and other ancillary matters'. The subsidy provided towards dividend relief and other concessions is also 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. As such, there are variations in the actual expenditure vis-à-vis the provisions made.

MH - 3466 - International Financial Institutions

The provision is for annual Assessment charges payable to International Monetary Fund, Afghanistan Reconstruction Trust Fund (ARTF), World Bank Technical assistance loan and contribution to South South Experience Exchange Trust Fund (SEETF). At RE 2010-11 and at RE 2011-12 the provision for the World Bank TA Loan was reduced due to less requirement. A token Supplementary was obtained in the first batch 2010-11 for making a one-time payment of US $ 500,000 as Indias' contribution to World Bank South - South Experience Exchange Trust Fund (SEETF).During 2010-11 a token Supplementary was also obtained for contribution towards Cultural Heritage and Sustainable Tourism Trust Fund (CHSTTF).

MH - 3475 - Other General Economic Services

The provision under this Head includes contribution to Commonwealth Fund for Technical Cooperation (CFTC) and other international organisations , Economic Wing of the Embassy of India at Washington, Tokyo and Beijing, Training of Indian Economic Service Officers, India Trust Fund in ADB , Exchange Variation and Grants-in-Aid to Other Institutions and provision for Interest Equalization support to EXIM Bank. The provision for Interest Equalization support to EXIM Bank of ₹130.00 crore at BE 2010-11 was reduced to ₹127.77 crore at RE 2010-11 due to less claims received. The provision for BE 2011-12 and 2012-13 is ₹139.69 crore and ₹225.00 crore respectively. The actual expenditure during 2010-11 and 2011-12 is ₹127.70 crore and ₹139.48 crore respectively. The provision of ₹225.00 crore was enhances at RE2012-13 stage to ₹290.00 crore due to increase of LIBOR rate from 0.5%to 0.64% ,upward exchange rate fluctuation and also due to approval of new Lines of Credit (LOCs).There is an overall increase under the Major Head at RE

2010-11 due to the newly created Economic and Commercial Wing of the Embassy of India, Beijing; enhanced expenditure on training of Indian Economic Service Officers; contribution (₹10.00 crore) towards technical cooperation with African Development Bank;Voluntary membership contribution of Euro 15000 (₹0.10 crore) to FATF for the year 2010; and waiver of outstanding dues , interest & penal interest (₹24.50 crore) against the concessional Line of Credit extended to Government of Turkmenistan by GOI. There is an enhancement of the BE 2011-12 provision at the RE 2011-12 stage on account of waiver of outstanding dues/interest against LOC extended to Government of Kazakhstan (₹34.92 crore) & Uzbekistan (₹0.40 crore); grants in aid to the Madras School of Economics and the Delhi School of Economics in implementation of one of the Budget (2011-12) announcements; contribution to Eurasian Group on Combating Money Laundering and Terrorism Financing (EAG) and upward exchange rate fluctuation in respect of contribution to CFTC. BE 2012-13 has been enhanced at RE 2012-13 to provide for Waiver of outstanding dues (₹2.07 crore) in respect of Line of credit extended to Government of Yemen in 1981; providing Grant in aid to National Council for Applied Economic Research (₹15.00 crore) and Rajiv Gandhi University, Deptt of Economics, Itanagar (₹10.00 crore);

MH-3605 - Technical & Economic Cooperation with Other Countries

The provision under this Head includes contribution to United Nations Development Programme (UNDP), Global Environment Facility (GEF) Technical Aid under Colombo Plan and for Development Assistance. A provision (₹0.15 crore) had been kept under BE 2011-12 for the 46th Annual General Meeting (AGM) of the Board of Governors of the Asian Development Bank which is scheduled to be held in Delhi in May,2013 for initial preparatory expenses. The provisions for the 46th AGM have been increased at BE and RE 2012-13 stage. The scheme relating to Technical Aid to South and South-East Asia under the Colombo Plan has been transferred to the Ministry of External Affairs w.e.f April, 2010. However, provisions have been kept in 2011-12 and 2012-13 for settlement of pending bills relating to training of students from various Colombo Plan countries up-to 2009-10. There is an increase in the BE 2012-13 provision kept for contribution to UNDP and GEF at the RE stage on account of additional requirement due to upward exchange rate fluctuation.

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). BE 2010-11 provision of ₹1063.20 crore was increased to ₹1852.00 crore at RE 2010-11. Out of this ₹1463.42 crore was spent. Less expenditure was incurred as the mark up applied on cost of coins was reduced to 7.5 % from 10% applied earlier. During 2011-12 and 2012-13 the BE provisions have been reduced at RE stage due to the provisional downward price of coins. There is no cash outgo under this Head as the entire amount is deducted as recovery from the credit received from Reserve Bank of India on circulation of coins.

MH-4075 - Capital Outlay on Miscellaneous General Services

A provision of ₹3.00 crore was kept at BE 2010-11 for procurement of Gathering machine for the Budget Press, which was reduced to ₹2.50 crore at RE 2010-11 as only part payment was released for purchase of the Gathering machine. A provision of ₹1.50 crore was kept in BE 2011-12 for release of balance payment. A provision of ₹3.00 crore was kept under BE 2012-13 for procurement of a Perfect Binding Machine. The provision has been enhanced to ₹3.91 at the RE 2012-13 stage.

MH-5465 - Investment in General Financial and Trading Institutions

A provision of ₹400.00 crore was kept in the Budget Estimates 2011-12 towards expansion and modernization of Mints and Presses. It was anticipated that the procedural requirements/ formalities would get completed within the Financial Year. However, the exercise could not be completed and the amount was surrendered at the RE 2011-12 stage. Since the exercise could not be completed during 2011-12 provision of ₹400.00 crore was kept in BE 2012-13. Subsequently the matter was re-examined and a decision was taken that there was no requirement of providing financial assistance to SPMCIL at this stage nd the BE 2012-13 was surrendered at the RE 2012-13. The provision for 2011-12 under this Major Head also included ₹500.00 crore towards providing additional contribution to the Corpus of National Skill Development Fund Technical Assistance and ₹1.90 crore towards Government of India Equity in the National Skill Development Corporation (NSDC), for which a total of ₹501.90 crore obtained in the second batch of Supplementary Demands for Grants 2011-12. ₹1.00 crore has been obtained through the first batch of supplementary Demands for grants 2012-13 for GOIs share of paid up capital in the newly created National Financial Holdings Company Limited (NFHCL).

MH-5466 - Investment in International Financial Institutions

The provision is for payment of subscription to International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), Asian Development Bank (ADB), African Development Bank (AfDB), African Development Fund, subscription to International Monetary Fund (IMF), Maintenance of Value (MoV) Obligation and India's Contribution towards Lending Resources of IMF. During the year 2010-11 a supplementary of ₹11327.15 crore was obtained for India's quota increase at International Monetary Fund (IMF). Based on information from the IMF that the IMFs Resolution on Quota Increase might not get ratified within the Financial Year, it was decided to surrender this provision in RE2010-11 and provide for it in BE 2011-12. The IMFs Quota Resolution however became effective on 3rd March,2011 and India was required to make the payment by 4th April,2011. The payment was therefore made in the FY 2010-11 itself and the provision kept for the purpose, in BE 2011-12 surrendered at RE 2011-12. For 2010-11 a token provision of ₹0.01 crore was kept for subscription to IMF for Maintenance of Value (MoV) towards valuation adjustment of Indian Rupees receivable by IMF. This was not required to be enhanced as India received payments due to the movement of SDR exchange rate in favour of the Rupee. A supplementary of ₹1609.79 crore and ₹4005.44 crore was obtained during 2011-12 and 2012-13 for IMF/MoV. The amount has been fully utilized. A provision of ₹183.65 crore has been kept at BE 2012-13 for investment International Bank for Reconstruction and Development (IBRD). The BE provision has been increased to ₹205.04 crore at RE 2012-13 on account of upward exchange rate fluctuation. A supplementary of ₹9.17 crore has been obtained in 2011-12 for subscription to International

Development Association (IDA). In BE 2010-11 a provision of ₹63.67 crore has been kept for Indias contribution towards lending resources of IMF. This provision is made for transferring the Rupee equivalent of SDRs received as interest to the Reserve Bank of India (RBI). The actual expenditure of ₹2.85 crore was due to less requirement for making payments towards interest on securities under Note Purchase Agreement (NPA).Similarly, the BE 2011-12 and BE 2012-13 provisions have been reduced at RE 2011-12 and RE 2012-13 respectively.

MH-5475 - Capital Outlay on Other General Economic Services

The provision is for India Infrastructure Project Development Fund (IIPDF) and activities for mainstreaming Public Private Partnership (PPP) projects. For IIPDF the BE 2011-12 provision of ₹5.00 crore has enhanced to ₹9.00 crore for providing additional financial support to Jaipur Metro Rail Project and Projects of Delhi Jal Board, Government of Madhya Pradesh and Karnataka. BE 2012-13 provision of ₹5.00 crore was based on requirements of funds by the sponsoring authorities. The provision has been reduced to ₹4.50 crore at RE 2012-13. ₹2.10 crore has been provided for activities for mainstreaming PPP in BE 2010-11. The provision of ₹2.10 crore has been reduced to ₹1.12 crore due to non approval of consultancy services. BE 2011-12 provision of ₹0.80 crore was increased to ₹2.67 crore for additional support for which supplementary was obtained. BE 2012-13 provision of ₹1.30 crore is for expenditure on maintenance of data base/pppindia.com, workshop/conferences and other activities for promoting PPPs. The provision has been reduced at RE2012-13 to ₹1.17 crore on account of economy/ cut in Non-Plan expenditure.

MH-7475: Loans to Other Economic Services

A provision of ₹9003.04 crore was made at RE 2011-12 through supplementary Demands for Grants for providing loans to the International Monetary Fund (IMF) under New Arrangements to Borrow (NAB). Transactions amounting to ₹7269.58 crore took place during the year under the NAB. During 2012-13 a provision of ₹11294.60 crore has been obtained through supplementary Demands for Grants for NAB.

PLAN

MH-2235- Social Security and Welfare

As a follow up to the Unorganized Sector Workers Social Security Act, 2008, the National Social Security Fund for Unorganized sector workers has been setup with an initial allocation of ₹1000.00 crore at BE 2010-11. For 2011-12 an amount of ₹500.00 crore was transferred to the Fund. During 2012-13 the BE provision of ₹1000.00 crore has been reduced to ₹120.00 crore at RE 2012-13.

MH-2810- New and Renewable Energy

A provision of ₹1066.46 crore has been obtained through the First supplementary Demand for Grants 2011-12 for initial transfer to the 'National Clean Energy Fund' to be maintained in the Public account of India for meeting expenditure to finance various new projects relating to research in clean energy, etc to be implemented by different Ministries/departments. A provision of ₹1500.00 crore has been kept for 2012-13. ₹750.00 crore has been transferred to the Fund up-to December, 2012.

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 ₹876.73 crore was kept during 2010-11. The provision was enhanced at RE 2010-11 to ₹932.81 crore on greater demand from the Railways. The provision has been fully utilized. During 2011-12 a provision of ₹1040.63 crore was kept. The provision was increased to ₹1059.56 crore at RE 2011-12 and fully utilised. The BE 2012-13 provision is ₹1102.45 crore. Up-to December, 12 an amount of ₹551.22 crore has been released to the Railways.

MH-5475 - Capital Outlay on Other General Economic Services

The provision is for Assistance for Infrastructure Development-Viability Gap Funding (VGF) for PPP. During 2010-11 the provision of ₹480.26 crore has been reduced to ₹125.00 crore at RE 2010-11 due to slow closure of financial proposals of the projects granted in principle approval. The RE provision has been fully utilized. A provision of ₹499.37 crore at BE 2011-12 has been reduced to ₹300.00 crore at RE 2011-12. The reduction is due to delay in implementation of the Mumbai Metro Line 2 Project where VGF amounting to ₹200.00 crore was estimated to be required in 2011-12. However there was no requirement of VGF for this project in 2011-12. The BE 2012-13 provision of ₹437.55 crore has been retained at RE 2012-13. The actual expenditure incurred up-to December, 12 is ₹351.65 crore.

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MH-3054 -Roads & Bridges

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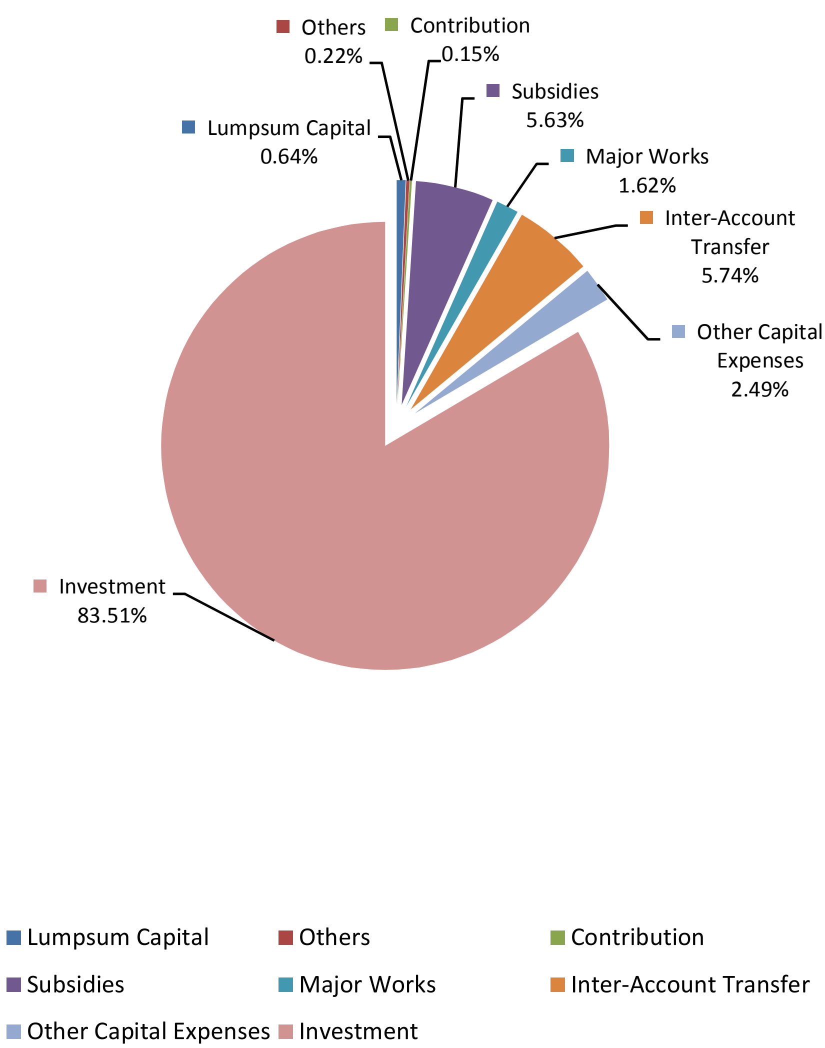
Object Head Wise Major Constituents of Grant of DEA 2012-13



- Investment - The major portion is for payment to IMF for Indias Quota Increase (₹56000.00 cr), Subscription to Asian Development Bank and African Development Fund, Subscription to IBRD - General/Selective Capital Increase - (₹205.53 cr) SPMCIL - (₹400.00 cr). (Total- ₹56818.88 cr).

- Subsidies - The major part of the subsidy goes to Railways towards Dividend Relief and Other Concessions and for Interest Equalization Support to Exim Bank (₹225.00 cr). (Total -₹3828.89).

- Provision for Major Works is for financing construction of Railways over/under bridges and other Railway Safety Works. (Total - ₹1102.45 cr).

- Inter - Account Trasfer is for transfer of funds to the Central Road Fund, Social Security Fund for Unorganized Sector Workers, National Clean Energy Fund and Guarantee Redemption Fund. (Total - ₹3902.45 cr).

- Other Capital Expenses is for purchase of coins from SPMCIL and payment towards Lending Resources of IMF. (Total - ₹1695.35 cr).

- Contribution to various international bodies and organizations. (Total - ₹105.35 cr).

- Others - Includes Salaries and Other Establishment Expenditure. (Total - ₹151.51 cr).

- Lumpsum Capital is for promoting PPP in infrastructure development through Viability Gap Funding. (Total - ₹437.55 cr).

STATEMENT ON SURRENDER AND SAVING DURING THE FINANCIAL YEAR 2011-12

During the Financial Year 2011-12, the original grant was ₹21632.22 crore. This was augmented to ₹ 33874.81 crore by obtaining supplementary grant of ₹12242.59 crore. Against this, the actual expenditure was ₹20891.44 crore, resulting in net savings of ₹12983.37 crore.

2. The savings of ₹12983.37 crore was the net effect of total savings of ₹13065.56 crore and total excess of ₹82.19 crore under the various sub heads of the grant.

Major Savings have been categorized into the following categories:-

(i) Normal savings due to economical usage of the resources

(₹ in crore)

S. No.	Sub Head/ Scheme/ Programme	Savings	Remarks/ Reasons
1.	Department of Economic Affairs (Secretariat)	2.34	Fewer requirements for Salary, Wages, Office Expenses, Travelling Allowance and Economy in expenditure.
2.	Subsidy to Railways towards Dividend Relief	988.24	Subsidy to Railways for Dividend Relief is based on the Dividend paid by the Railways on Capital invested on Railways from General Revenues. The rate for Dividend for 2011-12 payable by Railways was reduced from 6% to 5%. The reduction in rate resulted in savings.
3.	Training of IES Officers	0.93	Economizing of cost in organizing various training programmes.
4.	Contribution to UNDP	1.35	Favorable Exchange rate variation.
5.	Purchase of Coins form SPMCIL	359.80	Downward cost of coins
(ii)	Savings due to non-implementation/ delay in execution of projects/schemes		
1.	G-20 Secretariat	2.41	Newly created units and did not become fully operational.
2.	Dte. of Currency	4.16	Saving was due to non-filling up of vacant posts, non-finalization of office accommodation and economy measures.
3.	Waiver of Loan to Republic of Seychelles	11.62	The provision was made to make full payment to EXIM Bank in one go. Subsequently it was decided to make payment as per repayment schedule spread over 6 years.
4.	Economic and Commercial Wing of Embassy of India, Beijing	3.52	Newly created wing which started functioning in January, 2011. All appointments could not be made hence savings.
5.	Reimbursement of losses to Railways on operating strategic Railway line	5.92	Reimbursement of Losses on operating strategic lines is dependent on the working expenses of the Railways on operating such lines. Savings was due to less amounts required to be reimbursed to the Railways.
6.	Budgetary Support/Investment in SPMCIL	400.00	All formalities could not be completed.
7.	Subscription to African Development Bank	5.21	Payment was not required to be made.
8.	Assistance for Infrastructure Development ï Viability Gap Funding	199.37	Delay in implementation of Mumbai Metro Line 2 Project.
9.	India Infrastructure Project Development Fund	2.00	Fewer Requirements.
10.	Subscription to IMF towards India Quota Increase	9284.88	The provision was kept as it was not certain whether India would be called upon to make the payment in 2010-11. The payment was however made in March, 2011, hence savings in 2011-12
11.	Indiaõs Contribution towards Lending Resources of IMF	50.00	Provision is for transferring the Rupee equivalent of SDRs received as interest to the RBI on Note Purchase Agreement (NPA)/ New Arrangements to Borrow (NAB). There was no requirement of payment towards interest. Hence amount remained unutilized.
12.	Loans to IMF under New Arrangements to Borrow (NAB)	1733.46	Projections were based on calls and estimates furnished by IMF and RBI. However, actual calls and drawing by the Fund on India were lower, leading to savings.
(iii)	Surrender/ Savings due to obsolete/ defunct project/ scheme or due to completion of project/ scheme		
1.	World Bank PPA Project	5.71	Closure of Project.
2.	Technical Aid to South and South East Asia under Colombo Plan	1.30	Scheme transferred to MEA in 2010. Provision was for balance payments. Savings due to non-receipt of Bills.

Note :- *This annexure is included in compliance of O.M. No. 7(1)-B(AC)/2011 dated 23rd March, 2012 of Budget Division regarding segregation of savings due to normal savings, Under/non – utilization, & surrender of funds for the financial year 2011-12 as desired by the Standing Committee on Finance in its 33rd Report.*

Statutory and Autonomous Bodies under Department of Economic Affairs

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

Security Printing and Minting Corporation of India Ltd.

- Security Printing & Minting Corporation of India Limited (SPMCIL) was incorporated on 13.1.2006 with its headquarters at Jawahar Vyapar Bhawan, New Delhi. Commencement of business was approved w.e.f. 10th February, 2006. This is a wholly owned Public Sector Undertaking of Govt of India under Ministry of Finance, Department of Economic affairs headed by Chairman and Managing Director. There are three functional directors on the Board in addition to Directors representing Government and user departments.
- SPMCIL was formed after corporatization of all nine Mints/Presses/Mill which were earlier working under Currency and Coins Division of the Department of Economic Affairs, Ministry of Finance, Government of India. These units are:

  India Government Mint, Mumbai
  India Government Mint, Kolkata
  India Government Mint, Hyderabad
  India Government Mint, Noida
  Security Printing Press, Hyderabad
  India Security Press, Nasik
  Currency Note Press, Nasik
  Bank Note Press, Dewas
  Security Paper Mill, Hoshangabad
- Provisionally, the company had assets and equivalent liability amounting to ₹3237 crore. The employee strength of all the nine units of SPMCIL at present is about 12800. Client of two currency presses is RBI for currency notes. For another two security presses, clients are State Governments 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. For mints, major work relates to making coins for RBI and medal production for distribution through corporate entities though small payments are received from individuals for commemorative coins etc.
- As on 31-3-2012, SPMCIL has an asset base of ₹5250.05 crores and profit after tax for the above period is ₹582.47 crore. The company has paid a dividend of ₹116.49 crores & dividend distribution tax of ₹18.90crores during Financial Year 2011-12.
- During the current financial year SPMCIL has been able to meet the indents received from RBI for production of the currency/bank notes. It has achieved the target for minting of coins for Government of India, postal stationery for Department of Post and printed stamp papers for State and other agencies.
- Nine units of SPMCIL are engaged in the production of security paper, printing of security documents and minting of coins, medals etc. Details of the production of major products during the current year is as under:

Details of Production for the period from 01.04.2012 to 31.12.2012

Sl. No.	Products	Production (in million pieces)
1.	Bank Notes	5253.128
2.	Coins	4911.36
3.	Post Cards	72.26
4.	Envelopes	45.12
5.	Inland Letter Cards	16.12
6.	Postage Stamps & Indian Postal Orders	37.499
7.	Adhesive Stamps	11.425
8.	N.J & Allied Stamps	292.774
9.	Saving Instruments	31.456
10.	Non MICR Cheques	.787
11.	MICR Cheques	17.186
12.	Misc. Security Forms &Court fee stamps	206.456
13.	Passport & Allied Booklets	3.44
14.	Stickers/Labels/I.Cards/Seals	2.839

Details of Sales of major products for the period from 01.04.2012 to 31.12.2012

Sl. No.	Main Products	Sales (₹ in Crore)
1.	Bank Notes	1017.63
2.	Coins and Medals	1286.70
3.	Other Security Products	433.86
	TOTAL	**2738.19**

The company is setting up of a new Bank Note Paper Line at Security Paper Mill, Hoshangabad (M.P.) including stock preparation plant. Varnishing coating machine for bank notes commissioned at Currency Note Press at Nasik

The company has also taken a major step for Indigenization of currency paper in India by entering into a joint venture with Bank Note Paper Mill India Private Limited (BNPMIPL) at Mysore. The total cost of the project is about ₹1200 crore and it is targeted to be completed in the financial year 2014-15.On implementation of the project the company will meet its major part of the requirement of currency paper indigenously and reduce the import of Bank Note Paper.

During the year the company also implemented R&D projects in the field of security paper, security printing and coin metallurgy and innovative CSR projects undertaken in the field of education, health & family welfare, environment and social development. Mobile van for health services under rural areas of Maharashtra supported through Indian Red Cross Society was also undertaken.

The company is hopeful of meeting RBI indent for printing of circulation notes as well as for minting of coins. There has been a decline in requirement of pass port on account of delay in security clearance of E- Passport, postal stationery due to change in communication tools and non judicial papers on account of introduction of E- stamping by some State Governments.

SPMCIL has envisaged modernization of security paper mill, capacity enhancement of security paper production, modernization of currency printing units and automation of various activities being carried out in a traditional manner. This organization is currently a profit making organization. In order to meet strategic initiatives to prevent counterfeit currency and in the interest of the country the support for the projects of indigenization of bank note paper, ink & R&D etc has been agreed by the Government as per the Memorandum of Settlement dated September, 2008. Government of India has agreed to provide financing of about Rs 1200-1500 crore for the above investments.

Details of Important projects under implementation/to be undertaken in the year 2013-14

(₹ in crore)

Name of project	Sanctioned Cost	Scheduled date of completion	Total cumulative exp. till beginning of the year	Total exp. planned during 2013-14	Likely date of completion	Output/ Outcome	Remarks
1	2	3	4	5	6	7	8
Paper mill/presses							
One line of paper mill at SPM, Hoshangabad	494	30.06.2014	340	100	30.06.2014	6000 MT/ Year	As replacement of one old existing line. Presently under progress.
Upgradation of paper machine at SPM, Hoshangabad	67	31.03.2016	-	-	31.03.2016		
New pulp plant (clextral, France) at SPM, Hoshangabad	58	30.06.2013	50	8	30.06.2013		
Replacement of old printing & finishing plant & machinery at CNP/ BNP.	400	31.03.2016		-	31.03.2016		Replacement of two old existing line.
On line inspection system (SOI) at CNP, Nasik	25	31.03.2014	-	25	31.03.2014		Upgrading currency printing machine.
Online jogging equipment at BNP Dewas	10	31.03.2014	-	10	31.03.2014		Upgrading currency printing machine.
J.V. with BRBNMPL for setting new security paper mill	1200 (SPMCIL share 50%)	30.10.2014	200	100	30.10.2014	12000MT/ Year (SPMCIL share 50%)	Production of Paper as import substitute in joint venture with BRBNMPL.
6 colour offset sheet fed machine at ISP, Nasik	30	31.03.2014	-	30	31.03.2014		Replacement of outlived machine.
Mini finishing machines (counting, banding, shrink wrap & labeling machine) at CNP, Nasik	12	31.03.2013	12	-	31.03.2013		Modernisation to reduce manual handling of cut notes.

1	2	3	4	5	6	7	8
Computer aided design (CAD)& computer to offset plate (CTOP) at CNP/BNP	40	31.03.2014	20	20	31.03.2014		Creating capacity to design bank notes in house as R&D effort.
Shredding & briquetting machine at ISP, Nasik	5	31.03.2014		5	31.03.2014		For making bricks out of waste paper generated during printing & processing.
TOTAL (A)	**1741**		**622**	**298**			
Mints							
Multi strike medal press for proof medals & coins-(3 nos)	37	31.12.2014	-	15	31.12.2014		
Coining presses at various units (8 nos)-2 each at all mints	50	30.09.2014	-	20	30.09.2014		Replacement of old machines combined with additional capacity.
Centrifugal Finishing line (Coin polishing)- 3 nos	30	30.09.2014	-	10	30.09.2014		For polishing of coins.
Automatic Visual inspection machine for coin blanks	10	30.09.2014	-	5	30.09.2014		To improve the quality of coins.
Gold/silver Refining plant at Mumbai/ Hyderabad	9	31.03.2013	9	-	31.03.2013		To create refining capacity at Mumbai Hyderabad.
CCTV & other security systems in mints	17	31.03.2013	17	-	31.03.2013		To strengthen the existing security system at mints.
Annealing/hardening electric furnance with intregated Nitrogen plant-4 nos	20	31.03.2015	-	5	31.03.2015		For softening/ hardening of metals.
Hydraulic hobbying press ï 3 nos	45	31.03.2015	-	5	31.03.2015		
TOTAL (B)	**218**		**26**	**60**			
Miscellaneous							
ERP Project	70	30.06.12	32	20	30.06.2013		To assess the data on-line of different units to initiate decision without any loss of time in collection of information.
TOTAL (C)	**70**		**32**	**20**			
GRAND TOTAL(A+B+C)	**2029**		**680**	**378**			

DEPARTMENT OF FINANCIAL SERVICES

INTRODUCTION

The Department of Financial Services (DFS) is mainly responsible for policy issues relating to Public Sector Banks (PSBs) and Financial Institutions including their functioning, appointment of Chairman cum Managing Directors (CMDs) & Executive Directors (EDs), legislative matters, international banking relations, appointment of Governor/Deputy Governor of Reserve Bank of India, matters relating to National Bank for Agriculture and Rural Development (NABARD), Agriculture Finance Corporation, co-operative banks, Regional Rural Banks (RRBs), rural/agriculture credit, Financial Inclusion, matters relating to Insurance sector and performance of public sector insurance companies, administration of various Insurance Acts, pension reforms including the New Pension System (NPS), legislative and other issues regarding the Pension Fund Regulatory and Development Authority (PFRDA) etc.

Major Schemes administered by DFS are as under:-

(i) Interest Subvention for providing Short Term Credit to Farmers - The Government subsidizes the interest rate on loans to farmers through an Interest Subvention Scheme so that short-term crop loans upto ₹ 3.00 lakh are available to farmers at an interest rate of 7% per annum. This scheme has been under implementation since 2006-07 and it is continued year after year. NABARD implements the scheme in respect of Cooperative Banks and Regional Rural Banks and RBI implements the scheme in respect of Public Sector Banks. As per approval to the continuation of the scheme during 2011-12, in addition to interest subvention to provide short term crop loans to farmers upto ₹ 3.00 lakhs @ 7% p.a., following components have been added:

a. Additional interest subvention of 3% to those farmers who repay on time.

b. Interest subvention to small and marginal farmers having Kisan Credit Cards for six months post harvest on the same rate as for short term crop loan against negotiable warehouse receipts for keeping their produce in warehouses.

During 2010-11 an amount of ₹ 3531.19 crore and during 2011-12, a sum of ₹ 3282.70 crore was released under the Scheme. An amount of ₹ 4377.99 crore was released under the scheme during 2012-13 (Upto December 2012) as against provision of ₹ 6000 crore in BE . A further provision of ₹ 6,000 crore is proposed in BE 2013-14.

(ii) Capitalization of Public Sector Banks - As capital is a key measure of banksôcapacity for generating loan assets and is essential for balance sheet expansion, Government of India has regularly been investing additional capital in the Public Sector Banks (PSBs) to support their growth and keep them financially sound and healthy so as to ensure that the growing credit needs of the economy are adequately met. To enable the Public Sector Banks (PSBs) to maintain their Tier 1 Capital to Risk weighted Assets Ratio (CRAR) at 8% as also to raise Government of Indiaõs holding in all PSBs to 58% the Government infused a sum of ₹ 20,117.23 crore in various PSBs in 2010-11. A further sum of ₹ 12,000 core was infused in seven PSBs during 2011-12 for the same purpose.

For the year 2012-13 also, the Government has approved infusion of capital in PSBs to augment their Tier-I CRAR so as to maintain their Tier-I CRAR at comfortable level and to ensure that they remain compliant with the capital adequacy norms under BASEL-III as well as to support internationally active PSBs for their national and international banking operations undertaken through their subsidiaries and associates. For this purpose an amount of ₹ 12,517 Crore is being released to 13 PSBs. For 2013-14, a sum of ₹ 14,000 crore has been proposed for capitalization of PSBs.

(iii) Recapitalization of Regional Rural Banks (RRBs) - With a view to bring the CRAR of RRBs to at least 9%, Dr. K.C. Chakrabarty Committee, inter-alia, recommended recapitalization support to the extent of ₹ 2200 crore to 40 RRBs in 21 States, to be shared by the stakeholders in proportion to their shareholding in RRBs i.e. 50% by the Central Government, 15% by the concerned State Government and 35% by the concerned sponsor banks. The Central Government share worked out to be ₹ 1100 crore. After approval of the Cabinet, the recapitalization process was started in 2010-11, to be completed by 2011-12. The Cabinet decision required the Government of India to release its share upon release of the proportionate share by the concerned State Government and the Sponsor Bank.

An amount of ₹ 468.92 crore was released to 21 RRBs upto 2011-12 (₹ 66.49 crore in 2010-11 and ₹ 402.43 crore in 2011-12). The process of recapitalization could not be completed by 2011-12 as all the State Governments did not release their share towards recapitalization. Therefore, the recapitalization scheme has been extended with the approval of the Cabinet up to March, 2014.

A provision of ₹ 200 crore was made in BE 2012-13 which was raised to ₹ 535 crore in RE keeping in view the proportionate share released by State Governments and Sponsor Banks. ₹ 200 crore has been released during 2012-13 (upto December, 2012). A provision of ₹ 88 crore is proposed in BE 2013-14.

(iv) Interest Subvention on Housing Loans upto ₹ 15.00 lakh - Under this Scheme, 1% interest subvention on housing loans upto ₹ 15.00 lakh, with cost of dwelling unit not exceeding ₹ 25 lakhs, is provided through nodal agency, i.e. National Housing Bank to the scheduled commercial banks and the housing finance companies registered with the National Housing Bank. ₹ 38.54 crore was released to nodal agency under the scheme in 2010-11 and ₹ 300 crore in 2011-12. In 2012-13, provision of ₹ 400 crore in BE was raised to ₹ 500 crore in RE 2012-13 keeping in view the likely claims and an amount of ₹ 200 crore was released to NHB (upto December, 2012). A provision of ₹ 200 crore is proposed in BE 2013-14.

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

To extend the benefit of NPS to the unorganized sector, óSwavalamban Schemeô was approved by the Government as announced in the Budget Speech of 2010-11. The Scheme is aimed at encouraging the people from unorganized sector to voluntarily save for their retirement by enrolling themselves under the NPS. Any citizen in the unorganized sector, who joins NPS with an annual contribution of minimum ₹ 1000 and maximum ₹ 12000, will receive a Government contribution of ₹ 1,000 in his NPS account. The Government of India has, therefore, become a direct stakeholder in the old age income security of every citizen. ₹ 53.50 crore was released under the scheme in 2010-11 and a sum of ₹ 40 crore in 2011-12. Budget provision of ₹ 220 crore in 2012-13 was reduced to ₹ 128 crore in RE 2012-13 keeping in view the pace of enrolment under the scheme and an amount of ₹ 15 crore was released (upto December, 2012). A further sum of ₹ 170 crore is proposed for the scheme in BE 2013-14.

(vi) Varishtha Pension Bima Yojana (VPBY) - VPBY meant for senior citizens aged 55 years and above was launched on 14.7.2003 and withdrawn on 09.07.2004. Under the Scheme, Pensioners get an effective yield of 9% per annum on their investment. The difference between the effective yield of 9% paid to the pensioners and that earned by LIC is compensated to LIC as subsidy by the Government of India. A sum of ₹ 175.70 crore was released to LIC in 2010-11 and ₹ 182.04 crore was released in 2011-12. A sum of ₹ 182.25 crore provided in BE 2012-13 has been reduced to ₹ 140 crore in RE 2012-13 keeping in view the likely claims from LIC. Further, a provision of ₹ 134.23 crore is proposed in BE 2013-14.

(vii)Aam Aadmi Bima Yojana (AABY) – Government has merged the two social sector life insurance schemes viz. Janshree Bima Yojana and the Aam Aadmi Bima Yojana into the Aam Aadmi Bima Yojana (AABY). The merger would enable better administration and services in providing life insurance cover to the economically backward sections of society. The scheme is being implemented through Life Insurance Corporation of India.

The scheme extends life and disability cover to persons between the age of 18 years to 59 years, living below and marginally above the poverty line under 47 identified vocational/ occupational groups, including órural landless householdsô. The Scheme has also been extended to Rashtriya Swasthya Bima Yojana (RSBY) beneficiaries provided they meet the eligibility conditions. The member should be the head of the family or one earning member of the family under the eligible groups.

The Scheme provides for insurance cover for the sum of ₹ 30,000/- in case of natural death, ₹ 75000/- on death due to accident, ₹ 37,500/- for partial permanent disability (loss of two eyes or two limbs or loss of one eye and one limb) due to accident and ₹ 75,000/- on death or total permanent disability (loss of two eyes or two limbs or loss of one eye and one limb) due to accident. The Scheme also provides an add-on benefit, wherein scholarship of ₹ 100/- per month per child is paid on a half-yearly basis to a maximum of two children per member, studying in 9th to 12th standard (including ITI courses).

The total annual premium under the scheme is ₹ 200/- per beneficiary of which 50 per cent is contributed from the Social Security Fund created by the Central Government and maintained by LIC. The balance 50 per cent of the premium is contributed by the State Government/UTs in the case of óRural Landless Householdsô and for the other groups, it is contributed by the State Government/Nodal agency/Individual. The Central Ministry/Dept./ State Government/Union Territories/any other institutionalized arrangement/registered NGOs may act as nodal agencies under the Scheme. However, in case of óRural Landless Householdsô category, it is the State Government/UT which will be the Nodal Agency. A provision of ₹ 5.01 crore is proposed in BE 2013-14 for this scheme.

(viii) Women's SHGs Development Fund – To empower women and promote their Self Help Groups (SHGs) a ñWomen SHGs Development Fundò has been created, which is being operated by NABARD. The scheme was announced in the year 2011-12. It is being operationalized in 150 most backward districts including Left Wing Extremism (LWE) districts. NABARD has intimated that ₹ 10.61 crore grant assistance (as on 28/12/2012) during the year has been released. 23071 SHGs have been formed and out of which 14969 SHGs have been credit linked. A provision of ₹ 100 crore was released for this purpose in 2011-12. Further, a provision of ₹ 100 crore is proposed in BE 2013-14.

Statement of Outlays and Outcomes 2013 - 14

S. No.	Name of the Scheme/Programme	Objective/Outcome	Outlay 2013-14 (₹ in Crore) 4(i) Non-Plan	4(ii) Plan	4(iii) CEBR	Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4			5	6	7	8
1.	Major Head 2235 - Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidising Pension Plan for Senior Citizens	134.23	-	-	Under the Scheme about 3.5 lakh pensioners get an effective yield of 9% p.a.	Approximately 3.5 lakh senior citizens, who had enrolled during the currency of the scheme, are being provided benefits under the scheme.	Scheme was in operation between 14.7.2003 and 09.07.2004. However, benefits to the subscribers are continuing.	No risk involved.
2.	Major Head 2235 - Swavalamban Scheme.	To extend the coverage, under New Pension System (NPS), to 30 lakh subscribers	170.00	-	-	The scheme is aimed at encouraging the people from unorganized sector to voluntarily save for their retirement by enrolling themselves under the NPS.	To enroll additional 10 lakh subscribers under the Scheme every year.	March, 2014.	The projected outcomes are subject to informal labour market conditions, low intermittent income and low financial knowledge, performance of Aggregators and Points of Presence (PoPs).
3.	Major Head 2235 - Government's contribution to Aam Aadmi Bima Yojana	The scheme extends life and disability cover to persons below and marginally above poverty line.	5.01	-	-	The premium under the scheme is ₹200/- per beneficiary of which 50 per cent is contributed from the Social Security Fund created by the Central Government and maintained by LIC.	Persons between the age group 18 to 59 years and who are the members of the identified 47 occupational/ vocational groups along with	Up to 2016-17	-

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

1	2	3	4			5	6	7	8
			4(i) Non-Plan	4(ii) Plan	4(iii) CEBR				
							beneficiaries of Rashtriya Swasthya Bima Yojana (RSBY) are provided insurance cover under the scheme.		
4.	Major Head 2416- Interest subvention for providing short term credit to farmers.	Interest relief to farmers on short term production credit.	6000.00	-	-	To provide short term production credit at 7% interest rate to the farmers upto an amount of ₹ 3.00 lakh.	Farmers will benefit from the much needed interest relief on short-term loans.	Period of implementation is extended on yearly basis.	This is a subsidy to farmers. No risk factor is involved.
5.	Major Head 2416 - Grants in aid to NABARD for Women's Self Help Groups (SHGs) Development Fund	To empower women and promote their SHGs	-	100.00	-	It will promote setting up and financing of Women's SHGs in 150 Left Wing Extremism affected districts of the country. More than 50,000 SHGs to be set up in the project area.	This will enable banks to enhance their outreach to the poor women in the backward regions. It would enable Women SHGs to take up livelihood activities.	Upto 2013-14.	This is grant assistance and is outcome based. So, no risk is involved.
6.	MH.2885 - Payment of Subsidy to Nodal Agency i.e., National Housing Bank	The provision is for providing 1% interest subvention on housing loans upto ₹15.00 lakh through nodal agency, i.e. National Housing Bank.	200.00	-	-	The interest subsidy will be routed through the scheduled commercial banks and the housing finance companies registered with National Housing Bank.	Housing is a basic requirement of the population. The housing sector has a huge potential for generating employment directly through labour intensive activities and indirectly by creating additional demand for industries like cement and steel.	1 year	No risk factor involved.
7.	Major Head 3465 - Transfer to Securities	To contribute to Securities Redemption Fund for redeeming Marketable	625.00	-	-	This is for transfer to the Securities Redemption Fund created for redeeming	A sum of ₹ 625 crore is to be transferred every year by the	Upto 2024	No risk factor is involved as it is only a transfer to

1	2	3	4			5	6	7	8
			4(i) Non-Plan	4(ii) Plan	4(iii) CEBR				
	Redemption Fund towards subscription in the Rights issue of equity share of State Bank of India.	Securities issued against subscription in the Rights Issue of equity shares of State Bank of India, 2008.				the Government Securities-2024 issued to SBI towards subscription to its Rights Issue 2008, on due date.	Government to this Fund created for redeeming these Securities.		the Securities Redemption Fund already created for the purpose.
8.	Major Head 4416 Recapitalisation of Regional Rural Banks (RRBs).	To bring Capital to Risk Weighted Assets Ratio (CRAR) of RRBs to at least 7% in a time bound manner and further to 9%.	-	88.00	-	Recapitalisation of 40 RRBs to help them bring their CRAR to 9%	Improvement in financial health of RRBs so as to reduce their losses and increase their lending capacity	March, 2014.	It is Government investment. No risk factor involved.
9.	Major Head 4416 - Subscription to Share Capital of NABARD.	Augmenting the capital base of the National Bank for Agriculture and Rural Development (NABARD).	-	700.00	-	To strengthen the capital base of NABARD and thereby, enhance its borrowing capacity to meet its developmental mandate	It will enhance NABARD's borrowing capacity and to meet the growing refinance needs of the banks that are extending agriculture loans and are undertaking other development activities in rural areas.	-	This is Government of India's subscription to strengthen the capital base of NABARD. No risk factor is involved.
10.	Major Head 4885 - Subscription to the share capital of India Infrastructure Finance Company Ltd. (IIFCL)	To strengthen the equity base of IIFCL	-	400.00	-	IIFCL will fill the gap for long term infrastructure finance which banks and other institutions are unable to provide.	To increase the paid-up capital of the company. This will facilitate the company to expand its loan portfolio and strengthen its fundamentals.	One Year	As a financial intermediary, IIFCL Ltd. faces credit risk, market risk and operational risk.
11.	MH 4885 - Subscription to the share capital of EXIM Bank	Strengthening the equity base of EXIM Bank.	-	700.00	-	Grow the Bank's disbursements under Export Lines of Credit (LOCs) during 2013-14 to US$ 8506 million.	Will help promote India's exports to other countries	One year	Credit risk, liquidity risk, interest rate risk and foreign exchange risk

1	2	3	4			5	6	7	8
			4(i) Non-Plan	**4(ii) Plan**	**4(iii) CEBR**				
12	Major Head 5465 - Recapitalisation of Public Sector Banks (PSBs)	For recapitalization of PSBs to maintain their Tier 1 CRAR at comfortable level	-	14000.00	-	To enable the PSBs maintain a comfortable level of Tier 1 CRAR in compliance with norms under Basel III	Comfortable level of CRAR enables the PSBs to support the credit requirements of the productive sectors of the economy leading to, amongst others, increased employment opportunities and the overall GDP growth in the country.	One Year	It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit requirements of the productive sectors of the economy.

REFORM MEASURES AND POLICY INITIATIVES

1. Legislative Initiatives

Department has taken following legislative initiatives:-

(i) Banking Laws (Amendment) Act, 2012

The above Act was passed by both the houses of the Parliament during the winter session of December 2012 and has come into effect from 18 January 2013. It would strengthen the regulatory powers of RBI and also enable the nationalised banks to raise capital through bonus and rights issue and would also enable them to increase or decrease the authorised capital with approval from the Government and RBI, without being limited by the ceiling of a maximum of ₹ 3000 crore.

(ii) The Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act, 2012

The above Act was passed by both the houses of the Parliament during the winter session of December 2012 and has come into effect from 15 January 2013. It seeks to address certain difficulties faced by the banks and Financial Institutions (FIs) in proceedings for recovery of loans under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and Recovery of Debts due to Banks and Financial Institutions (RDDBFI) Act, 1993.

The amendments would strengthen the ability of banks to recover debts due from the borrowers thereby enhancing the ability of the banks to extend credit to both corporate and retail borrowers, reduce the cost of funds for the banks and their customers and reduce the level of NPAs.

2. "Swabhimaan" – the Financial Inclusion:

Under ñSwabhimaanò - the Financial Inclusion Campaign launched in February 2011, banking facilities to over 74,000 habitations having a population of 2000 and above have been provided by engaging over 62,000 business correspondent agents (BCAs) and opening branches. About 3.16 crore Financial Inclusion accounts have been opened till March, 2012. Further, Public Sector Banks and Regional Rural Banks (RRBs) have operationalised over 43,000 Ultra Small Branches so far.

In pursuance to the announcement made by Finance Minister in budget speech 2012-13, the ñSwabhimaanò campaign is being extended to about 45,000 habitations with population of more than 1000 in North Eastern and hilly States and with 1600-2000 population (as per 2001 census) in other States.

3. Roll out of Direct Benefit Transfer w.e.f. 01.01.2013:

The Government of India has introduced Direct Benefit Transfer in respect of various welfare schemes of Government, directly into the bank accounts of beneficiaries with effect from 1st January, 2013. Under the Direct benefit Transfer, the entire geography of the districts selected for pilot, and the entire State and country, in a phased manner, would be covered.

The strategy for financial inclusion has accordingly been revised as the banking services would now be extended to the entire geographical area of the selected districts, as against coverage of specific villages earlier. It is the endeavour that one banking outlet {branch / Business Correspondent Agent (BCA)} is available for, on an average, 1000-1500 households, taking the geographical and local conditions in consideration.

4. 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 workforce 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 mandatorily for all new recruits to the Government (except Armed forces), replacing the existing system of defined benefit pension system. Based on individual choice, it is envisaged as a low-cost and efficient pension system backed by sound regulation. As a pure ñDefined Contributionò 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

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 Fifty five institutional entities as Points of Presence (POPs) that will serve as pension account opening and collection centers, a Centralised Record Keeping Agency (CRA) and five 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.

In order to facilitate the organised entities to move their existing and the new employees to NPS architecture, a customised version of the core NPS Model, known as the ñNPS-Corporate Sector Modelò has been introduced since December 2011. As on December 31, 2012, 362 corporates and 1.17 lakh employees have been enrolled under this model. The Assets Under Management (AUM) under NPS-Corporate Sector Model is ₹ 857.57 crore.

A number of changes have been introduced to energize NPS, in the current year.

i. Six Annuity Service Providers (ASPs) have been empanelled on May 4, 2012 to offer annuity schemes to subscribers on maturity of NPS account. These are:-
   1. Life Insurance Corporation of India
   2. SBI Life Insurance Co. Ltd.

3. ICICI Prudential Life Insurance Co. Ltd.
4. Bajaj Allianz Life Insurance Co. Ltd.
5. Star Union Dai-ichi Life Insurance Co. Ltd.
6. Reliance Life Insurance Co. Ltd.

ii. Revised guidelines for registration of Pension Fund Managers (PFMs) in the private sector have been issued on July 12, 2012 wherein the restrictions on the number of PFMs and the earlier bidding process have been done away with. These guidelines are in line with the recommendations of the Bajpai Committee which was set up by PFRDA to go into the reasons for the slow progress of NPS in the private sector.

iii. These guidelines are going to have significant impact on the pension sector. All the interested players desirous of being in the pension sector can register as PFMs subject to their fulfilling the laid down eligibility criteria.

iv. The PFMs would also be expected to market the New Pension System (NPS) to the potential subscribers, deciding their own marketing and distribution channels as per their business perceptions.

REVIEW OF PAST PERFORMANCE

Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008

In 2008-09, Government had announced ADWDRS 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 29th February, 2008. There was a complete waiver for small and marginal farmers while there was a One Time Settlement scheme for other farmers for the loans covered during these periods. The OTS offered 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 so as to make them eligible for availing fresh credit from the lending institutions. However, the last date for payment of 75% by ñOther Farmersò under OTS Scheme was extended upto 30th June, 2010

Reimbursement of claims to the lending institutions was made in instalments on the basis of duly certified and audited claims through the respective nodal agencies, i.e. RBI and NABARD. An amount of ₹ 25,000 crore was reimbursed under the Scheme to the lending institutions during 2008-09, ₹ 15,000 crore during 2009-10, ₹ 11,340.47 crore during 2010-11 and ₹ 1176.39 crore in 2011-12.

In respect of Public Sector Banks, Private Sector Banks and Local Areas Banks, 104 lakh farm loan accounts and in respect of Regional Rural Banks (RRBs) and Cooperative Banks, 186.92 lakh farm loan accounts have been benefited under the Scheme. Thus, approximately 3.45 crore farm accounts have been benefitted under the scheme to the extent of around ₹ 52,000 crore.

Interest to lending institutions towards implementation of Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS)

Due to staggered schedule drawn for reimbursing the claims of lending institutions, Government of India approved a proposal to pay interest to lending institutions, subsequent to reimbursement of the first instalment of the claims under the Scheme. A sum of ₹ 3,872 crore was approved for this purpose by the Government on 3 October, 2008. An amount of ₹ 149.79 crore was released as interest payment during 2008-09, ₹ 458.85 crore during 2009-10 and ₹ 1434 crore during 2011-12. A budgetary provision of ₹ 287 crore was made for the year 2011-12 out of which ₹ 178.46 crore was released.

Janshree Bima Yojana (JBY)

The Scheme provides life insurance protection to the rural and urban persons living below the poverty line and marginally above the poverty line. It provides coverage of ₹ 30,000 on natural death, ₹ 75,000 on the death or total permanent disability due to accident and ₹ 37,500 on partial permanent disabilities. Scholarship as a free add-on benefit is also provided to a maximum of two children of the beneficiary studying between 9th and 12th Standard @ ₹ 100 per month for each child. The premium under the Scheme is ₹ 200 per annum, 50% of which is contributed by the beneficiary/State Government/nodal agency and the balance of 50% is drawn from the Social Security Fund contributed by the Government of India and maintained by LIC.

Women Self Help Groups (SHGs) have been chosen for special attention under this Scheme with a view to rapidly scale up coverage of all women SHGs credit linked to Banks. LIC coordinates with Banks, NABARD and other State agencies in order to extend coverage to all credit linked Women SHGs. During 2011-12, a total number of 2,20,56,435 lives were covered under Janshree Bima Yojana (JBY). As on 31.12.2012, 3,92,169 Women SHGs with 41,60,755 lives have been covered.

A sum of ₹ 500 crore was placed in 2008-09 by the Government of India in the Social Security Fund maintained by the LIC. As per the requirement put forth by LIC in view of depletion of the corpus of the Fund, Government contributed a further sum of ₹ 100 crore to the fund during 2011-12 and a sum of ₹ 157.50 crore has been released to LIC in 2012-13.

Universal Health Insurance Scheme (UHIS)

UHIS, meant for BPL families, provides for reimbursement of medical expenses up to ₹ 30,000/- towards hospitalization expenses on floater basis amongst the entire family, death cover due to an accident, of ₹ 25,000/- to the earning head of the family and compensation due to loss of earning of the earning member @ ₹ 50/- per day up to a maximum of 15 days. The Scheme was revised in September, 2008 wherein the premium was reduced and the coverage of benefits was 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. ₹22 crore was released for this scheme in 2010-11 and ₹13.60 crore in 2011-12. This scheme is being phased out as coverage under Rashtriya Swasthya Bima Yojana (RSBY), being implemented by the Ministry of Labour, is increasing.

New Pension System (NPS)

With a view to providing adequate retirement income, New Pension System (NPS) was introduced by the Government of India and made mandatory for all new recruits in the Government (except Armed Forces) with effect from 1st January, 2004. 27 States and UT Governments have notified and joined NPS for their employees. Of these, 26 states and UTs have already signed agreement with NPS Trust and 27 States and UTs have signed agreements with CRA for carrying forward the implementation of NPS. The other states are at different stages of preparation for roll out of NPS. In addition, over 26.10 lakh employees of the Central and various state governments are already part of NPS. The corpus being managed under the NPS is ₹ 24720 crore. To extend the benefit of NPS to the people from unorganized sector, óSwavalamban Schemeôwas launched by the Government in pursuance of the announcement made in the Budget Speech of 2010-11. The scheme operates through 69 Aggregators. A total of 3,01,920 subscribers was enrolled during 2010-11, 6,43,980 subscribers were in 2011-12 and 2,92,021 new subscribers were registered in 2012-13 (as on December 31, 2012). For all citizens including workers of unorganized sector, NPS was available through nearly 26830 service provider branches of 55 Points of Presence (PoPs).

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

The Central Government established 33 Debts Recovery Tribunals (DRTs) and 5 Debts Recovery Appellate Tribunals (DRATs) under the provisions of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 for expeditious adjudication and speedy recovery of debts due to banks and financial institutions and matters connected therewith. DRTs are providing valuable services to the banks and Financial Institutions for effecting recovery of dues. The role of the DRTs has been further enhanced by enacting the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, which provides for aggrieved parties to make appeals before the DRTs.

As per the provisional data, 10,877 cases involving ₹ 18,885 crores were disposed of by the DRTs during the period from 1.01.2011 to 31.12.2011 and 9125 cases involving ₹ 16078 crores during the period of 01.01.2012 to 31.12.2012.

Statement of Outcome with reference to Outlays - 2011 - 12

S. No.	Name of the Scheme/Programe	Objective/Outcome	Outlay 2011-12 (₹ in Crore) 4(i) BE	4(ii) RE	Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Achievements as on 31st March, 2012
1	2	3	4		5	6	7	8
1	MH 2235 ï Farmers Debt Relief Fund for implementation of Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for Farmers	On granting of debt waiver, the farmer would be entitled to fresh agricultural loans from the Banks in accordance with the normal rules.	6000.00	1500.00	The Scheme covered all agricultural loans disbursed by the lending institutions 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 imple-mented 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 30.6.2010 to other farmers to make repayments and avail a rebate of 25% on the amount due.	This is a subsidy to farmers. No risk factor is involved.	₹1176.39 crore released. Approximately 3.45 crore farmers have benefited under the scheme.
2	MH 2235 ï Payment of interest to lending institutions towards Agriculture Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for Farmers	Upon being granted, the payment of interest on the balance reimbursable claims, the lending institutions will not have to make provisions towards their reimbursable claims as required by RBI.	287.00	287.00	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 2nd, 3rd and 4th instalments and has approved ₹ 3872.00 crore for this purpose over a	Upto March, 2012	No risk involved.	₹ 178.46 crore released as per claims received from RBI and NABARD.

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					period of 2009-10 to 2011-12.			
3	Major Head 2416ï Interest subvention for providing short term credit to farmers.	Interest relief to farmers on short term production credit.	4868.00	4000.00	To provide short term production credit at 7% interest rate to the farmers upto an amount of ₹ 3.00 lakh.	One year	This is a subsidy to farmers. No risk factor is involved.	₹ 3282.70 crore sanctioned.
4	Major Head 2416 ï Grants in aid for revitalisation of Short Term Cooperative Credit Structure (STCCS)	Revitalisation of Short Term Cooperative Credit Structure in the country	0.01	0.01	To revitalize short term Cooperative Credit Structure in the States which agree to implement the package	The revitalisation of STCCS is to be completed within next 1-2 years depending upon the willingness and support of the States.	This is a grant to the Short Term Cooperative Credit Structure in the country. No risk factor is involved.	₹ 9245.28 crore released upto 2010-11 for implementation of the package. ₹ 9002.92 crore released by NABARD as GoIês share for recapitalizations of 53,205 eligible PACS in 17 States, 1,510 ineligible PACS affiliated to 30 CCBs in 3 States and 13 CCBs in Odisha.
5	Major Head 2416 ï Grants in aid for revitalisation of Long Term Cooperative Credit Structure (LTCCS)	Revitalization of Long Term Cooperative Credit Structure in the country	1000.00	0.01	To provide revival package for revitalization of Long Term Cooperative Credit Structure	The package required certain changes which are yet to be approved by the Government.	The Government of India had constituted a Task Force to assess the impact of the implementation of the ADWDRS, 2008 and STCCS package on the financial health of the LTCCS before implementing the package. This Task Force has submitted its report which has been accepted by the Govt.	The package is under finalization.

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
6	Major Head 2416 ï Financial Inclusion Fund (FIF)	To support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections, low income groups and backward regions/hitherto unbanked areas.	10.00	10.00	To ensure access to timely and adequate credit and Financial Services to weaker sections and low income groups at an affordable cost with the objective of supporting professional and developmental activities with a view to securing financial inclusion	The Fund is being operated from the year 2007-08 onward.	The Fund, being maintained by NABARD, has been constituted with shares in the ratio of 40:40:20 by GOI, RBI and NABARD. ₹ 10.00 crore each released in 2007-08, 2009-10 and 2010-11 as GOI share.	Entire provision of ₹10 crore sanctioned.
7	Major Head 2416 ï Financial Inclusion Technology Fund (FITF)	To enhance investments in information communication technology aimed at promoting financial inclusion, stimulating transfer of research and technology in financial inclusion, increasing technological absorption capacity of financial service providers/users.	10.00	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 Fund is being operated from the year 2007-08 onward.	The Fund, being maintained by NABARD, has been constituted with shares in the ratio of 40:40:20 by GOI, RBI and NABARD. ₹ 10.00 crore each was released in 2007-08, 2009-10 and 2010-11 as GOI share.	Entire provision of ₹10 crore sanctioned.
8	Major Head 4416 ï Recapitalisation of Regional Rural Banks (RRBs)	To bring Capital to Risk Weighted Assets Ratio (CRAR) of RRBs to at least 7% in a time bound manner and further to 9% by March, 2012.	500.00	200.00	Recapitalisation of 40 RRBs to help them bring their CRAR to at least 7%	One year	It is Government investment. No risk factor involved.	₹ 402.43 crore released for recapitalisation of 10 RRBs.
9	Major Head 3465 ï Contribution to Securities Redemption Fund.	To contribute to Securities Redemption Fund for redeeming Marketable Securities issued against subscription in the Rights Issue of equity shares of State Bank of India, 2008.	625.00	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.	Upto 2024	No risk factor is involved as it is only a contribution to the Securities Redemption Fund already created for the purpose.	₹ 625.00 crore was released.

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
10	Major Head 5465 ï Recapitalisation of Public Sector Banks (PSBs)	For recapitalisation of PSBs through equity support to maintain their Tier 1 CRAR at 8% as also to raise Government of Indiaôs holding in all PSBs to 58%.	6000.00	12000.00	To enable the PSBs maintain a comfortable level of Tier 1 CRAR and to raise Government of Indiaôs holding in all PSBs to 58%.	-	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.	₹ 12000.00 crore released. Indian economy has been able to withstand the global financial crisis.
11	Major Head 3465 ï Financial Support to the Banks for opening óNo Frillsô accounts under óSwabhiman Schemeô.	This is to provide financial support to the Banks @ ₹ 140 per financial inclusion beneficiary account for 5.11 crore óNo Frillsô accounts in approx. 73,000 identified habitations	50.00	0.00	This is aimed at extending banking services through Business Correspondent (BC) and other models with appropriate technology backup as part of Financial Inclusion Plans.	Three Years.	No risk factor is involved as it is only to meet one time fixed cost of opening óNo frillsô Accounts	Scheme was discontinued in between and no fund was released under the Scheme. 74,000 identified habitations have been covered under Financial Inclusion.
12	Major Head 4885 - Subscription to the share capital of India Infrastructure Finance Company (IIFCL) Ltd	To supplement the available long term finance for commercially viable infrastructure projects	1000.00	500.00	IIFCL will fill the gap for long term infrastructure finance which banks and other institutions are unable to provide	-	As a financial intermediary IIFCL Ltd. faces credit risk, market risk and operational risk.	₹ 500.00 crore released to IIFCL. IIFCL cumulatively issued sanctions for 267 projects amounting to ₹ 61,219 crore.
13	MH 4885 ï Subscription to the share capital of EXIM Bank	Strengthening the equity base of EXIM Bank.	300.00	300.00	Grow the Bankôs disbursements under Export Lines of Credit (LOCs) during FY 2011-12 to US $ 600 million (About 20% growth over the estimated US $ 500 million of disbursements under LOCs during FY 2010-11)	One year	Credit risk, liquidity risk, interest rate risk and foreign exchange risk	Entire provision of ₹ 300 crore released. Exim Bank extended loans of ₹ 54,529.78 crore (including GOI supported LOCs).

1	2	3	4		5	6	7	8
			4(i) BE	**4(ii) RE**				
14	Major Head ñ2235ò ï Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidising Pension Plan for Senior Citizens	199.61	190.38	Under the Scheme pensioners get an effective yield of 9% p.a.	Scheme has been discontinued w.e.f 09.07.2004	No risk involved.	₹182.04 crore released to LIC. 3.5 lakh pensioners who joined the scheme are being covered.
15	Major Head 2235-- Payment to Public Sector General Insurance Companies for Community Based Universal Health Insurance Scheme UHIS	Four public sector General Insurance Companies have been implementing UHIS for improving the access of health care to BPL families	20.00	20.00	To cover 6.66 lakh families	-	It is a welfare scheme for the poor. No risk factor involved.	₹13.60 crore released. 48077 policies covering 2,93,672 families were issued.
16	Major Head 2235 - Swavalamban Scheme.	To extend the coverage, under New Pension System (NPS), to 20 lakh subscribers	220.00	110.00	The scheme is aimed at encouraging the people from unorganized sector to voluntarily save for their retirement by enrolling themselves under the NPS.	The level of enrolment would depend upon the performance of Aggregators. (Three years)	Informal labour market conditions, low intermittent income and low financial knowledge..	₹40.00 crore released under the scheme. 6,43,980 additional subscribers enrolled during 2011-12.
17	MH.2885 ï Payment of Subsidy to Nodal Agency i.e. National Housing Bank	The provision is for providing 1% interest subvention on housing loans upto ₹ 15.00 lakh through nodal agency i.e. National Housing Bank.	500.00	300.00	The interest subsidy will be routed through the scheduled commercial banks and the housing finance companies registered with National Housing Bank.	One and half year	No risk factor involved.	₹ 300.00 crore was released.

Statement of Outcome with reference to Outlays - 2012 - 13

S. No.	Name of the Scheme/Programe	Objective/Outcome	Outlay 2012-13 (₹ in Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timeliness	Remarks/ Risk Factors	Achievements as on 31st December, 2012
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1	Major Head 2235 - Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidizing Pension Plan for Senior Citizens	182.25	140.00	Under the Scheme about 3.5 lakh 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.	No risk involved.	-
2	Major Head 2235 ï Swavalamban Scheme.	To extend the coverage, under New Pension System (NPS), to 30 lakh subscribers	220.00	128.00	The scheme is aimed at encouraging the people from unorganized sector to voluntarily save for their retirement by enrolling themselves under the NPS.	To enroll additional 10 lakh subscribers under the Scheme every year.	The projected outcomes are subject to informal labour market conditions, low intermittent income and low financial knowledge, performance of Aggregators and Points of Presence (PoPs).	A total of 2,92,021 new subscribers have been registered.
3	Major Head ï 2235 Governments contribution to augment the Social Security Fund maintained by LIC for Janshree Bima Yojana.	The scheme provides life insurance protection to the rural and urban persons living below poverty line and marginally above poverty line.	175.00	175.00	The premium under the Scheme is ₹ 200/- per annum, 50% of which is contributed by the beneficiary/State Government/nodal agency and the remaining 50% is drawn from the Social Security Fund contributed by Government of India and maintained by LIC.	Persons between age group 18 to 59 years and who are the members of the identified 45 occupational/ vocational groups are provided insurance cover under the Scheme.	Government is required to replenish the Social Security Fund for this Scheme from time to time.	₹ 157.50 crore released.

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
4	Major Head 2416ï Interest subvention for providing short term credit to farmers.	Interest relief to farmers on short term production credit.	6000.00	5400.00	To provide short term production credit at 7% interest rate to the farmers upto an amount of ₹ 3.00 lakh.	Farmers will benefit from the much needed interest relief on short-term loans.	This is a subsidy to farmers. No risk factor is involved.	₹ 4377.99 crore released.
5	Major Head 2416 ï Grants in aid for revitalisation of Long Term Cooperative Credit Structure (LTCCS)	Revitalization of Long Term Cooperative Credit Structure in the country	500.00	0.01	To provide revival package for revitalization of Long Term Cooperative Credit Structure	Long Term Cooperative Credit Structure in the country shall be strengthened	The Government of India had constituted a Task Force to assess the impact of the implementation of the ADWDRS, 2008 and STCCS package on the financial health of the LTCCS before implementing the package. This Task Force has submitted its report which has been accepted by the Govt. The package is under finalization.	-
6	Major Head 2416 ï Financial Inclusion Fund (FIF)	Support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections, low income groups and backward regions/hitherto unbanked areas.	20.00	-	To ensure access to timely and adequate credit and financial services to weaker sections and low income groups at an affordable cost with the objective of supporting professional and developmental activities with a view to securing financial inclusion	The financially excluded groups will be provided with banking service.	The Fund, being maintained by NABARD, has been constituted with share in the ratio of 40:40:20 by GOI, RBI and NABARD. ₹ 10.00 crore each released in 2007-08, 2009-10, 2010-11 and 2011-12 as GOI share.	NABARD, which is managing this Fund, conveyed that there is no more requirement of contribution by GoI, hence provision could not be utilized.
7	Major Head 2416 ï Financial Inclusion Technology Fund (FITF)	To enhance investments in information communication technology aimed at promoting financial	30.00	-	To extend facility under technological development to ensure access to timely and adequate credit and financial services to	The financially excluded groups will be provided with banking service.	The Fund, being maintained by NABARD, has been constituted with share in the ratio of 40:40:20 by	NABARD, which is managing this Fund, conveyed that there is no more requirement

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
		inclusion, stimulating transfer of research and technology in financial inclusion, increasing technological absorption capacity of financial service providers/users.			weaker sections and low income groups at an affordable cost with the objective of stimulating the transfer of research and technology in financial inclusion.		GOI, RBI and NAABRD. ₹ 10.00 crore each was released in 2007-08, 2009-10, 2010-11 and 2011-12 as GOI share.	of contribution by GoI, hence provision could not be utilized.
8	Major Head 2416 ï Grants in aid to NABARD for Womenôs Self Help Groups (SHGs) Development Fund	The fund will provide financial assistance to Women SHGs in unserved and underserved areas.	200.00	-	It will promote financing of Womenôs SHGs in backward areas/ districts of the country.	This will enable banks to enhance its outreach to the poor women in the backward regions. It would enable Women SHGs to take up livelihood activities.	This is grant assistance and is outcome based. So no risk is involved.	As on 28/12/2012, ₹ 10.61 crore grant assistance has been released from this fund. 23071 SHGs have been set up and 14969 SHGs have been credit linked.
9	MH.2885-Payment of subsidy to Nodal Agency i.e. National Housing Bank	The provision is for providing 1% interest subvention on housing loans upto ₹ 15.00 lakh through nodal agency i.e. National Housing Bank.	400.00	500.00	The interest subsidy will be routed through the scheduled commercial banks and the housing finance companies registered with National Housing Bank.	Housing is a basic requirement of the population. The housing sector has a huge potential for generating employment directly through labour intensive activities and indirectly by creating additional demand for industries like cement and steel.	No risk factor involved.	₹ 200.00 crore sanctioned.
10	Major Head 3465 ï Transfer to Securities Redemption Fund towards subscription in the	To contribute to Securities Redemption Fund for redeeming Marketable Securities issued against subscription in the Rights Issue of equity	625.00	625.00	This is for transfer to the Securities Redemption Fund created for redeeming the Government Securities-2024 issued to SBI towards subscription to	A sum of ₹ 625 crore is to be transferred every year by the Government to this Fund created for redeeming these	No risk factor is involved as it is only a transfer to the Securities Redemption Fund already created for the purpose.	-

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
	Rights issue of equity share of State Bank of India.	shares of State Bank of India, 2008.			its Rights Issue 2008, on due date.	Securities.		
11	Major Head 4416 - Recapitalisation of Regional Rural Banks (RRBs).	To bring Capital to Risk Weighted Assets Ratio (CRAR) of RRBs to at least 7% in a time bound manner and further to 9%.	200.00	535.00	Recapitalisation of 40 RRBs to help them bring their CRAR to at least 7%	Improvement in financial health of RRBs so as to reduce their losses and increase their lending capacity	It is Government investment. No risk factor involved.	₹ 200.00 crore released.
12	Major Head 4416 - Subscription to Share Capital of NABARD.	Augmenting of the capital base of the National Bank for Agriculture and Rural Development (NABARD) by infusing equity of ₹ 3000 crore.	500.00	1000.00	To strengthen the capital base of NABARD and thereby, enhance its borrowing capacity to meet its developmental mandate	It will enhance NABARDôs borrowing capacity to meet its developmental mandate.	This is Government of Indiaôs subscription to strengthen the capital base of NABARD. No risk factor is involved.	₹ 500.00 crore released.
13	Major Head 4885 - Subscription to the share capital of India Infrastructure Finance Company (IIFCL) Ltd	To supplement the available long term finance for commercially viable infrastructure projects.	400.00	400.00	IIFCL will fill the gap for long term infrastructure finance which banks and other institutions are unable to provide.	To increase the paid-up capital of the company. This will facilitate the company to expand its loan portfolio and strengthen its fundamentals.	As a financial intermediary, IIFCL Ltd. faces credit risk, market risk and operational risk.	Entire provision of ₹ 400.00 crore released. IIFCL cumulatively issued sanctions for 325 projects amounting to ₹ 72,906 crore.
14	MH 4885 ï Subscription to the share capital of EXIM Bank	Strengthening the equity base of EXIM Bank.	200.00	200.00	Grow the Bankôs disbursements under Export Lines of Credit (LOCs) during FY2012-13 to US $ 907 million (About 20% growth over the estimated US $ 756 million of disbursements under LOCs during FY 2011-12).	Will help promote Indiaôs exports to other countries	Credit risk, liquidity risk, interest rate risk and foreign exchange risk	₹ 200.00 crore released. EXIM Bank extended total loan of ₹ 62,964.61 crore (including GOI supported LOCs)

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
15	Major Head 5465 ï Recapitalisation of Public Sector Banks (PSBs)	For recapitalization of PSBs through equity support to maintain their Tier 1 CRAR at 8% as also to raise Government of Indiaǿs holding in all PSBs to 58%.	14588.00	12517.00	To enable the PSBs maintain a comfortable level of Tier 1 CRAR and to raise Government of Indiaǿs holding in all PSBs to 58%.	Comfortable level of CRAR enables the PSBs to support the credit requirements of the productive sectors of the economy leading to, amongst others, increased employment opportunities and the overall GDP growth in the country.	It is an investment by the Government in the PSBs to enable them to respond positively and effectively to the growing credit requirements of the productive sectors of the economy.	-

Statement on Net Profits earned and Dividends paid by Public Sector Enterprises under Department of Financial Services

(₹ in crore)

S.No.	Name of the Bank/Insurance Company	Total paid up capital as on 31.03.2012	Govt. share in paid up capital as on 31.03.2012	Profit After Tax 2011-12	Dividend paid for 2011-12	BE for payment of Dividend 2012-13	RE for payment of Dividend 2012-13	BE for payment of Dividend 2013-14
1.	Allahabad Bank	500.03	276.21	1866.79	165.73	175.00	182.30	200.53
2.	Andhra Bank	559.58	324.58	1344.67	178.52	190.00	196.37	216.01
3.	Bank of Baroda	411.12	223.28	5007.00	379.58	400.00	417.54	459.29
4.	Bank of India	574.52	359.88	2677.52	251.92	270.00	277.11	304.82
5.	Bank of Maharashtra	589.59	465.50	430.83	158.27	85.00	174.10	191.51
6.	Canara Bank	443.00	300.00	3282.71	330.00	350.00	363.00	399.30
7.	Central Bank on India	736.11	582.63	533.00	245.12	120.00	269.63	296.60
8.	Corporation Bank	148.12	86.69	1506.04	177.72	190.00	195.49	215.04
9.	Dena Bank	350.05	193.38	803.14	58.02	50.00	63.82	70.20
10.	Indian Bank	429.77	343.82	1746.97	297.86	275.00	327.65	360.41
11.	Indian Overseas Bank	796.99	554.86	1050.13	249.69	220.00	274.66	302.12
12.	Oriental Bank of Commerce	291.76	169.22	1141.56	133.68	190.00	147.05	161.75
13.	Punjab National Bank	339.17	190.27	4884.00	418.61	440.00	460.47	506.52
14.	Punjab & Sind Bank	234.20	183.05	451.28	36.61	60.00	40.27	44.30
15.	Syndicate Bank	601.94	398.28	1313.39	151.35	160.00	166.49	183.13
16.	UCO Bank	664.71	433.34	1108.67	272.78	140.00	300.06	330.06
17.	Union Bank of India	550.54	299.21	1787.00	249.92	150.00	274.91	302.40
18.	United Bank of India	360.99	294.42	633.00	146.66	70.00	161.33	177.46
19.	Vijaya Bank	495.53	272.66	580.99	182.17	75.00	200.39	220.43
20.	State Bank of India	671.04	413.25	11707.29	1446.38	1150.00	1591.02	1750.12
21.	IDBI Bank Ltd.	1278.38	901.53	2032.00	263.49	250.00	289.84	318.82
22.	EXIM Bank	2299.99	2299.99	675.10	205.00	200.00	205.00	245.00
23.	Life Insurance Corporation of India	100.00	100.00	25624.58	1281.23	1273.62	1417.64	1564.48
24.	General Insurance Corporation of India	430.00	430.00	-2468.75	0.00	210.00	210.00	250.00
25.	National Insurance Co. Ltd.	100.00	100.00	324.76	0.00	20.00	0.00	0.00
26.	New India Assurance Co. Ltd.	200.00	200.00	179.32	40.00	90.00	45.00	60.00
27.	United India Insurance Co. Ltd.	150.00	150.00	386.79	78.00	100.00	80.00	120.00
28.	Oriental Insurance Co. Ltd.	100.00	100.00	253.39	50.67	30.00	46.50	56.80
	Total	**14407.13**	**10646.05**	**70863.17**	**7448.98**	**6933.62**	**8377.64**	**9307.10**

Summarised Position of Schemes under Demand No. 34 - Department of Financial Services

S.No.	Schemes/Programmes	2011-12			2012-13			2013-14
		BE	RE	Actual	BE	RE	Actuals (Upto Dec. 2012)	BE
	NON-PLAN							
1	Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 - Transfer to Farmers' Debt Relief Fund (MH - 2235)	2000.00	0.01	0.00	0.01	0.01	0.00	0.01
2	Debt Relief/Waiver of loans through lending institutions against ADWDRS, 2008 (MH-2235)	6000.00	1500.00	1176.39	0.01	0.00	0.00	0.00
3	Payment of interest to lending institutions towards ADWDRS, 2008 (MH- 2235)	287.00	287.00	178.46	0.01	0.01	0.00	0.00
4	Subsidy to Public Sector General Insurance Companies for Community based Universal Health Insurance Scheme (MH-2235)	20.00	20.00	13.60	0.01	0.01	0.00	0.00
5	Interest subsidy to LIC for Pension Plan for senior citizens (MH - 2235)	199.61	190.38	182.04	182.25	140.00	0.00	134.23
6.	**Swavalamban scheme to encourage people from unorganized sector to join New Pension System (NPS)**							
6.1	Government's co-contribution to subscribers of the New Pension System (NPS) under Swavalamban Scheme (MH-2235)	200.00	100.00	30.00	200.00	110.00	15.00	150.00
6.2	Funding support for promotional and developmental activities for enrolment and contribution under Swavalamban Scheme (MH-2235)	20.00	10.00	10.00	20.00	18.00	0.00	20.00
7	Governments contribution to augment the Social Security Fund maintained by LIC for Janshree Bima Yojana (MH- 2235)	0.00	100.00	100.00	175.00	175.00	157.50	0.00
8	Government's contribution to Aam Aadmi Bima Yojana (MH- 2235)	0.00	0.00	0.00	0.00	0.00	0.00	5.01
9	Grants through NABARD for strengthening Short Term Co-operative Credit Structure (STCCS) (MH-2416)	0.01	0.01	0.00	0.01	0.01	0.00	0.00
10	Interest Subvention for providing short term credit to farmers (MH-2416)	4868.00	4000.00	3282.70	6000.00	5400.00	4377.99	6000.00

S.No.	Schemes/Programmes	2011-12			2012-13			2013-14
		BE	RE	Actual	BE	RE	Actuals (Upto Dec. 2012)	BE
11	Revival of Long Term Cooperative Credit Structure (LTCCS) (MH-2416)	1000.00	0.01	0.00	500.00	0.01	0.00	0.01
12	Contribution to Financial Inclusion Fund (FIF) (MH-2416)	10.00	10.00	10.00	20.00	0.00	0.00	0.00
13	Contribution to Financial Inclusion Technology Fund (FITF) (MH-2416)	10.00	10.00	10.00	30.00	0.00	0.00	0.00
14	Payment of Subsidy to Nodal Agency i.e., National Housing Bank as 1% subsidy for Housing Loan (MH-2885)	500.00	300.00	300.00	400.00	500.00	200.00	200.00
15	Grants to ICICI Bank for External Aided Component (MH - 2885)	0.00	0.00	0.00	8.90	8.90	0.00	0.01
16	Redemption of securities issued to Stressed Assets Stabilization Fund (SASF) (MH-2885)	0.00	300.00	300.00	0.00	300.00	0.00	0.00
17	Interest Subsidy to Goan Banks (MH-2885)	0.08	0.04	0.04	0.00	0.00	0.00	0.00
18	Transfer to Securities Redemption Fund towards subscription in the Rights Issue of equity shares of SBI (MH- 3465)	625.00	625.00	625.00	625.00	625.00	0.00	625.00
19	Payment to ICICI Bank for Exchange Variation (MH- 3475)	0.00	0.00	0.00	69.09	69.09	0.00	0.00
20	Purchase of Land for construction of Building of DRT, Chandigarh (MH- 4059)	0.00	0.01	0.00	0.01	0.00	0.00	0.00
21	World Bank Assistance to Small Industries Development Bank of India (SIDBI) to improve acess to Microfinance in India under World Bank assisted Microfinance Project (MH- 6885)	14.00	14.00	14.00	14.00	1.00	0.52	12.40
	TOTAL NON-PLAN	**15753.70**	**7466.46**	**6232.23**	**8244.30**	**7347.04**	**4751.01**	**7146.67**
	PLAN							
22	Grants-in-aid to National Bank for Agriculture and Rural Development (NABARD) for creation of Womens Self Help Groups (SHGs) Development Fund (MH - 2416)	0.00	100.00	100.00	200.00	0.00	0.00	100.00
23	Financial Support to the bank for opening 'No Frills' accounts under Swabhiman Scheme as part of Financial Inclusion Plan. (FIP) (MH - 3465)	50.00	0.00	0.00	0.00	0.00	0.00	0.00

S.No.	Schemes/Programmes	2011-12			2012-13			2013-14
		BE	RE	Actual	BE	RE	Actuals (Upto Dec. 2012)	BE
24	Financial support to Small Industries Development Bank of India (SIDBI) for creating an India Microfinance Equity Fund (MH-3465)	0.00	100.00	100.00	0.00	0.00	0.00	100.00
25	Subscription to share capital of Export Import Bank of India (MH - 4885)	300.00	300.00	300.00	200.00	200.00	200.00	700.00
26	Equity support to India Infrastructure Finance Co. Ltd. (IIFCL) (MH-4885)	1000.00	500.00	500.00	400.00	400.00	400.00	400.00
27	Subscription to share capital of NABARD (MH- 4416)	0.00	1000.00	1000.00	500.00	1000.00	500.00	700.00
28	Contribution towards Recapitalisation of Regional Rural Banks (RRBs) (MH-4416)	500.00	200.00	402.43	200.00	535.00	200.00	88.00
29	Recapitalisation of Public Sector Banks (MH- 5465)	6000.00	12000.00	12000.00	14588.00	12517.00	0.00	14000.00
30	Equity Captial of LIC of India (MH- 5465)	0.00	0.00	95.00	0.00	0.00	0.00	0.00
	TOTAL PLAN	**7850.00**	**14200.00**	**14497.43**	**16088.00**	**14652.00**	**1300.00**	**16088.00**
	GRAND TOTAL	**23603.70**	**21666.46**	**20729.66**	**24332.30**	**21999.04**	**6051.01**	**23234.67**

Statement showing actual expenditure vis-a-vis BE/RE provisions for the years 2010-11, 2011-12 and 2012-13

(₹ in Crore)

S.No.	Description of Items/Schemes	Major Head	2010-11			2011-12			2012-13		
			BE	RE	Actual	BE	RE	Actuals	BE	RE	Actual as on 31 Dec.2012)
	Part A- Non Plan Items										
1	**Secretariat - General Services**	**2052**	**12.40**	**14.17**	**13.56**	**15.02**	**14.08**	**14.04**	**15.07**	**21.62**	**12.53**
	Other Fiscal Services										
2	Other Expenditure (Special Court & Office of Custodian)	**2047**	8.44	7.64	7.39	7.78	7.78	7.48	8.23	6.50	4.44
	Other Administrative Services										
3	Appellate Authority for Industrial and Financial Reconstruction (AAIFR)	**2070**	2.20	2.45	2.27	2.57	2.38	2.23	2.53	2.32	1.71
4	Board for Industrial and Financial Reconstruction (BIFR)	**2070**	8.43	13.04	12.84	12.19	10.98	9.69	12.34	9.97	7.69
5	Debt Recovery Tribunals (DRTs)	**2070**	38.78	41.05	38.43	48.06	43.67	43.44	44.25	51.50	37.71
6	Pension Fund Regulatory and Development Authority (PFRDA)	**2070**	16.00	16.00	8.00	16.00	16.00	16.00	22.00	20.95	10.93
	Total - Other Administrative Services		**65.41**	**72.54**	**61.54**	**78.82**	**73.03**	**71.36**	**81.12**	**84.74**	**58.04**
	Other General Economic Services										
7	Other Expenditure (Office of Court Liquidator, Kolkata)	**3475**	0.47	1.54	0.47	0.62	0.62	0.50	0.52	0.52	0.51
8	Payment to ICICI Bank for Exchange Variation	**3475**	é	é	é	é	é .	é	69.09	69.09	é
	Total - Other General Economic Services		**0.47**	**1.54**	**0.47**	**0.62**	**0.62**	**0.50**	**69.61**	**69.61**	**0.51**
	Capital Outlay on Public Works										
9	Debt Recovery Tribunal (DRT)										
9.01	Purchase of land for construction of Building of DRT, Chandigarh	**4059**	é	é	é	é	0.01	...	0.01	...	...
	Total - Capital Outlay on Public Works		**...**	**...**	**...**	**...**	**0.01**	**...**	**0.01**	**...**	**...**
	Industrial Financial Institutions										
10	Payment of Subsidy to Nodal Agency i.e. National Housing Bank	**2885**	700.00	100.00	38.54	500.00	300.00	300.00	400.00	500.00	200.00
11	Redemption of Securities issued to SASF	**2885**	...	300.00	300.00	é	300.00	300.00	é	300.00	...
12	Grants to Industrial Development Bank of India	**2885**	154.33	154.33	154.33	é	é	é	é	é	é
13	Subcription to share capital of Export-Import Bank of India	**4885**	300.00	300.00	300.00	é	é	é	é	é	é

S.No.	Description of Items/Schemes	Major Head	2010-11 BE	2010-11 RE	2010-11 Actual	2011-12 BE	2011-12 RE	2011-12 Actuals	2012-13 BE	2012-13 RE	2012-13 Actual as on 31 Dec.2012)
14	Equity support to IIFCL	**4885**	500.00	500.00	200.00	é	é	é	é	é	é
15	Grants to ICICI Bank for External Aided Component	**2885**	é	é	82.33	é	é	...	8.90	8.90	...
	Total - Industrial Financial Institutions		**1654.33**	**1354.33**	**1075.20**	**500.00**	**600.00**	**600.00**	**408.90**	**808.90**	**200.00**
	Agricultural Financial Institutions										
16	Grants through National Bank for Agriculture and Rural Development (NABARD) for strengthening the Short Term Cooperative Credit Structure (STCCS)	**2416**	984.65	1014.65	1014.65	0.01	0.01	...	0.01	0.01	...
17	Interest Subvention for providing Short Term Credit to Farmers	**2416**	3000.00	4000.00	3531.19	4868.00	4000.00	3282.70	6000.00	5400.00	4377.99
18	Revival of Long Term Cooperative Credit Structure (LTCCS)	**2416**	1000.00	500.00	é	1000.00	0.01	é	500.00	0.01	é
19	Contribution to Financial Inclusion Fund (FIF)	**2416**	10.00	10.00	10.00	10.00	10.00	10.00	20.00	é	é
20	Contribution to Financial Inclusion Technology Fund (FITF).	**2416**	10.00	10.00	10.00	10.00	10.00	10.00	30.00	é	é
21	Government's contribution towards Recapitalisation of Regional Rural Banks (RRBs)	**4416**	é	350.00	66.49	é	é	é	é	é	é
	Total - Agricultural Financial Institutions		**5004.65**	**5884.65**	**4632.33**	**5888.01**	**4020.02**	**3302.70**	**6550.01**	**5400.02**	**4377.99**
	General Financial and Trading Institutions										
22	Transfer to Securities Redemption Fund for redeeming Securities issued against subscription in the Rights issues of Equity Shares of State Bank of India	**3465**	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	é
23	Recapitalization of Public Sector Banks	**5465**	16500.00	14157.00	14117.23	é	é	é	é	é	é
24	Government's contribution towards capital for setting up of Central Electronic Registry under SARFAESI Act, 2002	**5465**	25.00	25.00	25.00	é	é	é	é	é	é
25	World Bank Assistance to Small Industries Development Bank of India (SIDBI) to improve access to Microfinance in India under World Bank assisted Microfinance Project.	**5465**	0.00	420.12	411.90	14.00	é	é	é	é	é
		6885	é	é	é	é	14.00	14.00	14.00	1.00	0.52

S.No.	Description of Items/Schemes	Major Head	2010-11 BE	2010-11 RE	2010-11 Actual	2011-12 BE	2011-12 RE	2011-12 Actuals	2012-13 BE	2012-13 RE	2012-13 Actual as on 31 Dec.2012)
26	Interest Subsidy to Goan Banks	**2885**	0.08	0.08	0.08	0.08	0.04	0.04	é	é	é
	Total - General Financial and Trading Institutions		**17150.08**	**15227.20**	**15179.21**	**639.08**	**639.04**	**639.04**	**639.00**	**626.00**	**0.52**
	Social Security and Welfare										
27	Debt Waiver and Debt Relief Scheme for Farmers										
27.01	Transfer to Farmers Debt Relief Fund	**2235**	12000.00	16000.00	16000.00	2000.00	0.01	0.00	0.01	0.01	0.00
27.02	Payment to lending institutions against Debt Waiver and Debt Relief to Farmers	**2235**	12000.00	12000.00	11340.47	6000.00	1500.00	1176.39	0.01	0.00	0.00
27.03	Payment of interest to lending institutions	**2235**	1434.00	1434.00	1434.00	287.00	287.00	178.46	0.01	0.01	0.00
	Total - Debt Waiver and Debt Relief Scheme for Farmers		**25434.00**	**29434.00**	**28774.47**	**8287.00**	**1787.01**	**1354.85**	**0.03**	**0.02**	**0.00**
28	Subsidy to public sector general insurance companies for Community based Universal Health Insurance Scheme (UHIS)	**2235**	20.00	25.00	22.00	20.00	20.00	13.60	0.01	0.01	0.00
29	Interest Subsidy to LIC for Pension Plan for Senior Citizens	**2235**	209.32	175.70	175.70	199.61	190.38	182.04	182.25	140.00	0.00
30	Swavalamban Scheme to encourage people from unorganised sector to join New Pension System (NPS)										
30.01	Government's co-contribution to subscribers of the New Pension System (NPS) under Swavalamban Scheme	**2235**	é	100.00	50.00	200.00	100.00	30.00	200.00	110.00	15.00
30.02	Funding support for promotional and developmental activities for enrolment and contribution under Swavalamban Scheme	**2235**	é	10.00	3.50	20.00	10.00	10.00	20.00	18.00	0.00
31	Government's contribution to augment the Social Security Fund maintained by LIC for Janshree Bima Yojana (JBY)	**2235**	é	é	é	é	100.00	100.00	175.00	175.00	157.50
	Total - Social Security and Welfare		**25663.32**	**29744.70**	**29025.67**	**8726.61**	**2207.39**	**1690.49**	**577.29**	**443.03**	**172.50**
	TOTAL NON - PLAN		**49559.10**	**52306.77**	**49995.37**	**15855.94**	**7561.97**	**6325.61**	**8349.24**	**7460.42**	**4826.53**

S.No.	Description of Items/Schemes	Major Head	2010-11 BE	2010-11 RE	2010-11 Actual	2011-12 BE	2011-12 RE	2011-12 Actuals	2012-13 BE	2012-13 RE	2012-13 Actual as on 31 Dec.2012)
	PART B - Plan Items										
1	Subscription to share capital of Export-Import Bank of India	**4885**	é	é	é	300.00	300.00	300.00	200.00	200.00	200.00
2	India Infrastructure Finance Company Limited (IIFCL)	**4885**	é	é	é	1000.00	500.00	500.00	400.00	400.00	400.00
3	Grants-in-aid to National Bank for Agriculture and Rural Development (NABARD) for creation of Women's Self Help Groups (SHGs) Development Fund	**2416**	é	é	é	é	100.00	100.00	200.00	...	...
4	Subscription to share capital of National Bank for Agriculture and Rural Development (NABARD)	**4416**	é	é	é	é	1000.00	1000.00	500.00	1000.00	500.00
5	Government's contribution towards Recapitalisation of Regional Rural Banks (RRBs)	**4416**	é	é	é	500.00	200.00	402.43	200.00	535.00	200.00
6	Acquisition cost of RBI's stake in NABARD	**5465**	é	1430.00	1430.00	é	é	é	é	é	é
7	Acquisition cost of RBI's stake in NHB	**5465**	é	450.00	é	é	é	é	é	é	é
8	Recapitalization of Public Sector Banks	**5465**	é	6000.00	6000.00	6000.00	12000.00	12000.00	14588.00	12517.00	é
9	Equity Captial of LIC of India	**5465**	é	é	é	é	é	95.00	...	...	...
10	Financial support to the banks for opening 'No Frills' accounts under Swabhiman Scheme as part of Financial Inclusion Plan	**3465**	é	é	é	50.00	é	é	é	é	é
11	Financial Support for opening bank branches in unbanked blocks	**3465**	50.00	50.00	é	é	é	é	é	é	é
12	Financial Support to Small Industries Development Bank of India (SIDBI) for creating an India Microfinance Equity Fund	**3465**	é	é	é	é	100.00	100.00	é	é	é
	TOTAL PLAN		**50.00**	**7930.00**	**7430.00**	**7850.00**	**14200.00**	**14497.43**	**16088.00**	**14652.00**	**1300.00**
	GRAND TOTAL		**49609.10**	**60236.77**	**57425.37**	**23705.94**	**21761.97**	**20823.04**	**24437.24**	**22112.42**	**6126.53**
	Percentage w.r.t RE			**97.82%**			**95.69%**			**27.71%**	

Object head-wise actual Expenditure vis-a-vis BE/RE provisions for the years 2010-11, 2011-12 and 2012-13

(₹ in Crore)

S.No.	Description	2010-11			2011-12			2012-13		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (as on 31 Dec. 12)
	Revenue Section									
1	Salaries	43.12	48.14	47.08	51.51	46.06	47.78	49.75	53.41	44.80
2	Wages	0.26	0.26	0.18	0.26	0.31	0.24	0.51	0.51	0.31
3	OTA	0.18	0.16	0.11	0.16	0.11	0.08	0.15	0.06	0.04
4	Medical Treatment	0.84	1.01	0.78	1.00	0.99	0.80	0.99	0.94	0.59
5	Domestic Travel Expenses	1.40	1.31	1.16	1.37	1.22	1.27	1.38	1.28	0.94
6	Foreign Travel Expenses	0.40	0.40	0.27	0.45	0.50	0.36	0.50	0.15	0.08
7	Office Expenses	8.31	8.45	7.62	9.04	7.97	7.79	8.38	14.47	6.55
8	Rent, Rates & Taxes	10.59	14.44	13.98	17.45	16.35	14.99	13.29	14.03	8.53
9	Publications	0.30	0.30	0.17	0.30	0.30	0.22	0.35	0.23	0.15
10	Other Administrative Exp.	0.25	0.25	0.19	0.25	0.25	0.24	0.25	0.25	0.16
11	Advt. & Publicity	0.23	0.35	0.30	0.26	0.46	0.31	0.38	0.21	0.15
12	Minor Works	0.27	0.26	0.25	0.26	0.36	0.35	0.31	0.30	0.26
13	Professional Services	2.44	1.23	1.07	1.32	1.12	0.83	1.32	1.01	0.68
14	Grants-in-Aid (General)	1204.98	1244.98	1262.81	86.01	226.01	226.00	244.41	40.86	6.23
15	Contribution	645.00	745.00	695.00	845.00	220.00	150.00	425.00	285.00	172.50
16	Subsidy	4929.40	4800.78	3767.51	6587.69	4510.43	3778.38	7082.26	6040.02	4577.99
17	Grants-in-Aid (Salaries)	0.00	0.00	0.00	0.00	0.00	0.00	6.50	7.00	4.70
18	Lumpsum	0.47	1.54	0.47	0.62	0.62	0.50	0.52	0.52	0.51
19	Exchange Variation	0.00	0.00	0.00	0.00	0.00	0.00	69.09	69.09	0.00
20	Interest	1434.00	1434.00	1434.00	287.00	287.00	178.46	0.01	0.01	0.00
21	Other charges	12001.67	12301.80	11641.80	6001.99	1802.89	1478.01	4.87	305.06	0.84
22	Inter Account Transfer	12000.00	16000.00	16000.00	2000.00	625.01	625.00	625.01	625.01	0.00
	Total Revenue Section	**32284.10**	**36604.65**	**34874.75**	**15891.94**	**7747.96**	**6511.61**	**8535.23**	**7459.42**	**4826.01**
	Capital Section									
23	Investments	17325.00	23632.12	22550.63	7814.00	14000.01	14297.43	15888.01	14652.00	1300.00
24	Loans	0.00	0.00	0.00	0.00	14.00	14.00	14.00	1.00	0.52
	Total Capital Section	**17325.00**	**23632.12**	**22550.63**	**7814.00**	**14014.01**	**14311.43**	**15902.01**	**14653.00**	**1300.52**
	Grand Total (Gross)	**49609.10**	**60236.77**	**57425.38**	**23705.94**	**21761.97**	**20823.04**	**24437.24**	**22112.42**	**6126.53**

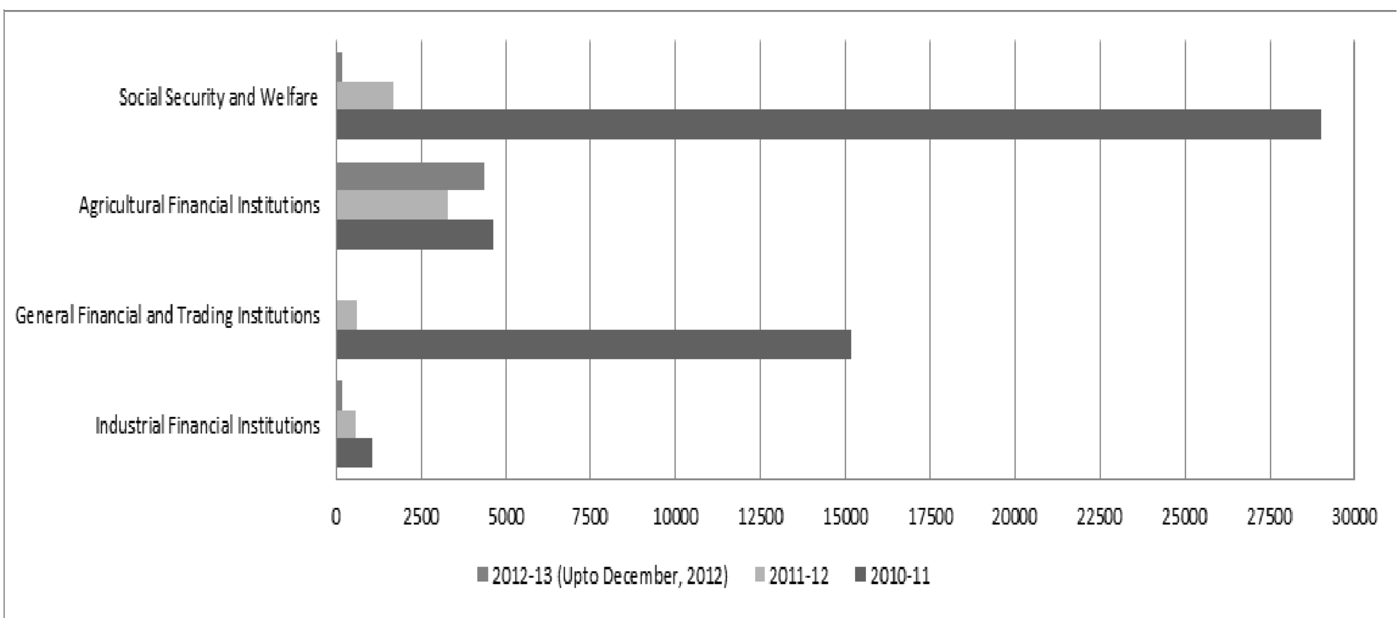
ANALYSIS OF BUDGET PROVISIONS AND ACTUAL EXPENDITURE DURING 2010-11, 2011-12 AND 2012-13

During 2010-11, the provision was ₹49,609.10 crore in BE (₹32,284.10 crore under Revenue and ₹17,325.00 crore under Capital Section). This was increased to ₹60,236.77 crore in RE (Revenue Section was increased to ₹36,604.65 crore and Capital Section to ₹23,632.12 crore). Actual Expenditure was ₹57,425.38 crore (₹34874.75 crore under Revenue and ₹22,550.63 crore under Capital Section). During 2010-11, about 99.80% funds have been spent for different programmes relating to Industrial Financial Institutions, Agricultural Financial Institutions, General Financial & Trading Institutions and Social Security and Welfare. Expenditure towards secretariat and other administrative services was less than 0.20% of the total expenditure of the Department.

During 2011-12, the provision was ₹23,705.94 crore in BE (₹15,891.94 crore under Revenue Section and ₹7,814 crore under Capital Section). This was brought down to ₹21,761.97 crore in RE 2011-12 (Provisions under Revenue Section were reduced to ₹7747.96 crore whereas the provisions under Capital Section were increased to ₹14,014.01 crore). Actual Expenditure was ₹20,823.04 crore (₹6511.61 crore under Revenue and ₹14311.43 crore under Capital Section). In 2011-12 also, more than 99% of the funds were allocated towards different subsidy programmes and capitalisation initiatives in respect of Industrial Financial Institutions, Agricultural Financial Institutions, General Financial & Trading Institutions and Social Security and Welfare measures.

During 2012-13, the provision was ₹24,437.24 crore in BE (₹8535.23 crore under Revenue Section and ₹15902.01 crore under Capital Section). This was revised down to ₹22112.42 crore in RE 2012-13 (Revenue Section ₹7459.42 crore and Capital Section ₹14,653 crore). Actual Expenditure upto December, 2012 was, however, to the extent of ₹6126.53 crore (₹4826.01 crore under Revenue and ₹1300.52 crore under Capital Section). As the proposals relating to capitalisation of Public Sector Banks are likely to be taken up in the last quarter of 2012-13, expenditure position upto December, 2012 is proportionately on the lower side. In 2012-13 also, more than 99% of the funds were allocated towards different subsidy programmes and capitalisation initiatives in respect of Industrial Financial Institutions, Agricultural Financial Institutions, General Financial & Trading Institutions and Social Security and Welfare measures.

Overall trends of expenditure (₹ in crore) relating to various programmes during last three years (2010-11 to 2012-13) are depicted in the following Bar Chart:



STATEMENT ON SURRENDER AND SAVINGS DURING THE FINANCIAL YEAR 2011-12

During the financial year 2011-12, original provision was ₹23705.94 crore (₹15891.94 crore under Revenue and ₹7814.00 crore under Capital Section). This was augmented to ₹30703.40 crore by obtaining Supplementary Grant of ₹6997.46 crore (₹500.02 crore under Revenue and ₹6497.44 crore under Capital Section). Against this, expenditure of ₹20823.04 crore was incurred resulting in net savings of ₹9880.36 crore. The savings of ₹9880.36 crore were the net effect of total savings of ₹11216.92 crore and total excess of ₹1336.56 crore. Categorisation of major savings (more than one crore) is indicated below:

(i) **Normal Savings: Savings resulting from economic use of resources:**

(₹ in crore)

S.No.	Sub Head/Scheme/Programme	Savings	Remarks/Reasons
1.	Board for Industrial and Financial Reconstruction (BIFR)	2.50	Savings were due to less actual requirement of funds which could not be anticipated in advance. Savings under óSalaryô for BIFR and DRTs were due to non filling of certain vacant posts which were expected to be filled up.
2.	Debt Recovery Tribunals (DRTs)	4.62	
3.	Equity support to India Infrastructure Finance Co. Ltd. (IIFCL)	500.00	Keeping in view the financial position of IIFCL, the original provision of 1000 crore was reduced to 500 crore in RE, resulting in stated savings.

(ii) **Under/Non Utilisation: Savings due to Non-implementation/delay in execution of projects/schemes:**

(₹ in crore)

S.No.	Sub Head/Scheme/Programme	Savings	Remarks/Reasons
1.	Revival of Long Term Cooperative Credit Structure (LTCCS)	1000.00	Package on Revival of Long Term Cooperative Credit Structure (LTCCS) was under revision and therefore, the entire provision remained unutilised.
2.	Financial support to the Banks for opening óNo Frillsô accounts under Swabhiman Scheme	50.00	This scheme was subsumed with Financial Inclusion, resulting in savings of the entire provision.
3.	Swavalamban Scheme to encourage people from unorganized sector to join New Pension System (NPS)	180.00	As the enrolment under Swavalamban Scheme was not at the expected level, the entire provision could not be utilised, resulting in savings.
4.	Payment to LIC of India for Pension Plan for Senior Citizens	17.57	Subsidy to LIC for Pension Plan for Senior Citizens is based on actual calculation of the amount of subsidy, required for an effective yield of 9% to the investor. As the actual requirement was less, there was saving.
5.	Interest subvention for providing short term credit to farmers	1585.30	Claims under the Scheme were not forthcoming at the expected level, resulting in savings.
6.	Payment of subsidy in respect of 1% interest subvention scheme on Housing Loan	200.00	As the claims received from Nodal Agency i.e. National Housing Bank (NHB) were not enough to utilise the entire provision, there was saving on this account.
7.	Contribution of Governmentõs share for recapitalization of Regional Rural Banks (RRBs)	97.57	Release of share of the Central Government under the Scheme is contingent upon release of proportionate share by the concerned State Government/ Sponsor Banks. Thus, funds could be utilised only to the extent of the amount released by the concerned State Government/ Sponsor Banks resulting in the stated savings.

(i) **Surrenders: Savings due to obsolete/defunct project/scheme or due to completion of a project/scheme and the funds are no more required:**

(₹ in crore)

S.No.	Sub Head/Scheme/Programme	Savings	Remarks/Reasons
1.	Relief/Waiver of Loans through lending institutions against Agricultural Debt Waiver and Debt Relief Scheme, 2008	4823.61	As the implementation period of the scheme was over, only left over claims were due from the nodal agencies, i.e., Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD). The amount of claims was less than what was expected, resulting in savings.
2.	Payment of interest to lending institutions towards Agricultural Debt Waiver and Debt Relief Scheme, 2008	108.54	
3.	Farmersô Debt Relief Fund for implementation of Debt Waiver and Debt Relief Scheme, 2008	2000.00	An amount of ₹4000.00 crore (transferred to the Farmersô Debt Relief Fund during 2010-11) was already available for utilisation during the year 2011-12. As the likely claims for reimbursement under Agricultural Debt Waiver and Debt Relief Scheme were less than this amount, there was no requirement of further transfer to the Fund during the year 2011-12.
4.	Payment to Public Sector GICs for community based Universal Health Insurance Scheme (UHIS)	6.40	As per actual claims of subsidy from the Public Sector General Insurance Companies under UHIS, there was less requirement of fund.

Note:- *This annexure is included in compliance of O.M.No.7(1)-B(AC)/2011 dated 23rd March, 2012 of Budget Division regarding segregation of savings due to normal savings, under/non-utilization & surrender of funds for the financial year 2011-12 as desired by the Standing Committee on Finance in its 33rd Report.*

REVIEW OF PERFORMANCE OF STATUTORY AND AUTONOMOUS BODIES

Public Sector Banks (PSBs)

Public Sector Banks (PSBs) play a major role in the financial sector of our country. As part of their mandate, PSBs have extended credit to diverse sectors and priority areas including the Agriculture sector, Medium, Small and Micro Enterprises (MSME) Sector, Weaker Sections, Self- Help Groups and Government sponsored programmes etc.

Balance Sheet size of many PSBs grew more robustly during 2011-12. Besides meeting the requirement of employment intensive sectors such as Agriculture and Micro and Small Enterprises, PSBs have also met the credit requirement of corporate sector. Despite good performances on almost all fronts in the previous year, the PSBs face innumerable challenges during 2012-13 which include higher provisioning requirements on account of NPAs due to stress in major sectors of our economy.

PSBs are required to maintain capital at a certain level as regulated entities and listed entities, and also to maintain public confidence in them. The Government is committed to keep all PSBs adequately capitalized towards this and the Government has decided to infuse capital to the tune of ₹12517 Crore in PSBs during the year 2012-13 in order to adequately meet the credit requirements of productive sectors of our economy as well as to maintain their Tier-I Credit to Risk Weighted Assets Ratio (CRAR) at a comfortable level.

National Bank of Agriculture and Rural Development (NABARD)

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

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

(₹in Crore)

Agency	2009-10		2010-11		2011-12		2012-13 (upto31.12.2012)	
	Sanct.	Max. O/S	Sanct.	Max. O/S	Sanct.	Max. O/S	Sanct.	Max. O/S
Coop Banks	18286.59	17617.44	23975.09	23894.86	34410.15	34402.62	44589.69	32215.58
RRBs	7374.13	7098.03	10399.69	10301.03	14602.66	14578.66	21573.40	15093.15
Total	**25660.72**	**24715.47**	**34374.78**	**34195.89**	**49012.81**	**48981.28**	**66163.09**	**47308.73**

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

(₹ in Crore)

Agency	Disbursement during 2009-10	Disbursement during 2010-11	Disbursement during 2011-12	Target for 2012-13	Disbursement during 2012-13 (Upto 1.2.13)
SCARDBs	2221.30	2351.85	2444.93	2300.00	822.10
SCBs	1251.95	1356.62	1192.29	2378.00	1643.39
Commercial Banks	6057.19	7348.49	8433.75	6524.00	1590.06
RRBs	2457.46	2287.84	3086.19	5138.00	3336.88
PUCBs/ADFCs	21.18	141.07	264.53	650.00	331.20
Others	0.00	0.00	0.00	0.00	0.00
Total	**12009.08**	**13485.87**	**15421.70**	**16990.00**	**7723.63**

During 2009-10, as against farm credit target of ₹3,25,000 crore, Commercial Banks, Cooperative Banks and Regional Rural Banks had financed 482.30 lakh farmers with a credit of ₹3,84,514 crore. During 2010-11, as against farm credit target of ₹3,75,000 crore, they had disbursed credit to the tune of ₹4,68,291 crore covering 549.60 lakh farmers. During 2011-12, as against farm credit target of ₹4,75,000 crore, they had disbursed credit to the tune of ₹5,11,029 crore covering ₹646.57 lakhs were brought into the fold of banking system.

Pension Fund Regulatory and Development Authority (PFRDA)

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.

2. 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.

3. Under the NPS for all citizens, a subscriber has the facility to open NPS account at any of the registered branches (26830 branches so far) of the fifty five Points of Presence (PoPs) appointed by PFRDA. 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.

Insurance Regulatory and Development Authority

The insurance sector was opened up to private participation with the enactment of the Insurance Regulatory and Development Authority Act, 1999. The IRDA at present consists of the Chairman, 5 full-time members and 4 part-time members. The Authority is functioning from its Head Office at Hyderabad, Andhra Pradesh. The core functions of the Authority include (i) licensing of insurers and insurance intermediaries; (ii) financial and regulatory supervision; (iii) control and regulate premium rates; and (iv) protection of the interests of the policy- holders. With a view to facilitating development of the insurance sector, the Authority has issued regulations on protection of the interests of policy- holders; obligations towards the rural and social sectors; micro insurance and licensing of agents, corporate agents, brokers and third party administrators. This is in addition to the regulatory framework provided for registration of insurance companies, maintenance of solvency margin, investments and financial reporting requirements.

India Infrastructure Finance Company Ltd (IIFCL)

IIFCL was incorporated under the Companies Act as a wholly-owned Government of India company in January 2006 and commenced operations from April 2006 to provide long term finance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called India Infrastructure Finance Company Ltd (IIFCL), broadly referred to as SIFTI. The sectors eligible for financial assistance from IIFCL are roads and highways, power, airport, port, railways, urban infrastructure, Gas pipelines, Infrastructure projects in Special Economic Zones, International convention centers and other tourism infrastructure projects, cold storage chain, warehouses, and fertilizer manufacturing. IIFCL has been allowed to finance projects in the infrastructure sectors as per the Harmonized list of infrastructure sub-sectors as approved by the Government. The process for adoption of the same has been initiated by IIFCL.

IIFCL accords overriding priority to Public-Private Partnership (PPP) Projects. The authorized & paid up capital of the company as on 31st December 2012 was ₹ 5,000 crore and ₹ 2,900 crores respectively. The company is operating profitably since commencement of operations in April 2006.

Within 7 years of its operations, on a consolidated basis, till 31st December 2012, under direct lending IIFCL has made cumulative gross sanctions of ₹72,906 crore in 325 projects and has made cumulative disbursement of ₹28,214 crore (including refinance of ₹4,168 crore and takeout finance of ₹2,165 crore). Out of the projects sanctioned under Direct Lending, Commercial Operation Date (CoD) has been achieved in 63 projects (including 3 in IIFC(UK).

For the first time IIFCL raised resources through domestic bonds for tenors of 25 years and 30 years, without a Government Guarantee, in July 2012 to enable lending for longer tenure to infrastructure sector. Since commencement of operations till December 2012, IIFCL has raised ₹5200 crore by way of domestic bonds, ₹10,785 crore by way of tax free bonds, ₹ 2,000 crore as long term loan from LIC, ₹1,500 crore from the National Small Savings Fund and ₹91 crore through tax-saving infrastructure bonds. IIFCL has further raised ₹2,883.87 crore from the first tranche of public issue of Tax Free Bonds, without Government Guarantee. IIFCL has also established strong relationships with bilateral and multilateral institutions like ADB, World Bank and KfW and has committed lines of credit. Till December 2012, the company has availed USD 1,041.45 million out of ADB's line of credit of USD 1,200 million, USD 22.93 million out of World Bank line of credit of USD 1,195 million and has availed Euro 29.51 million out of KfW line of credit of Euro 50 million.

To facilitate incremental lending to the infrastructure sector by addressing banks' exposure and asset-liability mismatch constraints, IIFCL has implemented the Takeout Finance Scheme. IIFCL operationalized its Modified Takeout Finance Scheme in December 2011 subsequent to suitable modifications. IIFCL also has introduced non-discriminatory and non-discretionary external rating based pricing mechanism for takeout of infrastructure loans. Till 31st December 2012, IIFCL has sanctioned ₹ 7,098 crore and has disbursed ₹ 2,165 crore under its takeout finance scheme.

To enable channelization of long term funds from investors like insurance companies and pension funds, IIFCL is presently undertaking pilot transactions under its Credit Enhancement initiative wherein IIFCL provides partial credit guarantee to enhance the ratings of the project bond issue by infrastructure project companies. During the pilot phase, Asian Development Bank (ADB) is participating in this endeavor by committing to support IIFCL by providing up to 50% backstop guarantee facility. IIFCL Guarantee document in respect of the first pilot transaction to facilitate bond issuance of a maximum amount of ₹ 320 crore by a PPP NHAI Toll Road Project was signed on 16th January 2013.

IIFCL has set up its wholly owned subsidiary, IIFC (UK) Ltd at London with the objective of borrowing up to USD 5 billion from the Reserve Bank of India and on-lend to Indian companies implementing infrastructure projects in the country for the purpose of meeting the capital expenditure solely outside India. IIFC (UK) began its operations from April 2008 and till end December 2012 has made gross sanction of USD 4.17 billion to 40 infrastructure projects. The company has disbursed USD 930 million including outstanding Letter of Comfort of USD 262 million, till end December 2012. Recently, IIFC (UK) has reduced its lending rates on foreign currency loans to infrastructure sector to around LIBOR+200 bps as compared to earlier rate of around LIBOR+450 bps. This would enable lowering of the financial debt service burden on infrastructure projects thereby increasing viability of many infrastructure projects.

IIFCL is in the process of operationalization of a Infrastructure Debt Fund (IDF) through Mutual Fund route. In this regard, SEBI has granted registration to IIFCL Mutual Fund under SEBI (Mutual Funds) Regulations 1996 as an infrastructure debt fund on 24th January 2013. SEBI has also granted approval to IIFCL Asset Management Company (IAMCL) to act as the Asset Management Company for IIFCL Mutual Fund. Currently, IIFCL is in the process of completing the compliances for launching infrastructure debt fund scheme.

In February 2012, IIFCL established a wholly owned subsidiary, IIFCL Projects Limited to provide varied advisory services from the point of identification and conception of infrastructure projects, assessing their feasibility, securing regulatory approvals, providing bid evaluation services and the monitoring & supervision services on award of the projects.

EXPORT IMPORT BANK OF INDIA

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. It is wholly owned by the Government of India. Exim Bank lays special emphasis on extension of Lines of Credit (LOCs) to overseas entities, national governments, regional financial institutions and commercial banks.

During the year 2011-12, Exim Bank extended 18 LOCs aggregating US$ 1.50 billion, to support export of projects, goods and services from India. Several of these lines have been extended at the behest of Government of India. During the financial year 2011-12, the Bank approved loans of ₹44,412 crore as against ₹47,798 crore during 2010-11. Disbursements during the year amounted to ₹37,045 crore as compared to ₹34,423 crore during the previous year. Loan assets increased to ₹53,890 crore as on March 31, 2012 from ₹45,655 crore as on March 31, 2011.

Exim Bank also actively supports and facilitates outward investments by Indian companies in their quest for enhanced access to global markets. During the year 2011-12, 53 corporates were sanctioned funded and non-funded assistance aggregating ₹41.78 billion for part financing their overseas investments in 24 countries. Exim Bank has provided finance to 387 ventures set up by 313 companies in 69 countries so far, including Austria, Bangladesh, Brazil, Canada, China, Croatia, Egypt, Indonesia, Ireland, Israel, Italy, Malaysia, Malta, Mauritius, Morocco, Nepal, Netherlands, Oman, Romania, Singapore, South Africa, Spain, Sri Lanka, Sudan, UAE, UK, the US and Vietnam.

National Housing Bank

National Housing Bank (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 Regulation and Supervision of HFCs and re-finance to Primary Lending Institutions (PLIs). At present, there are 54 HFCs that are regulated by NHB. NHB provides refinance to Banks and HFCs and project finance to Government agencies and Self Help Groups (SHGs) besides initiatives for development and promotion of the housing finance system in India. The present paid-up capital of NHB is ₹450.00 crore, owned by the Reserve Bank of India.

Performance parameters

(₹ in crore)

Year ended 30th June	2006	2007	2008	2009	2010	2011	2012
Capital	450	450	450	450	450	450	450
Reserves	1,288	1,389	1,558	1,792	2,072	2,352	2739
Net Owned Fund	1,730	1,831	1,999	2,230	2,485	2,770	3154
Sanctions	9,076	9,101	13,362	15,729	12,715	14,293	23460
Disbursements	5,998	5,672	9,036	10,889	8,160	12,035	14454
Loans & Advances	16,241	19,572	17,671	16,851	19,837	22,581	28490
Total Assets	19,589	21,501	19,898	19,927	22,753	25,781	31332
Gross NPAs	27	27	Nil	Nil	Nil	Nil	3.56
Net NPAs	Nil	Nil	Nil	Nil	Nil	Nil	3.03
Profit After Tax (PAT)	86	101	170	236	280	279	387
PAT per Employee	1.05	1.59	2.12	2.62	3.15	3.21	4.07
CRAR (%)	22.3	22.6	24.5	18.2	19.6	20.6	19.80

Activities of NHB

Regulation & Supervision Role

Banks and Housing Finance Companies (HFCs) are the major players in the housing finance market in India. While Banks are subject to regulation and supervision by the Reserve Bank of India, HFCs are regulated and supervised by National Housing Bank under the provisions of the National Housing Bank Act, 1987 and the directions and guidelines issued thereunder from time to time. The regulatory measures include prudential norms, transparent and standardized accounting and disclosure policies, fair practice code, asset liability management and other risk management practices etc. These measures have helped to ensure the development of the sector on healthy and sustainable lines.

During the year, Certificate of Registration (CoR) was granted to 6 new HFCs viz. Shriram Housing Finance Limited, A U Housing Finance Private Limited, Milestone Home Finance Company Private Limited, New Habitat Housing Finance and Development Limited, Habitat Micro Build India Housing Finance Company Private Limited and USB Housing Finance Corporation Limited. As on June 30, 2012 the total number of HFCs registered with NHB stood at 56 of which 37 companies have been granted Certificate of Registration without permission to accept public deposits.

Further during the year, the Bank has cancelled the Certificate of Registration of 2 companies namely Haware's Housing Development Finance Corporation Limited and Inara Housing Finance Limited due to their non compliance with the Directions/ Guidelines issued by the Bank.

NHB supervises the working of HFCs through a system of on-site inspections, market intelligence and off-site surveillance for which periodic returns have been prescribed. During the year the bank inspected 48 companies, out of which 44 were regulatory inspections to ensure compliance of the provisions of the Act and the Directions/Guidelines thereunder and 4 were in connection with the grant of Certificate of Registration to new companies. Close monitoring of the submission of quarterly, half-yearly and annual returns by HFCs were undertaken.

Refinance and Project Finance by NHB

NHB extends financial assistance through refinance and also the project finance window. The refinance assistance provided to various Primary Lending Institutions viz. Banks, Housing Finance Companies, Co-operative sector institutions is towards their individual housing loans. The project finance intervention of the Bank is through the direct finance window to Public and Development agencies/Municipal Corporations/Welfare Association/Micro Finance Institutions etc for the housing projects.

During the year 2011-12, refinance disbursements touched the highest ever figure of ₹14389.91 crore, registering an increase of more than 22% over the disbursements of ₹11722.79 crore made in 2010-11. Out of the total refinance disbursements of ₹14389.91 crore, 38.97% (₹5607.54 crore) were made for rural housing loans, under the Rural Housing Fund (RHF) and the Golden Jubilee Rural Housing Refinance Scheme (GJRHRS).

During the year 2011-12, the Bank has sanctioned Project Finance assistance for 6 projects amounting to ₹314.30 crore and disbursed ₹63.72 crore. The disbursements were made to Housing Micro Finance Institutions, Public Agencies, Welfare Housing Organizations and Public Private Partnerships.

The Bank's Housing Micro Finance (HMF) programme was started in 2004-2005. Till date, the Bank has sanctioned loan amount of ₹97.42 crore to 31 microfinance institutions in 11 States for financing 30210 housing units. The beneficiaries include farmers, petty traders, artisans, dairy workers and other low income households.

Cumulatively, till June 30,2012, NHB has sanctioned 440 projects with project cost of ₹ 6682.17 crore and loan component of ₹4,842.66 crore to provide low income housing for the poor and has financed various agencies including Public Housing Agencies, MFIs, NGOs, and Public Private Partnership projects. Till 30.06.2012, NHB has disbursed ₹2106.39 crore as project finance.

Refinance Operations

During the year 2011-12 (July - June), refinance aggregating ₹14389.91 crore was disbursed, out of which ₹5607.54 crore was disbursed for rural housing under the Golden Jubilee Rural Housing Refinance Scheme and the Rural Housing Fund.

For the year 2012-13 (July to December, 2012) refinance aggregating ₹9453.23 crore was disbursed, out of which ₹3747.22 crore was disbursed for rural housing under the Golden Jubilee Rural Housing Refinance Scheme and the Rural Housing Fund. The breakup of the releases made during 2011-12 (July - June) is as under:

(₹in Crore)

Institution Category	REGULAR Scheme	RHF	GJRHRS	Total
I	II	III	IV	V
HFCs	2772.37	2125.25	404.51	5302.13
Banks (SBs)	6010.00	877.78	2200.00	9087.78
Total	**8782.37**	**3003.03**	**2604.51**	**14389.91**

The breakup of the releases made during 2012-13 (July to December, 2012) is as under:

(₹in Crore)

Institution Category	REGULAR Scheme	RHF	GJRHRS	Total
I	II	III	IV	V
HFCs	1769.23	831.87	1836.72	4437.82
Banks (SBs)	3936.78	728.63	350.00	5015.41
Total	**5706.01**	**1560.50**	**2186.72**	**9453.23**

Performance under Rural Housing

Out of the total refinance releases of ₹14389.91 crore made during the year 2011-12, 38.97% aggregating ₹5607.54 crore have been made under the Rural Housing Fund (RHF) and the Golden Jubilee Rural Housing Refinance Scheme (GJRHRS) in respect of loans given by Primary Lending Institutions (PLIs) in rural areas.

During the year 2012-13 (July to December, 2012), 39.64% of total disbursements of ₹9453.23 crore i.e. ₹3747.22 crore have been made under the Rural Housing Fund (RHF) and the Golden Jubilee Rural Housing Refinance Scheme (GJRHRS) in respect of loans given by Primary Lending Institutions (PLIs) in rural areas.

The breakup of the disbursements made for rural housing (RHF and GJRHRS) is as under:

(₹in Crore)

Institution Category	2011-12	2011-12 (Jul-Dec, 2011)
Housing Finance Companies	2529.76	2668.59
Scheduled Banks	3077.78	1078.63
Total	**5607.54**	**3747.22**

Rural Housing Fund

The Hon'ble Finance Minister, in his Union Budget speech for 2008-09, announced the setting up of the Rural Housing Fund to enable primary lending institutions to access funds for extending housing finance to targeted groups in rural areas at competitive rates. The corpus of the fund for 2008-09 was ₹1778.18 crore, which was enhanced by ₹2000 crore during 2009-10, another ₹2000 crore for 2010-11, another ₹3000 crore for 2011-12 and further by ₹ 4000 crore by 2012-13. A total amount of ₹8778.18 crore has been received by the Bank under the Fund till June, 2012 and the Bank has been able to deploy the full amount towards refinance for rural housing for the target groups. For the year 2012-13 (July-December, 2012), the Bank has disbursed ₹1560.50 crore under this scheme.

The breakup of the disbursements made under RHF is as under:

(₹in Crore)

Institution Category	2011-12	2012-13 (Jul-Dec, 2012)
Housing Finance Companies	2125.25	831.87
Scheduled Banks	877.78	728.63
Total	**3003.03**	**1560.50**

1% Interest Subvention Scheme:-

In order to stimulate demand for credit for housing in the lower & middle income segment of population in the country Government of India introduced interest subvention of 1% for one year on all individual housing loans upto ₹10 lakh, provided the cost of the unit does not exceed ₹20 lakh from 1st October, 2009 to 30th September, 2010.In the budget for FY 2010-11 the Scheme was extended up to March 31st, 2011. The Scheme was further extended for FY 2011-12 with increase in limit of housing loans upto ₹15 lakh and cost of house upto ₹25 lakh from ₹10 lakh & ₹20 lakh respectively in earlier years. For the FY 2012-13, it has been further extended with the revised eligibility criteria of loan upto ₹15.00 lakhs and cost of house upto ₹25.00 lakhs.

All regions of the States & Union Territories in the country, including rural & urban areas will be covered under the Scheme. The Scheme at present is being implemented by Scheduled Commercial Banks, Housing Finance Companies and Scheduled Regional Rural Banks.

During the initial period of the scheme, RBI and NHB were designated as Nodal agencies for SCBs and HFCs respectively. Later, NHB has been designated as the sole nodal agency for SCBs and HFCs from FY 2011-12.

Disbursements details under the scheme upto 31.03.2012:

(₹ in Crore)

Implementing Agencies(IA)	Amount Disbursed to IAs
SCBs	**170.00**
HFCs	**130.00**
Total	**300.00**

Reverse Mortgage Loan

NHB has conceptualized the Reverse Mortgage Loan (RML) product, exclusively for covering house owning Senior Citizens. Pursuant to the announcement made in the Union Budget speech of the Hon'ble Finance Minister on February 28, 2007, NHB notified Operational Guidelines for Reverse Mortgage Loan (RML) in May 2007, after extensive consultation with the Housing Finance companies (HFCs) and Banks. Further, NHB in consultation with reputed legal firms prepared and circulated model formats of the loan documents for adoption suitably by the HFCs and Banks in connection with their lending under RML.

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

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

As per information available with NHB, 24 Scheduled Commercial Banks and 2 Housing Finance Companies have launched the Scheme. A total of 7354 accounts amounting to ₹1695 crore have been sanctioned under the RML Scheme (upto September 30, 2012).

Reverse Mortgage Loan enabled Annuity (RMLeA)

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

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

The Life Insurance Corporation of India has evinced interest in the product and will be soon launching the product in association with few Public Sector Banks.

NHB RESIDEX

NHB RESIDEX is an initiative of the National Housing Bank to provide an Index of residential prices in India across cities and over time. National Housing Bank, at the behest of the Ministry of Finance, Government of India, began this initiative in the year 2005-06 and undertook a pilot study to examine the feasibility of preparing such an index at the national level. NHB launched RESIDEX for tracking prices of residential properties in India, in July 2007, covering data up to 2005 with 2001 as the base year. The pilot study covered 5 cities viz. Bengaluru, Bhopal, Delhi, Kolkata and Mumbai. Thereafter, NHB RESIDEX was expanded to ten more cities namely, Ahmedabad, Faridabad, Chennai, Kochi, Hyderabad, Jaipur, Patna, Lucknow, Pune and Surat.

From the quarter January-March, 2012, NHB RESIDEX has been further expanded to cover 5 more cities viz. Bhubaneshwar, Guwahati, Ludhiana, Vijayawada & Indore. With this inclusion, NHB RESIDEX now covers 20 cities. The Index for Delhi has been expanded to cover Gurgaon, Noida, Greater Noida and Ghaziabad thereby expanding its coverage to National Capital Region (NCR). From April-June, 2012 onwards the Index of Delhi covers National Capital Region (NCR).It is proposed that from the quarter January-March, 2013 onwards NHB RESIDEX will be expanded to cover six (6) more cities namely Chandigarh, Coimbatore, Dehradun, Meerut, Nagpur and Raipur thus taking the total of cities covered under NHB RESIDEX to 26.

NHB RESIDEX as of now is covering 20 cities and is updated and released on a quarterly basis with 2007 as the base year. NHB RESIDEX has been updated and released for the quarter ended September, 2012 (July - September, 2012). NHB

RESIDEX, property price tracking Index, has replaced Cost of Construction Index in determination of the income ceiling for EWS/LIG households by MoHUPA.

Analysis of Price Movements

The analysis of the movement of residential prices in 20 cities based on the transaction data, on quarterly & annual basis and from 2007 to September, 2012, is furnished below:

Movement of residential prices during the quarter July - September, 2012

Residential housing prices in 9 cities have shown marginal increase in prices in this quarter ended September, 2012 (July-September, 2012) over the previous quarter ended June, 2012 (April-June, 2012). Maximum increase was observed in Kochi (10.1%) followed by Jaipur (9.0%), Delhi (3.8%), Ahmedabad (3.0%), Bhubaneshwar (2.3%), Lucknow (2.2%), Chennai (0.8%), Pune (0.7%) and Mumbai (0.5%).

Whereas, 11 cities have shown marginal decline in prices over the previous quarter with maximum decline observed in Surat (-4.8%) followed by Indore (-3.54%), Kolkata (-2.4%), Vijayawada (-2.4%), Patna (-1.8%), Ludhiana (-1.7%), Bengaluru (-1.7%), Hyderabad (-1.3%), Guwahati (-0.7%), Bhopal (-0.5%) and Faridabad (-0.4%).

Overall impression about the Trend: Prices starting to decline in some smaller towns and the increase in other cities is mostly marginal, barring Kochi and Jaipur. There are some signs of convergence of prices around this level across the 20 cities.

On year-on-year basis (July-September, 2012 over July-September, 2011), price movements in 10 cities have witnessed rise in prices whereas 5 cities have witnessed decline in prices.

Residential Mortgage Backed Securitization

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

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

So far, 8 RMBS transactions and their respective Special Purpose Vehicle trust have been closed, including 1 RMBS transaction during the period April 2011 to March 2012.

DEPARTMENT OF EXPENDITURE

INTRODUCTION

Organisation and Functions

The Department of Expenditure is the nodal Department for overseeing the public financial management system in the Central Government and matters connected with State finances. The Principal activities of the Department include pre-sanction appraisal of all major schemes/projects (both Plan and non-Plan expenditure), handling the bulk of the Central budgetary resources transferred to States, implementation of the recommendations of the Finance and Central Pay Commissions, overseeing the expenditure management in the Central Ministries/Departments through the interface with the Financial Advisors and the administration of the Financial Rules, Regulations/Orders and through 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, assisting organizational re-engineering through review of staffing patterns and O&M studies and reviewing systems and procedures to optimize outputs and outcomes of public expenditure. The Department is also managing coordination of 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 of Expenditure is carried out through its Establishment Division, Procurement Policy Division (PPD), Plan Finance-I and II Divisions, Finance Commission Division, Staff Inspection Unit, Cost Account Branch, Controller General of Accounts and the Central Pension Accounting Office.

Administration Division

- Looks after the secretariat work of the Department and comprises of Finance Ministerôs Office, Cadre Administration Section, Accounts and Budget, General and Personnel Administration and the Official Language Section.

Establishment Division

- The Establishment Division works under the Joint Secretary (Personnel) and deals with matters related to determination of salary structure and service conditions of all Central Government employees, wage policy determination, revision of pay scales, creation of posts, basic principals of fixation of pay, house rent allowance, travelling/daily allowance, dearness allowance & various other compensatory allowances in respect of Central Govt. employees, General Financial Rules, Delegation of Financial Power Rules, economy instructions etc. It is also responsible for administrative matters concerning the Department of Expenditure.

Central Public Procurement Portal & e-Procurement

- Pursuant to the recommendations of the Committee on Public Procurement (CoPP) a Central Public Procurement Portal (CPP Portal) has been set up for providing comprehensive information and data relating to public procurement and is accessible at www.eprocure.gov.in. It is being used at present by various Ministries/Departments, CPSEs and autonomous/statutory bodies. e-Publishing of tender enquiries, corrigenda thereto and details of contracts awarded thereon, on the Portal, has been made mandatory in a phased manner w.e.f. 1st January, 2012.

2. Further, it has also been decided to implement e-Procurement in Ministries/Departments of the Central Government and instructions have also been issued to all Ministries/ Departments to commence e-Procurement in respect of all procurements with estimated value of Rs.10 lakh or more in a phased manner. Use of e-Procurement would enhance transparency and accountability and make procurement more efficient. This would also help in monitoring delays and reducing the procurement cycle.

State Finances Division

(Plan Finance -I and Finance Commission Division)

- The State Finances (Plan Finance-I) Division of Department of Expenditure looks after all matters relating to finances of the State Governments, including Plan releases in the State Sector and Non-Plan releases on the recommendations of Finance Commissions. Assessment of borrowing requirements of State Governments are also made by this Division which involves fixing of borrowing ceiling, issue of permission for borrowings under Article 293(3) of the Constitution of India, monitoring of ways and means position of States in close co-ordination with the RBI, debt write-offs (as recommended by the 12th and 13th Finance Commissions) etc. This Division operates Demand No.36 of the Ministry of Finance from which funds are released for both Plan and Non-Plan purposes.
- Plan Finance-I and Finance Commission Division deal 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, calculates and monitors annual borrowings of States. It implements the awards of Finance commission as applicable to States and also handles issues relating to calamity relief to States, Centreï State and Inter-State financial relations.

Plan Finance – II Division

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

Integrated Finance Unit

- Deals with the expenditure and Budget related proposals under Demand No.39 ï Department of Expenditure which includes Secretariat General Services and Other Administrative Services and Demand No.40 - Pensions which includes provision for various retirement benefits. In respect of two other Demands, namely, Demand No.36 - Transfer to State and Union Territory Governments and Demand No. 41 - Indian Audit and Accounts Department, the budgetary estimates are directly dealt with by the respective divisions. However, the overall 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 Presidentõs Secretariat, Vice-Presidentõs Secretariat, Supreme Court of India, Lok Sabha Secretariat, Rajya Sabha Secretariat and Ministry of Parliamentary Affairs.

Pay Research Unit

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

Staff Inspection Unit

- The Staff Inspection Unit (SIU) was 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. The Scientific and Technical Organizations are not within the purview of the SIU but a Committee constituted by the Head of Department, with representative from SIU as a Core Member, conducts staffing studies of such organizations.

- In the changed scenario and keeping in view the Government emphasis on better governance and improved delivery of services, the role of SIU has been redefined. The SIU has been positioned to act as catalyst in assisting the line Ministries and Autonomous Organizations in improving their organizational effectiveness and to suggest ideal organizational structure, re-engineering of processes, optimum utilization of resources and overcome the delays besides exploring the possibilities of outsourcing some of the activities in order to achieve enhanced output with the minimum expenditure. As per the new mandate, SIU would now also conduct the studies of organizational analysis in five distinct fields viz. Organizational System, Financial Management System, Delivery System, Client-Customer satisfaction and Employees concerns etc.

Cost Accounts Branch

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

Controller General of Accounts

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

Monitoring Cell

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

Central Pension Accounting Office

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

Chief Controller of Accounts

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

Institute of Government Accounts and Finance

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

STATEMENT OF OUTLAYS AND OUTCOMES 2013-14

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2013-14 (₹ In Crore) 4(i) Non-Plan	4(ii) Plan	4(iii) CEBR*	Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4			5	6	7	8
1.	**MH 2070 -Other Administrative Services.** Central Plan Scheme for enhancing training capacity of National Institute of Financial Management	(i) High Level Professional Course covering basic elements of Post Graduate Diploma in Business Management (Finance) for the officers dealing with Accounts & Finance matters being offered by the National Institute of Financial Management Society.	-	3.00	-	Training will be imparted 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 2013, 60 officers are targeted for training under this scheme.	Two years	₹ 3.00 crore under Revenue Section which will cover the programme fee component.
		(ii) Post Graduate Programme in Financial Markets for officers of Central/State/UT Governments.	-	1.00	-	In collaboration with the National Stock Exchange, training will be imparted to 20 officers of Central/ State/ UTs. The programme is of one year duration. This is a combination of class room teaching & project work.	Will give exposure in the area of financial Markets and Public Private Partnership. In 2013, 20 officers are targeted for training.	One Year	₹1.00 crore under Revenue Section towards fee component.

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

REFORM MEASURES AND POLICY INITIATIVES

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's 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.

Guidelines for Outcome Budget/Performance Budget

The Department of Expenditure and the Planning Commission had jointly prepared the first ever Outcome Budget for the year 2005-06, which was presented to the Parliament on August 25, 2005. Thereafter, fresh guidelines were issued (vide OM. 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. Outcome Budget have become an integral part of the budgeting process since 2005-06. Latest guidelines in this respect were issued on 1st January, 2013.

Rationalization of Expenditure

Ministry of Finance from time to time issues guidelines on Expenditure Management "Economy Measures and Rationalization of Expenditure" with a view to promote fiscal discipline, without restricting operational efficiency of the Government. The last set of instructions were issued vide OM No.7(1)/E.Coord/2012 dated 31st May, 2012. These measures include, inter alia, a 10% cut in Non Plan expenditure (excluding interest payment, repayment of debt, Defence capital, salaries, pension and the Finance Commission grants to the States), restrictions on holding of seminars and conferences, foreign travel, ban on creation of posts and observance of discipline in fiscal transfer to states etc. and instructions on balance pace of expenditure. Financial Advisers are expected to exercise due economy while conveying their concurrence to various expenditure proposals.

Public Procurement Bill, 2012

The Public Procurement Bill, 2012 was introduced in the Lok Sabha on 14th May, 2012.

The Bill seeks to regulate public procurement by all Ministries/Departments of the Central Government, Central Public Sector Enterprises (CPSEs) autonomous and statutory bodies controlled by the Central Government and other procuring entities with the objectives of ensuring transparency, accountability and probity in the procurement process, fair and equitable treatment of bidders, promoting competition, enhancing efficiency and economy, maintaining integrity and public confidence in the public procurement process and for matters connected therewith or incidental thereto. The Bill would create a statutory framework for public procurement which will provide greater accountability, transparency and enforceability of the regulatory framework.

The Bill was drafted after wide consultation, pursuant to the decision taken by the Group of Ministers on measures to tackle corruption and improve transparency on the recommendations made by the committee on Public Procurement and the announcement made by the Prime Minister in his Independence Day Address on 15th August, 2011 regarding introduction of a Public Procurement Bill.

The Public Procurement Bill, 2012 was referred to the Parliamentary Standing Committee on Finance by the Hon'ble Speaker. The Bill at present, is under examination by the Committee.

Central Public Procurement Portal & e-Procurement

Pursuant to the recommendations of the Committee on Public Procurement (CoPP) a Central Public Procurement Portal (CPP Portal) has been set up for providing comprehensive information and data relating to public procurement and is used by various Ministries/Departments, CPSEs and autonomous/ statutory bodies. e-Publishing of tender enquiries, corrigenda thereto and details of contracts awarded thereon, on the Portal, has been made mandatory in a phased manner w.e.f. 1st January, 2012. The implementation of e-Procurement in respect of all procurements with an estimated value of Rs.10 lakh or more would enhance transparency and accountability and make procurement more efficient. This would also help in monitoring delays and reducing the procurement cycle.

Grants under State Plan Schemes

Releases for schemes on the Plan side are made on the recommendation of the Planning Commission/nodal Ministry concerned. The important flagship schemes for which funds are being provided under the Plan head in 2012-13 include Accelerated Irrigation Benefits Programme (AIBP), Jawaharlal Nehru National Urban Renewal Mission (JNNURM), National Social Assistance Programme (NSAP), Border Area Development Programme, Hill Area/Western Ghats Development Programme, National e-Governance Programme, Backward Regions Grant Fund Scheme etc. Against an outlay of Rs. 99543.00 crore in BE 2012-13 for Central Assistance to State Plans in Demand 35 of Department of Expenditure, Rs. 53099.335 crore has been released as on 31.12.2012.

Non-Plan grants

The year 2012-13 is the 3rd year of the award period of the 13th Finance Commission (FC- XIII), 2010-15. The budget provision for 2012-13 was Rs.58357.46 crore (18.37% higher than BE 2011-12) for various grants including Non-Plan Revenue Deficit Grant and grants for local bodies, elementary education, calamity relief (including capacity building), forest, justice delivery, UID, improvement of statistical system, employee & pension data base, water sector management, maintenance of roads & bridges and state specific needs etc. as per recommendations of FC- XIII. As on 31.12.2012, Rs. 28772.67 crore has been released for these purposes. In addition, there is a provision of Rs.4620.00 crore under National Disaster Response Fund (NDRF), against which Rs. 1002.50 crore has been released upto 31.12.2012.

Borrowings

The methodology for determining annual borrowing ceilings of States during the 2010-15 period has been devised in line with the FC- XIII report. The borrowing limits of States are being worked out and enforced by Ministry of Finance (MoF) in accordance with the prescribed fiscal reform path for each

State. Compliance with the prescribed fiscal parameters is expected to bring down overall debt of States to 24.3% of GDP in the end of year 2014-15.

States' Fiscal Consolidation (2010-15)

FC-XIII has worked out a fiscal consolidation roadmap for each state, requiring States to eliminate Revenue Deficit (RD) and achieve Fiscal Deficit (FD) of 3% of their respective Gross State Domestic Product (GSDP) by 2014-15. FC-XIII has also recommended a combined debt target of 24.3% of GDP to be reached by States by 2014-15 from a level of 27% in 2008-09. This combined debt reduction target is also expressed in terms of outstanding debt to GSDP ratios for each State for each year.

27 States have enacted/amended their Fiscal Responsibility and Budget Management Acts (FRBMAs) as prescribed by FC-XIII. In respect of one remaining State, its FRBMA enacted in 2006 already contains the fiscal consolidation roadmap which is in line with the recommendations of FC-XIII for the first three years of the award period (i.e. 2010-11 to 2012-13). The State Government has been advised to amend its FRBM Act to incorporate the targets for the last two years of the award period of FC-XIII.

As recommended by the Twelfth and Thirteenth Finance Commission, central loans to states, amounting to Rs.1,22,348 crore has consolidated and further benefit in terms of debt relief amounting to Rs.19725.72 crore and interest relief amounting to Rs.18,688.52 has been extended to States during 2005-06 to 2009-10. The Thirteenth Finance Commission (FC-XIII) inter-alia has recommended that Statesô enactment/amendment of their FRBM Acts, incorporating the fiscal targets specified for them will be a pre condition for debt relief measures (reset of interest rates on NSSF loans and write off of central loans from ministry (other than MoF) and release of all State specific grants.

Debt relief on NSSF loans

As recommended by FC XIII and subsequent decisions taken thereon are following:

A State will be considered as eligible for interest relief of NSSF loans from the date the Fiscal Responsibility and Budget Management Acts (FRBMA) is amended/enacted in accordance with the recommendations of FC-XIII.

From the financial year 2012-13, compliance with FRBM targets will be a condition for availing interest relief in respect of NSSF loans.

After necessary amendments to FRBMA were made (by most of the States in 2011-12) incorporating targets specified by FC-XIII, the States became eligible for interest relief on NSSF loans. For 2012-13, the fiscal position of all the 28 States as per their Budget Estimates for 2012-13 has been assessed with the respective Statesô FRBMA targets. Budget estimates of the States indicate that the fiscal parameters of Revenue Deficit (RD) and Fiscal Deficit (FD) and Debt measured as ratio to Gross State Domestic Product (GSDP) in respect of 20 States are in conformity with prescribed targets. It has been decided that 20 States that comply with FRBM targets, as reflected in their 2012-13 (BE), may be extended that benefit of reduced interest rate for 2012-13 (from 1.4.2012) on a provisional basis. RBI has been requested to extend the interest relief of NSSF loans for 2012-13.

Write off of central loans (CSS/CPS)

The outstanding Central loans as on March 31, 2010 against 28 States in respect of Central Plan Schemes was Rs.488.85 crore and in respect of Centrally Sponsored Scheme, Rs.1792.61 crore, aggregating to Rs.2281.46 crore.

As all the *28* States were found eligible for write off, Central loans for CSS/CPS to the extent of Rs.2050.10 crore outstanding against the States in the ledger of the line Ministries have been written off during 2011-12. A provision of Rs.100 crore is available in 2012-13 (BE) in Major Head 2075 óMiscellaneous General Servicesô in Demand No.35 for writing-off the balance CSS/CPS loans left to be written off.

Plan Finance-II Division

Projects clearance by EFC & PIB

Between 1st January and 31st December, 2012, 42 meetings of the Expenditure Finance Committee (EFC) chaired by Secretary (Expenditure) considered Plan Investment Proposals/ Schemes of various Ministries/Departments costing Rs.458,050 crore. During this period 07 Meetings of Public Investment Board (PIB) were held and sanctioned seven projects involving an amount of Rs.19,314.55 crore :

Sl.No.	Ministry/Deptt.	No. of Projects	Amount (Rs. in Crore)
1	Ministry of Health & Family Welfare	1	594.00
2.	Ministry of Power	1	2,656.95
3	Ministry of Civil Aviation	1	2,325.00
4.	Ministry of Urban Development	1	4,944.00
5.	Ministry of Road Transport & Highways	2	8,115.60
6.	Deptt. of Heavy Industry	1	679.00
	TOTAL	**7**	**19,314.55**

Staff Inspection Unit

Annual programme of studies

An annual programme of studies to be undertaken in a financial year is drawn in consultation with all Financial Advisors of the Ministries/Departments concerned. This programme remains in force w.e.f. 1st April of each year to 31st March of the next year.

Performance during the year 2012

- During the year 2012 (upto December, 2012), SIU has issued 04 final reports covering the sanctioned strength of 11116 posts. As against the sanctioned strength of 11116 posts in different organizations covered by these studies, SIU has declared 4162 posts as surplus.
- SIU has also completed the studies of Store Cadre, Finance Division and Administration Wing of All India Institute of Medical Sciences (AIIMS), New Delhi and National Human Rights Commission (NHRC) of the Ministry of Home Affairs covering around 1300 posts during the period and reports are likely to be issued shortly.
- The study of Central Council for Research in Homeopathy, Ministry of Health & Family Welfare has also been finalized by the Core Member of SIU during the period.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2011-12

S. No.	Name of the Scheme	Objective/Outcome	Outlay 2011-12 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31st March, 2012
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1.	**Major Head 2070- Other Administrative Services.** Central Plan Scheme for enhancing training capacity of National Institute of Financial Management and infrastructural development of the Institute.	High level professional course covering basic elements of MBA (Finance) for officers dealing with Accounts and Finance matters to be offered by National Institute of Financial Management Society.	5.00 (Plan) (Rev.3.00) (Cap.2.00)	3.48 (Plan) (Rev.2.45) (Cap.1.03)	Training to 50 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, 39 candidates joined the course at NIFM, Faridabad. Actual expenditure is ₹ 2.45 crore. (ii) Under Capital Section, ₹. 1.03 crore released for strengthening the infrastructure in the institute was utilized fully.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2012-13

S. No.	Name of the Scheme/Programe	Objective/Outcome	Outlay 2012-13 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31st December, 2012
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1.	**Major Head 2070- Other Administrative Services.** Central Plan Scheme for enhancing training capacity of National Institute of Financial Management and infrastructural development of the Institute.	High level professional course covering basic elements of MBA (Finance) for officers dealing with Accounts and Finance matters to be offered by National Institute of Financial Management Society and increasing the infrastructure of the Institute.	4.00 (Plan) (Rev. 4.00) (Cap.NIL)	2.88 (Plan) (Rev.2.88) (Cap.NIL)	Training to 50 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, 47 candidates joined the course at NIFM, Faridabad. Actual expenditure till 31st December, 2012 is ₹ 2.25 crore. (ii) Under Capital Section, the expenditure is Nil.

FINANCIAL REVIEW

STATEMENT SHOWING ACTUAL EXPENDITURE VIS-A-VIS BE/RE PROVISIONS FOR THE YEARS 2010-11, 2011-12 AND 2012-13

(₹ In Crore)

Sl No	Description	Major Head	2010-11			2011-12			2012-13		
			BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals (upto 31.12.2012)
1.	**Secretariat – General Services**	**2052**	55.45	52.28	50.87	55.91	74.67	67.40	89.45	84.39	56.92
2.	**Other Admn. Services**	**2070**	31.85	52.99	35.09	44.06	52.79	50.30	45.80	40.46	20.74
	i) Training Centre for Civil Accounts Organization (INGAF)		3.14	3.27	3.21	3.65	3.93	3.61	4.39	4.17	3.17
	ii) Scheme for enhancing training capacity of NIFM Society		4.70	3.71	3.71	4.40	3.85	3.85	5.40	4.28	3.30
	iii) Contribution		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
	iv) Service Charges to National Securities Depository Limited under New Pension Scheme		24.00	46.00	28.16	36.00	45.00	42.83	36.00	32.00	14.27
3.	**Other General Economic Services**										
	i) Development of National Institute of Financial Management	**4070**	7.20	7.20	7.20	2.00	1.03	1.03	0.00	0.00	0.00
	(ii) New accommodation for Office of Controller General of Accounts	**4059**	26.35	ð	ð	--	ð	ð	ð	ð	ð
	TOTAL		**120.85**	**112.47**	**93.16**	**101.97**	**128.49**	**118.73**	**135.25**	**124.85**	**76.66**

OBJECT HEAD-WISE EXPENDITURE VIS-A-VIS BE/RE FOR THE YEARS 2010-11, 2011-12 AND 2012-13

(₹ In Crore)

Sl No	Description	2010-11			2011-12			2012-13		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals Upto Dec.12
Revenue Section										
1	Salaries	36.45	37.51	36.76	40.14	45.37	41.79	55.15	54.97	42.15
2	Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Overtime Allowance	0.18	0.17	0.16	0.17	0.17	0.10	0.17	0.10	0.06
4	Medical Treatment	0.54	0.65	0.46	0.67	0.73	0.55	0.84	0.82	0.49
5	Domestic Travel Expenses	0.78	0.81	0.68	0.92	1.06	0.96	1.60	1.49	0.99
6	Foreign Travel Expenses	0.60	0.58	0.36	0.95	0.94	0.73	1.08	0.97	0.70
7	Office Expenses	15.94	9.45	9.44	10.19	12.41	12.13	12.93	12.44	8.55
8	Rent, Rates & Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Publication	0.23	0.44	0.42	0.25	0.38	0.30	0.33	0.30	0.27
10	Other Admn. Expenses	24.38	46.32	28.50	36.39	45.87	43.60	37.20	33.10	14.96
11	Advertising and Publicity	0.05	0.01	0.01	0.01	3.73	3.48	2.25	0.55	0.33
12	Minor Works	0.65	0.65	0.74	0.82	1.42	1.12	2.32	2.07	1.10
13	Professional Services	0.84	1.57	1.57	1.65	2.58	1.93	3.25	2.30	1.00
14	Grants-in-aid	4.70	3.71	3.71	4.40	3.85	3.85	5.40	4.28	3.30
15	Contribution	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
16	Information Technology	1.95	3.39	3.14	3.40	8.94	7.15	12.72	11.45	3.76
	Total	**87.30**	**105.27**	**85.96**	**99.97**	**127.46**	**117.70**	**135.25**	**124.85**	**77.66**
Capital Section										
17	Major Works	33.55	7.20	7.20	2.00	1.03	1.03	0.00	0.00	0.00
	Grand Total	**120.85**	**112.47**	**93.16**	**101.97**	**128.49**	**118.73**	**135.25**	**124.85**	**77.66**

ANNEXURE

Grant No.39 (earlier Grant No. 38)
Statement on Surrender and Savings during the Financial Year 2011-12

During the Financial Year 2011-12, against a budgetary provision of Rs.129.46 crore including the Supplementary Grants, an expenditure of Rs.118.73 was incurred, resulting in savings and surrender of Rs.10.73 crore i.e. under Revenue Section Rs.9.76 crore and Capital Section Rs.0.97 crore of the Grants.

These savings have been segregated into the following categories:

i) Normal Savings : Savings resulting from economic use of Resources

(₹ in crore)

Sl. No.	Sub head/Scheme Programme	Savings (Net)	Remarks/ Reasons
1.	Department of Expenditure	4.52	Less requirement for administrative expenses
2.	Training Centre in the Civil Accounting of Department (Institute of Govt. Accounts & Finance)	0.37	Less requirement for IT hardware consultants & economy measures

(ii) **Under/Non utilization :** Saving due to non-implementation/ delay in execution of projects/schemes.

Sl. No.	Sub head/Scheme Programme	Savings (Net)	Remarks/ Reasons
1.	Department of Expenditure	3.31	Non filling up of vacant posts
2.	Service charges to NSDL for New Pension Scheme	1.56	Less receipt of claims

(iii) **Surrenders :** saving due to obsolete/defunct project/ scheme or due to completion of a project/scheme and the funds are no more required.

Sl. No.	Sub head/Scheme Programme	Savings (Net)	Remarks/ Reasons
1.	Infrastructure Development of National Institute of Financial Management Society	0.97	Less requirement of funds due to completion of project.

Note:- *This annexure is included in compliance of O.M.No.7(1)-B(AC)/2011 dated 23rd March, 2012 of Budget Division regarding segregation of savings due to normal savings, under/non-utilization & surrender of funds for the financial year 2011-12 as desired by the Standing Committee on Finance in its 33rd Report.*

NATIONAL INSTITUTE OF FINANCIAL MANAGEMENT: REVIEW OF PERFORMANCE

OBJECTIVES

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

PERFORMANCE

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

Professional Training Course:

So far nineteen batches of probationers of various Accounts, Audit and Finance Services have been successfully trained for 44 weeks training course. The 20th batch of probationers has commenced from 7th January, 2013 in which 53 probationers (approx.) 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. During the year 2012-13, 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 Procurement of Goods, Works & Services

g) Cyber Crime & Forensics

Post Graduate Diploma in Management (Financial Management):

The NIFM has been conducting Post Graduate Diploma in Management (Financial Management) since year 2002. The present batch of PGDM (FM) commenced in May, 2012 in which 47 candidates joined from various Central/State/UT Govts.. The new batch of PGDM (FM) shall be starting in May, 2013 wherein the target is of 60 candidates.

Diploma in Govt. Accounting & Internal Audit:

The Diploma in Accounting & Internal Audit Program for one year is to upgrade the technical skills of officers of the organized Accounts services of the Union Government. The Course is designed to equip the newly recruited officers for taking up higher responsibilities in the field of Public Financial Administration. The present batch of DGA&IA commenced from May, 2012 in which 39 candidates participated. The new batch of DGA&IA shall be starting from May/June, 2013 with a target of 35 participants.

Fellow Programme in Management Programme:

This is an open programme to pursue research work to produce competent researchers, teachers and consultants. The programme is duly approved by AICTE. The third batch of the programme commenced in May, 2012 with 2 participants.

Executive Programme in Financial Market with NSE

The NIFM in collaboration with NSE has launched one year Weekend Executive Programme (with 35 participants) and one year Regular Programme (with 33 participants), 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 of the programme commenced in May-July, 2012. The next batch of the programme will commence in May-June, 2013.

Consultancy Projects:

During the year 2012-13, one consultancy project has been awarded to NIFM. The consultancy projects awarded/ in progress during the year were as under:-

(i). Study of unaccounted income/ wealth inside and outside India.

(ii). A study on Central Autonomous Bodies.

(iii). A Study on Water and Sanitation of Govt. of Jharkhand.

Financial Statement

The Income & Expenditure Accounts as on 31st March, 2012 are as under:

(Amount in ₹)

Income		31.03.2012	31.03.2011
Income from Services		10,45,61,363	9,28,16,567
Grant		1,40,00,000	1,40,00,000
Interest Earned		1,21,25,324	61,62,604
Other Income		19,24,108	14,89,501
Total (A)		**13,26,10,795**	**11,44,68,672**
Expenditure			
Establishment Expenses		3,87,74,807	3,46,17,311
Other Administrative Expenses		6,06,58,933	5,99,08,731
Depreciation		93,92,050	94,37,855
Total (B)		**10,85,25,790**	**10,39,63,897**
Balance being Surplus / Deficit of Income over Expenditure (A-B)		**2,40,85,005**	**1,05,04,775**
Less:	Prior Period adjustments (Net)	**(13,11,995)**	**(2,10,412)**
Add:	Amount transferred from Capital asset Fund Representing depreciation (for the year) on Assets acquired out of Govt. Grant	**28,82,513**	**31,41,177**
Balance being Surplus / Deficit carried over to Balance-Sheet		**2,56,55,523**	**1,34,35,540**

DEPARTMENT OF REVENUE

INTRODUCTION

1. 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. Both CBDT and CBEC have six Members each. The Members are also ex-officio Special Secretaries to the Government of India.

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

- Å All matters relating to levy and collection of Direct Taxes.
- Å All matters relating to levy and collection of Indirect Taxes.
- Å Investigation into economic offences and enforcement of economic laws.
- Å Framing of policy for cultivation, processing, export and fixation of price of Opium etc.
- Å Prevention and combating abuse of Narcotic drugs and psychotropic substances and illicit traffic therein.
- Å Enforcement of FEMA and recommendations of detention under COFEPOSA.
- Å 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.
- Å Levy of Taxes on sales in the course of inter-state trade or commerce.
- Å Matters relating to consolidation/reduction/exemption from payment of Stamp duty under Indian Stamp Act, 1899.
- Å Residual work of Gold Control Act.

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

- Income Tax Act, 1961;
- Wealth Tax Act, 1958;
- Expenditure Tax Act, 1987; *
- Benami Transactions (Prohibition) Act, 1988;
- Super Profits Act, 1963;*
- Companies (Profits) Sur-tax Act, 1964;*
- Compulsory Deposit (Income Tax Payers) Scheme Act, 1974;*
- Chapter VII of Finance (No.2) Act, 2004 (Relating to Levy of Securities Transactions Tax);
- 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.

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

- **Central Board of Direct Taxes**:

  All matters relating to levy and collection of direct taxes.

- **Central Board of Excise and Customs**:

  All matters relating to levy and collection of indirect taxes.

- **States Taxes Wing**:

  Administration of sales tax laws (Validation) Act, 1956, Central Sales Tax, State-level Value Added Tax (VAT), Indian Stamp Act, 1989 etc.

- **Narcotics Control Division**:

  Framing of licensing policy for cultivation of Opium poppy, production of opium and export and pricing of opium & alkaloids. Coordination of the working of Committee of Management and issues relating to UN and International Organizations.

- **Committee of Management**:

  Administering the departmental undertakings viz. Govt. Opium and Alkaloid 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 & examines 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.

- **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 assessees under the Customs Act and Central Excise Act.

- **Settlement Commission (IT/WT)**:

  Settlement of applications filed by the assessees 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 taxpayersô grievances.

■ **Indirect Tax Ombudsman:**

The Indirect Tax Ombudsman in four cities to resolve the complaints relating to public grievances against the Customs, Central Excise and Service Tax Department have been appointed.

5. DIRECT TAXES

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

(i) Directorate General of Income Tax (Administration)

(a) Directorate of Income Tax (Public Relations, Printing, Publication and Official Languages)

(b) Directorate of Income Tax (Recovery)

(c) Directorate of Income Tax (Income Tax & Audit)

(ii) Directorate General of Income Tax (Systems)

(iii) Directorate General of Income Tax (Legal & Research)

(iv) Directorate of Income Tax (Organization & Management Services)

(v) Directorate of Income Tax (Infrastructure)

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

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

(viii) Directorate General of Income Tax (Exemption)

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

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

6. 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 CommissionersôZones for Central Excise and Service Tax, 11 Chief Commissionersô Zones for Customs, 12 Directorates General, 6 Directorates, & a Chief Departmental Representativeôs setup for Customs, Excise and Service Tax Appellate Tribunal. In its functioning, CBEC is assisted by the following offices:-

(i) Directorate of Revenue Intelligence

(ii) Directorate General of Safeguards

(iii) Directorate General of Central Excise Intelligence

(iv) Directorate General of Inspection

(v) Directorate General of Vigilance

(vi) Directorate General of Service Tax

(vii) Directorate General of Audit

(viii) Directorate General of Export Promotion

(ix) Directorate General of Valuation

(x) Directorate General of Systems & Data Management

(xi) Directorate General of Human Resource Development

(xii) Directorate of Logistics

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

7. Department of Revenue has three Demands for Grants:

Demand No. 42 –Department of Revenue

Demand No. 43 —Direct Taxes and

Demand No. 44 –Indirect Taxes.

STATEMENT OF OUTLAYS AND OUTCOMES 2013-14

S. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2013-14 (₹ In Crore) Non-Plan	Plan	Physical Outputs/ Quantifiable Deliverables	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
1.	**Major Head -2052 Setting up of Tax Information Exchange System etc.** (The Budget provision is for grant-in-aid to Empowered Committee (EC) for implementing TINXSYS Project, VAT Computerization of J&K & HP and for ECô s administrative expenditure)	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the EC and computeri-zation of VAT admn. of HP and J&K.	**15.61**	...	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. The project has been extended up to March, 2013 and is also likely to be continued in 2013-14. J&K and HP VAT Computerization Projects have been approved and the progress of the project is being monitored by the EC.	
2.	**Major Head 2047 – Special Purpose Vehicle (SPV) for Goods & Service Tax Network (GSTN)** (The budget provision is for providing grants-in-aid to the SPV for GSTN)	Special Purpose Vehicle for Goods & Service Tax Network	**100.00**	...	To create enabling environment for smooth introduction of GST. GSTN:SPV will provide IT infrastructure and services to various stakeholders, including the Centre and the States.	Cabinet has approved the project for smooth and effective implementation of GST.	Action is being taken in accordance with the Cabinet approval and the SPV is likely to be registered shortly as a Non-Government Section 25 Company.	
3.	**Major Head -3601/ 3602Compensation to States/ UTs for revenue losses due to implementation of VAT and other VAT related expenditure** (The Budget Provision is for providing grant-in-aid to States/ UTs for (i) VAT compensation, and (ii) other VAT related	Smooth and effective implementation of State VAT.	**51.00**	...	VAT Implementation by all States/ UTs.	Smooth and effective implementation of State VAT	As per agreed formula, VAT Compensation was to be provided for 2005-06 (100% of revenue loss), 2006-07 (75% of revenue loss) and 2007-08 (50% of revenue loss). Claims of all the States have already been settled.	

1	2	3	4(i)	4(ii)	5	6	7	8
	expenditure and setting up/ upgradation of two Institutes for taxation studies in States/UTs)		**80.00**		Modernization of State Tax Administration Including setting up/ upgradation of two Institutes for Taxation Studies in States/UTs.		Projects of 33 States/UTs under Mission Mode Project for computerization of Commercial Taxes administration have already been sanctioned to facilitate improvement of service delivers and efficiency of State VAT administrations. Further balance grants will be released to the States for implementation of these projects. The proposal for upgradation of Centre for Taxation Studies into a National Institute of Public Finance has been approved and funds released to the State Govt. The proposal for setting up of a National Endowment Centre for training and research in Public Finance in the Centre for Studies in Social Sciences, Kolkata has also been approved and funds released to this Centre.	
4.	**Major Head -3601/ 3602Compensation to States/ UTs for revenue losses due to phasing out of Central Sales Tax** (The Budget Provision is for providing grant-in-aid to States/ UTs for CST compensation.)	Grants-in-aid to States/UTs for CST compensation to facilitate introduction of Goods & Services Tax (GST).	**9300.00**	...	Implementation by all States/ UTs. Phasing out of CST	Smooth and effective implementation of phasing out of CST.	CST was planned to be phased out in three years time with effect from 1.4.2007. Rate of CST was reduced from 4% to 3% in 2007-08 and to 2% in 2008-09. As per agreed formula, CST compensation was provided to the States till 2010-11.	

1	2	3	4		5	6	7	8
			4(i)	4(ii)				
5.	**Major Head 2875 Govt. Opium & Alkaloid Works**	The Govt. Opium & Alkaloid Factories in Ghazipur and Neemuch are two departmental undertakings functioning under the Department of Revenue. Each of these undertakings has two separate units viz. Opium Factory and Alkaloid Plant. The Opium Factories are engaged in catering to the demand of opium and the major portion of raw opium received from the field is exported.	**260.14**	...	Procurement of 299.41 MTs of raw opium Import of 20 MTs of Codeine Phosphate Export of Opium(378 MT) and Sale of Alkaloids (67.05 MT).	Revenue Realization of Rs.347.73 crore	The progress of revenue realization vis-à-vis expenditure will be reviewed monthly/ quarterly.	The revenue realization and expenditure incurred depends upon a number of factors like demand of Indian opium in the international market, fluctuation in rate of foreign exchange, production of alkaloids, quantity of opium for procurement, import of codeine phosphate etc.

Reform Measures and Policy initiatives

Implementation of Value Added Tax (VAT) Scheme

1. Introduction of State VAT is the most significant tax reform measure taken at State level in recent times. The decision to implement State VAT was taken in the meeting of the Empowered Committee of State Finance Ministers (EC) held on 18.06.2004, where a broad consensus was arrived at amongst the States to introduce VAT w.e.f. 01.04.2005. Accordingly, VAT has been introduced by all States/UTs, except the Union Territories of Andaman & Nicobar Islands and Lakshadweep which do not have Sales Tax/ VAT, and an amount of Rs.19002.82 crore has been paid as compensation related to loss due to introduction of VAT to the States/UTs up to 31st December 2012.

The Budget provision for 2013-14 for various VAT related schemes has 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. An amount of Rs.30860.42 crore has been released to the States/ UTs up to 31st December 2012 as CST compensation. For the financial year 2013-14, a provision of Rs.9300 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. In pursuance to this, the Government approved a Mission Mode Project for computerization of Commercial Taxes Administrations of State Governments under NeGP, with an overall cost of Rs.1133 crore, to help States to develop and upgrade the IT systems in their commercial taxes administrations. The focus of the project, on the one hand, is to provide improved set of services to the dealers and on the other, to improve the efficiency of the Commercial Taxes administrations of the State Governments. Under this project, Central Government and State Governments are required to share fund roughly in the ratio of 70:30. However, keeping the Special Category Status of North Eastern States, this ratio has been fixed at 90:10 (Central share: State Governments’ share) whereas UTs without Legislature are being funded 100% by Central Government.

A Project Empowered Committee (PEC) under chairmanship of Revenue Secretary was constituted for sanctioning of States’ proposals of computerization of Commercial Taxes Departments. The PEC has approved the project proposals of all 33 States/ UTs, having overall cost of Rs.1030 crore. An amount of Rs.501.94 crore has been released to these States as part of Central share till 31st December, 2012.

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

Goods & Service Tax (GST)

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

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

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

A Bill to further amend the Constitution to enable introduction of Goods and Services Tax (GST) has been introduced in the Lok Sabha on 22.3.2011. The Bill has now been referred to the Standing Committee on Finance by Lok Sabha Secretariat for examination and report thereon.

The Bill envisages setting up of the GST Council headed by the Union Finance Minister having one Minister from each of the States. This Council is supposed to discuss and recommend key GST parameters like threshold, exemptions, rates of tax etc. to Central and State Governments. Centre and States are expected to follow the recommendations made. The Bill also envisages creation of a GST Dispute Settlement Authority, which may be approached by any State or Centre, if such State or Centre is affected adversely by any action of a State or Centre, as the case may be, arising because of deviation from the recommendations made by the GST Council. Efforts are being made to develop consensus so that the Constitutional Amendment Bill could be finalized and could be introduced in the Parliament at the earliest. After such a Bill is passed by the Parliament, it will require ratification by at least 50% of the States before it becomes law of the land.

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

Setting up of Special Purpose Vehicle for Goods & Service Tax Network

GST is recognized internationally as a destination based consumption tax which is least distortionary. The broad objectives of introducing the Goods & Service Tax (GST) in India are to expand the tax base through wider coverage of economic activities and reduction in exemptions; mitigate cascading and double taxation and enable better compliance through lowering of overall tax burden on goods and services. By removing hidden or embedded taxes, it would improve the competitiveness of domestic industry vis-a-vis imports and in international markets. This reform would also lead to the development of a common national market for goods and services.

Success of GST will also rest upon the robust IT infrastructure. The Government has approved setting up of a Special Purpose Vehicle (SPV) for Goods & Service Tax Network (GSTN:SPV) to create enabling environment for smooth introduction of GST. GSTN:SPV will provide IT infrastructure and services to various stakeholders, including the Centre and the States.

The GSTN:SPV would be incorporated as Section 25 (not-for-profit) non-Government private limited company, in which the Government will retain strategic control. It would have an equity capital of Rs.10 crore, with the Centre and States having equal stakes of 24.5% each. Non-governmental institutions would hold 51% equity . No single institution would hold more than 10% equity, with the possibility of one private institution holding a maximum of 21% equity.

GSTN SPV would have a self-sustaining revenue model, based on levy of user charges on tax payers and tax authorities availing its services. While the SPVôs services would be critical to actual rollout of GST at a future date, it is also expected to render valuable services to the Centre/State tax administrations prior to the implementation of GST.

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

Govt. had decided to provide financial assistance 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 agreed to provide grant-in-aid to the extent of Rs.23.63 crore out of this. A Tripartite Memorandum of Understanding has also been signed between Centre and State Government and the Institute and an amount of Rs.14 crore, as Central share of assistance, has been released to the Institute till 30th December, 2012.

A proposal for providing funds to the Centre for Social Science and Studies (CSSS), Kolkata for creating a corpus and running identified set of activities has been approved by the Government. A Memorandum of Understanding has been signed between the Central Government and Director, CSSSC, Kolkata and Rs.14 crore have been released to the Government of West Bengal for this purpose till December 2012.

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 ï

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.

Monitoring Mechanism for Outcome Budget

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

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS - 2011-12

S. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2011-12 (₹ In Crore) B.E.	R.E.	Quantifiable Deliverables	Processes/ Timelines	Status as on 31 st March, 2012
1	2	3	4		5	6	7
1	**Major Head 2052 Implementation of VAT Scheme**	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	**1.79**	**1.60**	Computerization of VAT administration in NE States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura, Sikkim and Meghalaya.	The initial phase of implementation of the Project on Turnkey basis has been completed.	Under this scheme, provision has been made for taking ahead the VAT Computerization in North-Eastern States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura and Sikkim and for other VAT related expenditure. The VAT computerization in Sikkim has been undertaken by NIC and in other NE states by TCS (on turnkey basis). The initial phase of implementation of these Projects has been completed. Expenditure of Rs.6.21 crore was incurred in the year 2009-10, Rs.5.56 crore in 2010-11 and Rs.1.57 crore in 2011-12. The total expenditure starting from 2004-05 including operations and maintenance expenditure is Rs.38.09 crore.
2	**Major Head 2052 Setting up of Tax Information Exchange System (TINXSYS)**	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the Empowered Committee(EC) and VAT computerization of HP and J&K	**11.08**	10.87	Implementation of TINXSYS Project for effective tracking of inter-State transactions.	The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial 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. 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. Extension of this project has been accorded up to 31.3.2013. An amount of Rs.2.31 crore was released to EC in 2010-11 and Rs.2.04 crore in 2011-12.

1	2	3	4	5	6	7
					HP and J&K VAT computerization Project: Sanction for implementation of the project has been issued on 3.7.2009. EC is to implement the project.	An amount of Rs.7 crore was released as Central share in 2009-2010. EC has signed the agreement with vendors selected. The work has been started in these two States. The website has been launched for both the States. Review meetings have been held at regular intervals. An amount of Rs.2.99 crore was released in 2010-11. However, no amount was released in 2011-12.
3	**Major Head 3601/3602 Compensation to States/UTs for revenue loss due to implementa-tion of VAT and other VAT related expenditure**	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	**734.00**	**500.00** 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. Pending Claims of the last part of 2007-08 would need to be settled.	Under this Scheme, grant-in-aid is released to States/ UTs for compensating them for revenue loss due to introduction of VAT. The total amount released so far is Rs.19002.82 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, Rs.3002 crore during 2009-10, Rs.879.17 crore during 2010-11 and Rs.315.82 crore in 2011-12.
					Support for modernization of State VAT administration	The Mission Mode Project for Commercial Taxation (MMP-CT) for modernization of State VAT Administrations was approved by the Cabinet. Project proposals of 33 States/ UTs have already been approved with overall cost of Rs.1133 crore, of which Central share is about Rs.800 crore. An amount of Rs.454.15 crore (Rs.145 crore in 2009-10, Rs.206.32 crore in 2010-11 and Rs.102.83 crore in 2011-12) has been released as Central share.
					Setting up/ upgradation of two Institutes for Taxation Studies in States/UTs	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

1	2	3	4		5	6	7
							approved and two instalment of grant of Rs.4 crore and Rs.10 crore released to the Institute. MoU for upgradation of CTS, Kerala has been signed. Another proposal to provide corpus fund to the Centre for Studies in Social Sciences, (CSSS) Kolkata has been approved. MOU has also been signed between the Central Govt and the Centre. An amount of Rs.14 crore has been released to the Govt. of West Bengal for transferring it to the CSSS.
4	**Major Head 3601/3602 Compensation to States/UTs for revenue loss due to phasing out of CST**	Grant-in-aid to States/UTs for CST compensation	**12000.00**	**4172.58**	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. It has now been agreed that CST Compensation to the States be given for the year 2010-11 also.	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.30860.42 crore has been released to the State Govts till December 2011, which include an amount of Rs.2168.88 crore released in 2007-08, Rs.1950 crore in 2008-09, Rs.8735.18 crore in 2009-10; Rs.13833.78 crore in 2010-11 and Rs.4172.58 crore in 2011-12. The formula on the basis of which claims for 2010-11 are to be finally settled is yet to be worked out.
5	**Major Head 2875Government Opium & Alkaloid Works**	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	**364.08**	**449.62**	Procurement of Opium (796 MTs) Procurement of 66 MTs of Codeine Phosphate Export of Opium (498 MTs) andSale of alkaloids(97 MTs) This will result into revenue receipt of Rs.432.47 crore.	The progress of revenue realization vis-à-vis expenditure was to be reviewed monthly/ quarterly.	Against the projected quantity, 811 MTs of opium and 53.4 MTs of Codeine Phosphate was procured in 2011-12. The opium export was 455.59 MTs in 2011-12 against the targeted export of 498 MTs. The sale of Alkaloids has been 84.13 MTs against the target of 97 MTs. Revenue Receipts in 2011-12 were Rs.383.54 crore against projected revenue receipt of Rs.432.47 crore at RE stage. The expenditure in 2011-12 on Govt. Opium & Alkaloid Works was Rs.422.29 crore.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS - 2012-13

S. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2012-13 (₹ In Crore) B.E.	R.E.	Quantifiable Deliverables	Processes/ Timelines	Status as on 31 st December, 2012
1	2	3	4		5	6	7
1	**Major Head 2052 Implementation of VAT Scheme**	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	**0.19**	**0.14**	Computerization of VAT administration in NE States of Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura, Sikkim and Meghalaya.	The initial phase of implementation of the Project on Turnkey basis has been completed.	Under this scheme, provision was made for taking ahead the VAT Computerization in North-Eastern States and for other VAT related expenditure. The project has ended on 31.3.2011 and now the States are being provided funds through MMP-CT Scheme.
2	**Major Head 2052 Setting up of Tax Information Exchange System (TINXSYS)**	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the Empowered Committee(EC) and VAT computerization of HP and J&K	**10.51**	**6.38**	Implementation of TINXSYS Project for effective tracking of inter-State transactions.	The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider.	The TINXSYS Project is being implemented with cost sharing between the Centre and the State Governments on 50:50 basis. Project specific review/ monitoring meetings are now being held under the joint chairmanship of Additional Secretary (Revenue) and Member-Secretary, EC. Extension of this project has been accorded up to 31.3.2013.
						HP and J&K VAT computerization Project: The project with total outlay of Rs.40.49 crore, with Central share of Rs.25.33 crore, has been approved. EC is implementing the project.	The project activities have been started in both the States. The States have already launched/started e-registration, e-return, e-payment, e-waybill facilities for their dealers. The project activities are being reviewed at regular intervals. An amount of Rs.9.99 crore had been released up to 31.3.2011 and no amount has been released in this financial year so far.
3	**Major Head 3601/3602 Compensation to States/UTs for revenue loss due to implementa-tion of VAT and other VAT related expenditure**	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	**200.00**	**109.71**	To compensate States/UTs for revenue loss due to introduction of VAT with a view to ensure VAT implementation of all	As per agreed formula, VAT Compensation is to be provided for 2005-06, 2006-07 and 2007-08.	Under this Scheme, grant-in-aid is released to States/ UTs for compensating them for revenue loss due to introduction of VAT. The total amount released so far is Rs.19002.82 crore, out of which

1	2	3	4	5	6	7
				States/UTs as well as for meeting other VAT related expenditure of States/UTs		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, Rs.3002 crore during 2009-10, Rs.879.17 crore during 2010-11 and Rs.315.82 crore in 2011-12. Claims of all States have been settled. Details of State-wise and year-wise releases are given in Chapter-V.
					Support for modernization of State VAT administration	The Mission Mode Project for Commercial Taxation (MMP-CT) for modernization of State VAT Administrations was approved by the Cabinet. Project proposals of 33 States/ UTs have already been approved with overall cost of Rs.1029.70 crore, of which Central share is about Rs.725 crore. An amount of Rs.501.94 crore (Rs.145 crore in 2009-10 and Rs.206.32 crore in 2010-11, Rs.102.83 crore in 2011-12 and Rs.47.79 crore in 2012-13 has been released as Central share.
					Setting up/ upgradation of two Institutes for Taxation Studies in States/UTs	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 been approved and two instalment of grant of Rs.4 crore and Rs.10 crore released to the Institute. MoU for upgradation of CTS, Kerala has been signed. Another proposal to provide corpus fund to the Centre for Studies in Social Sciences, (CSSS) Kolkata has been approved. MOU has also been signed between the Central Govt and the Centre. An amount of Rs.14 crore has been released to the Govt. of West Bengal for transferring it to the CSSS.

1	2	3	4		5	6	7
4	**Major Head 3601/ 3602Compensation to States/ UTs for revenue loss due to phasing out of CST**	Grant-in-aid to States/ UTs for CST compensation	300.00	10.00	To compensate States/UTs for revenue loss due to phasing out of CST		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.30860.42 crore has been released to the State Govts till December 2011, which include an amount of Rs.2168.88 crore released in 2007-08, Rs.1950 crore in 2008-09, Rs.8735.18 crore in 2009-10; Rs.13833.78 crore in 2010-11 and Rs.4172.58 crore in 2011-12. No amount has been released to the States in the current financial year. Details of State-wise and year-wise releases are given in Chapter-V. Formula on the basis of which claims for FY 2010-11 are to be finally settled is yet to be worked out.
5	**Major Head 2875 Government Opium & Alkaloid Works**	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	380.19	460.35	Procurement of Opium (1143 MTs) Procurement of 50 MTs of Codeine Phosphate Export of Opium (438 MTs) andSale of alkaloids(86.6 MTs) This will result into revenue receipt of Rs.440.03 crore.	The progress of revenue realization vis-à-vis expenditure was to be reviewed monthly/ quarterly.	Against the projected quantity, 602 MTs of opium and 43 MTs of Codeine Phosphate have been procured till December 2012. The opium export has been 281 MTs up to December, 2012 against the targeted export of 438 MTs. The sale of Alkaloids has been 44 MTs against the target of 86.6 MTs. Revenue Receipts in 2012-13 (up to December 2012) have been Rs.265.79 crore against projected revenue receipt of Rs.440.03 crore at RE stage. The expenditure up to December, 2012 on Govt. Opium & Alkaloid Works is Rs.287.57 crore.

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

(₹ *in crore*)

	Major Head	2010-11			2011-12			2012-13		
		B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Exp. (till 31.12.12)
Secretariat-General Services	2052	144.50	132.03	119.96	128.05	140.55	120.62	161.76	145.05	92.96
Total	**2052**	**144.50**	**132.03**	**119.96**	**128.05**	**140.55**	**120.62**	**161.76**	**145.05**	**92.96**
Other Fiscal Services										
Enforcement Directorate	2047	34.51	38.40	38.14	39.41	41.43	41.49	53.80	49.50	32.92
National Institute of Public Finance & Policy	2047	6.94	7.30	7.08	7.84	7.66	7.66	8.50	18.65	8.30
International Cooperation	2047	0.72	0.76	0.70	0.72	1.05	1.01	0.78	1.00	0.89
Other Expdtr.(ATFP/CESTAT)	2047	18.55	19.91	17.21	19.00	19.67	18.30	19.16	18.85	13.61
GSTN:SPV	2047	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
Total	**2047**	**60.72**	**66.37**	**63.13**	**66.97**	**69.81**	**68.46**	**82.24**	**89.00**	**55.72**
Other Administrative Services										
Narcotics Control	2070	34.18	41.97	35.45	39.61	40.63	33.14	37.92	36.62	24.84
International Cooperation etc.	2070	1.46	3.55	2.40	3.55	3.49	3.38	3.54	2.94	0.47
Transfer to National Fund for Control of Drug Abuse	2070	2.00	2.00	0.00	2.00	0.00	0.00	1.00	1.00	0.00
Total	**2070**	**37.64**	**47.52**	**37.85**	**45.16**	**44.12**	**36.52**	**42.46**	**40.56**	**25.31**
Opium & AlkaloidsFactories										
Revenue Expenditure	2875	476.87	349.60	301.08	363.50	449.06	421.78	379.63	460.01	287.21
Chief Controller, Govt. Opium & Alkaloid Factories	2875	0.57	0.72	0.74	0.58	0.56	0.51	0.56	0.55	0.39
Total	**2875**	**477.44**	**350.32**	**301.82**	**364.08**	**449.62**	**422.29**	**380.19**	**460.56**	**287.60**
Other Taxes & Duties on Commodities & Services										
Collection of Inland Air Travel Tax	2045	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Collection of Foreign Travel Tax	2045	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**2045**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

(₹ in crore)

	Major Head	2010-11			2011-12			2012-13		
		B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Exp. (till 31.12.12)
Collection of Taxes on Income & Expenditure										
Other Charges	2020	0.45	0.40	0.29	0.40	0.40	0.30	0.40	0.36	0.11
Total	**2020**	**0.45**	**0.40**	**0.29**	**0.40**	**0.40**	**0.30**	**0.40**	**0.36**	**0.11**
Grant in Aid to States (VAT)	3601	376.00	874.95	1083.16	724.00	495.00	436.18	195.00	106.71	47.04
Grant in Aid to UTs (VAT)	3602	25.00	10.00	8.80	10.00	5.00	0.00	5.00	3.00	0.74
Grant-in-Aid to States (CST)	3601	10000.00	14000.00	13833.78	12000.00	4172.58	4172.58	300.00	10.00	0.00
Grant-in-Aid to UTs (CST)	3602	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		**10401.00**	**14884.95**	**14925.7**	**12734.00**	**4672.58**	**4608.76**	**500.00**	**119.71**	**47.78**
Aid Materials & Equipment	3606	0.35	0.35	0.00	0.35	0.00	0.00	0.00	0.00	0.00
Total (Revenue Section)		**11122.12**	**15481.94**	**15448.79**	**13339.01**	**5377.08**	**5256.95**	**1167.05**	**855.24**	**509.48**
Capital Section										
Capital outlay for GSTN:SPV	**4047**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2.45**	**0.00**
Capital Expenditure on GOAWs	**4875**	**0.77**	**1.77**	**0.17**	**0.84**	**0.70**	**0.50**	**1.53**	**0.30**	**0.02**
Purchase of Ready-built Accommodation										
Residential Building	**4216**	**0.00**	**0.10**	**0.10**	**7.05**	**0.01**	**0.01**	**0.01**	**0.00**	**0.00**
Capital Outlay on Public Works	**4059**	**0.00**	**26.00**	**24.84**	**10.00**	**5.00**	**3.06**	**10.00**	**6.16**	**2.03**
Total (Capital Section)		**0.77**	**27.87**	**25.11**	**17.89**	**5.71**	**3.57**	**11.54**	**8.91**	**2.05**
Grand Total		***11122.89***	***15509.81***	***15473.90***	***13356.90***	***5382.79***	***5260.52***	***1178.59***	***864.15***	***511.53***
Less										
(I) Revenue Receipts		308.00	285.60	237.21	312.00	432.47	383.54	366.73	440.03	265.79
(ii) Recoveries		54.89	58.82	46.27	53.97	42.60	34.18	42.22	52.34	0.00
Net		**10760.00**	**15165.39**	**15190.42**	**12990.93**	**4907.72**	**4842.80**	**769.64**	**371.78**	**245.74**

STATEMENT SHOWING ACTUAL EXPENDITURE VIS-À-VIS BE/RE FOR THE YEARS 2010-11, 2011-12 AND 2012-13 - OBJECT HEAD-WISE

(₹ in crore)

Head	2010-11 B.E.	2010-11 R.E.	2010-11 Actual Expend.	2011-12 B.E.	2011-12 R.E.	2011-12 Actual Expend.	2012-13 B.E.	2012-13 R.E.	2012-13 Actual Exp. (till 31.12.12)
Revenue Section									
Salary	143.45	143.46	150.22	152.44	158.87	153.16	187.58	177.29	137.10
Wages	0.50	0.49	0.40	0.51	0.50	0.35	1.12	0.48	0.25
Overtime Allowance	1.89	1.58	1.23	0.69	1.77	1.32	1.75	1.57	0.84
Pensionary Charges	1.25	1.23	1.11	1.29	1.03	0.92	0.99	0.96	0.00
Rewards	0.32	0.32	0.13	0.32	0.30	0.28	0.32	0.07	0.00
Medical Treatment	2.61	3.03	2.61	2.98	3.29	2.52	3.42	3.09	1.61
Domestic Travel Expenses	5.46	6.77	6.41	6.52	7.13	7.79	6.81	6.81	4.74
Foreign Travel Expenses	3.46	4.59	4.36	4.79	4.96	5.01	7.27	5.06	2.49
Office Expenses	23.87	30.38	28.27	26.5	27.54	26.15	28.85	25.91	26.28
Rent, Rates & Taxes	7.19	8.91	6.00	8.71	13.41	12.52	16.78	16.95	7.14
Publications	0.39	0.50	0.53	0.51	0.64	0.59	0.60	0.60	0.12
Banking Transaction Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Administrative Services	1.89	2.43	2.34	4.41	4.28	4.38	2.62	3.16	1.96
Supplies & Material(Voted)	371.64	252.59	205.67	265.58	353.57	335.11	285.39	355.68	255.32
Supplies & Material(Charged)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advertising & Publicity	0.24	0.57	0.40	0.49	0.48	0.22	0.38	0.29	0.06
Minor Works	1.20	1.75	1.48	1.21	1.45	1.30	1.24	1.45	0.41
Professional Services	11.58	12.38	13.08	12.41	21.57	18.38	16.55	18.70	11.27
Other Contractual Services	0.35	0.35	0.00	0.35	0.00	0.00	0.00	0.00	0.00
Grant-in-Aid General	10426.07	14912.44	14941.45	12758.31	4687.13	4618.95	514.7	140.63	56.74
Grant for creation of Capital assets	0.01	0.01	0.00	0.01	0.00	0.00	0.00	0.50	0.00
Grant-in-Aid Salaries	0.00	0.00	0.00	0.00	6.38	0.00	6.92	7.21	0.00

(₹ in crore)

Head	2010-11 B.E.	2010-11 R.E.	2010-11 Actual Expend.	2011-12 B.E.	2011-12 R.E.	2011-12 Actual Expend.	2012-13 B.E.	2012-13 R.E.	2012-13 Actual Exp. (till 31.12.12)
International Contribution	2.18	4.31	3.10	4.27	4.54	4.39	4.32	3.95	1.34
Secret Service Expenditure	1.92	1.90	1.68	2.18	2.25	1.92	4.01	2.16	1.43
Interest on Capital	12.41	11.21	8.41	11.2	11.36	11.36	12.75	10.20	0.00
Other Charges									
Charged	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.00
Voted	21.76	7.42	7.02	3.25	2.69	2.17	1.22	0.88	0.39
Mchinery & Equipment	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.00
Inter Account Transfer	56.3	55.15	46.29	48.69	42.41	35.86	43.04	53.13	0.00
Information Technology	24.12	18.11	16.55	21.33	19.47	12.26	18.36	18.45	
Total - Revenue Section	**11122.12**	**15481.94**	**15448.78**	**13339.01**	**5377.08**	**5256.95**	**1167.05**	**855.24**	**509.49**
Charged	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.00
Voted	11122.10	15481.92	15448.78	13338.99	5377.06	5256.95	1167.03	855.22	509.49
Capital Section									
Machinery & Equipment	0.37	1.37	0.05	0.69	0.65	0.48	1.12	0.00	0.00
Major Works	0.40	26.40	24.97	10.15	5.05	3.08	10.41	6.46	2.04
Investment	0.00	0.10	0.10	7.05	0.01	0.01	0.01	2.45	0.00
Total - Capital Section	**0.77**	**27.87**	**25.12**	**17.89**	**5.71**	**3.57**	**11.54**	**8.91**	**2.04**
Grand Total	***11122.89***	***15509.81***	***15473.90***	***13356.90***	***5382.79***	***5260.52***	***1178.59***	***864.15***	***511.53***
Charged	0.02	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00
Voted	11122.87	15509.81	15473.90	13356.88	5382.77	5260.52	1178.57	864.13	511.53

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

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

(₹ in crore)

	2010-11			2011-12			2012-13		
	B.E.	**R.E.**	**Actuals**	**B.E.**	**R.E.**	**Actuals**	**B.E.**	**R.E.**	**Actuals (till (31.12.12)**
VAT* - MH2052	35.84	18.77	11.71	12.87	12.47	3.61	10.70	6.52	0.11
VAT/CST** - 3601/3602	10401.00	14884.95	14925.74	12734.00	4672.58	4608.76	500.00	119.71	47.78
Non-VAT/CST	686.05	606.09	536.45	610.03	697.74	648.15	667.89	737.92	463.64
Total	**11122.89**	**15509.81**	**15473.90**	**13356.90**	**5382.79**	**5260.52**	**1178.59**	**864.15**	**511.53**
Non-VAT/CST	686.05	606.09	536.45	610.03	697.74	648.15	667.89	737.92	463.64
CCF(GOAWs)28754875	477.44	350.32	301.82	364.08	449.62	422.29	380.19	460.56	287.60
	0.77	1.77	0.17	0.84	0.70	0.50	1.53	0.30	0.02
Others *** ï Non-VAT/CST and Non ï GOAWs	207.84	254.00	234.46	245.11	247.42	225.36	286.17	277.06	176.02
Total –Salary	**143.45**	**150.46**	**150.22**	**152.44**	**158.87**	**153.16**	**187.58**	**177.29**	**137.10**
Non-Salary	**10979.44**	**15359.35**	**15323.68**	**13204.46**	**5223.92**	**5107.36**	**991.01**	**686.86**	**374.43**

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

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

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

Trends in Expenditure

Salary expenditure increased in 2011-12 by 1.96% over 2010-11 due to payment of additional DA, increments, etc. whereas non-salary expenditure decreased by 66.67% during the same period mainly on account of less VAT/CST Compensation paid to the State Governments/UTs. During 2011-12, the VAT/CST related expenditure & grants to States towards VAT/CST compensation constituted the major portion of expenditure i.e. 87.61% of total expenditure under Grant No.41 ï Department of Revenue.

It may be seen that there was substantial reduction in the actual expenditure incurred during 2011-12 as compared to the Sanctioned Grant. As against the allocation of Rs.13356.90 crore, the actual expenditure was only Rs.5260.52 crores. This was due to surrender of a large portion of provision kept for providing compensation to the States for phasing out of CST. For the purpose, a budget provision of Rs.12000 crore was made for 2011-12, against which only an amount of Rs.4172.58 crore could be released to the States and the remaining provision was surrendered as no decision could be taken by the Government to provide compensation to the States for subsequent years. Similarly, for VAT & VAT related expenditure, a provision of Rs.234 crore was made, against which an amount of Rs.120.36 crore only could be released to the States due to slow progress of implementation of the projects.

There is also substantial decrease in the budget for 2012-13 as no further VAT Compensation is to be provided to the States. The provision for CST Compensation, which was initially kept at Rs.300 crore, has also been reduced to Rs.10 crore as the formula for payment of compensation for 2010-11 has not yet been finalized. While Salary expenditure in 2012-13 has increased by 15.75%, the non-salary expenditure has been reduced by 86.55%, as compared to 2011-12.

So far, total VAT Compensation of Rs.19002.82 crore has been provided to State Governments and CST Compensation amounting to Rs.30,860.42 crore has been provided, as detailed below:

VAT Compensation

(₹ in crore)

Sr. No.	Name of State Government	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Total
1.	Andhra Pradesh	404.06	0.00	1.88	0.00	0.00	0.00	0.00	405.94
2.	Assam	0.00	0.00	30.06	38.73	150.10	78.12	0.00	297.01
3.	Bihar	165.87	78.23	0.00	0.00	0.00	0.00	0.00	244.10
4.	Chhattisgarh	0.00	0.00	75.00	281.59	31.91	0.00	0.00	388.50
5.	Delhi	0.00	0.00	0.00	362.81	855.07	37.70	0.00	1255.58
6.	Haryana	0.00	0.00	0.00	27.84	59.85	0.00	0.00	87.69
7.	Jharkhand	0.00	0.00	0.00	104.73	86.45	0.00	0.00	191.18
8.	Karnataka	1038.92	625.36	354.71	369.05	180.30	0.00	0.00	2568.34
9.	Kerala	456.47	426.23	123.19	243.46	0.00	0.00	0.00	1249.35
10.	Madhya Pradesh	0.00	0.00	46.24	0.00	0.00	40.74	0.00	86.98
11.	Maharashtra	259.89	2814.72	1203.83	1895.00	1475.00	277.40	261.33	8187.17
12.	Meghalaya	0.00	0.00	0.00	0.00	0.00	167.42	0.00	167.42
13.	Orissa	0.00	0.00	0.00	18.93	163.32	0.00	0.00	182.25
14.	Sikkim	1.84	4.03	0.00	0.00	0.00	10.92	0.00	16.79
15.	Tripura	5.12	3.81	5.57	19.81	0.00	0.00	0.00	34.31
16.	Tamil Nadu	0.00	0.00	2040.00	1000.00	0.00	266.87	54.49	3362.36
17.	West Bengal	139.10	139.75	0.00	0.00	0.00	0.00	0.00	278.85
	Total	**2471.27**	**4092.13**	**3880.48**	**4361.95**	**3002.00**	**879.17**	**315.82**	**19002.82**

CST Compensation

(₹ in crore)

Sr. No.	Name of State Government	2007-08	2008-09	2009-10	2010-11	2011-12	Total
1.	Andhra Pradesh	0	905.24	1095.50	2221.86	986.09	5208.69
2.	Assam	70.89	0	228.79	150.90	34.99	485.57
3.	Chhattisgarh	101.37	48.64	794.95	682.97	415.02	2042.95
4.	Delhi	183.70	154.76	1052.00	1622.80	653.85	3667.31
5.	Gujarat	338.14	156.57	796.04	1787.84	0.00	3078.59
6.	Haryana	150.00	400.00	1177.12	1597.90	780.16	4105.18
7.	Jharkhand	69.47	35.55	394.58	511.76	242.88	1254.24
8.	Karnataka	350.00	155.00	710.30	1333.87	374.36	2923.53
9.	Orissa	131.53	5.49	483.90	543.99	138.17	1303.08
10.	Punjab	0	24.32	9.95	324.55	0.00	358.82
11.	Rajasthan	126.24	18.56	311.78	421.39	34.47	912.44
12.	Tamil Nadu	647.54	0	759.00	1171.04	58.92	2636.50
13.	Uttarakhand	0	0	131.00	235.10	141.55	507.65
14.	West Bengal	0	45.87	464.77	496.11	190.14	1196.89
15.	Maharashtra	0	0	123.00	306.49	29.86	459.35
16.	Madhya Pradesh	0	0	110.96	106.56	0.00	217.02
17.	Nagaland	0	0	4.43	0	1.63	6.06
18.	Puducherry	0	0	86.91	199.78	90.19	376.88
19.	Uttar Pradesh	0	0	0	118.87	0.00	118.87
	Total	**2168.88**	**1950.00**	**8735.18**	**13833.78**	**4172.58**	**30860.42**

The overall financial performance during 2010-11, 2011-12 and 2012-13 has been as under:-

(₹ in crore)

Scheme	2010-11			2011-12			2012-13		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals (till (31.12.12)
Implementation of VAT Scheme	20.00	5.97	5.91	1.79	1.60	1.57	0.19	0.14	0.11
Setting up of Tax Information Exchange System etc.	15.84	12.80	5.80	11.08	10.87	2.04	10.51	6.38	0
Compensation to States/UTs for revenue losses due to introduction of VAT and other VAT related expenditure	401.00	884.95	1091.96	734.00	500.00	436.18	200.00	109.71	47.78
Compensation to State/UTs for revenue losses due to phasing out of CST	10000.00	14000.00	13833.78	12000.00	4172.58	4172.58	300.00	10.00	0
Total	**10436.84**	**14903.72**	**14937.45**	**12746.87**	**4685.05**	**4612.37**	**510.70**	**126.23**	**47.89**

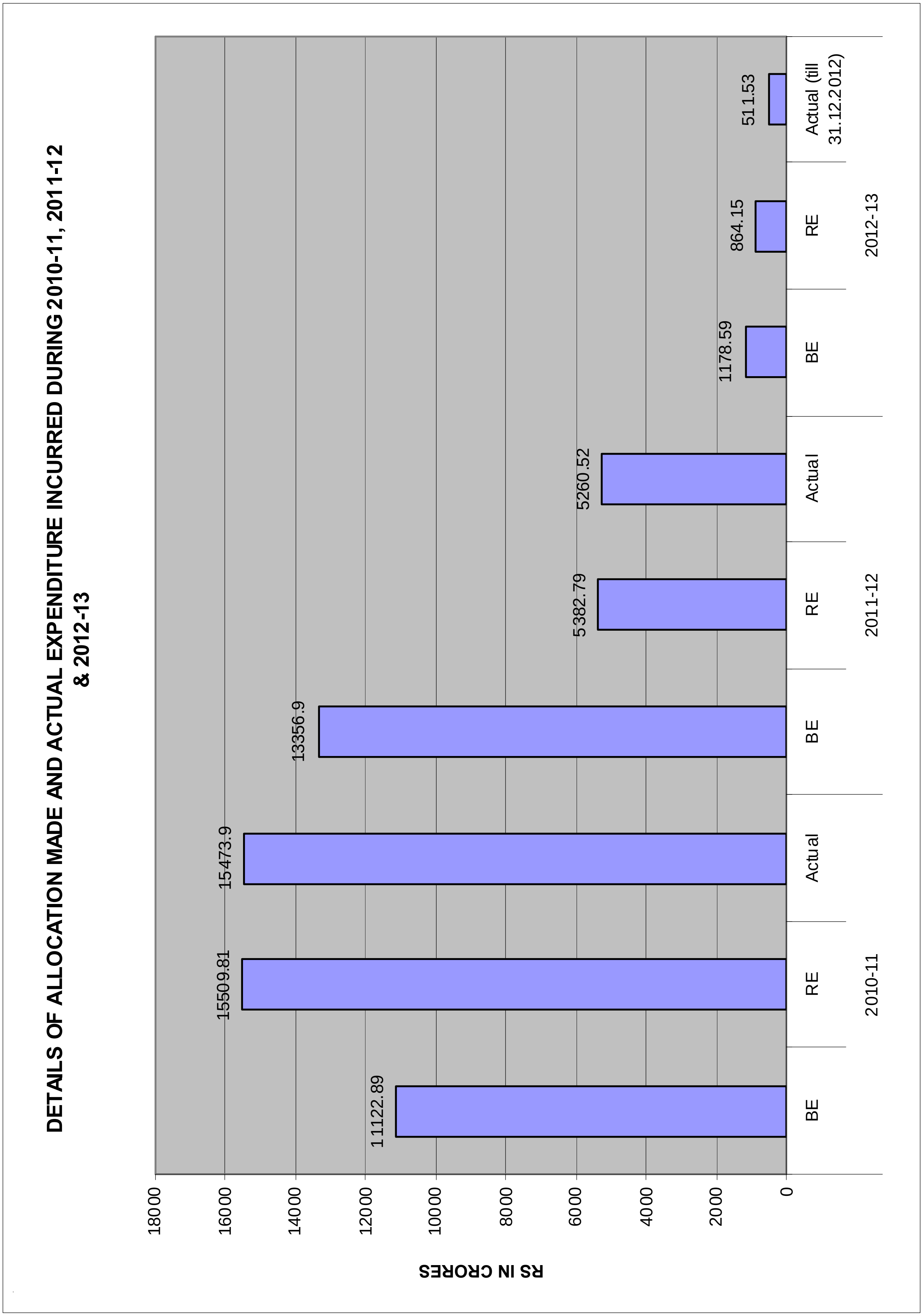
Government Opium and Alkaloid Works:

The position of actual expenditure in 2010-11, 2011-12 and 2012-13 on gross expenditure and revenue receipts has been as under:

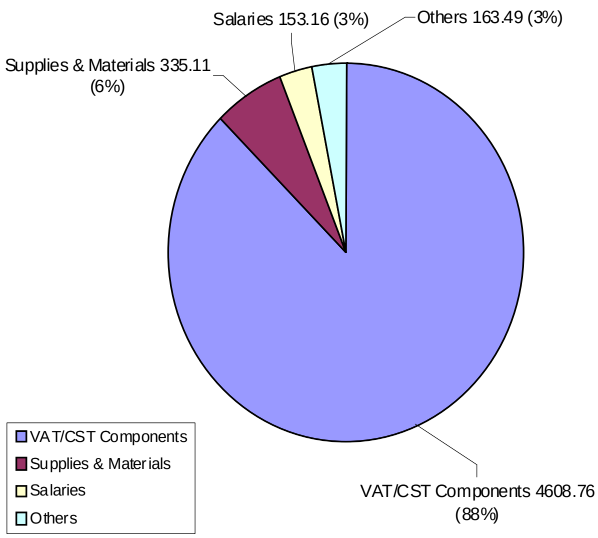
(₹ in crore)

	Expenditure			Receipts		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
2010-11	477.44	350.32	301.82	308.00	285.60	237.54
2011-12	364.08	449.62	422.29	312.00	432.47	383.54
2012-13	380.19	460.56	287.57 (till 31.12.12)	366.73	440.03	265.79 (till 31.12.12)

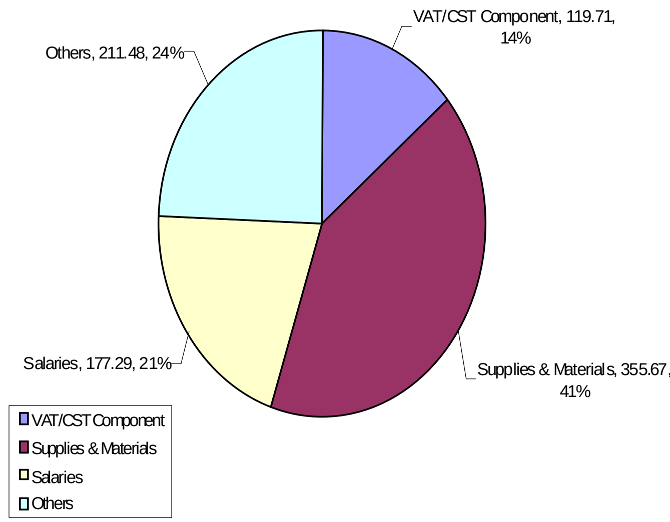
After VAT, the second major constituent of expenditure is on Govt. Opium & Alkaloid Works which constituted 8.03% of total expenditure in 2011-12. Increase at R.E. stage in 2011-12 was due to additional import of codeine phosphate. Against the estimated revenue receipt of Rs.312 crore for 2011-12, the revenue amounting to Rs.383.54 crore was collected. The revenue receipts are expected to be around Rs.440.03 crore in the current financial year 2012-13.


DETAILS OF ALLOCATION MADE AND ACTUAL EXPENDITURE INCURRED DURING 2010-11, 2011-12 & 2012-13
RS IN CRORES
18000
16000
14000
12000
10000
8000
6000
4000
2000
0
11122.89
15509.81
15473.9
13356.9
5382.79
5260.52
1178.59
864.15
511.53
BE
RE
Actual
BE
RE
Actual
BE
RE
Actual (till 31.12.2012)
2010-11
2011-12
2012-13

ACTUALS 2011-12 (Rs. in crore)



REVISED ESTIMATES (Rs. in crore)



The actual expenditure under the grant in 2011-12 amounted to Rs.5260.52 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.4608.76 crore constituting 87.61% of the expenditure. On Supplies and Materials, an expenditure of Rs.335.11 crore was incurred constituting 6.38% of the total expenditure. This expenditure is mainly on account of procurement of opium and import of Codeine Phosphate. The expenditure on salaries was 2.91% of the total expenditure whereas other items constituted 3.11% of the total expenditure.

In RE 2012-13, the CST/VAT Compensation and VAT related expenditure has been kept at Rs.119.71 crore constituting 13.85% of the total expenditure. The next major component is Supplies & Materials amounting to Rs.355.67 crore which constitutes 41.16% of the total expenditure. Expenditure on salaries amounting to Rs.177.29 crore also constitutes 20.52% and other items constitute 24.47% of the total expenditure.

Annexure

Statement on Surrender and Savings during the Financial Year 2011-12

During the Financial Year 2011-12, against a budgetary provision of Rs 13356.90 crore including the Supplementary Grants, an expenditure of Rs.5260.52 crore was incurred, resulting into savings and surrender of Rs.8096.39 crore. These savings are the net effect of the total savings of Rs.8211.90 crore and total excess of Rs 115.51 crore under various sub heads of the Revenue and Capital Section of the Grant.

These savings have been segregated into the following categories:

i) Normal Savings due to economical usage of the resources

During the year, an overall savings to the tune of Rs.11.66 crore was achieved due to better and efficient use of resources and less requirement for administrative expenses. Some of the schemes/programmes in this category are as follows:

(Rs in Crore)

Sl No	Sub-Head/Scheme/ Programme	Savings (Net)	Remarks/Reasons
1	Ghazipur Alkaloid Works-Other Expenditure	9.08	Less Opium was charged at Ghazipur for production of Alkaloids
2	Adjudicating Authority under PMLA	0.50	Less expenditure for administrative expenses.
3	UN Fund for Control of Drug Abuse	0.96	Reduction in the contribution to the Fund.
4	Neemuch Opium Factory - Management	1.12	Less demand of funds by CBN towards administrative expenses

(ii) Savings due to non-implementation/delay in execution of projects/schemes

During the FY 2011-12, there were delays in execution/ implementation of few schemes/projects which led to a savings of Rs.161.04 crore. Some of the schemes where these savings were observed are as follows:

(Rs in Crore)

Sl No	Sub-Head/Scheme/ Programme	Savings (Net)	Remarks/Reasons
1	Enforcement Directorate	1.13	Due to non-filling up of some posts, non-receipt of medical claims and non-finalisation of hiring of office accommodation for zonal offices.
2	Department of Revenue -Secretariat (FIU-IND)	5.64	Requirement of less funds towards implementation of FINNET project of FIU-IND, procurement of computers and fees of standing counsels
3	Income Tax Overseas Units	1.78	Non-filling of vacant posts and delay in setting up of ITOUs
4	Construction of Rajaswa Bhawan	6.94	Requirement of funds was less owing to slow progress of work.
5	Central Bureau of Narcotics	1.47	Less requirement for administrative expenses
6	Acquisition of ready built flats (Enforcement Directorate)	7.04	Non-materialization of the proposal for acquisition of zonal offices of the Enforcement Directorate
7	Ghazipur Alkaloid Works-Management	1.07	There was a delay in the supply of Codeine Phosphate by the exporter
8	Ghazipur Alkaloid Works ï Other Expenditure	9.08	Less production of Alkaloids.
9	Neemuch Alkaloid Works-Management	12.69	There was a delay in the supply of Codeine Phosphate by the exporter
10	Neemuch Alkaloid Works- Other Expenditure	0.56	Less production of Alkaloids.
11	Grants to States for VAT related expenditure	103.64	There was slow progress of MMP-CT project by the State Governments
12	Grants to UTs for VAT related expenditure	10.00	Non-receipt of proposal from the UT Administrations and also availability of unspent balance of previous years with the UTs

(iii) **Surrenders/Savings due to obsolete/defunct project/ scheme or due to completion of project/scheme**

Funds were needed to be surrendered in some cases where there was a delay on part of the suppliers or the scheme was on the verge of completion leading to lesser requirements of funds by the States/UTs. In case of CST compensation, the formula for the same could not be finalised during the Financial Year leading to a surrender of balance funds. Overall an amount of Rs 8019.46 crore was surrendered. These schemes are summarized below:

(Rs in Crore)

Sl No	Sub-Head/Scheme/ Programme	Savings (Net)	Remarks/Reasons
1	Grants to States for revenue loss due to phasing out of CST	7827.42	The formula for CST compensation could not be finalised during the Financial Year
2	Compensation to States for Revenue loss due to Introduction of VAT	184.18	Funds were surrendered as claims of most of the State Governments have been settled
3	Neemuch Opium Factory-Purchase of Opium	0.86	Owing to less procurement of Opium
4	Expenditure on control of drug abuse	5.00	No proposals for funding received from the NGOs/other departments
5	Transfer to National Fund for Control of drug abuse	2.00	As no expenditure from the Fund was incurred, further augmentation was not required

Note:- *This annexure is included in compliance of O.M.No.7(1)-B(AC)/2011 dated 23rd March, 2012 of Budget Division regarding segregation of savings due to normal savings, under/non-utilization & surrender of funds for the financial year 2011-12 as desired by the Standing Committee on Finance in its 33rd Report.*

REVIEW OF PERFORMANCE OF STATUTORY AND AUTONOMOUS BODIES UNDER MINISTRY OF FINANCE

NATIONAL INSTIUTTE OF PUBLIC FINANCE AND POLICY

OUTCOME BUDGET

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

The details of the Grant/Income of National Institute of Public Finance & Policy from various sources and expenditure incurred during the year 2011-12 are as under:-

Sl.No.	Source of Funding	Grant/Income (₹ in Crore)	Expenditure (₹ in Crore)
1	Ministry of Finance	7.66	7.66
2	Other Sources	11.38	7.95
3	**Total**	**19.04**	**15.61**

Details of the Grants provided by the Ministry of Finance since 2007-08

	(₹ in Crore)
2007-08	5.58
2008-09	8.67
2009-10	10.17
2010-11	7.10
2011-12	7.66
Budget Estimates 2012-13	8.50
Revised Estimates 2012-13	18.85*
Actual 2012-13 (till 31.10.2012)	8.30

**Including Corpus Grant of Rs.10 crore.*

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

a) The Institute has entered into a new Memorandum of Understanding (MOU) with the Ministry of Finance, Government of India on May 2, 2012 based on the Peer Review conducted by the Ministry. As per the new MoU, NIPFP will get additional faculty members and more time to pursue independent research to enable them to publish articles in referred international journals. This is the opportunity to strive to join the league of institutions of excellence in global arena.

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

c) At the end of the Financial Year, any surplus/deficit of salary grant over 90% of the actual salary expenditure may be adjusted in the grant of succeeding financial years.

d) A core grant equivalent to 20% of the salary grant as calculated to cover the non-salary expenditure of the Institute is also given.

e) 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.

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

STUDIES / RESEARCH PROGRAMMES COMPLETED (2011-12)

1. Ways of Increasing the effectiveness and Utilization of Funds by States/Agencies through Suitable Changes in Timing and Pattern of Release under Selected Programs.

2. Incidence of Taxes sand Levies on Telecom Sector in India

3. Goods and Services Tax in the Context of Petroleum and Natural Gas

4. Medium Term Fiscal Policy for Goa
5. NIPFP- Department of Economic Affairs Research Programme
6. Macro Economic Policy Modelling Phase-III
7. Oil Price Shock and its impact on India
8. Preparation of the 12th Five Year Plan for Sikkim
9. Sustainable Development of Meghalaya vision 2030
10. Appraisal of Monitoring and implementation of UIDSSMT Reforms in Maharashtra
11. Health Expenditure by the Central Government in India: Stage Level Distribution
12. Distribution of Public Spending Across Health Facilities: A Study of Karnataka, Rajasthan, Madhya Pradesh and Assam.
13. Pharma Venture Capital Fund
14. Criminals in Elections: Evidence from India
15. Determinants of Services Exports
16. Export of Services: The Indian Experience
17. An estimate of Public Expenditure on Health in India
18. NRHM Expenditure at the State level: A study of Karnataka and Rajasthan
19. Public Finance Information System
20. Award of the Assignment pertaining to Assessment of the Riskiness of the Airport Sector and Estimating Fair Rate of Return on Equity
21. MEWAT: The Dynamics of Development under Backwardness
22. Reforms for Pricing Diesel in India
23. Competitiveness of Zinc-Lead Mining in India: Role of Royalty Regime
24. Study on Fiscal and Monetary Policy aspects under Framework for Energy Efficient Economic Development Mechanism of National Mission for Enhanced Energy Efficiency.

ON GOING STUDIES/RESEARCH PROGRAMMES (status up to December 2012)

1. Study on Unaccounted Income/Wealth both inside and outside the Country
2. Revenue Potential for Himachal Pradesh: An Assessment and Suggestions for Reform
3. Estimation of Revenue Neutral Rate at the State Level
4. Macro-Economic Policy Modelling Phase-III
5. A Leading-Indicators Based Forecasting Model for India
6. NIPFP-DEA Research Programme Affairs, Ministry of Finance, GOI
7. Research on Business Cycles
8. NIPFP UIDAI Programme on Financial inclusion
9. Financial Sector Legislative Reform Commission(FSLRC)
10. Policy Analysis in the Process of Deepening Capital Account Openness
11. Growth Poverty and Human Development in States: Selected Issues
12. Preparation of 12th Five Year Plan for Meghalaya
13. Performance Evaluation of Urban Local Governments: A case for Indian Cities

TRAINING PROGRAMMES/WORKSHOPS (status upto December 2012)

1. Conference on Tobacco Economics organized in partnership with the Ministry of Health and Family Welfare and the Centre for Global Health Research, University of Toronto, at IIC, New Delhi on January 3, 2012
2. One Week training programme on Revenue Reporting, Forecasting and Targeting for the officials of Afghanistan Tax Administration during January 12-17, 2012
3. Third Dr. Raja J. Chelliah Memorial Lecture was delivered by Dr. Machael Keen, Senior Advisor, Fiscal Affairs Department, International Monetary Fund on ñCurrent VAT issues, with Lessons for the GST in Indiaò at IIC, New Delhi on February 9, 2012
4. Annual Conference on Papers in Public Economics, NIPFP during February 8-9, 2012
5. Two ï Week Training Programme on Public Finance for India Audit and Accounts Service (IASAS) Probationers at NIPFP, New Delhi, during February 6-17

6. One-day workshop on Fossil Fuel Subsidy Reforms: Status and Opportunities at NIPFP on March 25, 2012

7. One-Week training programme on Public Finance for Officer Trainees of the Indian Economic Service at NIPFP, New Delhi during May 14-18 June, 2012

8. One-Week training programme on Fiscal and Monetary Policy for Indian Statistical Service Probationers at NIPFP, New Delhi during May 7-11, 2012

9. Four-Week Refresher Training Programme for University/College Teachers on Public Finance in Theory and Practice at NIPFP, during May 14-18, 2012

10. One-Week training programme for senior officials of the Controller General of Accounts (CGA) NIPFP, New Delhi during May 21-25, 2012

11. Workshop on Integrating UID into Social Programs and improving Service Delivery at NIPFP on May 4, 2012

12. One-Week IAS Officers training programme ñFiscal Policy and Macro Economic Managementò at NIPFP during September10-14, 2012

13. Conference on Indian Economic Policies: Free trade, Democracy and Entrepreneurial Development at IIC during August 7-8, 2012

14. One-Week Refresher Training Programme for India Forest Service Officers at NIPFP on the title ñRole and Scope of Environmental Economics in Sustainable Developmentò during September 10-14, 2012.

15. One-Week IAS Officers training programme on the title ñFiscal Decentralization and Federalismò during October 8-12, 2012

16. Fourth Dr. Raja J. Chelliah Memorial Lecture was delivered by Dr, Jorge Martinez Vazques Regents Professor of Economics and Director of International Studies Program, Andrew Young School of Policy Studies, Georgia State University, Georgia (USA) on ñThe Growth-Equity Tradeoff in Tax Policy Design: Evidence from a Large Panel of Countriesò at IIC, New Delhi on November 8, 2012

17. Annual Conference on Papers in Public Economics, NIPFP during November 7-8, 2012

18. Visit of Kenyan Commission of Revenue Allocation on December 3-8, 2012

19. Delhi Economics Conclave 2012 during December 14-15, 2012

20. One-Week Training Programme on Public Finance for IES Probationers during December 17-21, 2012.

DIRECT TAXES

INTRODUCTION

1.1 The Central Board of Direct Taxes (CBDT), created by the Central Boards of Revenue Act 1963, is the apex body engaged in the administration of Direct Taxes in India viz. income tax, corporation tax, wealth tax, etc. It consists of a Chairman and six members. It is the cadre controlling authority for the Income Tax Department. It employs a workforce of 41684 officers and staff, of which approximately 27.35% are Gazetted officers in Groups óAô and óBô categories and the remaining are non-Gazetted employees in Groups óCôand óDôcategories.

1.2.1 : In its functioning, the CBDT is assisted by the following Directorates:

(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 (Organization 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)
(xvi) Directorate of Income Tax (Intelligence & Criminal Investigation)
(xvii) Directorate of Income Tax (Expenditure Budget)

1.3 There are 18 Cadre Controlling Chief Commissioner of Income Tax, stationed all over the country, who are overall in-charge of assessment and collection of direct taxes at regional levels and tax administration within their region. 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 General of Income Tax are assisted by Commissioners of Income Tax/Directors of Income Tax within their jurisdictions. The first appellate machinery comprises of Commissioners of Income Tax (Appeals) who perform the quasi-judicial task of deciding appeals against orders of assessing officers.

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

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

STATEMENT OF OUTLAYS AND OUTCOMES 2013 - 14

Sl. No.	Name of the Scheme/Programe	Objective/Outcome	Outlay 2012-13 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
	2	3	4		5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget				
1.	**Major Head 2020- Collection of Income Tax; Information Technology**		**421.00**	-				
I.	Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement The contract of the vendor is going to expire in June, 2014.			• Computing capacity to handle the projected workload up to 2014-15 • Single National Database to handle all Direct Taxes related transactions • Facilities management in the offices of Income Tax Department	Setting up and maintenance of National Data Center, Consolidation of regional data bases into single national database.	Ongoing No transaction targets can be fixed. Offices process income tax returns as per their pendency.	Consolidation of the Database completed. The estimated expenditure during FY 2013-14 would be ₹ 45.00 crore.
		B) Establishment, Monitoring and Implementation of All India Tax Network			Network of Income Tax offices across the country	Officers and staff in 515 cities are able to access the Central Data Center over the ñTaxnetò to perform their functions. Faster and reliable transfer of data would ensure timely delivery of services to the taxpayers.	Ongoing Activity No targets	Contract has been extended upto 31.12.2013. The process for selection for new MSP through open tendering process is under progress. The Estimated expenditure on this project for FY 2013-14 would be Rs. 31.80 crore.
		C) Hiring of Data Centers for primary, BCP & DR sites			• Co-location of hardware equipments in Data Centers meeting industry standards	Secured data will be available at national level for various management controls.	Ongoing Activity No targets	All the three data centers, PDC, BCP and DR are operational.

1	2	3	4(i) Non-Plan Budget	4(ii) Plan Budget	5	6	7	8
					· The project will be completed by 2014.			There are two vendors, one for BCP & PDC and the other one for DR-Site. Their extended terms of contract is going to expire in July, 2014 and September, 2014 respectively. The estimated expenditure on this project would be Rs. 7.00 crore for F.Y. 2013-14.
		D) Physical Storage of arrear PAN forms of period 2003-09			Till date 5.53 Crore physical storage of arrear PAN Forms of period of 2003/09 is done with approval of competent authority.			The likely expenditure on this account would be Rs. 12.79 crore for FY 2013-14
		E) Scanning of arrear PAN forms of period 2003-09 alongwith e-storage			Till date 5.53 Crore Scanning of arrear PAN forms of period 2003-09 alongwith e-storage is done with approval of competent authority.			The likely expenditure on this account would be Rs. 17.64 crore for FY 2013-14
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),** • Govt. OLTAS relating to Book Adjustment.			• Facilitating Accurate and quick credit of TDS deductions, identification of non-filers/stop-filers and cases of short deductions • Facilities to view tax payments made by the tax payers or by tax deductors on their behalf	Business intelligence database from AIR to facilitate computer based selection cases for scrutiny (CASS)	No specific milestones set	Process of identification & selection of a new Service Provider is ongoing. The estimated expenditure is Rs.10.37 crore.

1	2	3	4(i) Non-Plan Budget	4(ii) Plan Budget	5	6	7	8
		• Tax deductions coming from TDS returns • High value financial transactions coming through Annual Information Returns.			• Dashboard facilities to the senior management of the Department for effective monitoring and collection of taxes.			
III.	Tax payersóservices	-To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar Sampark Kendra). -To assist the tax payers in online facilities for e-filing of income tax return. -e-payment of taxes -online tracking of Refund status.			· **Deliverable from Aayakar Sampark Kendra (ASK) are :** - Country wide facilities for assistance in e-filing of income tax returns with or without digital signatures and information related Challan and return preparation software - Assistance in downloading various forms:- Income Tax Return Forms, Wealth Tax Return Forms - Facility to send forms by e-mail - Procedure of making tax payment, including e-payment and payment through ATM. - Answering queries related to the status of PAN and TAN applications & related procedures.	• Easy and convenient dissemination of information • Enhanced convenience reducing manual interface and increased tax-payersósatisfaction	- Ongoing Activities	The Department has set up a Robust National Call Centre at Gurgaon and four Regional Call Centres at Jammu, Shillong, Jangipur and Kochi. The estimated expenditure on Aayakar Sampark Kendra project would be Rs. 5.50 crore for the F.Y.2012-13 in addition to reimbursement of Telephone Expenses on actuals.

1	2	3	4(i) Non-Plan Budget	4(ii) Plan Budget	5	6	7	8
					- Status of Refunds. - Answering Queries related assessment jurisdiction. - Procedure of viewing Tax Credit Statement and registration for Tax Credit Statements. - List of Tax Information Network Facilitation Centers and the PAN Service Centers. - handling misc. queries		-	
IV.	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 auto-mated, 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 Officerôs role in issuing refunds is limited to processing the return of income on computer.	Ongoing	i) Since August September 2010, the Scheme has been extended to all non-corporate charges across the country in phased manner. ii) From 19.12.2011 Refund Banker Scheme is extended to Corporate, Exemption, Central and International Taxation charges all over India. iii) The number of refunds sent through Refund Banker Scheme in F.Y. 2012-13 (till 30/11/2012) is Rs.2.57 crore. (approx) in F.Y. 2012-13 a sum of Rs. 38.20 crore has been

1	2	3	4(i) Non-Plan Budget	4(ii) Plan Budget	5	6	7	8
								sanctioned. The amount for F.Y. 2013-14 depends on the number of refunds which will be definitely higher than the last F.Y.The estimated expenditure is Rs.40.00 crore.
V.	Centralized Processing Cell (CPC) TDS	Centralized Processing Cell (CPC) for Tax Deducted at Source (TDS) is a transformational initiative undertaken by the Income Tax Department (ITD) to enable easy filing of TDS/TCS correction statements by deductors/ collectors. The CPC endeavors to improve the overall service levels for the tax payer. Deductors/ collectors can file online correction statements after registering on TRACES. Tax Payers / collectees can also register to view and download their Form 26AS and report grievances related to TDS/TCS for resolution. The CPC will facilitate timely filing and processing of statements and follow-up with deductors / collectors for			In the First Phase, following functionalities previously handled by NSDL have been operationalized at CPC TDS: **a) In case of Deductor-** • Download Form 16/ 16A • Download of Consolidated File • Download of Justification Report up to FY 2011-12. **b) In case of Deductee –** • View and Download Form 26AS	Second Phase is expected to Go-Live shortly. Key features of Second Phase are: • PAN correction • Show Cause Notice Generation • Statement Processing & issuance of intimations	First Phase of the Project went live on 19 Nov 2012. Second Phase of the project will be completed in FY 2012-13.	The estimated expenditure is Rs.40.00 crore.

1	2	3	4(i) Non-Plan Budget	4(ii) Plan Budget	5	6	7	8
		rectification of defaults to enable correct reporting of TDS / TCS. The system has been designed to bring in transparency and efficiency to the taxation process.						
VI	Centralized Processing Centre (CPC) Bangalore	(A) Centralized processing of both paper based and e-filed Income Tax Returns (ITRs). (B) The CPC would enable the Department to cope with rapid growth in the number of taxpayers and consequently the volume of work for employees. (C) It would allow the Department to bring in more efficient processes and modern citizen services offered by the best Tax Administrations across the globe.			(i) With the stabilisation of CPCs, the physical ITRs from Karnataka and Goa and an adjoining states would also be given to the CPC during this financial year. (ii) The CPC at Bangalore has scalability to process 20 lakh paper returns and 60 lakh e-filed returns from the Zone.	• Better Taxpayer Services and reduced grievances. • Lower Compliance cost for taxpayers. • Reduced administrative cost for Department. • Faster processing leading to speedy delivery of refunds and hence lower interest outgo.Efficient use of manpower and office space. • CPC started the processing of e-filed returns of A.Y. 2012-13 from August 2012 onwards the pace picked up during the quarter • Brought forward e-filed returns of AY 2011-12 were to be liquidated in • Paper Returns of Karnataka and Goa processing were to be completed		CPC became live in in September 2009 CPC has processed over 3.2 crore e-filed returns till date. The projected volume of processing of retutns for 13-14 is around 2 crores The estimated expenditure is Rs.161.00 Crore.

1	2	3	4(i) Non-Plan Budget	4(ii) Plan Budget	5	6	7	8
VII.	Data Warehouse and Business Intelligence (DW&BI) Solution	Use of information available with Income Tax Department to: A) Widen and deepen tax base B) Increase compliance with tax laws C) Monitor Departmental Performance D) Provide inputs for policy making			Deliverables will be quantified after scope of project is approved. Deliverables would broadly include: i) Scope of work document for the Consultant ii) Design of the proposed solution iii) RFP for selection of solution provider iv) Preparation of Data Warehouse v) Integration of Business Intelligence tools vi) Implementation and roll out	Projected outcome will be finalized after scope of project is approved.	Specific milestones will be finalized after project plan is approved.	The scope of the project and role of the consultant is being reviewed.
VIII.	New ITD Application	Re-writing of new ITD application with latest technology with new Hardware & Also to maintain old application			1.Re-writing of New ITD applications. 2.Development of Data Centre for the application. 3.Development of Technology training Centre. 4.Development of test environment at Vaishali. 5. Training of 20,000 employees. 6.Development of HRMS module. 7.Maintenance of old application. 8.Software for all processes (other than core functions) of dept. 9.Interface with UTI/ NSDL/CPC Bengaluru/ CPC TDS/ Refund Banker.	New ITD application for all types of users and covering all functionalities of department.	Process for selection of vendor is on.	The total outlay for FY is **Rs. 10.51 crore**

1	2	3	4		5	6	7	8
			4(i) Non-Plan Budget	**4(ii) Plan Budget**				
IX.	Revenue Accounting Mangement Software	Compilation of Revenue Accounts, Data transfer to centralized Database Server at NIC Hyderabad & operationalising the B.I. Application to generate various MIS in 28 newly created ZAOs.			Procuring a B.I. Application, its customization and training of staff on this application.	Generation of various MIS reports on Revenue A/c of Direct Taxes & automating the whole process.	One year	Implementation of B.I. application would result in generation of various reports of Revenue Collection and various other customized reports. The estimated expenditure would be Rs.0.70 crore
X.	Implementation of e-payment as mandated by M/o Finance in all 28 newly created ZAOôs	Implementing electronic Payment in all 28 newly created ZAOôs			To enable e-payment to all vendors & beneficiaries under payment jurisdiction of 28 newly created ZAOôs	Enabling electronic payment to vendors & beneficiaries directly into their a/c through Govt. Electronic Payment Gateway.	One year (Phase wise in various ZAOôs)	Enabling electronic payment to vendors & beneficiaries directly into their a/c through govt. Electronic Payment Gateway. The estimated expenditure would be Rs.0.70 crore.
	MH 4059 – Capital outlay on public works – Office Building		**546.98**					
1	Construction of Office building at Noida	To mitigate the shortage of office space			Construction of office building having carpet area of 1935 sq.mt. at Noida	This would ease shortage of office space and would provide better working environment for the officers, officials of the Deprtment resulting in better tax payer services.	31.03.2013	Construction work under progress. Likely to be completed by March 2013. Outlay for the project in FY 2013-14 is Rs.1.00 crore.
2	Construction of Advanced Training Centre, hostel & Mess NADT, Nagpur	To fulfill the need of having a training for advance course including training of foreign officials and increasing needs of accommodation arising at NADT, Nagpur			Construction of ATC, Hostel-II with mess at NADT, Nagpur	To meet the objectives defined in column-3	10.6.2013	Fund required in FY 2013-14 is Rs. 26.40 crore. The project is expected to be completed in time.

1	2	3	4		5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget				
		of increased participants and courses.						
3	Construction of office building and guest house cum transit accommodation for the I.T. Department at Firozabad	To mitigate the shortage of office space and guest house			The office space of 4342 sq.mts. proposed to be constructed within 18 months, after granting A/A & F/S.	This would ease shortage of office space and would provide better working environment for the officers, officials of the Deprtment resulting in better tax payer services	18 months from the date of sanction order is received.	Total outlay proposed is Rs.8.19 crore and outlay in F.Y. 2013-14 for this work is Rs.2.19 crore. Project is expected to be completed in F.Y. 2013-14
4	Construction of RTI Building Mohali	To mitigate the shortage of office space			Construction of RTI building at Mohali	To meet the objectives defined in column-3		Proposal is under examination. Outlay for the project in FY 2013-14 is Rs.15.00 crore.
5	Construction of Guest House at Golf links, New Delhi	To mitigate the shortage of Guest House			Construction of Guest House at Golf Links, New Delhi	This would ease shortage of office space and would provide better working environment for the officers, officials of the Deprtment resulting in better tax payer services	15 months from the date of sanction order is received.	Proposal is under examination. Outlay for the project in FY 2013-14 is Rs.8.69 crore.
6	Construction of office building at 4-5, Infantary Road, Bangalore	To mitigate the shortage of office space			Construction of office building at Bangalore	To meet the objectives defined in column-3		Proposal is under process. Outlay for the project in FY 2013-14 is Rs.1.00 crore.
7	Construction of office cum residential building at Lucknow	To mitigate the shortage of office space and residences.			The office space of 16138 sq.mts. proposed to be constructed within 24 months, after granting A/A & F/S.	This would ease shortage of office space and would provide better working environment for the officers, officials of the Deprtment resulting in better tax payer services	24 months from the date of sanction order is received.	Total outlay proposed is Rs.88.02 crore and outlay in F.Y. 2013-14 for this work is Rs.20 crore. Proposal under process.

1	2	3	4(i) Non-Plan Budget	4(ii) Plan Budget	5	6	7	8
8	Construction of office cum residential building at Srinagar	To mitigate the shortage of office space and residences.			The office space of 11031 sq.mts. proposed to be constructed within 46 months, after granting A/A & F/S.	This would ease shortage of office space and would provide better working environment for the officers, officials of the Department resulting in better tax payer services	46 months from the date of sanction order is received.	Total outlay proposed is Rs.42.09 crore and outlay in F.Y. 2013-14 for this work is Rs.10 crore. Proposal under process.
9	Construction of office building at Nariman Point, Mumbai	To mitigate the shortage of office space			Construction of office building at Nariman Point, Mumbai	To meet the objectives defined in column-3		The proposal is under examination. Outlay for the project in FY 2013-14 is Rs.10.00 crore.
10	Purchase of ready built office space from M.P. Housing Board, Bhopal	To mitigate the shortage of office space			Acquisition of office space	To meet the objectives defined in column-3		Approval received. Likely expenditure in FY 2013-14 is Rs.3.00 crore.
11	Land purchase and construction of office building at Belgaun	To mitigate the shortage of office space			Construction of office building at Belgaun	To meet the objectives defined in column-3		Proposal under process. Likely to be approved and outlay for the project in FY 2013-14 is Rs7.50 crore.
12	Construction of office cum residential building at Bareilly, Shahjahanpur	To mitigate the shortage of office space and residencces			The office space of 1080.71 sq.mts. proposed to be constructed.	This would ease shortage of office space and would provide better working environment for the officers, officials of the Deprtment resulting in better tax payer services		Total outlay proposed is Rs.3.87 crore and outlay in F.Y. 2013-14 for this work is Rs.1.00 crore.
13	Purchase of land for RTI building at Ahemadabad	To mitigate the shortage of office & training space			Purchase of land for construction of RTI building at Ahmedabad	To meet the objectives defined in column-3		Proposal under process. Outlay for the project in FY 2013-14 is Rs.60.00 crore.
14	Purchase of land for construction of office at Erode	To mitigate the shortage of office space			Purchase of land for construction of office building at Erode	To meet the objectives defined in column-3		Proposal under process. Likely to be completed during F.Y. 2013-14. Outlay for the project in FY 2013-14 is Rs.12.00 crore.

1	2	3	4(i) Non-Plan Budget	4(ii) Plan Budget	5	6	7	8
15	Construction of office building at Pune	To mitigate the shortage of office space			Office accommodtion at Karve Road, Pune.	To meet the objectives defined in column-3		Outlay for the project in FY 2013-14 is Rs.10.00 crore.
16	Construction of Annexe to office building at Surat	To mitigate the shortage of office space			Office accommodation at Surat	To meet the objectives defined in column-3		Outlay for the project in FY 2013-14 is Rs.1.00 crore.
17	Construction of office building (Basement + 5 floor) at Navsari	To mitigate the shortage of office space			Office and residential accommodation at Navsari	To meet the objectives defined in column-3		Proposal under examination. Outlay for the project in FY 2013-14 is Rs.1.00 crore.
18	Construction of office building at Daman	To mitigate the shortage of office space			Construction of office building at Daman	To meet the objectives defined in column-3		Outlay for the project in FY 2013-14 is Rs.1.00 crore.
19	Purchase of ready built office accommodation at Etah	To mitigate the shortage of office space			Purchase of ready built office accommodation at Etah	This would ease shortage of office space and would provide better working environment for the officers, officials of the Deprtment resulting in better tax payer services		Outlay for the project in FY 2013-14 is Rs.1.00 crore.
20	Purchase of ready built building/land for office building at Kochi.	To mitigate the shortage of office space			Purchase of ready built building/land for office building at Kochi.	To meet the objectives defined in column-3		Outlay for the project in FY 2013-14 is Rs.1.00 crore.
21	Purchase of NBCC Plaza, Saket, Delhi.	To mitigate the shortage of office space			Purchase of NBCC Plaza Saket, New Delhi for LTU	This would ease shortage of office space and would provide better working environment for the officers, officials of the Deprtment resulting in better tax payer services	36 months from the date of execution of the agreement.	This pertains to bill received from NBCC for interest charges for late payment of the principal. Outlay for the liability in FY 2013-14 is Rs.43.20 crore.
22	Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi.	To mitigate the shortage of office space				Acquisition of office space measuring about 51,768 sq. metres of super built up area will be available to mitigate the shortage of office accommodation at Delhi .	31.9.2013	Outlay for the liability in FY 2013-14 is Rs.300.00 crore.

1	2	3	4		5	6	7	8
			4(i) Non-Plan Budget	4(ii) Plan Budget				
	Major Head 4216 - Capital outlay on public works - Housing.		**41.00**					
1	Construction of residential complex at Hadapsar, Pune.	To mitigate the shortage of residential accommodation.			Residential complex alongwith guest house at Hadapsar, Pune	To meet the objectives defined in column-3.		Outlay for the project in FY 2013-14 is Rs.25.00 crore.
2	Construction of residential quarters at Jammu	To mitigate the shortage of residential quarters.			The office space proposed to be constructed within 26 months, after granting A/A & F/S.	This would ease shortage of office space and would provide better working environment for the officers, officials of the Deprtment resulting in better tax payer services	26 months from the date of sanction order is received.	Total outlay proposed is Rs.11.37 crore and outlay in F.Y. 2013-14 for this work is Rs.3 crore. Construction work under progress.
3	Construction of Type - IV & III quarters at CR Colony, Annanagar.	To mitigate the shortage of residential quarters.			Construction of quarters at Annanagar.	To meet the objectives defined in column-3.		Outlay for the project in FY 2013-14 is Rs.4.00 crore.
4	Construction of Type - V & VI quarters at MG Road, Chennai.	To mitigate the shortage of residential quarters.			Construction of quarters at MG Road, Chennai.	To meet the objectives defined in column-3.		Outlay for the project in FY 2013-14 is Rs.1.00 crore.
5	Construction of Type III & Type IV quarters at Surat	To mitigate the shortage of residential space.			Construction of residential quarters at Surat	To meet the objectives defined in column-3.		Outlay for the project in FY 2013-14 is Rs.1.00 crore.
6	Upgradation/ renovation of residential quarters at Bhopal	To provide adequate residential facilities in Bhopal			Upgradation/ Renovation of the quarters at Bhopal	To meet the objectives defined in column-3.		Outlay for the project in FY 2013-14 is Rs.5.00 crore.

REFORM MEASURES AND POLICY INITIATIVES

REFORM INITIATIVES IN INCOME TAX DEPARTMENT

In the last few years a number of initiatives have been undertaken by harnessing latest technology to enable a System driven business environment in the Department. These measures have ensured qualitative improvement in Tax Payers services and also introduced objectivity leading to reduction in interface between the Taxpayer and the Department, to minimize grievance(s).

i. E-FILING OF RETURNS

The project was initiated in July 2006 under the guidance of the present Hon’ble Finance Minister. In financial year 2006-07, 3.72 Lakh returns were received electronically, of which only 5,000 were filed voluntarily by tax payers other than corporates.

Growth in e-returns signifying the success of the scheme is evident from the tabulation below:-

F.Y.	No. of e-Returns filed in lacs
2009-10	50.75
2010-11	93.01
2011-12	164.33
2012-13 (upto Dec-2012)	147.51

The Road Ahead

E-filing phase-II is already underway. This will facilitate electronic filing of 60 forms including non-income tax forms used by Chartered Accountants as a part of their tax audit process, transfer pricing forms etc. This would usher in a phase of paperless filing of all forms enabling faster processing of all forms and comprehensive utilization of information in such forms for enhanced scrutiny selection.

ii. CENTRALISED PROCESSING CENTRE (CPC), BANGALORE

The Project was approved by Hon’ble Finance Minister in September 2008. This project is a comprehensive Government Process Reengineering exercise initiative enabled by innovative and widespread use of technology for Bulk Processing of Income tax returns.

The CPC, in a short span of 2-3 years, has already assumed a primary role in processing of income tax returns as can be seen from the table below:

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13 (Apr-Dec.)
Total Returns Processed	403,141	8,820,652	13,285,521	1,12,87,911

Å CPC has achieved a peak processing capacity of 1.79 Lac returns per day.

Å Average processing time reduced to 47 days, less than the period specified in citizensô charter (Six Months).

Å Over 497 lakh digitally signed PDF based intimations sent by email; over 29.37 lakh SMS alerts sent; over 111 lakh Intimations sent by Speed post for preceding years, all over the country.

Å 60 call center agents attend to over 4000 calls daily in 3 languages now, with over 9.36 lakh calls attended till date.

Å Rectification requests received from taxpayers processed within statutory time limits, over 8.52 Lakh requests processed out of 9.25 Lakh requests filed (92% completion).

Å Online tracking of the status of refundsô processing from the Department website.

Å Launch of Digitization friendly forms with features such as anchor points, color drop out, bar codes on each page etc ï ITR 1-SAHAJ and ITR 4S- SUGAM for AY 2011-12 and AY 2012-13 **designed by officers at CPC for CBDT** based on learning from digitization of paper returns at CPC.

iii. THE REFUND BANKER SCHEME

Å The Refund Banker scheme, was initially implemented as a pilot project at Delhi and Patna on. 24.1.2007. It was extended in phases and today maps the entire country except Large Taxpayers Unit (LTU) and Exemption Charges. The refunds issued through refund banker count-wise accounts for 98.93% of total refunds issued. Refunds issued till 31st Dec, 2012 under Refund Banker Scheme are as follows:

Paper	ECS
No. 1,78,99,564	No. 88,09,670
Rs. 62,221.30 Cr.	Rs. 33,113.20 Cr.

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

iv. NATIONAL CALL CENTRE AND REGIONAL CALL CENTRES

Å Another citizen centric initiative undertaken by the Department is the setting up of a Robust National Call Centre at Gurgaon and four Regional Call Centres at Jammu, Shillong, Jangipur and Kochi.

Å The call centres have an All India toll free number (1800-180-1961/1961) with callers being guided through an Interactive Voice Response System (IVRS) for various information/ services including returns forms, tax payment procedure, PAN, TIN application, status of tax payment, refunds, e-return intermediariesô role responsibilities jurisdictions etc.

v. PAYMENT OF DIRECT TAXES THROUGH ATMS.

Å The facility has been introduced by 13 selected banks both Public and Private Sector. This facility is being expanded.

vi. FORM 26AS

Å This facility of viewing 26AS statements is available online on internet to the taxpayers. The 26AS Scheme has a potential to reduce the mis-match as the taxpayer is now aware of the gaps in the tax credit and, therefore, he facilitates the department by chasing the deductor to comply.

Å In order to eliminate TDS mismatch, CBDT has issued a circular through which all Deductors have to mandatorily download Form 16A from the TIN portal.

Å This also gives information about Refunds Paid, AIR Information like investment in shares, mutual funds etc. and details of TDS deducted as well as deposited. In this way the assese can verify his details.

vii. SEVOTTAM

Å Aayakar Seva Kendras (ASK) under Sevottam is a single window computerized service mechanism for centralized receipt, registration and distribution of dak.

Å The department has opened Aayakar Seva Kendras (ASK) at 112 stations till date with a modified Central Software Application.

viii. TDS-CPC.

A Centralised Processing Center at Vaishali, Ghaziabad is being set up for processing of TDS returns. The CPC-TDS shall inter-alia provide following services:

Å Web Services for filing of eTDS/TCS correction statements for authorized Intermediaries and Deductors

Å Rectification of PAN Errors in TDS Statements

Å Handling of Defaults in TDS/TCS/24G Statements

Å Communication with Deductor/PAO/Intermediaries via Portal

Å Intimating Deductors via Help Desk/Call Center

Å Resolving Grievances reported by Deductors/PAOs

Å Business Analytics for TDS

ix. NEW APPLICATION FOR BUSINESS PROCESS OF ITD

Å In order to make better use of the existing information and improve both the Taxpayer Services & Tax Administration, the Department has initiated the Project to re-write the existing Income Tax Department (ITD) Applications with the latest technology and new tools.

x. TAX RETURN PREPARERs (TRPs)

Å With a view to facilitate Return Filing by Medium and Small Taxpayers, Tax Return Preparers Scheme (TRPS) was notified in 2007.

Å TRPs are now also helping in promoting e-filing.

xi. E- RETURN INTERMEDIARIES (ERIs)

Å The Scheme for e-Return Intermediaries was notified in 2006.

Å ERIs help the Assessees in e-filing of their Returns on payment basis.

Å Various categories of persons viz Tax Practitioners, Chartered Accountants (CAs), Financial Companies, TRPs etc. can become ERIs.

INFORMATION TECHNOLOGY INITIATIVES IN THE OFFICE OF PRINCIPAL CHIEF CONTROLLER OF ACCOUNTS (PCCA), CBDT:

1. RAMS Project:- O/o Pr.CCA has conceptualized a process whereby all the challan information could be made available to the ZAOs in digitized form from the nodal branches. A computerized Revenue Accounts system, called RAMS (Revenue Accounting Management Software), has been developed with the help of NIC. Banks upload challans on a portal of this office which is called Challan File Management System (CFMS) from where it is downloaded by ZAOs and he incorporates these files in to RAMS on daily basis and upload the detailed revenue account for direct taxes on e-lekha portal of Controller General of Accounts. Further, the put through from Reserve Bank of India (RBI) is also automated. The Receipt Accounting Management Software was implemented in 24 Zonal Accounts Offices of this office. Now in the second phase, it is planned to implement it in the 28 newly created Zonal Accounts Offices.

2. **E-Payment project**: Implementation of e-payment system was implemented in O/o the Pr.CCA, CBDT and its 24 Zonal Accounts Offices as mandated by Finance Minister. Now in the second phase, it is planned to enhance its implementation to the 28 newly created Zonal Accounts Offices. E-payment system results in implementation of electronic payment thus resulting in generation of electronic advices directly to banks and discontinuation of present cheque issuing system to a great extent.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2011-12

S. No.	Name of the Scheme/ Programe	Objective/Outcome	Outlay 2011-12 (₹ In crore)		Quantifiable Deliverables/Physical Outputs	Processes/ Timelines	Status as on 31st March, 2012
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1.	**Major Head 2020- Collection of Income Tax; Information Technology**		**225.00**	**270.00**			**Actual expenditure as on 31.3.2012 – ₹ 307.14 crore**
	I. Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement			Å Computing capacity to handle the projected workload up to 2014-15 Å Single National Database to handle all Direct Taxes related transactions Å Facilities management in the offices of Income Tax Department	Ongoing	Consolidation of the Database completed. **Expenditure incurred upto 31-03-2012 is ₹ 70.39 crore.**
		B) Modification of Aayakar Bhawan, Vaishali into a secure Information Technology Hub and its maintenance.			After modification of the Vaishali Building, National Computer Center will be established.	Project is completed.	Expenditure on account of Facility management Services (FMS) i.e., House Keeping, Security and allied services is expected to be ₹ 20.00 crore.
		C) Establishment, Monitoring and Implementation of All India Tax Network			Network of Income Tax offices across the country	Ongoing Activity. No targets	The work of LAN/WAN connectivity in all buildings has been completed. **Expenditure incurred upto 31-03-2012 is ₹ 42.10 crore-.**
		D) Hiring of Data Centers for Primary, Business Continuity Planning (BCP) & Disaster Recovery (DR) sites.			Å Co-location of hardware equipments in Data Centers meeting industry standards Å Security certification of BS 7799 for ensuring security of the equipment and data.	Ongoing Activity. No targets	All the three data centers, PDC, BCP and DR are operational. **Expenditure incurred upto 31-03-2012 is ₹ 8.04 crore.**
	II. Tax Information Network (TIN)	Being hosted by National Security Depository			Å Identification of potential high risk tax evasion cases	Ongoing Activities	During FY 2011-12 upto 31.12.2011, 2,29,84,327 number of challans are

1	2	3	4(i) BE	4(ii) RE	5	6	7
		Limited (NSDL) as a depository of information relating to : Å Online Tax Account System (OLTAS), Å Tax deductions coming from TDS returns Å Facility for generation of electronic TDS accounts. Å High value financial transactions coming through annual Information Returns.			Å Accurate and quick credit of TDS deductions, identification of non-filers/stop-filers and cases of short deductions Å Processing of TDS returns Å Facilities to view tax payments made by the tax payers or by tax deductors on their behalf Å Dashboard facilities to the senior management of the Department for effective monitoring and collection of taxes.	No specific milestones set	received in OLTAS for Rs 3,94,207.78 crores of the tax collection. **Expenditure incurred upto 31-03-2012 is ₹ 45.30 Crore.**
	III. Business Process Re-engineering (BPR)	Complete revamping of existing business processes to meet the needs of stake holders			Å Submission of the report of the consultant and BPR Rollout Plan Å Implementation of the feasible recommendations as contained in 4th Report of Administrative Reforms Commission on ñEthics in Governanceò.		The Report on BPR was submitted to the CBDT in the month of January 2008, presented to full Board on 18th / 19th and 24th March 2008. Formal Minutes were issued by ITCC Section of Board in April 2008. Out of 64 recommendations made, 13 were modified and accepted, 47 accepted in toto and 4 not accepted.
	IV Tax payersôservices	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 -To provide the taxpayers online facilities for e-filing of Income tax returns, -e ï payment of taxes, -online tracking of Refund status.			Å 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 Å Provision of tax related information facility for downloading of various forms/ challans and return preparation software Å Countrywide facilities for e-filing of income tax returns Å Centralized issue of refunds through designated refund banker Å Facilities for e-payment of direct taxes	· Ongoing Activities No targets. Volume of transaction based on the end users and taxpayers	The department has setup Aayakar Sampark Kendra, National Computer Centre(NCC) at Gurgaon and four Regional Computer Centres (RCCs) at Jammu,Jangipur,Shillong & Kochi. **Expenditure incurred upto 31-03-2012 is ₹ 1.45 crore**

1	2	3	4(i) BE	4(ii) RE	5	6	7
V	Refund Banker	(A) Determine, generate, issue, dispatch, credit and safe delivery of Income Tax refunds. (B) Make the refund process completely automated speedy and transparent and to achieve a faster Turn Around Time			A system driven process for determination, generation, issue, dispatch and credit of refunds and enables efficient and safe delivery of Income Tax refunds. It introduces a third party into the physical issue or credit of refunds so as to make the process completely automated, speedy and transparent, and to achieve a faster Turn Around Time. A web based status tracking facility for delivery of refund.	Ongoing.	The number of refunds sent through Refund Banker Scheme in F.Y. 2011-12 (till 31.12.2011) is 81 lakhs (approx.) and constitutes 96% of total refunds issued all over India, during this period. **Expenditure incurred upto 31-03-2012 is ₹ 31.93 Crore.**
VI	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. (C) It would allow the Department to bring in more efficient processes and modern citizen services offered by the best Tax Administrations across the globe.			(i) The CPC would initially process transactions for all e-filed Income Tax Returns (ITRs) countrywide and physical ITRs for Bangalore. (ii) As the CPC stabilizes, the physical ITRs from Karnataka and Goa and an adjoining state would also be given to the CPC to scale up the operation. (iii) The CPC at Bangalore will have scalability to process 20 lakh paper returns and 60 lakh e-filed returns from the Zone. (iv) Eventually, it is envisaged that the CPC model would be replicated across the country, having gained experience and learning from the CPC in Bangalore.	Ongoing at Bangalore	**Expenditure incurred upto 31-03-2012 is ₹ 89.64 Crore.**
VII	Biometric PAN Project	(A) To put in place a biometric solution to ensure that no duplicate PAN is issued i.e. same person does			ÅCapture biometric features (face +4 fingers) of PAN applicants to prevent allotment of duplicate PANs.		Project was kept in abeyance pending clarification from the UIDAI.

1	2	3	4(i) BE	4(ii) RE	5	6	7
		not get more than one PAN number. (B)Biometric information, being more stable with time and difficult to change, would be able to detect duplicate PAN application with greater accuracy.			Å Verify biometric features of applicants who apply for reprint of cards or change in PAN data. ÅComposite and scalable solution without vendor lock-in to be procured. ÅSolution to be integrated with new PAN application and also prospective use for the existing PAN holders.		
2	**Major Head 4059 – Capital outlay on public works – office buildings**		**877.70**	**317.51**			**Actual expenditure as on 31.3.12 – ₹ 256.53 crore**
I	Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi.				Office space measuring about 51,768 sq. metres of super built up area will be available to mitigate the shortage of office accommodation at Delhi .	31.3.2012	₹ 600.00 crore provided in BE for making payment of Final tranche to the MCD had to be surrendered in RE considering the stage of completion of the project.
II	Construction and furnishing of Office Building at Saket, New Delhi.	To mitigate the shortage of office space.			Construction of office building	31.3.2012	The project has been shelved.
III	Construction of Advance Training Centre, Mess/ Hostel at National Academy of Direct Taxes (NADT), Nagpur.	To conduct advanced courses including training of foreign officials and to meet the increasing need for accommodation facilities at NADT.			Construction of ATC, Hostel-II with messd at NADT, Nagpur	31.3.2013	Approximately 30% work has been completed.
IV	Construction of new hostel at NADT, Nagpur.	To expand infrastructure for training at NADT.			To meet the objectives defined in column-3	30.06.2011	The project has been completed
V	Construction of guest house at Golf Links, New Delhi.	To mitigate the shortage of guest house facility for visiting officials.			Guest House at Golf Links, New Delhi.	30.09.2012	Work yet to be started as agreement with NBCC is not yet signed.

S. No.	Name of the Scheme/ Programe	Objective/Outcome	Outlay 2011-12 (₹ In crore)		Quantifiable Deliverables/Physical Outputs	Processes/ Timelines	Status as on 31st March, 2012
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
VI	Construction of Office building at Noida.	To mitigate the shortage of office space.			Construction of office building at Noida.	31.3.2013	Rs. 10.00 crores were provided in BE which were increased to Rs.16.20 crore in the RE. Construction work is in progress.
VII	Construction of Office building at Firozabad, U.P.	To mitigate the shortage of office space.			The office space of 4342 sq.mts. proposed to be constructed within 10 months after granting A/A & F/S	31.3.2013	Rs. 5.00 crores was provided during the F.Y. Construction work is in progress.
VIII	Purchase of ready built office premises at Thane, Maharashtra.	To mitigate the shortage of office space.			Construction of office building	30.9.2011	Sanction of project (project value Rs.49.53 crore) granted on 24.5.2011. The expenditure has been incurred during the F.Y. 2011-12.
IX	Construction of building for Direct Taxes Regional Training Institute (DTRTI), at Mohali, Chandigarh	To mitigate the shortage of office space.			Construction of DT RTI Building	-	
3	**MH 4216 – Capital Outlay on public works - Housing**		**27.00**	**5.00**			**Actual expenditure as on 31.3.2012 - ₹ 3.18 crore**
I	Construction of residential cum office building at Nariman Point, Mumbai.	To mitigate the shortage of residential and office accommodation at Mumbai.			Residential quarters and office accommodation at Nariman-Point Mumbai		Rs. 15.00 crore were provided under BE which were reduced to NIL in RE as the approvals for proposal is yet to be received.
II	Construction of residential complex including a community hall at Hadapsar, Pune	To mitigate the shortage of residential accommodation.			Construction of residential complex		The proposal is under examination.
III	Construction of Type V and Type VI quarter at Jammu.	To mitigate the shortage of residential accommodation.			Construction of residential Quarters		Construction work is in progress.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2012-13

S. No.	Name of the Scheme/ Programe	Objective/Outcome	Outlay 2012-13 (₹ In crore)		Quantifiable Deliverables/Physical Outputs	Processes/ Timelines	Status as on 31st December, 2012
1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
1.	**Major Head 2020-Collection of Income Tax; Information Technology**		**225.00**	**400.00**			**Actual expenditure as on 31.12.2012 – ₹ 203.37 crore**
	I. Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement			Å Computing capacity to handle the projected workload up to 2014-15 Å Single National Database to handle all Direct Taxes related transactions Å Facilities management in the offices of Income Tax Department	Ongoing.	Consolidation of the Database completed. Consolidation of the Database completed.Acceptance of Project has been completed in May 2009 after evaluation of implementation of the terms of contract by the vendor. After ï SI completed in FY 2009-10, more than 2.54 crore of returns were processed. **Expenditure incurred upto 31-12-2012 is ₹49.62 crore.**
		B) Establishment, Monitoring and Implementation of All India Tax Network			Network of Income Tax offices across the country	Project has been completed.	The work of LAN/WAN connectivity in all buildings has been completed. **Expenditure incurred upto 31-12-2012 is ₹ 32.93 crore**
		C) Hiring of Data Centers for Primary, Business Continuity Planning (BCP) & Disaster Recovery (DR) sites.			Å Co-location of hardware equipments in Data Centers meeting industry standards Å Security certification of BS 7799 for ensuring security of the equipment	Ongoing Activity No targets	All the three data centers, PDC, BCP and DR are operational. **Expenditure incurred upto 31-12-2012 is ₹ 4.67 crore.**

1	2	3	4(i) BE	4(ii) RE	5	6	7
II.	Tax Information Network (TIN)	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to : Å Online Tax Account System (OLTAS), Å Tax deductions coming from TDS returns Å Facility for generation of electronic TDS accounts. Å High value financial transactions coming through annual Information Returns.			Å Identification of potential high risk tax evasion cases Å Accurate and quick credit of TDS deductions, identification of non-filers/stop-filers and cases of short deductions Å Processing of TDS returns Å Facilities to view tax payments made by the tax payers or by tax deductors on their behalf Å Dashboard facilities to the senior management of the Department for effective monitoring and collection of taxes.	Ongoing Activity No targets	During FY 2011-12 upto 31.12.2011, 2,29,84,327 number of challans are received in OLTAS for Rs 3,94,207.78 crores of the tax collection. During FY 2010-11 upto 31.12.2010, 2,02,16,560 number of challans were received in OLTAS for Rs 3,44,834.00 crore of the tax collection. **Expenditure incurred upto 31-12-2012 is ₹ 33.27 crore.**
III.	Business Process Re-engineering (BPR)	Complete revamping of existing business processes to meet the needs of stake holders			Å Submission of the report of the consultant and BPR Rollout Plan Å Implementation of the feasible recommendations as contained in 4th Report of Administrative Reforms Commission on ñEthics in Governanceò.	31.10.2007	The Report on BPR was submitted to the CBDT in the month of January 2008, presented to full Board on 18th / 19th and 24th March 2008. Formal Minutes were issued by ITCC Section of Board in April 2008. Out of 64 recommendations made, 13 were modified and accepted, 47 accepted in toto and 4 not accepted.
IV	Tax payersôservices	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 -To provide the taxpayers online facilities for e-filing of Income tax returns,			Å **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 Å Provision of tax related information facility for downloading of various forms/ challans and return preparation software		The department has setup Aayakar Sampark Kendra at Gurgaon and four Regional Kendras at Jammu, Jangipur, Shillong & Kochi. **Expenditure incurred upto 31-12-2012 is ₹ 5.80 crore.**

1	2	3	4(i) BE	4(ii) RE	5	6	7
		-e ï payment of taxes, -online tracking of Refund staurs			Å Countrywide facilities for e-filing of income tax returns Å Centralized issue of refunds through designated refund banker Å Facilities for e-payment of direct taxes		
V.	Refund Banker	(A) Determine, generate, issue, dispatch, credit and safe delivery of Income Tax refunds. (B) Make the refund process completely automated speedy and transparent and to achieve a faster Turn Around Time			A system driven process for determination, generation, issue, dispatch and credit of refunds and enables efficient and safe delivery of Income Tax refunds. It introduces a third party into the physical issue or credit of refunds so as to make the process completely automate, speedy and transparent, and to achieve a faster Turn Around Time. A web based status tracking facility for delivery of refund.	Ongoing.	The number of refunds sent through Refund Banker Scheme in F.Y. 2011-12 (till 31.12.2011) is 81 lakhs (approx.) and constitutes 96% of total refunds issued all over India, during this period. **<u>Expenditure incurred upto 31-12-2012 is ₹ 17.45 crore.</u>**
VI.	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. (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.			• Better taxpayer services and reduced grievances. • Lower compliance cost for taxpayers. • Reduced administrative cost for Department. • Faster processing leading to speedy delivery of refunds and hence lower interest outgo. • Efficient use of manpower and office space.		(i) The processing of e-filed Returns for AY 2011-12 started and 57.79. lakh returns have been processed. (ii) 77.37 lakh returns of AY 2010-11 have been processed so far. Only 1.02 lakh returns where either ITR V not received or where certain clarifications are sought are pending (iii) Arrangements for processing paper returns of Karnataka Goa in place. (i) All rectification received upto November 2011 disposed **<u>Expenditure incurred upto 31-12-2012 is ₹ 46.66 crore</u>**

1	2	3	4(i) BE	4(ii) RE	5	6	7
VII	Centralized Processing Centre (CPC) to process TDS Statements	i. To develop and implement a comprehensive system to increase efficiency, and effectiveness of ITD in processing, accounting and reconciliation of the TDS Statements filed. ii. To set up a Centralized Processing Center and achieve back office automation on an outsourced model for performing non-core activities of ITD. iii. To enable and leverage technology to automate back-end processes in line with bestpractices in the industry iv. Manage tax administration functions such as receipt of data relating to TDS Statements, matching with information from OLTAS, verification of PAN and identifying cases involving invalid/ no PAN, late filers, non-filers, default cases etc, processing, issue of demand notices and/or refunds and storage of TDS Statements in a centralized manner.			The project (CPC TDS) is expected to handle approximately 33 crore transactions during FY 2012-13		No expenditure incurred in FY 2012-13 upto 31-12-2012.
VIII	New ITD Application	Re-writing of new ITD application with latest technology with new landscape and new Hardware & Also to maintain old application			• Re-writing of all ITD applications. • Co-location of hardware equipment in Data Centre (Primary, BCP and DR) meeting industry standards		**Expenditure incurred as on 31.12.2012 is ₹ 0. 68 crore**

1	2	3	4(i) BE	4(ii) RE	5	6	7
IX	Revenue Accounting Mangement Software	Compilation of Revenue Accounts, Data transfer to centralized Database Server at NIC Hyderabad & operationalising the B.I. Application to generate various MIS			Procuring a B.I. Application, its customization and training of staff on this application.		Servers, Computers and Printers for implementation of RAMS in ZAOs have been purchased and installed in 24 ZAOs . Modification/ Up gradation/ Customization of RAMS software successfully implemented in 24 ZAOs.
X	Implementation of e-payment as mandated by Finance Minister in all 24 ZAOs	Implementing electronic payment in all 24 ZAOs.			To enable e-payment to all vendors & beneficiaries under payment jurisdiction of 24 ZAOs.		Funds have been utilized for purchase of Servers, Computers and Printers for implementation of e-Payment and installed in 24 ZAOs . Modification/ Up gradation/ Customization of RAMS software successfully implemented in 24 ZAOs.
2	**Major Head 4059 – Capital outlay on public works – office buildings**		**777.48**	**426.20**			**Actual expenditure as on 31.12.2011 – ₹ 41.66 crore**
I.	Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi.				Acquisition of office space measuring about 51,768 sq. metres of super built up area will be available to mitigate the shortage of office accommodation at Delhi .	31.9.2013	Rs.600 crore were provided in BE. The budget provision has been reduced to Rs.339 crore in RE 2012-13.
II.	Construction of Advanced Training Centre, hostel & Mess NADT, Nagpur	To fulfill the need of having a training for advance course including training of foreign officials and increasing needs of accommodation arising at NADT, Nagpur of increased participants and courses.			Construction of ATC, Hostel-II with mess at NADT, Nagpur	10.6.2013	Approx. 61% work has been completed till 31.12.2012. The amount provided has been utilized.
III.	Purchase of NBCC Plaza, Saket, Delhi	To mitigate the shortage of office space			Construction of office building		Final payment of Rs.5.00 crore released on 12.6.2012.

1	2	3	4		5	6	7
			4(i) BE	4(ii) RE			
IV	Construction of office building for I.T. Deptt at Noida.	To mitigate the shortage of office space			Construction of office building at Noida.	31.3.2012	Construction work under progress likely expenditure in FY 2012-13 Rs.7.70 crore.
V	Construction of guest house at Golf Links, New Delhi.	To mitigate the shortage of Guest House.			Construction of Guest House at Golf Links, New Delhi.	31.3.2013	Proposal has not taken off due to differences with executing agency.
VI	Construction of RTI Building Mohali	To enhance training capacity			Construction of regional training centre	31.3.2013	Proposal under process.
VII	Construction of office building at Ferozabad	To mitigate the shortage of office space			Construction of office	18 months from the day of sanction order is received.	Construction work is under progress.
VIII	Construction of office building at Bangalore	To mitigate the shortage of office space			Construction of office	24 months from the day of sanction order is received.	In view of the title suit in Hon'ble High Court of Karnataka, the proposal could not be put up for approval. However, now the stay has been vacated and the proposal is now under process.
IX	Construction of office cum residential building at Lucknow	To mitigate the shortage of office/residential space			Construction of the office cum residential building	24 months from the day of sanction order is received.	Rs.44.00 crore were approved in BE which were reduced to NIL in view of the progress of the proposal at RE stage.
X	Construction of office cum residential building at Srinagar	To mitigate the shortage of office and residential space			Construction of the office cum residential building	46 months from the day of sanction order is received.	Rs.10.00 crore were approved in BE which was reduced to NIL in view of the progress of the proposal at RE stage. Proposal under process.
XI	Construction of office and residential quarters at Shahjahanpur	To mitigate the shortage of office and residential space			Construction of the office cum residential building		Project is under examination .
XII	Construction of office cum residential building at Nariman Point, Mumbai.	To mitigate the shortage of residential cum office accommodation.			Residential quarters and office accommodation at Nariman-Point Mumbai		Proposal is under examination

1	2	3	4		5	6	7
			4(i) BE	**4(ii) RE**			
3	**MH 4216 – Capital Outlay on public works - Housing**		**30.00**	**6.00**			**Actual expenditure as on 31.12.2012 is ₹ 0.46 crore**
I	Proposal for construction of residential complex at Pune.	To mitigate the shortage of residential accommodation.			Construction of residential complex		Rs.25.00 crore were approved in BE which was reduced to Rs.1 crore in view of the progress of the proposal at RE stage. The proposal is being examined.
II	Construction of residential quarters at Jammu	To mitigate the shortage of residential accommodation and provide better working environment for the officers (officials of the Department resulting in better tax payer services)			Commencement of construction of the office cum residential building	26 months from the day of sanction order is received.	Construction work is in progress.

Review of Past performance- Scheme-wise Physical Performance

CBDT is engaged in overall administration and collection of direct taxes. The physical performance of the Income Tax Department as a whole in various key areas has been presented as under:-

i. The collection of direct taxes has more than doubled from Rs. 2,30,181 crore in FY 2006-07 to Rs 4,94,799 crore (provisional) in FY 2011-12 at an average annual growth of 19.16%. In FY 2007-08 the share of direct taxes exceeded the share of indirect taxes for the first time contributing around 52.6% of the Central Taxes. This trend has continued since then. During FY 2011-12 the share of Direct Taxes to the Total Central taxes Collection (excluding Taxes on Union Territories) was 55.78%.

ii. The Direct Tax-GDP ratio has increased from 5.36% in FY 2006-07 to 5.59% in FY 2011-12. However, the cost of collection measured in terms of total administrative cost as compared to the revenue generated marginally increased from 0.59% to 0.64% in the period 2006-07 to 2010-11. However, it has decreased to 0.60% for FY 2011-12. It is amongst the lowest in the World.

iii. During the FY 2011-12, the department collected Rs. 21,882 crore from arrear demand which is 82.8% higher than the collection of the previous Financial Year. With respect to current demand, collection for FY 2011-12 dropped from Rs.41,704 crores in FY 2010-11 to Rs.33,138 in FY 2011-12.

iv. The TDS administration by the department has been showing an impressive performance over the past few years. For FY 2011-12 total collection from TDS was Rs. 193887 crore (provisional) which is 39.19% of the total Direct Taxes Collections. Total collection from TDS during FY 2010-11 was Rs 168669.69 crore. Thus, the growth in TDS Collection has gone up substantially.

v. E-governance initiatives by the Income Tax Department have resulted in providing some of the best e-delivery of services by a Government Department to citizen. Facilitating e-filing of returns, e-filing of TDS/TCS returns, e-payment of taxes, and electronic credit of refunds directly to the taxpayerôs bank account are some of the illustrative initiatives that have drawn praise from all quarters. The Centralized Processing Center (CPC) at Bengaluru has been able to reduce the time taken to process Income Tax Returns that were e-filed. Introduction of Refund Banker Scheme has resulted in huge drop in refund related grievances as refund is issued immediately after being raised. PAN related services have also been outsourced for better taxpayer services. Stabilization of Form 26AS, that includes the detail of tax paid by taxpayers, has resulted in faster processing of returns of income. Form 16A is now to be compulsorily generated online on the basis of the TDS return filed by the deductor. Similarly, from FY 2013-14, Form 16 shall also be required to be compulsorily generated online. This will ensure stability of data and reduce TDS mismatching. CPC-TDS at Ghaziabad is expected to be operational this Financial Year and will be a major step in boosting the efficiency of the Income tax Department.

FINANCIAL REVIEW

STATEMENT SHOWING ACTUAL EXPENDITURE VIS-A-VIS BE/RE PROVISIONS FOR THE YEARS 2010-11, 2011-12 AND 2012-13

(₹ in crore)

Description	Major Head	2010-11 B.E	2010-11 R.E.	2010-11 Actual	2011-12 B.E	2011-12 R.E.	2011-12 Actual	2012-13 B.E	2012-13 R.E	2012-13 Actual Up to 31.12.12
REVENUE SECTION										
Collection of taxes on income and expenditure	**2020**	2773.88	2666.93	2630.50	2901.45	2916.78	2904.45	2994.40	3218.97	2444.32
Collection of Estate Duty, Taxes on Welath and Gift Tax *	**2031**	71.12	68.38	67.45	74.40	74.79	74.40			0.00
Collection of Taxes on Wealth, Security Transaction Tax and Other Taxes								76.78	82.54	0.00
TOTAL REVENUE SECTION		**2845.00**	**2735.31**	**2697.95**	**2975.85**	**2991.57**	**2978.85**	**3071.18**	**3301.51**	**2444.32**
CAPITAL SECTION										
Purchase of ready built office buidling	**4059**	1663.00	1561.59	1527.23	877.70	317.51	256.53	777.48	426.20	41.65
Purchase of ready built residential buidling	**4216**	15.00	47.41	43.41	27.00	5.00	3.18	30.00	6.00	0.46
Acquisition of immovable property under Income Tax Act	**4075**	1.00	1.00	1.65	1.00	1.70	1.29	1.80	1.80	0.65
TOTAL CAPITAL SECTION		**1679.00**	**1610.00**	**1572.29**	**905.70**	**324.21**	**261.00**	**809.28**	**434.00**	**42.76**
GRAND TOTAL		**4524.00**	**4345.31**	**4270.24**	**3881.55**	**3315.78**	**3239.85**	**3880.46**	**3735.51**	**2487.08**

* Estate Duty Tax(Gift Tax -abolished) merged with Other Taxes and is not in operation w.e.f. 1-4-2012.

OBJECT HEAD-WISE EXPENDITURE VIS-A-VIS BE/RE FOR THE YEARS 2010-11, 2011-12 AND 2012-13

(₹ in crore)

Description	2010-11			2011-12			2012-13		
	B.E	R.E.	Actual	B.E	R.E.	Actual	B.E	R.E	Actual Up to 31.12.12
Revenue Section									
Salaries	1700.00	1710.25	1689.62	1831.55	1781.17	1779.98	1923.67	2002.09	1652.60
Wages	18.00	17.00	16.72	17.00	17.00	17.17	18.36	18.15	13.38
Overtime Allowance	1.00	0.80	0.65	0.80	0.80	0.56	0.80	0.50	0.30
Medical Treatment	21.00	21.00	20.35	22.00	25.00	23.36	22.00	21.00	13.58
Domestic Travel Expenses	35.00	35.00	35.91	35.00	45.00	43.77	40.00	44.00	30.68
Foreign Travel Expenses	1.10	1.10	0.66	1.10	2.10	1.17	2.10	1.80	0.70
Office Expenses (Charged)	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office Expenses (Voted)	499.98	450.94	464.49	513.90	522.80	534.83	514.00	516.30	354.95
Rent Rates&Taxes	200.00	160.00	142.77	180.00	147.00	116.62	160.00	130.00	85.99
Publications	2.80	2.50	2.38	2.80	2.80	2.74	2.80	2.52	1.62
BCTT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Administrative Expenses	10.30	17.42	17.62	23.30	29.40	26.22	34.15	34.37	25.25
Adv. & Publicity	40.00	80.00	78.36	80.00	100.00	78.35	80.00	79.00	38.33
Minor Works	9.00	7.50	6.14	8.00	8.00	6.61	8.00	8.00	1.85
Professional Services	23.00	23.00	21.98	26.00	30.00	31.3	26.00	30.96	16.39
Grants-in-aid	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00
Contributions	0.30	0.30	0.19	0.40	0.40	0.37	0.40	0.40	0.24
Secret Service Expenses	4.00	4.25	4.54	4.50	5.60	5.55	9.40	8.46	4.03
Other Charges	4.50	4.25	3.34	4.50	4.50	3.11	4.50	3.96	1.06
Information Technology	275.00	200.00	192.21	225.00	270.00	307.14	225.00	400.00	203.37
TOTAL REVENUE SECTION	**2845.00**	**2735.31**	**2697.97**	**2975.85**	**2991.57**	**2978.85**	**3071.18**	**3301.51**	**2444.32**

(₹ in crore)

Description	2010-11			2011-12			2012-13		
	B.E	R.E.	Actual	B.E	R.E.	Actual	B.E	R.E	Actual Up to 31.12.12
Capital section									
MH-4059 Purchase of ready built office buidling	1663.00	1561.59	1527.23	877.70	317.51	256.53	777.48	426.20	41.65
MH-4216 Purchase of ready built residential buidling	15.00	47.41	43.41	27.00	5.00	3.18	30.00	6.00	0.46
MH-4075 Acquisition of immovable property under Income Tax Act	1.00	1.00	1.65	1.00	1.70	1.29	1.80	1.80	0.65
TOTAL CAPITAL SECTION	**1679.00**	**1610.00**	**1572.29**	**905.70**	**324.21**	**261.00**	**809.28**	**434.00**	**42.76**
GRAND TOTAL	**4524.00**	**4345.31**	**4270.24**	**3881.55**	**3315.78**	**3239.85**	**3880.46**	**3735.51**	**2487.08**

Summerized position of Schemes under Outcome Budget 2013-14

(₹ in crore)

Sl. No.	Scheme	2010-11			2011-12			2012-13		
		B.E	R.E.	Actual	B.E	R.E.	Actual	B.E	R.E	Actual Up to 31.12.12
1	Scheme under óInformation Technologyô in respect of Major Head 2020 - Collection of Income Tax - Non-Plan	275.00	200.00	192.21	225.00	270.00	307.14	225.00	400.00	203.37
2	Purchase of Office Accommodation	1663.00	1561.59	1527.23	877.70	317.51	256.53	777.48	426.20	41.65
3	Purchase of Ready Built Flats	15.00	47.41	43.41	27.00	5.00	3.18	30.00	6.00	0.46
	TOTAL	**1953.00**	**1809.00**	**1762.85**	**1129.70**	**592.51**	**566.85**	**1032.48**	**832.20**	**245.48**
	Percentage with reference to RE			97.45			95.67			29.50

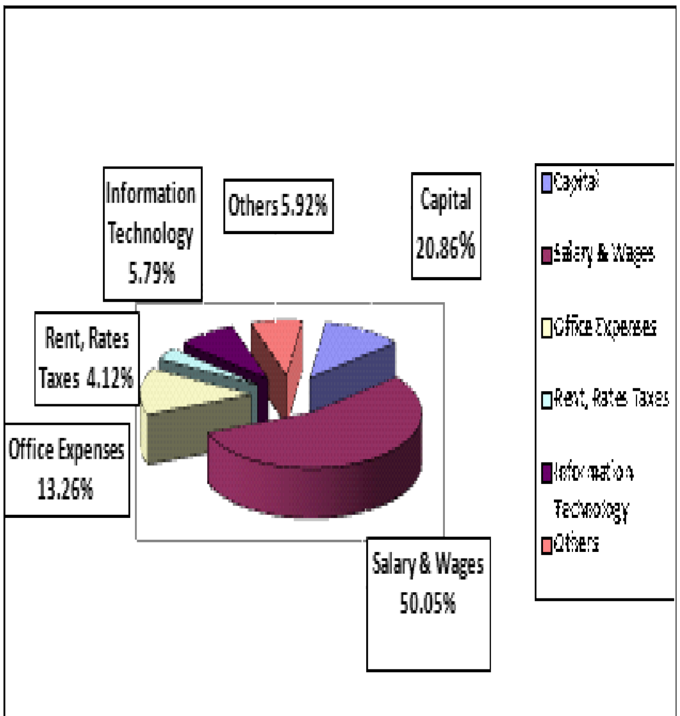
Analysis of Expenditure Trends in Grant No. 42 – Direct Taxes

During 2012-13, total expenditure incurred upto 31 December 2012 is ₹ 2487.08 Crore which works out to be 64.09% of total BE Provision 2012-13. Out of this, the expenditure under Revenue Section is ₹ 2444.32 Crore which is 79.59% of BE Provision 2012-13 under this section. Provision for óSalariesô is ₹ 1923.67 crore against which the expenditure upto 31 December 2012 is ₹1652.60 crore. Another major constituent of expenditure under Revenue Section is óOffice Expensesô with a BE Provision of ₹ 514.00 Crore against which expenditure incurred upto 31 December 2012 is ₹ 354.95 Crore. Information Technology (O.E.) is other important constituent for which provision of ₹ 225 crore has been made in B.E. against which the expenditure upto 31 December 2012 is ₹ 203.37 Crore. Under óCapital Sectionô, the expenditure upto 31 December 2012 is ₹ 42.76 Crore which works out to be 5.28% of BE Provision under this section. The Expenditure under óCapital Sectionô will look healthier once a major chunk of ₹ 300.00 crore provided under this segment is paid to MCD, Delhi for Civic Center project. The payment will mature in last quarter of the year. Major constituents of B.E. 2012-13 are depicted below-

The percentage allocation of sanctioned grant under various object head is as under

(₹in Crores)

PARTICULARS	B.E.2012-13	PERCENTAGE
CAPITAL	809.28	20.86
SALARY & WAGES	1942.03	50.05
OFFICE EXPENSES	516.30	13.26
RENT, RATES & TAXES	160.00	4.12
INFORMATION TECHNOLOGY	225.00	5.79
OTHERS	227.85	5.92
TOTAL	**3880.46**	**100**



: In the view of the current trend of expenditure and also the physical progress of work, the provisions in R.E. 2012-13 has been kept at ₹ 3735.51 crore(gross).

ANNEXURE

Grant No.43 – Direct Taxes (Earlier 42)

Statement on Surrender and Savings during the Financial Year 2011-12

During the Financial Year 2011-12 against a budgetary provision of Rs.3897.27 crore including the Supplementary Grants an expenditure of Rs.3239.85 crore was incurred during the year resulting in a savings of Rs.657.42 crore. These saving are the net effect of the total savings of Rs.900.62 crore and total excess for Rs.243.20 crore under various sub heads of the Revenue and Capital Section of the Grant.

Major savings have been segregated into the following categories:

i) Normal Savings : Savings resulting from economic use of Resources

(₹in Crores)

Sl. No.	Sub Head/Scheme/Programme	Savings	Remarks /Reasons
1	Research,Statistics and Publication	7.06	Less requirement of administrative expenses. Out of this Rs.6.24 crore re-appropriated to other heads.
2.	Organisation and Management Service	2.26	Less requirement of administrative expenses.
3	Intelligence	5.53	Less requirement of administrative expenses . This amount was re-appropriated to other heads.
4.	Commissioner and their Offices	238.32	Less requirement of administrative expenses . Out of this Rs.237.08 crore re-appropriated to other heads.
5.	Zonal Accounts Offices of PC CA	3.12	Less requirement of administrative expenses.

(ii) Under/Non utilization : Saving due to non-implementation/delay in execution of projects/schemes; and

Sl. No.	Sub Head/Scheme/Programme	Savings	Remarks /Reasons
1	Capital Outlay on Public Works (Office Building)	604.00	Rs 600.00 crore provided in BE for Purchase of Office accommodation at Civic Centre, Minto Road, New Delhi for making payment of Final tranche to MCD had to be surrendered in RE considering the stage of completion of the project. Rs.4.00 crore was provided for guest house at Golf Links, New Delhi. The project could not be started as agreement with NBCC could not be finalized.
Capital Outlay on Housing		23.82	Rs.15.00 crore was provided for Construction of residential cum office building at Nariman Point , Mumbai. Rs.8.00 crore was provided for Construction of residential complex including a community hall at Hadapsar, Pune. Both the projects could not be finalized.

(iii) Surrenders : savings due to obsolete/defunct project/scheme or due to completion of a project/scheme and the funds are no more required.

Sl. No.	Sub Head/Scheme/Programme	Savings	Remarks /Reasons
1	Capital Outlay on Public Works (Office Building)	17.17	Construction and furnishing of Office Building at Saket, New Delhi. The project has been shelved.

Note : *This annexure is included in compliance of O.M. No.7(1)-B(AC)/2011 dated 23.03.2012 of Budget Division regarding segregation of savings, due to normal Savings, under /non-utilisation & surrender of funds for the financial year 2011-12 as desired by the Standing Committee on Finance in its 33rd Report.*

INDIRECT TAXES
INTRODUCTION

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

- i. Directorate of Central Excise Intelligence
- ii. Directorate of Revenue Intelligence
- iii. Directorate of Inspection
- iv. Directorate of Human Resource Development
- v. National Academy of Customs, Excise and Narcotics
- vi. Directorate of Vigilance
- vii. Directorate of Systems
- viii. Directorate of Data Management
- ix. Directorate of Audit
- x. Directorate of Safeguards
- xi. Directorate of Export Promotion
- xii. Directorate of Service Tax
- xiii. Directorate of Valuation
- xiv. Directorate of Publicity and Public Relations
- xv. Directorate of Logistics
- xvi. Directorate of Legal Affairs
- xvii. Office of Chief Departmental Representative
- xviii. Central Revenues Control Laboratory

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

The Demand covers provision for a work force of 53,458 officers and staff, of which 30.97% are gazetted officers and the remaining are non-gazetted employees.

The activities indicating 'outlays' and 'outcomes' for the financial year 2013-14 are given in the subsequent statement.

STATEMENT OF OUTLAYS AND OUTCOMES 2013-14

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2013-14 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i) Non-Plan	4(ii) Plan				
1.	Major Head 2037 and 2038 - Information Technology	Strengthening of IT capability for e-governance	152.00	NIL	- Setting up of an All-India Wide Area Network.	Country-wide connectivity of all offices under CBEC to the National Data Centre, Business Continuity and Disaster Recovery Sites.	The Wide Area Network (WAN) has been implemented by BSNL at 528 CBEC sites. The implementation of the WAN project has been completed except for sites facing shifting or other force majeure issues. Helpdesks have been provisioned for addressing WAN issues. Additional locations are being brought under the WAN project.	The WAN is under operational support and maintenance. Internet bandwidth at DC and DR has been increased to enable filing of Central Excise and Service Tax returns which has been made mandatory. Dedicated Connectivity between data Centre and Disaster Recovery Site has been provisioned to ensure faster replication of data to DR Increase in bandwidth at major locations is being provisioned to cater to increased demand.

1	2	3	4		5	6	7	8
			4(i) Non-Plan	4(ii) Plan				
					- Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	Acquiring of new generation servers and storage equipment to provide centralized computing, data storage, security infrastructure, facilities management and related functionalities to all Departmental and external users accessing the CBEC system. All relevant applications would be hosted on the centralized infrastructure.	The project has been implemented. Equipment has been installed and commissioned and System Acceptance milestone reached, i.e. applications for customs and central excise and service tax have been ported and are running from the three national data centres. Personnel have been deployed for extending Facility Management support for five years.	AWARDS & CERTIFICATIONS. ISO 27001 certification in July 2011-The project was certified for compliance to ISO 27001 standards of Information Security by STQC (a body under Dept. of IT) "Security in e-governance "award by Data Security Council of India (DSCI) in December, 2012.
					- Provision of local area network to all departmental users	Provision of local area network to all Departmental users.	Local Area Network Connectivity has already been provided to CBEC users in 1166 buildings with requisite IT hardware such as Thin Clients, Network Printers, Print Servers, and Scanners etc.	The LAN has been implemented and is under technical support and maintenance. The facilities are being enhanced to meet the demand for additional nodes and equipment such as line printers.
					- Establishment of Data Warehouse	CBEC would become a centralized repository of all Customs, Central Excise and Service	The project has been implemented and is now under maintenance. Various Analytical reports on Customs,	The Data Warehouse is under technical support and maintenance.

1	2	3	4(i) Non-Plan	4(ii) Plan	5	6	7	8
						Tax Data. This would be available to all user groups over the MPLS network (CBEC WAN) with user friendly interface, for analytical reporting purposes including data mining.	Central Excise and Service Tax (both returns and payments data) have been developed and hosted on the EDW portal, using the ' best of breed' Business Intelligence software tools. Sophisticated data analysis has been taken up by the statistical service centre set up as part of the DDW Project..	Additional licences are being procured for CBEC officers for facilitating access to the data Warehouse and training sessions for field formations have been organized. Requests for data from the Board, TRU and other offices are also being processed on day to day basis.
					- Automation of Central Excise & Service Tax (ACES)	Ensuring a large degree of transparency and reduced interface with Central Excise and Service Tax assessees through automated workflow of all business processes.	ACES has been implemented in all 104 Central Excise and Service Tax Commissionerates.	The ACES project has been implemented and is under technical support and maintenance. Additional functionalities are planned such as detailed MIS Reports covering Central Excise and Service Tax Registration, Returns, Audit and Refunds. Further, the ACES website

1	2	3	4		5	6	7	8
			4(i) Non-Plan	4(ii) Plan				
								is being made bilingual and integration of ACES with the e-Biz project of Department of Commerce and Industry is being implemented.
					- Gateway Project for Customs upgradation	The Gateway project aims to link the Customs community through a single network. E-filing of Customs document and e-payment of custom duty through this project has improved excellence in Customs business process like on-line assessment, duty payment and clearance etc. The up gradation exercise for the gateway project is for development of capabilities to handle electronic transaction in a consolidated environment and enhancement of quality of service delivery to the Customs Trading Partners. It has also established seamless	Migration from the ICES 1.0 to the upgraded version of the Customs EDI System (ICES 1.5) was completed for all 41 Customs locations in April 2011. The upgraded version of the Customs EDI System (ICES, version 1.5) has been implemented at 111 Customs locations. ICEGATE for ICES 1.5 is now operational at 111 Customs locations too. It also shares huge amount of data with the help of more than 127 messages, exchanged with various trade partner and other Govt. agencies.	ICES 1.5 is now implemented at 111 Customs locations. New functionalities included in the application include facility for online refund of service tax, online registration of DFIA licences, centralized bond management and e-payment of customs du ties from any of the authorized banks at any customs location. Other modules such as automation of precious cargo, greater integration with ACES and RMS, and online interface with SEZ are under development. At present 127

1	2	3	4		5	6	7	8
			4(i) Non-Plan	**4(ii) Plan**				
						data transmission amongst various Govt. Agencies.		messages are exchanged between customs and its Trade Partners through ICEGATE. Mandatory e-payment multiple challan facility under new e-payment gateway has been introduced, which has been appreciated by trade and industry at a large. Data transmission with e-PAO has already been established. Online transmission of documents and Licenses under Chapter-3 Reward Scheme between Customs and DGFT is abount to start. It is also proposed to implement the remaining messages with the Trade Partners finalized in consultation with them. Discussion on online interface with SEZ is in process.
					- Setting up of Risk Management System (RMS)	RMS seeks to provide trade facilitation and effective enforcement	A new version of Risk Management System (RMS 3.1) compatible	A upgraded version of Risk Management

1	2	3	4(i) Non-Plan	4(ii) Plan	5	6	7	8
						through intelligent interdiction of only high risk cargo for customs along with an an assured customs clearance procedure for special clients having good track record and who meet specified criteria identified by the Customs.	with the ICES 1.5 version has been implemented. The new version (RMS 3.1) is operational in79 Customs locations including the 23 locations where old version (RMS 2.7) was in existence.	System (RMS 3.1) compatible with the ICES 1.5 version has been implemented and is now rolled out in 79 customs locations. It is planned that the RMS will be implemented at additional sites and the extent of trade facilitation being provided will be enhanced. RMS for export cargo is also planned.
					- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	- The portal facilitates for 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 Bangalore, Chennai, Delhi and Mumbai.	Website for LTU has been set up.
					ICES development/ maintence of ICES 1.0 & 1.5 versions.	ICES 1.0 has been phased out and ICES 1.5 has been developed and rolled out at 109 Customs locations. Project is	ICES 1.5 is under maintenance. New modules to enhance functionalities and meet changes in policies are continuously developed	

1	2	3	4		5	6	7	8
			4(i) Non-Plan	**4(ii) Plan**				
						in maintenance phase along with development of additional modules.	and added to ICES 1.5.	
					Limited purpose proof of concept/pilot system for Establishment of Common Portal for Goods & Service Tax(GST)	Conducting As Is study of existing IT infrastructure and processes for all States/UT CTDs and Centre; development of the Registration, Returns and Payment modules of the pilot portal; DPR preparation for GST rollout and maintenance phase of six months for the developed applications.	Development phase for the modules of the pilot portal has ended and the delivery of AS Is reports and modules of the development phase have been presented and discussed at various forums of Centre and States.	The pilot is currently in maintenance phase.
2.	Major Head 4047 - Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	17.95	NIL	In Category-II also, all vessels were received. This completes the procurement of all 109 Marine Vessels.	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 was placed with the Boat Builder in December, 2008. In Category-IIIA and IIIB, all vessels (30 in III-	____

1	2	3	4(i) Non-Plan	4(ii) Plan	5	6	7	8
							A and 33 in III-B) were delivered by the Boat builder by June, 2009. In Category-I, delivery of all 24 vessels was completed by August, 2010. In Category-II, delivery of all 22 vessels was completed by December, 2012. Payment of cost of spares for Category I & II vessels as the list of spares and supply is expected to be finalized in the next financial year 2013-14.	
3.	Major Head 4047 - Acquisition of Anti-smuggling equipments	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improved Customs control through non-intrusive examination.	82.00	NIL	Installation of 3 Mobile Gamma Ray Scanners, placement of order and start of civil construction for 4 Fixed X-Ray Scanners at a total project cost of Rs.172.94 crore (recurring) and Rs.18.61 crore per annum (non-recurring)	Non-intrusive scanning of containers would start at Tuticorin, Chennai and Kandla Ports. Fixed scanners would be installed at Tuticorin, Chennai, Kandla and Mumbai Ports. The Scanning Systems will help in detection of larger number of cases of irregularities. This will also result in	3 mobile scanners and 4 fixed scanners are likely to be installed in 2013-14. The lease agreement for acquiring land for installation of 3 mobile scanners and 4 fixed scanners have been signed with the port authorities. The contracts for supply and installation of all 07 Scanners have been signed with eligible	The progress is being monitored by the Project Implementation Committee.

1	2	3	4(i) Non-Plan	4(ii) Plan	5	6	7	8
						increased revenue collection and fast clearance of cargo etc.	bidders.	
4.	Major Head 4059 - Acquisition of Office Accommodation	To meet shortfall in office accommodation	47.91	NIL	The purchase/acquisition 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.	For construction of a new office complex for National Academy of Customs, Excise & Narcotics (NACEN) at Bangalore. Purchase of building from UTI, Mumbai, payment of in respect of NBCC, Plaza and purchase of office building at Guwahati and for other small proposals likely to be made. -Payment of stamp duty and other charges to be made to local authority i.e. Municipal Corporation of Greater Mumbai in respect of building purchased from Specified Undertaking of Unit Trust of India in November, 2006 at Mumbai.	Payment in such cases depends on various formalities involving consultation with different concerned authorities.
5.	Major Head 4216 - Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	1.34	NIL	The purchase of residential accommodation will bridge the shortfall in requirement.	The availability of residential accommodation will lead to higher staff satisfaction resulting in enhanced motivation and productivity.	For purchase of 67 flats at National Games Housing Complex at Ranchi, payment of Rs. 12.04 crores made in two installments and balance payment of Rs. 1.24 crore will be made at the time of taking as possession.	The developer is to obtain occupancy and Completion Certificate.

REFORM MEASURES AND POLICY INITIATIVES
CENTRAL BOARD OF EXCISE & CUSTOMS

Initiatives on Computerization and Automation

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

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

a) Speedier Clearance of Cargo.

b) Reduction in number of stages, transaction time and costs.

c) E-filing of customs documents through the Gateway, on line assessment, duty payment and clearance procedures.

d) E-payment of customs duty through Nationalised banks with Core Banking Solution.

e) Electronic Credit of drawback into the bank.

f) Interactive voice response systems like tele-enquiry, touch screen kiosks, SMS etc.

g) Encouraging Voluntary Compliance.

h) Simplification of procedures.

i) Synergy between various tax systems.

j) Transparency.

k) Minimization of manual interface.

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

Large Tax Payers Units (LTUs)

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

Help Centres

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

Container Scanners

With the successful completion of Pilot Project with the installation of one Mobile Gamma Ray Container Scanner and one Fixed X-Ray Container Scanner at Jawaharlal Nehru Port Trust (JNPT), Nhava Sheva, Mumbai, a major step was taken towards facilitation of cargo clearance, efficient handling of increased volume of container traffic and improved customs control through non-intrusive examination. In view of encouraging results, the procurement process for 3 Mobile Gamma Ray Scanners and 4 Fixed X-Ray Scanners at other major ports at a cost of Rs.172.94 crores (non-recurring) and Rs.18.61 crore per annum (recurring) has started after obtaining Cabinet clearance in October, 2006. Tender for acquisition of 3 Mobile Scanners for installation at Kandla, Chennai and Tuticorin was re-floated in January, 2009 and tender for procurement of 4 Fixed Scanners for installation at Kandla, Chennai, Tuticorin and Mumbai were floated in November, 2008. Sanction for acquisition of Mobile Scanners has been issued on 6th August, 2010 and for acquisition of Fixed Scanners on 24th September, 2010. The lease agreement for acquiring land for installation of 3 mobile scanners and 4 fixed scanners have been signed with the Port Authorities. The contract for supply and installation of all seven scanners have been signed with the eligible bidders. The three mobile scanners and four fixed scanners are scheduled to be start in 2013-14.

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 to enforce Import/Export provisions of Customs Act has been duly acknowledged, especially in view of the growing threats of smuggling of arms and ammunition for terrorism and anti-national activities and that of narcotics drugs. A review of the existing fleet and future requirements was made and proposal for replacing outlived, old and dilapidated vessels with modernized and fast moving vessels in a phased manner at a cost of Rs.277.27 crore was cleared by the Cabinet in February,

2007. Under the plan, customs organization was to get 109 modern vessels of different categories with the following features and purposes:-

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

All vessels in Category-I, Category-II, Category-IIIA and Category-IIIB have been received and deployed under user Commissionerates to carry out anti smuggling operations.

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, CBEC has sanctioned/allocated Rs.160.44 crores upto 31.01.2013 for various purposes viz.:-

- Capacity building/improvement of infrastructure in Central Excise and Customs Ranges.
- Capacity building towards training facilities at NACEN.
- Capacity building for PAOs.
- Provision of Laptops to officers in the field formations towards improvement in monitoring of tax collection, investigation and intelligence work.
- Hiring of vehicles for increasing organisational efficiency and outdoor preventive activities.

Review of Past Performance

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2011-12

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2011-12 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31st Mar 2012
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1.	Major Head 2037 and 2038 - Information Technology	Strengthening of IT capability for e-governance	150.00	150.00				The expenditure incurred during the FY 2011-12 was Rs.144.31 crores.
					- Setting up of an All-India Wide Area Network (WAN).	Country-wide connectivity of all offices under CBEC to the National Data Centre, Business Continuity and Disaster Recovery Sites.	The Wide Area Network (WAN) has been implemented.	An All India Wide Area Network linking over 500 buildings to the National Data Centre, Data Replication and DR Site has been set up to link CBEC officers with the national data centre and disaster recovery site. The Wide Area Network (WAN) has been implemented except for sites facing force majeure issues. Helpdesks have been provisioned to address user complaints on MPLS WAN connectivity.

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
					- Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	The Department would be acquiring new generation servers and storage equipment to provide centralized computing, data storage, security infrastructure, facilities management and related functionalities to all Departmental and external users accessing the CBEC system. All relevant applications would be hosted on the centralized infrastructure.	The project has been implemented. Equipment has been installed and commissioned and System Acceptance milestone reached, i.e. software applications for customs and central excise and service tax have been ported and are running from the three national data centres. Personnel have been deployed for extending Facility Management support for five years.	The project has been implemented, i.e. Equipment has been installed and commissioned and System Acceptance milestone reached, i.e. software applications for customs and central excise and service tax have been ported and are running from the three national data centres. Personnel have been deployed for extending Facility Management support for five years. Additional information related to the project is as follows: A Network Operations Centre (NOC) has been set up for providing support for applications users and pro-active monitoring of the infrastructure. A helpdesk is in operation for

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
								infrastructure and applications support for operations and resolution of the end user problems. A Single Sign-on (SSO) application has also been configured and rolled out for providing policy based access for CBEC's officers to different applications. SSO ids have been created for about 19,000 officers. The mail messaging solution has been made online from Data Center to provide official mail accounts to about 20,000 officers.
					- Provision of local area network (LAN) to all departmental users	Provision of local area network to all Departmental users.	Local Area Network Connectivity has already been provided to CBEC users in 1166 buildings with requisite IT hardware such as Thin Clients, Network Printers, Print Servers, and Scanners etc.	Local Area Network Connectivity has already been provided to CBEC users in about 1180 buildings with requisite IT hardware such as Thin Clients, Network Printers,

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
								Print Servers, and Scanners etc. Using LAN, the Commissionerates, Customs Houses, Directorates, Divisions, ICDs, Land Customs Stations and the Central Excise/ Service Tax Ranges are able to securely connect/access the central computing facility. With this the LAN Project has been completed except for sites facing shifting or other force majeure issues. Helpdesks have been provisioned to address user complaints on LAN issues.
					- Establishment of Data warehouse.	CBEC would become a centralized repository of all Customs, Central Excise and Service Tax Data. This would be available to all user groups over the MPLS network (CBEC WAN) with user friendly interface, for analytical reporting purposes including data mining.	The data warehouse has been implemented.	CBEC's Enterprise DW called SmartView has been rolled out for Departmental users and comprehensive end-use training has been imparted to a large number of officers. (This has enabled, for the first time, a 360 degree view of the

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
								taxpayer across Customs, Central Excise & Service Tax. Smart View has a user - friendly interface for accessing pre-defined reports and multi - dimensional analysis, along with an ad-hoc query facility. It also has data mining and text mining capabilities, which are being used to assist RMD in profiling entities involved in Import and Export. Further, the Data Warehouse is also catering to data request from agencies outside CBEC (such as Ministry of Commerce and Industry, CAG, Competition Commission etc). Around 75 Customs, Central Excise and Service Tax pre-defined reports have been developed so far in the Data

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
								Warehouse based on requirements taken from various field offices, Directorates (such as DRI, DGoV, DGCEI), TRU, Board etc. These reports are available to the user through CBECs applications' interface with a click of the mouse. Additionally, the TAX 360 project has been implemented as an extension of CBEC's Data warehouse project. It enables Seamless Data Exchange between CBEC, CBDT and the Sales Tax Administration of the State of Maharashtra, and allows a 360 degree view of a taxpayer across Income Tax, Service Tax, Central Excise, Customs and State VAT. Other States such as Gujarat have sent requests for implementation of similar projects for their States.

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					-Automation of Central Excise & Service Tax (ACES)	Ensuring a large degree of transparency and reduced interface with Central Excise and Service Tax assesses through automated workflow of all business processes.	ACES has been implemented in all 104 Central Excise and Service Tax Commissionerates.	All India roll out of ACES with all modules was completed on 23.12.2009 in all 104 Commissionerates of Central Excise and Service Tax.
					- Gateway Project for Customs upgradation	The Gateway project aims to link the Customs community through a single network. E-filing of Customs document through this project has improved on-line assessment, duty payment and clearance procedure. The upgradation exercise for the gateway project is for development of capabilities to handle electronic transaction in a consolidated environment and enhancement of quality of service delivery to the Customs Trading Partners.	The upgraded version of the Customs EDI System (ICES, version 1.5) has been implemented at 103 Customs locations.	Migration of the Customs EDI System to the upgraded version (ICES 1.5) has been completed. The upgraded version of the Customs EDI System (ICES, version 1.5) has been implemented at 103 Customs locations.
					- Setting up of Risk Management System (RMS)	RMS seeks to provide trade facilitation and effective enforcement through intelligent interdiction of only high risk cargo for customs along with an an assured	A new version of Risk Management System (RMS 3.1) compatible with the ICES 1.5 version has been implemented.	With the migration of ICES from version 1.0 to version 1.5, a new version of Risk Management System (RMS 3.1)

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
						customs clearance procedure for special clients having good track record and who meet specified criteria identified by the Customs.	The new version (RMS 3.1) is operational in 69 Customs locations including the 23 locations where old version (RMS 2.7) was in existence.	compatible with the ICES 1.5 version has been implemented. The new version (RMS 3.1) is operational in 69 Customs locations including the 23 locations where old version (RMS 2.7) was in existence.
					- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	- An LTU specific website has been developed. The LTUs are currently operational at Bangalore, Chennai, Delhi and Mumbai. Other LTU at Kolkata is planned to be operationalised during 2010.		Website for LTU has been set up. LTUs are currently operational at Bangalore, Chennai, Delhi and Mumbai.
2.	Major Head 4047 - Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	13.50	38.27	In Category-II, 08 vessels are expected to be delivered to the Department during 2011-12.	Modern fast vessels will strengthen anti-smuggling capability of Customs Department. Improved coastal security will greatly help in curbing smuggling of dangerous/prohibited goods, prevention of environment hazards and protection of endangered species.	------	The orders for procurement of Category I, III A and III B vessels numbering 87 were placed to the Boat Builders in the month of March, 2007. Order for supply of Category II vessels numbering 22 was placed with the Boat

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
								Builder in December, 2008. In Category-IIIA and IIIB, all vessels (30 in III-A and 33 in III-B) were delivered by the Boat builder by June, 2009. In Category-I, delivery of all 24 vessels was completed by August, 2010. In Category-II, all 22 vessels have been received by December, 2012
3.	Major Head 4047 - Acquisition of Anti-smuggling equipments	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improved Customs control through non-intrusive examination.	70.00	43.65	Installation of 3 Mobile Gamma Ray Scanners, placement of order and start of civil construction for 4 Fixed X-Ray Scanners at a total project cost of Rs.172.94 crore (recurring) and Rs.18.61 crore per annum (non-recurring)	Non-intrusive scanning of containers would start at Tuticorin, Chennai and Kandla Ports. Fixed scanners would be installed at Tuticorin, Chennai, Kandla and Mumbai Ports. The Scanning Systems will help in detection of larger number of cases of irregularities. This will also result in increased revenue collection and fast clearance of cargo etc.	3 mobile scanners and 4 fixed scanners are likely to be installed in 2011-12 and 2012-13 respectively. Sanctions for award of contract to eligible bidders have been issued on 6th August, 2010 in respect of mobile scanners and on 24th September, 2010 in respect of fixed scanners. Supply orders have not been placed with the selected bidders as land for installation of	The contracts of installation of fixed x-ray scanners at Chennai and Tuticorin have been signed. Progress of the project depends on acquisition of land from the Port authorities and timely approval from statutory authorities. The progress is being monitored by the Project Implementation Committee.

1	2	3	4		5	6	7	8
			4(i) BE	**4(ii) RE**				
							scanners is yet to be handed over to the Customs Department by the concerned Port Authorities.	
4.	Major Head 4059 - Acquisition of Office Accommodation	To meet shortfall in Office Accommodation	40.00	7.00	The purchase of office accommodation will bridge the shortfall in requirement of office space.	-Further payment in respect of office space in NBCC building, Saket, New Delhi purchased in March, 2008. -Payment of stamp duty and other charges to be made to local authority i.e. Mumbai Municipal Corporation in respect of building purchased from Specified Undertaking of Unit 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.	Payment in such cases depends on various formalities involving consultation with different concerned authorities.	For purchase of office space from NBCC in New Delhi for use by CBEC, an advance payment of Rs.30.00 crore was made in March, 2008. Part payment of Rs.7.95 crore was also made to NBCC up to March, 2010 on completion of 75% of interior work in the office space. Other payment has not been made as the completion certificate has not been obtained by the NBCC which is necessary for execution of sublease agreement between NBCC and CBEC. Payment of stamp duty and other

1	2	3	4		5	6	7	8
			4(i) BE	**4(ii) RE**				
								charges in respect of building purchased from SUUTI at Mumbai payable to local authority i.e. Municipal Corporation of Greater Mumbai is still pending as dispute regarding rate of stamp duty is yet to be settled. Other proposals for purchase of office accommodation from TNSCB at Chennai and office space for LTU, Kolkata have been dropped.
5.	Major Head 4216 - Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	4.00	4.00	The purchase of residential accommodation will bridge the shortfall in requirement.	Payment for purchase of residential premises at Shillong and other payments in respect of other ongoing projects likely to be made.	The proposals involve obtaining clearance from CPWD, Ministry of Urban Development, SFC etc. after following the due procedure prescribed in GFRs.	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. Proposal for purchase of residential accommodation at Shillong has not been finalised. Against RE of Rs.4.00 crore, the actual expenditure was Rs.0.82 crore.

STATUS OF OUTCOME WITH REFERENCE TO OUTLAYS 2012-13

S. No.	Name of the Scheme/ Programme	Objective/Outcome	Outlay 2012-13 (₹ In Crore)		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Risk Factors	Status as on 31st Dec 2012
1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
1.	Major Head 2037 and 2038 - Information Technology	Strengthening of IT capability for e-governance	150.00	178.00	- Setting up of an All-India Wide Area Network.	Country-wide connectivity of all offices under CBEC to the National Data Centre, Business Continuity and Disaster Recovery Sites.	The Wide Area Network (WAN) has been implemented.	Against RE of Rs.178.00 crore, the expenditure up to December, 2012 is Rs.77.21 crore. The WAN is under operational support and maintenance. Increase in bandwidth is being provisioned to cater to increased demand. Provision of internet bandwidth is planned to enable filing of Central Excise and Service Tax returns which has been made mandatory. Alternate connectivity between data Centre and Disaster Recovery Site is being provided to ensure redundancy.

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					- Installation of Central servers (hardware, storage and security infrastructure) i.e. Systems Integration	Acquiring of new generation servers and storage equipment to provide centralized computing, data storage, security infrastructure, facilities management and related functionalities to all Departmental and external users accessing the CBEC system. All relevant applications would be hosted on the centralized infrastructure.	The project has been implemented. Equipment has been installed and commissioned and System Acceptance milestone reached, i.e. applications for customs and central excise and service tax have been ported and are running from the three national data centres. Personnel have been deployed for extending Facility Management support for five years.	The project has been implemented and is under Facilities Management.
					- Provision of local area network to all departmental users	Provision of local area network to all Departmental users.	Local Area Network Connectivity has already been provided to CBEC users in 1166 buildings with requisite IT hardware such as Thin Clients, Network Printers, Print Servers, and Scanners etc.	The LAN has been implemented and is under technical support and maintenance. The facilities are being enhanced to meet the demand for additional nodes and equipment such as line printers.
					- Establishment of Data Warehouse	CBEC would become a centralized repository of all Customs, Central Excise and Service Tax Data. This would	The Data Warehouse has been implemented.	The Data Warehouse is under technical support and maintenance. Additional licences

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
						be available to all user groups over the MPLS network (CBEC WAN) with user friendly interface, for analytical reporting purposes including data mining.		are being procured for CBEC officers for facilitating access to the data Warehouse. It is planned that the TAX 360 pilot project implemented for Seamless Data Exchange between CBEC, CBDT and the Sales Tax Administration of the State of Maharashtra shall be extended to other States.
					- Automation of Central Excise & Service Tax (ACES)	Ensuring a large degree of transparency and reduced interface with Central Excise and Service Tax assessees through automated workflow of all business processes.	ACES has been implemented in all 104 Central Excise and Service Tax Commissionerates.	The ACES project has been implemented and is under technical support and maintenance. Additional functionalities are planned such as detailed MIS Reports covering Central Excise and Service Tax Registration, Returns, Audit and Refunds. Further, the ACES website is being made

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
								bilingual and integration of ACES with the e-Biz project of Department of Commerce and Industry is being implemented.
					- Gateway Project for Customs upgradation	The Gateway project aims to link the Customs community through a single network. E-filing of Customs document through this project has improved on-line assessment, duty payment and clearance procedure. The up gradation exercise for the gateway project is for development of capabilities to handle electronic transaction in a consolidated environment and enhancement of quality of service delivery to the Customs Trading Partners.	Migration from the ICES 1.0 to the upgraded version of the Customs EDI System (ICES 1.5) was completed for all 41 Customs locations in April 2011. The upgraded version of the Customs EDI System (ICES, version 1.5) has been implemented at 111 Customs locations. ICEGATE for ICES 1.5 is now operational at 111 Customs locations.	ICES 1.5 is now implemented at 103 Customs locations. New functionalities included in the application include facility for online refund of service tax, online registration of DFIA licences, centralized bond management and e-payment of customs du ties from any of the authorized banks.. Other modules such as automation of precious cargo, greater integration with ACES and RMS, and online interface with SEZ are under development. At present 103

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
								messages are operational between customs and its Trade Partners through ICEGATE. New functionalities proposed to be included in ICEGATE include mandatory e-payment through 17 Banks for all the Customs locations, implementation of online transfer of licenses such as DFIA, reward scheme etc. and implementation of e PAO. It is also proposed to implement the remaining messages with the Trade Partners finalized in consultation with them and to implement messages for online interface with SEZ.

1	2	3	4(i) BE	4(ii) RE	5	6	7	8
					- Setting up of Risk Management System (RMS)	RMS seeks to provide trade facilitation and effective enforcement through intelligent interdiction of only high risk cargo for customs along with an assured customs clearance procedure for special clients having good track record and who meet specified criteria identified by the Customs.	A new version of Risk Management System (RMS 3.1) compatible with the ICES 1.5 version has been implemented. The new version (RMS 3.1) is operational in79 Customs locations including the 23 locations where old version (RMS 2.7) was in existence.	A upgraded version of Risk Management System (RMS 3.1) compatible with the ICES 1.5 version has been implemented and is now rolled out in 69 customs locations. It is planned that the RMS will be implemented at additional sites and the extent of trade facilitation being provided will be enhanced. RMS for export cargo is also planned.
					- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.	- The portal facilitates tax payers in their interaction with Central Excise & Service Tax and Income Tax/ Corporate Tax. There will be 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 Bangalore, Chennai, Delhi and Mumbai.	Website for LTU has been set up.
2.	Major Head 4047 - Preventive Functions - Acquisition of ships and fleets	Strengthening Anti-smuggling capability and improved coastal security	10.18	20.00	In Category-II, all vessels were delivered to the Department by December, 2012.	Modern fast vessels will strengthen anti-smuggling capability of Customs	-------------	The orders for procurement of Category I, III A and III B vessels

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
						Department. Improved coastal security will greatly help in curbing smuggling of dangerous/prohibited goods, prevention of environment hazards and protection of endangered species.		numbering 87 were placed to the Boat Builders in the month of March, 2007. Order for supply of Category II vessels numbering 22 was placed with the Boat Builder in December, 2008. In Category-IIIA and IIIB, all vessels (30 in III-A and 33 in III-B) were delivered by the Boat builder by June, 2009. In Category-I, delivery of all 24 vessels was completed by August, 2010. In Category-II, delivery of all 22 vessels was completed by December, 2012.
3.	Major Head 4047 - Acquisition of Anti-smuggling equipments	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improved Customs control through non-intrusive examination.	76.97	10.17	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 Ports. Fixed scanners would be installed at	The lease agreement for acquiring land for installation of 3 mobile scanners and 4 fixed scanners have been signed with the port authorities. The	Progress of the project depends on acquisition of land from the Port authorities and timely approval from statutory

1	2	3	4		5	6	7	8
			4(i) BE	**4(ii) RE**				
					(non-recurring) and Rs.18.61 crore per annum (-recurring)	Tuticorin, Chennai, Kandla and Mumbai Ports. The Scanning Systems will help in detection of larger number of cases of irregularities. This will also result in increased revenue collection and fast clearance of cargo etc.	contracts for supply and installation of all 07 Scanners have been signed with eligible bidders. 3 mobile scanners and 4 fixed scanners are scheduled to be installed in FY- 2013-14	authorities. The progress is being monitored by the Project Implementation Committee.
4.	Major Head 4059 - Acquisition of Office Accommodation	To meet shortfall in Office Accommodation	28.00	4.31	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.	-For construction of a new office complex for National Academy of Customs, Excise & Narcotics (NACEN) at Bangalore. Purchase of building from UTI, Mumbai, payment in respect of NBCC, Plaza and purchase of office building at Guwahati and for other small proposals likely to be made. . -Payment of stamp duty and other charges to be made to local authority i.e. Municipal Corporation of Greater Mumbai in respect of building purchased from Specified Undertaking of Unit Trust of India in November, 2006 at Mumbai.	Payment in such cases depends on various formalities involving consultation with different concerned authorities.

1	2	3	4		5	6	7	8
			4(i) BE	4(ii) RE				
5.	Major Head 4216 - Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	4.00	0.10	The purchase of residential accommodation will bridge the shortfall in requirement.	The availability of residential accommodation will lead to higher staff satisfaction resulting in enhanced motivation and productivity.	Lump-sum 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.

OVERALL PERFORMANCE

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

- Total Indirect Tax Revenues amounted to ₹ 3,90,894 crore in 2011-12 Union Excise Duties collection accounted for 37% (₹ 1,44,239 crore), Customs: 38% (₹ 1,49,300 crore) and Service Tax: 25% (₹ 97,355 crore).

- Indirect Tax Revenues have increased by 165.38% from ₹ 1, 47,294 crore in 2003-04 to ₹ 3, 90,894 crore in 2011-12.

- There has been 9.95% increase in Customs Duties collections and 5.26% increase in Union Excise Duties collections in 2011-12 with reference to previous year.

- Service Tax collections have increased by 37.32% in 2011-12 over previous year. However, Service Tax collections have shown phenomenal growth of 1133.74% from 2003-04 (₹ 7,891 crore) to 2011-12 (₹ 97,355 crore). The share of Service Tax in Indirect Tax Revenues has increased from 1% in 1995-96 to 24.90% in 2011-12.

- In 2012-13 up to December, 2012, Indirect Tax Revenue collections amounted to ₹ 3,07,649 crore constituting Union Excise Duties ï ₹ 1,08,646 crore, Customs Duties ï ₹ 1,18,744 crore and Service Tax ï ₹ 80,259 crore.

- Total Indirect Tax collection up to December, 2012 have shown growth of 35.59% over the comparative period of previous financial year. Union Excise Duties, Customs Duties and Service Tax collections respectively have increased by 26.44%, 22.79% and 26.44% over the collections in the comparative period of previous year.

- The cost of collection of Indirect Taxes from the year 2005-06 onwards are tabulated below:-

Cost of Collection

Head of Duty	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Customs	0.72%	0.56%	0.51%	0.72%	1.09%	0.67%	0.67%
Central Excise & Service Tax	0.67%	0.63%	0.64%	0.98%	1.32%	1.00%	0.96%

- Indirect Tax Revenues have fallen from 5.3% of GDP in 2004-05 to about 4.47% of GDP in 2010-11.

- 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 (₹ in lakh)	Average collection of revenue per employee (₹ in crore)
2009-10	4.20	4.37
2010-11	4.25	6.25
2011-12	5.68	7.31

E-Governance:

Directorate General of Systems has completed the implementation of the Information Technology (IT) Infrastructure Consolidation Project. The major infrastructure projects implemented as part of the Consolidation Project are:

(i) Wide Area Network (WAN) - An All India Wide Area Network linking 20,000 Departmental users to the National Data Centre, Data Replication and DR Site has been set up to link CBEC officers with the national data centre and disaster recovery site. The Wide Area Network (WAN) has been implemented except for sites facing force majeure issues. Helpdesks have been provisioned to address user complaints on WAN and LAN issues.

(ii) System Integration - Three National Data Centres, i.e. the Primary Data Centre and Business Continuity Site in New Delhi and the Disaster Recovery Site in Chennai have been set up. Servers, storage and security equipment, etc have been installed in the data centres and software applications have been ported and are running from these data centres.

A Network Operations Centre (NOC) has been set up for providing support for applications users and pro-active monitoring of the infrastructure.

A helpdesk is in operation for infrastructure and applications support for operations and resolution of the end user problems.

A Single Sign-on (SSO) application has also been configured and rolled out for providing policy based access for CBEC's officers to different applications. SSO ids have been created for about 19,000 officers.

The mail messaging solution has been made online from Data Center to provide official mail accounts to about 20,000 officers.

In July 2011, the Directorate General of Systems and Data Management, CBEC was certified to ISO/IEC 27001:2005 Standard.

(iii) Local Area Networks (LAN) - Local Area Network Connectivity has been provided to CBEC users in about 1160 buildings with requisite IT hardware such as Thin Clients, Network Printers, Print Servers, and Scanners etc. Using LAN, the Commissionerates, Customs Houses, Directorates, Divisions, ICDs, Land Customs Stations and the Central Excise/Service Tax Ranges will be able to securely connect/access the central computing facility.

CBEC's major applications are now hosted on a single network and computing facility. Details are as under:

Customs:

Migration from the ICES 1.0 to the upgraded version of the Customs EDI System (ICES 1.5) was completed for all 41 Customs locations in April 2011. ICES 1.5 is now implemented at over 100 Customs locations. New functionalities included in the application include facility for online refund of service tax which marks the initial steps in the integration of ICES with ACES, online registration of DFIA licences, centralized bond management. Other modules such as automation of precious cargo, greater integration with RMS, and online interface with SEZ are under development.

ICEGATE is an infrastructure project that fulfils the department's EC/EDI and data communication requirements. The ICEGATE portal that provides e-filing services to the trade and cargo carriers and other clients of the Customs Department. Through this facility the Department offers a host of services, including on-line, electronic filing of the Bill of Entry (import goods declaration), Shipping Bills (export goods declaration) and related electronic messages between Customs and the Trading Partners, document tracking, e-payment, online registration of IPR and links to various other important websites. using communication facilities (E-mail, Web-upload & FTP) using the communication protocols commonly used on the internet. Besides, data is also exchanged between Customs and the various regulatory and licensing agencies such as DGFT, RBI, and DGCIS through ICEGATE. All electronic documents/ messages being handled by the ICEGATE are processed at the Customs' end by the ICES 1.5 application.

In August 2011, the SKOCH Digital Inclusion Award for 2011 for e-governance was conferred on the ICEGATE Project. ICEGATE was also conferred the e-Asia award in November 2011 in Taipai by Asia Pacific Council for Trade Facilitation and Electronic Business (AFACT).

Risk Management System (RMS) has been upgraded and ported on the central computing facility in the Data Centre. The objective of the Risk Management System (RMS) is to enable the Indian Customs Administration to strike an appropriate balance between trade facilitation and enforcement. Under the RMS, Bills of Entry filed by importers in the Indian Customs EDI System (ICES) are processed for risk and a large number of consignments are allowed clearance without examination based on the importers' self assessment. Other consignments go for assessment or examination or both depending on the evaluation of risk by the RMS. RMS also provides for an assured customs clearance procedure for special clients having good track record and who meet specified criteria identified by the Customs. The implementation of the RMS was one of the most significant steps in the ongoing Business Process Re-engineering and e-governance initiatives of the Central Board of Excise and Customs.

Central Excise and Service Tax:

Automation of Central Excise and Service Tax (ACES) is a centrally-hosted, web-based and workflow-based software application to automate the entire business processes relating to Central Excise and Service Tax that includes online registration, online filing and processing of returns, claims, intimations and permissions, filing and processing of excise related export documents, dispute resolution , audit, etc. ACES has also been made available on Online Learning Module (LMS) for imparting knowledge and understanding of the ACES application to the Departmental Officers and the Assessee. ACES has been rolled out in all 104 Central Excise and Service Tax Commissionerates as on 23.12.2009. ACES Certified Facilitation Centres (CFCs) have been made operational. These CFCs have been set up by members of the Institute of Chartered accountants of India (ICAI), Institute of Cost and Works Accountants of India (ICWAI) and Institute of Company Secretaries of India (ICSI). This initiative aims at providing services to taxpayers who may not have requisite IT infrastructure/ resources, to use ACES.

Data Warehouse

CBEC's Enterprise DW called SmartView is a web-based analytical reporting solution that is specifically designed for fast querying and sophisticated analytical capabilities, using the latest Business Intelligence (BI) tools. It has the capability to extract the data from various online transactional systems such as ICES 1.5 (Customs), ACES (Central Excise & Service Tax Returns) and EASIEST (Central Excise & Service Tax Payments), at a regular pre-set frequency. CBEC's Data Warehouse is hosted on CBEC's centralized, consolidated IT infrastructure. It is expected to serve as a single repository for Indirect Tax data providing a holistic nation-wide view of the Customs, Central Excise and Service Tax data. This has enabled, for the first time, a 360 degree view of the taxpayer across Customs, Central Excise & Service Tax. SmartView has a user - friendly interface for accessing pre-defined reports and multi - dimensional analysis, along with an ad-hoc query facility. It also has data mining and text mining capabilities, which are being used to assist RMD in profiling entities involved in Import and Export.

Around 75 Customs, Central Excise and Service Tax pre-defined reports have been developed so far in the Data Warehouse based on requirements taken from various field offices, Directorates (DRI, DGoV, DGCEI, etc), TRU, Board etc. These reports are available to the user through CBECs applications' interface with a click of the mouse. The SmartView application has been rolled out for Departmental users and comprehensive end-use training has been imparted to a large number of officers. Information generated by CBEC's Data Warehouse is also being supplied to formations outside the CBEC such as Ministry of Commerce and Industry and Competition Commission of India.

CBEC has also implemented a pilot project Tax 360, as an extension of Data Warehouse Project. It enables seamless Data Exchange between CBEC, CBDT and the Sales Tax Administration of the State of Maharashtra, and allows a 360 degree view of a taxpayer across Income Tax, Service Tax, Central Excise, Customs and State VAT. Tax 360 Project is being extended to few other states also.

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) Document tracking facility.
g) Encouraging Voluntary Compliance.
h) Simplification of procedures.
i) Synergy between various tax systems.
j) Transparency.
k) Minimization of manual interface.

In addition, CBEC's Data Warehouse has been implemented. This has enabled, for the first time, a 360 degree view of the taxpayer across Customs, Central Excise & Service Tax. The Data Warehouse has a user - friendly interface for accessing pre-defined reports and multi - dimensional analysis, along with an ad-hoc query facility. It also has data mining and text mining capabilities, which are being used to assist RMD in profiling entities involved in Import and Export.

Procurement of Scanners

Container scanners can scan import and export cargo containers arriving at the ports and help customs officers in detecting contraband drugs, arms and ammunition and other undeclared cargo. A Pilot Project involving installation of one Mobile Gamma Ray Scanner and one re-locatable X-Ray Scanner at Jawaharlal Nehru Port Trust (JNPT), Nhava Sheva was completed in 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. In view of the encouraging results, procurement 3 Mobile Scanners for installation at Kandla, Chennai and Tuticorin and 4 Fixed Scanners for installation at Mumbai, Kandla, Chennai and Tuticorin has been initiated. The contracts for installation of these scanners have been signed and these scanners are expected to be commissioned by 2013-14.

The numbers of containers scanned, cases booked and amount realized in preceding three years are as under:-

Year	Containers scanned through	
	Mobile Scanner	Fixed Scanner
2010-11	87303	55286
2011-12	28253 (was in operational during some period)	77079
2012-13(upto Dec.2012)	45223	48113

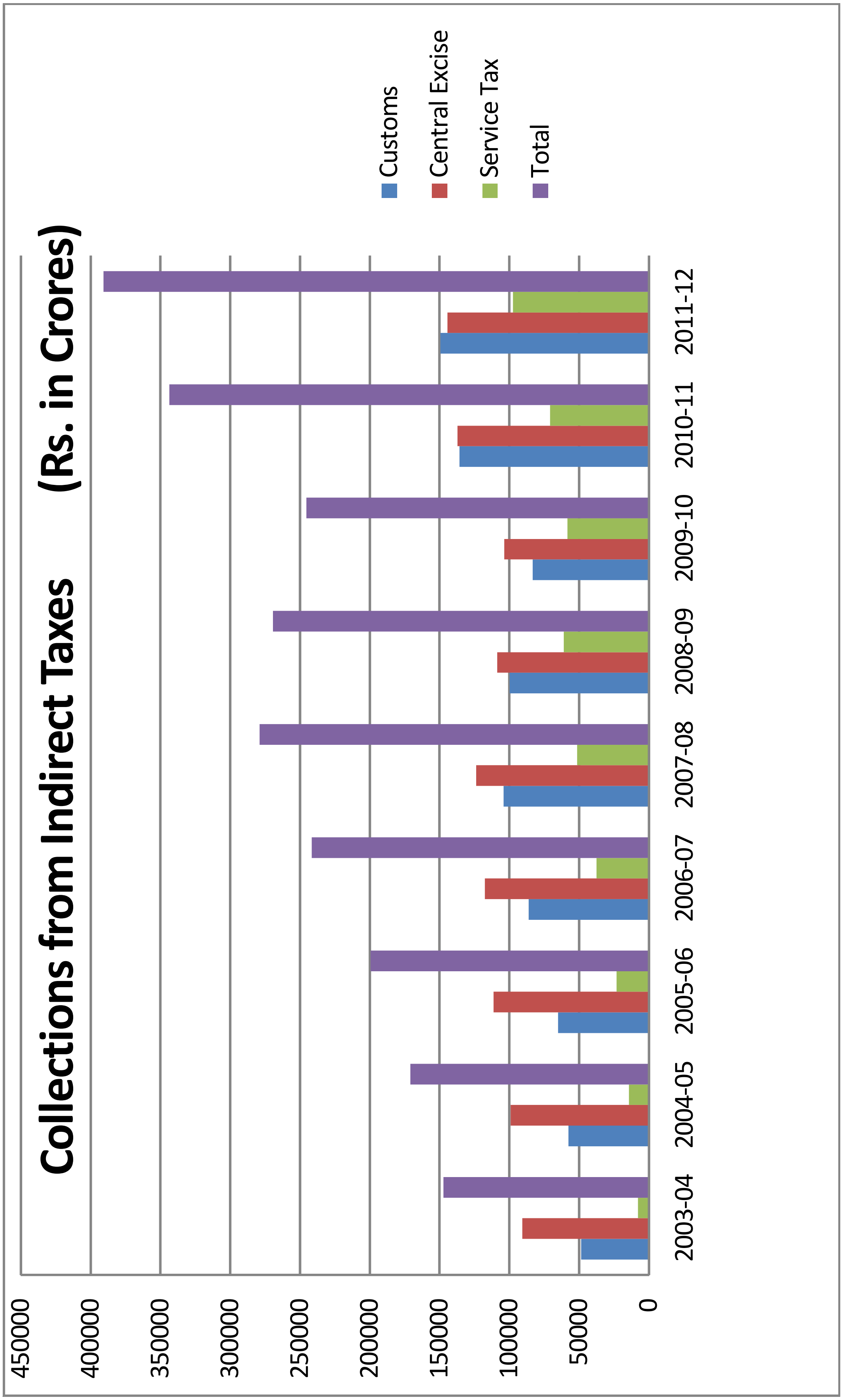
During 2010-11, 36 cases were booked through Fixed Scanner where the value of goods seized was ₹ 8.59 crore and customs duty involved was ₹ 1.81 crore. During 2011-12, 122 cases were booked involving the value of seized goods was ₹ 36.23 crore and customs duty of ₹ 7.17 crore. During 2012-13 (upto December, 2012)), 88 cases were booked involving the value of seized goods at ₹ 27.73 crore involving customs duty of ₹ 4.48 crore.

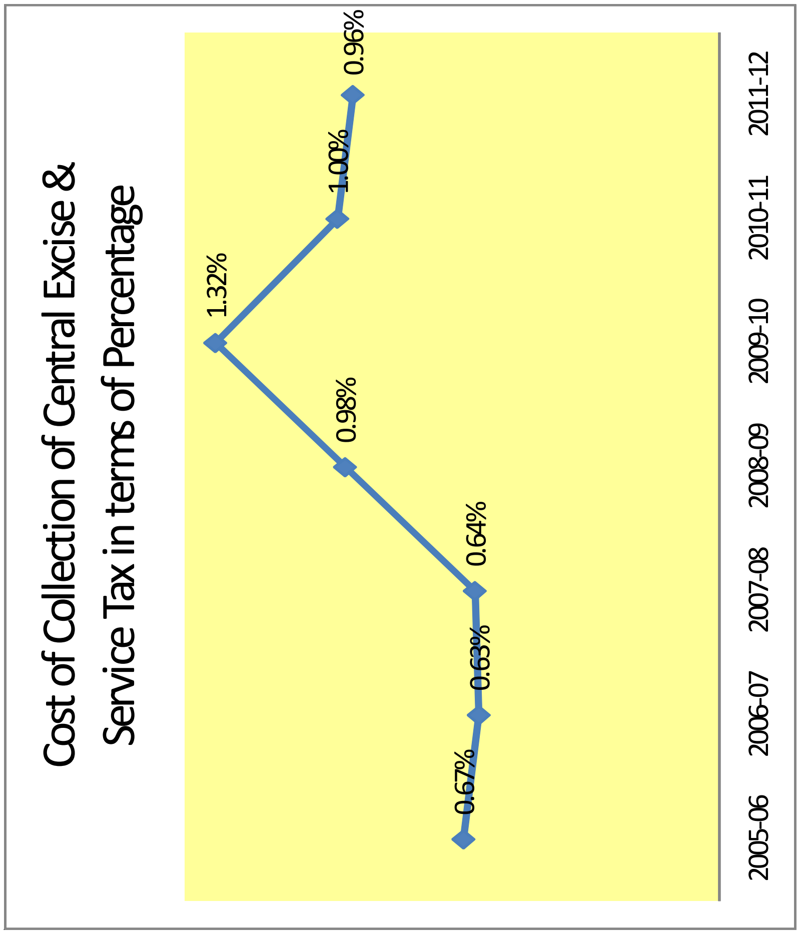
Procurement of Marine Vessels

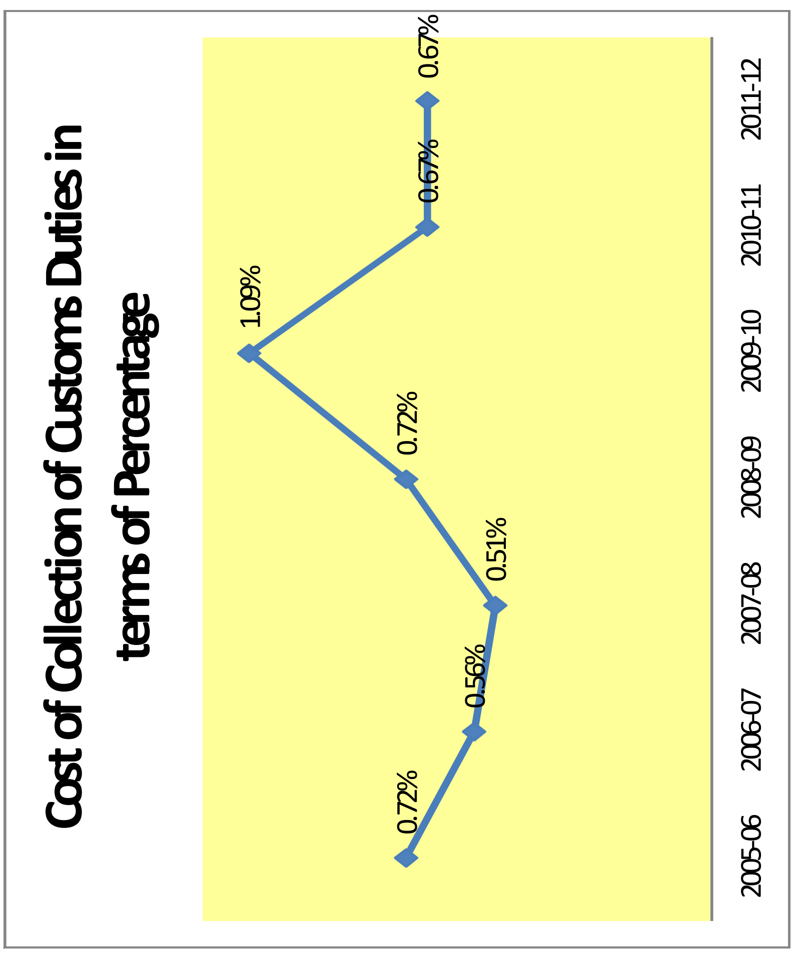
Cabinet Committee of Economic Affairs (CCEA) had approved the procurement of 109 marine vessels at a cost of ₹ 358.19 on 22.02.2007 including five years AMC. All 24 Category I vessels have been delivered and deployed at Mumbai (03), Goa(02), Mangalore(03), Cochin(04), Pune (Ratnagiri) (02) and one vessels each at Ahmedabad (Umargaon), Jamnagar(Okha), Kandla, Visakhapatnam, Chennai, Trichy (Tuticorin), Trichy (Nagapattinam), Visakhapatnam-II (Kakiinada), Kolkatta and Bhubneshwar-I (Paradip) Commissionerate.

All 22 sanctioned Category-II vessels, have been delivered and deployed at Mumbai (03), Jamnagar (02), Pune (Ratnagiri) (02), Mangalore(02), Ahmedabad (01), Goa(01) and Kandla Commissionerate (01), Cochin(03), Chennai(01), Trichy(02), Vizag(01), Bhubneshwar(01) and Kolkata(02).

All 63 Category-III vessels (30 vessels in Cat-IIIA & 33 in Cat-I(IIB have been delivered and deployed at Mumbai(07), Goa(02), Mangalore(02), Pune (04), Cochin(04), Ahmedabad (02), Jamnagar (02), Kandla (02), Chennai (03), Visakhapatnam (01), Visakhapatnam-II(02), Guntur(01), Tjrichy (10), Kolkatta (10), Bhubneshwar (02), Patna (03) and Shillong Commissionerate (06).


Collections from Indirect Taxes (Rs. in Crores)
450000
400000
350000
300000
250000
200000
150000
100000
50000
0
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
Customs
Central Excise
Service Tax
Total


Cost of Collection of Central Excise & Service Tax in terms of Percentage
0.67%
0.63%
0.64%
0.98%
1.32%
1.00%
0.96%
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12


Cost of Collection of Customs Duties in terms of Percentage
0.72%
0.56%
0.51%
0.72%
1.09%
0.67%
0.67%
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12

SUMMARISED POSITION OF SCHEMES UNDER DEMAND NO.44 - INDIRECT TAXES

(*₹ in crore*)

S. No.	Scheme	2011-12			2012-13			2013-14
		BE	RE	Actual	BE	RE	Actual (up to Dec., 12)	BE
1.	Strengthening of IT Capability for e-governance	150.00	150.00	144.31	150.00	178.00	77.21	152.00
2.	Acquisition of Ships & Fleets	13.50	38.27	3.23	10.18	20.00	1.44	17.95
3.	Acquisition of Container Scanners	70.00	43.65	43.29	76.97	10.17	0.00	82.00
4.	Acquisition of Office Accommodation	40.00	7.00	0.00	28.00	4.31	1.00	47.91
5.	Acquisition of Residential Accommodation	4.00	4.00	0.81	4.00	0.10	0.00	1.34
	Total	**277.50**	**242.92**	**191.64**	**269.15**	**212.58**	**79.65**	**301.20**
	Percentage w.r.t. RE			78.89			37.47	

STATEMENT SHOWING SCHEME-WISE ACTUAL EXPENDITURE
VIS-À-VIS BE/RE FOR THE YEARS 2010-11, 2011-12 AND 2012-13

(*₹ in crore*)

S. No.	Descriptions	Major Head	2010-11			2011-12			2012-13		
			BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (upto Dec.12)
	Revenue Section										
1	MH-2037 (Customs)										
	Collection of Customs	2037	850.26	918.84	903.29	981.51	978.03	960.56	1047.03	1051.21	797.49
	Customs Welfare Fund	2037	0.00	0.00	0.00	0.00	6.14	0.00	6.20	5.58	0.00
	Missions Abroad	2037	1.40	1.55	1.55	1.70	2.10	2.10	2.30	2.30	2.30
2	MH-2038 (Union Excise Duties)										
	Collection of Union Excise Duties	2038	1627.10	1827.38	1800.94	1970.27	1964.87	1938.32	2103.84	2126.49	1729.83
	Printing of Banderols etc.	2038	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Directorate of Inspection	2038	27.97	30.48	30.32	31.83	34.76	31.75	37.12	38.71	27.90
	Systems and Data Management	2038	131.80	83.78	124.97	135.15	134.80	131.25	138.00	165.49	78.36
	Vigilance	2038	11.38	12.08	11.79	12.61	12.32	11.61	13.10	12.73	8.20
	National Academy of Customs, Excise & Narcotics	2038	21.57	36.58	39.97	37.83	43.37	41.09	44.31	44.60	28.44
	Directorate of Publicity & Public Relations	2038	26.29	27.02	27.01	30.21	31.35	31.18	35.44	33.48	9.16
	Directorate of Central Excise Intelligence	2038	27.56	29.33	25.93	30.73	32.92	29.88	33.91	36.66	24.99
	Other Offices	2038	11.97	12.87	11.37	13.50	12.88	11.97	13.63	13.53	8.58
3	Housing - Maintenance & Repair	2216	6.00	4.75	2.29	6.00	5.30	3.96	7.00	5.00	1.39
4	MH-3606 (Aid Material)										
	Aid Material & Equipment	3606	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total- Revenue Section		**2743.30**	**2984.66**	**2979.43**	**3251.34**	**3258.84**	**3193.67**	**3481.88**	**3535.78**	**2716.64**

(₹ *in crore*)

S. No.	Descriptions	Major Head	2010-11			2011-12			2012-13		
			BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (upto Dec.12)
5	Acquistion of Marine Vessels	4047	48.00	42.00	21.87	13.50	38.27	3.23	10.18	20.00	1.44
	Acquistion of Container Scanners	4047	73.00	36.95	11.33	70.00	43.65	43.29	76.97	10.17	0.00
	Major Works	4047	0.20	0.05	0.00	0.05	0.03	0.00	0.05	0.25	0.00
6	Acquistion of Office Buildings	4059	132.00	51.00	88.92	40.00	7.00	0.00	28.00	4.31	1.00
7	Acquisition of Ready Built Residential Buildings	4216	11.00	2.00	0.97	4.00	4.00	0.82	4.00	0.10	0.00
	Total- Capital Section		**264.20**	**132.00**	**123.09**	**127.55**	**92.95**	**47.34**	**119.20**	**34.83**	**2.44**
	Grand Total		***3007.50***	***3116.66***	***3102.52***	***3378.89***	***3351.79***	***3241.01***	***3601.08***	***3570.61***	***2719.08***
	Recoveries		**-0.50**	**-0.50**	**-5.24**	**-0.50**	**-0.50**	**-0.54**	**-0.50**	**-0.50**	**-0.29**
	Net		**3007.00**	**3116.16**	**3097.28**	**3378.39**	**3351.29**	**3240.47**	**3600.58**	**3570.11**	**2718.79**

(₹ *in crore*)

S. No.	Object Head	2010-11			2011-12			2012-13		
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (upto Dec.12)
1	Salaries	2014.73	2356.16	2334.46	2521.00	2500.00	2476.80	2700.00	2760.00	2263.34
2	Wages	10.50	11.18	10.61	12.50	13.00	12.29	14.00	15.65	11.30
3	Overtime Allowance	13.00	10.75	9.10	12.00	10.20	8.70	11.00	9.89	4.71
4	Rewards	20.00	16.80	16.22	20.00	23.15	19.01	20.50	20.50	11.70
5	Medical Treatment	25.00	24.00	21.60	25.00	24.90	23.18	26.00	25.45	16.93
6	Domestic Travel Expenses	48.00	51.00	50.97	55.00	56.50	53.91	59.50	60.60	41.15
7	Foreign Travel Expenses	0.60	1.75	1.19	1.75	1.75	1.41	1.75	1.58	1.41
8	Office Expenses	280.00	233.73	230.35	258.00	257.55	259.08	273.00	246.00	186.92
9	Rent, Rates & Taxes	105.00	99.00	95.09	110.00	127.00	115.92	119.00	124.00	70.94
10	Publications	1.00	1.15	1.22	1.20	1.16	1.11	1.20	1.40	0.86
11	Banking Cash Transaction Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Other Administrative Expenses	1.18	2.10	2.49	3.10	3.00	3.03	3.00	2.70	1.73
13	Advertising & Publicity	24.00	22.80	22.06	26.00	26.96	26.21	31.00	28.00	4.70
14	Minor Works	11.50	13.25	7.23	14.00	14.75	11.18	17.00	12.30	2.67
15	Professional Services	12.00	13.35	13.12	14.00	16.70	15.75	17.00	15.30	8.15
16	Other Contractual Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
17	Grants-in-Aid-General	0.09	0.09	0.06	0.09	0.09	0.07	0.09	0.08	0.01
18	Secret Service Expenditure	4.20	4.40	4.39	4.80	5.39	5.29	6.20	5.58	3.83
19	Other Charges									
	(Charged)	0.50	0.50	0.45	0.50	0.50	0.16	0.50	0.50	0.09
	(Voted)	2.00	2.15	2.04	2.40	2.60	2.54	2.94	2.87	2.54
20	Machinery & Equipment	20.00	14.50	11.20	20.00	17.50	13.72	22.00	19.80	6.45
21	Inter Accounts Transfer	0.00	0.00	0.00	0.00	6.14	0.00	6.20	5.58	0.00

(₹ in crore)

S. No.	Object Head	2010-11			2011-12			2012-13		
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (upto Dec.12)
22	Information Technology	150.00	106.00	145.58	150.00	150.00	144.31	150.00	178.00	77.21
	Total - Revenue Section	**2743.30**	**2984.66**	**2979.43**	**3251.34**	**3258.84**	**3193.67**	**3481.88**	**3535.78**	**2716.64**
	Capital Section									
23	Acquisition of Ships & Fleets	48.00	42.00	21.87	13.50	38.27	3.23	10.18	20.00	1.44
24	Acquisition of Anti Smuggling Equipment	73.00	36.95	11.33	70.00	43.65	43.29	76.97	10.17	0.00
25	Major Works	0.20	0.05	0.00	0.05	0.03	0.00	0.05	0.25	0.00
	Total - Major Head '4047'	**121.20**	**79.00**	**33.20**	**83.55**	**81.95**	**46.52**	**87.20**	**30.42**	**1.44**
26	Acquisition of Office Accommodation	132.00	51.00	88.92	40.00	7.00	0.00	28.00	4.31	1.00
27	Purchase of Ready Built Residential Accommodation	11.00	2.00	0.97	4.00	4.00	0.82	4.00	0.10	0.00
	Total - Capital Section	**264.20**	**132.00**	**123.09**	**127.55**	**92.95**	**47.34**	**119.20**	**34.83**	**2.44**
	Grand Total	***3007.50***	***3116.66***	***3102.52***	***3378.89***	***3351.79***	***3241.01***	***3601.08***	***3570.61***	***2719.08***
	Recoveries	**0.50**	**0.50**	**-5.24**	**0.50**	**0.50**	**-0.54**	**0.50**	**0.50**	**0.29**
	Net	**3007.00**	**3116.16**	**3097.28**	**3378.39**	**3351.29**	**3240.47**	**3600.58**	**3570.11**	**2718.79**

FINANCIAL REVIEW

ANALYSIS OF TRENDS IN EXPENDITURE

During 2011-12, total expenditure of ₹3241.01 crore was 4.46% more than the expenditure of ₹3102.52crore incurred in 2010-11. In Revenue Section, the increase is 7.20% which is mainly due to more expenditure on pay & allowances.

Under Capital Section, there is a decrease of 61.54% in 2011-12 vis-à-vis expenditure in 2010-11. This is mainly on account of less expenditure towards payment in respect of purchase of office space at NBCC Plaza in New Delhi as well less expenditure due to non- installation of 3 Mobile Gamma Ray Scanners and 4 Fixed X-Ray Scanners.

In 2012-13, total estimated expenditure of ₹3570.61 crore, which is 10.17% more than the expenditure of ₹3241.01 crore incurred in 2011-12. In Revenue Section, the anticipated increase is 10.71% which is mainly due to higher expenditure expected in respect of pay & allowance as well computerization of the Department.

Under Capital Section, there is an anticipated decrease of 26.43% in 2012-13 vis-à-vis expenditure in 2011-12. This is on account of delay installation of scanners and less payment likely to be made in respect of office space purchased at NBCC Plaza in New Delhi.

Expenditure under 'Advertising and Publicity' was ₹26.21 crore in 2011-12, which is 18.81% more than the expenditure of ₹22.06 crore in 2010-11. This is on account of more emphasis on publicity programme in general and clearance of pending bills pertaining to previous year. The estimated expenditure for 2012-13 is ₹28.00 crore which is 6.83% more than the expenditure in 2011-12 on account of wider campaigns of publicity through outdoor and miscellaneous media.

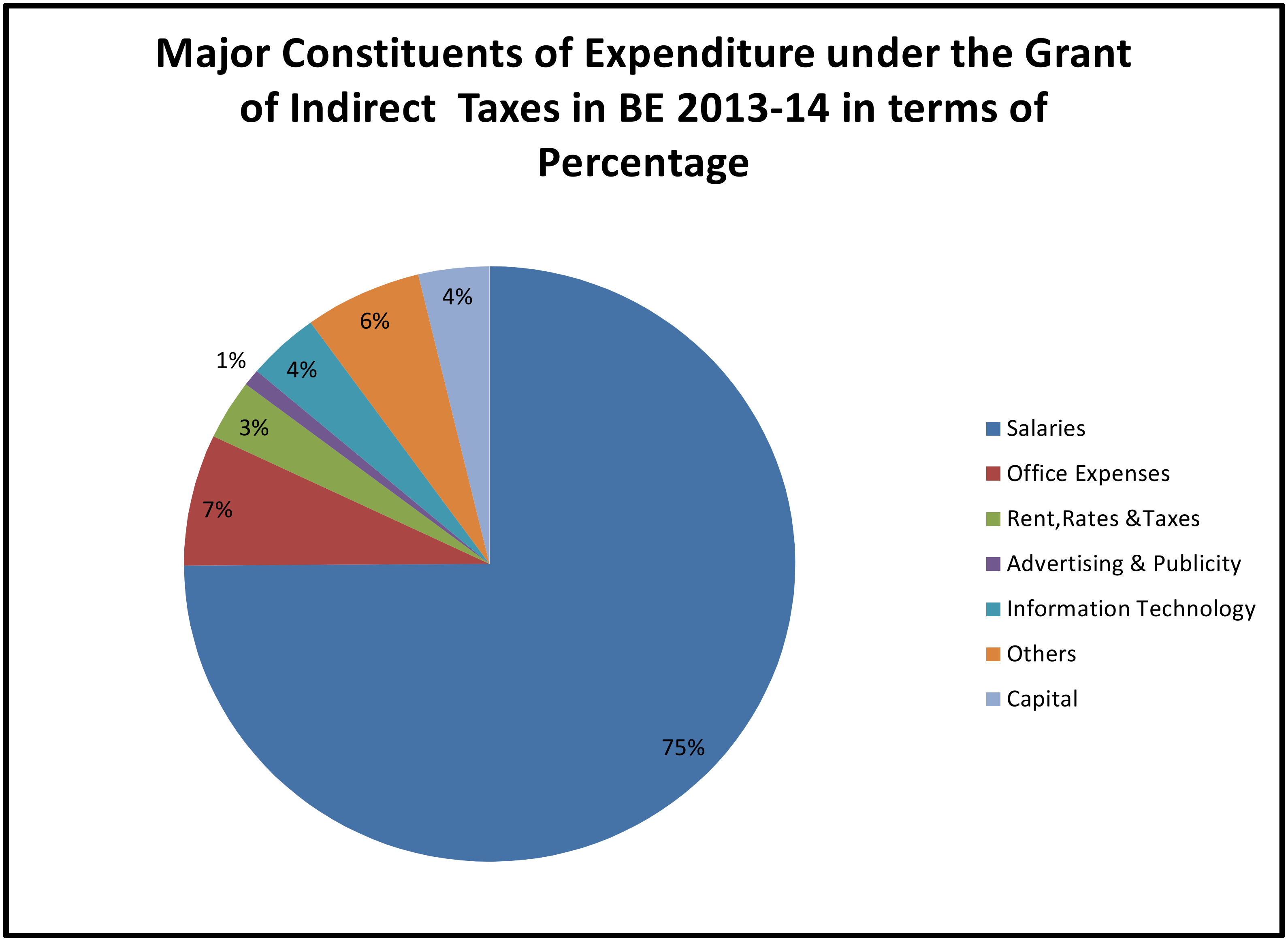
Under 'Information Technology' expenditure during 2011-12 was ₹144.31 crore which is 0.87% less than the expenditure of ₹145.58 crore incurred in 2010-11 because of less expenditure towards implementation of most of the components of consolidation of computerization programme during 2011-12. For 2012-13, estimated expenditure of ₹178.00 crore is 23.35% more than the expenditure incurred in 2011-12 because payment is linked to completion of various stages of computerization and some of the payment stages may spill over to next financial year.

For procurement of Marine Vessels, expenditure during 2011-12 was ₹3.23 crore which is 85.23% less than the expenditure of ₹21.87 crore incurred in 2010-11 because payment to the Boat Builders is linked with the construction and delivery of boats. Expenditure of ₹ 20.00 crore is likely to be incurred during 2012-13 towards scheduled payments for vessels. Out of 109 vessels to be procured,109 vessels (24 in Category-I, 22 in Category-II and 30 in Category III-A and 33 in Category III-B) have been delivered to the Department by December, 2012.

For procurement of container scanners, expenditure incurred during 2011-12 was ₹ 43.29 crore which is 282.08% more than the expenditure of ₹11.33 crore incurred in 2010-11 . During 2012-13, expenditure of ₹10.17 crore is likely to be incurred towards payment of lease rent for acquisition of land from concerned Port authorities and for advance payment for procurement of scanners.

For acquisition of office accommodation, nil expenditure during 2011-12 as against ₹88.92 crore in 2010-11. For 2012-13, estimated expenditure is ₹4.31 crore towards payment towards construction of new office complex of NACEN at Bangalore and other projects.

For acquisition of residential accommodation, expenditure incurred during 2011-12 was ₹0.82 crore which is 15.46% less than against expenditure of ₹0.97 crore incurred during 2010-11. For 2012-13, estimated expenditure of Rs 0.10 crore is for miscellaneous projects.


Major Constituents of Expenditure under the Grant of Indirect Taxes in BE 2013-14 in terms of Percentage
4%
6%
1%
4%
3%
7%
75%
Salaries
Office Expenses
Rent,Rates &Taxes
Advertising & Publicity
Information Technology
Others
Capital

STATEMENT ON SURRENDER AND SAVING DURING THE FINANCIAL YEAR 2011-12

During the FY 2011-12 against a budgetary provision of ₹3386.39 crores including supplementary grant, there was an expenditure of ₹3241crores during the year resulting into savings and surrender of ₹145.39 crores. These savings are the net effect of total savings of ₹163.67 crores and total excess of ₹18.28 crores under various sub-heads of the Revenue and Capital Section of the Grant.

These savings have been segregated into the following categories.

i) **Normal Savings due to economical usage of the resources : Nil**

ii) **Savings due to non implementation/delay in execution of projects/schemes:-**

During the FY 2011-12, some of the schemes where there were delays in execution/implementation are as follows:-

(₹in crore)

S. No.	Sub Head/ Scheme/ Programme	Savings	Remarks/ Reasons
1.	Revenue-cum-Import/Export Trade control functions- Commissionerates	21.20	Non filling up of vacant posts, less expenditure on purchase of office related items, non finalization of proposals for rent revision in respect of hired office building, less domestic/foreign tours undertaken and non completion of Local Area Network (LAN) projects.
2.	Central Revenue Control Laboratory	3.28	Delay in finalizing of process for purchase of Equipments for laboratories and less expenditure on the maintenance of machine and equipments.
3.	Preventive and other functions-Commissionerates	5.22	Requirement of less funds towards wages and purchase of equipments, machinery, furniture and office equipments and less sanction of rewards.
4.	Directorate of Revenue Intelligence	1.35	Less sanction of rewards cases and non-finalization of proposals for hiring of office building.
5.	Inspection	2.74	Non-filling up of vacant posts, and requirement of less funds towards purchase of furniture and office equipments.
6.	National Academy of Customs, Excise and Narcotics (NACEN)	2.61	Joining of less number of probationers, less expenditure towards wages and OTA and less expenditure towards purchase of furniture and office equipments than anticipated.
7.	Directorate General of Central Excise Intelligence	3.86	Non-filling up of vacant posts, non-finalization of rent revision proposals and requirement of less funds for purchase of Computers etc.
8.	Customs and Central Excise Settlement Commission	1.04	Non filling up of vacant posts and non finalization of proposals for rent revision in respect of hired Bus.
9.	Systems & Data Management	3.90	Non-finalization of proposals for rent revision and requirement of less funds towards wages, purchase of office furniture and equipments.
10.	Collection Charges-Commissionerates(HQ)	27.49	Non filling up of vacant posts and non-finalization of proposals for rent revision in respect of hired office buildings.
11.	Collection of Land Customs	2.60	Non-filling up of vacant posts.
12.	Other Items-Minor Works	1.77	Requirement of less funds towards renovation of office premises and maintenance of buildings.

(₹ in crore)

S. No.	Sub Head/ Scheme/ Programme	Savings	Remarks/ Reasons
13.	Major Head-2216 (Housing)	2.04	Less demand for maintenance and repairs of departmental residential buildings during the year.
14.	Capital Outlay on Other Fiscal Services	37.03	Non fulfillment of the contractual obligations by the boat suppliers, delay in finalization of the agreement for purchase of 4 X-ray container Scanners and non finalization of the proposals for construction of pre fabricated premises at border check-posts.
15.	Capital Outlay on Public Works	40.00	Entire provision remain unutilized due to non-settlement of issue of stamp duty to Municipal Corporation of Delhi and the conversion of leasehold to free-hold in case of purchase of office building of NBCC Plaza, Saket, UTI building at Mumbai and non-finalization of the proposal for purchase of office accommodation at Guwahati.
16.	Capital Outlay on Housing	3.19	Non materialization of proposal for purchase of residential accommodation during the year.

iii) Surrenders/savings due to obsolete/defunct project/ scheme or due to completion of project/scheme:Nil

Note:- *This annexure is included in compliance of O.M.No.7(1)-B(AC)/2011 dated 23rd March, 2012 of Budget Division regarding segregation of savings due to normal savings, under/non-utilization & surrender of funds for the financial year 2011-12 as desired by the Standing Committee on Finance in its 33rd Report.*

DEPARTMENT OF DISINVESTMENT

INTRODUCTION

The Department of Disinvestment is mandated the following work:-

(1) (a) All matters relating to disinvestment of Central Government equity from Central Public Sector Enterprises(CPSEs);

(b) All matters relating to sale of Central Government equity through offer for sale or private placement in the erstwhile CPSEs;

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

(2) Decisions on the recommendations of Disinvestment Commission on the modalities of disinvestment, including restructuring;

(3) Implementation of disinvestment decisions, including appointment of advisors, pricing of shares, and other terms and conditions of disinvestment;

(4) Disinvestment Commission;

(5) CPSEs for purposes of disinvestment of Government equity only; and

(6) Financial policy in regard to the utilization of the proceeds of disinvestment channelised into the National Investment Fund. (inserted through amendment dated 12 January 2006 to the Allocation of Business Rules)

The Department is headed by Secretary (Disinvestment) who is assisted by four Joint Secretaries. There is also a post of Chief Executive Officer, National Investment Fund.

STATEMENT OF OUTLAYS AND OUTCOMES 2013-14

S. No.	Name of the Scheme/Programe	Objective/Outcome	Outlay 2013-14 (₹ 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 Budget	4(ii) Plan Budget	4(iii) CEBR				
1.	Disinvestment of Government of India shareholding in Central Public Sector Enterprises.	To raise resources as well as unlock true value of CPSEs.	54.97	...	...	₹ 40,000 crore.	To achieve wide dispersal of ownership of CPSEs. To enhance people ownership of CPSEs. Improve corporate governance.	Disinvestment depends on approvals by Government, and then by SEBI, RBI etc, including preparedness of CPSEs No strict timelines can be prescribed. However, a roadmap is prepared by Department which is monitored on a regular basis.	- Requisite number of independent directors not appointed on the Board. - Volatility in the stock markets- Domestic & International.
2.	Write back of amounts with AMC.					₹ 1814 crore.	Will be made available for utilization for objective indicated in NIF	1475.00 cr. - Apr. 2013 339.00 cr. - Dec., 2013	

REFORM MEASURES AND POLICY INITIATIVES

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

- **Buyback:** On 07.02.2012 SEBI amended the guidelines relating to buyback of securities to provide for tendering of the shares by all shareholders in proportion to their shareholding. This is just like the provisions relating to Rights Issue of Shares by companies. Through this amendment the provisions have been made equitable to all shareholders compared to a favourable treatment to small shareholders. CPSEs have been enabled to use surplus funds to buyback their share and buy shares of other CPSEs from Government.

- **Exchange Traded Fund:** On the part of the Department of Disinvestment, an innovative method for disinvestment is being looked into. The new method, Exchange Traded Fund (ETF) based on CPSE shares when launched, would provide investors, particularly the small investors, an opportunity to buy a product that will represent number of public sector shares, comprising the basket of ETF and thus, the risk gets minimized. For the Government, this method would provide an additional mechanism for monetization of its stakes in CPSEs in a stock neutral, time-efficient and non-disruptive manner.

- **National Investment Fund:** The National Investment Fund has been restructured to utilize disinvestment proceeds for recapitalization needs of CPSEs, Public Sector Banks and Public Sector Insurance Companies. The proceeds could also be used to subscribe to shares of CPSEs on rights basis or on preferential basis, so as to ensure that Government's shareholding in the CPSEs does not fall below 51%.

REVIEW OF PAST PERFORMANCE

The Department of Disinvestment has no plan or non-plan scheme. The entire Budget of the Department is under non-plan for payment of salary, wages, professional services and other administrative expenses, etc. The Budget Estimate for the financial year 2012-13 for the Revenue was ₹ 63.24 crore and Revised Estimate for financial year 2012-13 is ₹ 25.83 crore.

1. (i) Disinvestment transactions completed during 2012-13 (upto February, 2013).

(a) **National Buildings Construction Corporation Ltd. (NBCC)** ï Disinvestment of 10% paid-up equity capital of the Company through a Initial Public Offer in the Domestic Market. Government of India shareholding has come down from 100% to 90%. Government realized an amount of Rs.124.97 crore. The company got listed on the stock exchanges.

(b) **Hindustan Copper Ltd. (HCL)** ï Disinvestment of 5.58% paid-up equity capital of the Company through Offer for Sale in the Domestic Market. Government of India shareholding has come down from 99.59% to 94.01%. Government realized an amount of ₹ 807.02 crore.

(c) **National Mineral Development Corporation Ltd. (NMDC)** ï Disinvestment of 10% paid-up equity capital of the Company through Offer for Sale in the Domestic Market. Government of India shareholding has come down from 90% to 80%. Government realized an amount of ₹ 5973.27 crore.

(d) **Oil India Ltd. (OIL)** ï Government has disinvested 10% paid-up equity capital of Oil India Limited out of Governmentôs holding of 78.43% through an ñOffer for Sale in domestic market. Government realized an amount of ₹3141.51 crore.

(e) **National Thermal Power Corporation Ltd. (NTPC) -** Government has disinvested 9.50% paid up equity capital in NTPC out of Governmentôs shareholding of 84.50% through offer for sale in domestic market. Government realized an amount of ₹11457.54 crore.

(ii) Disinvestment transaction(s) under implementation:

(a) **MMTC Limited (MMTC)** ï Government has approved disinvestment of 9.33% paid-up equity capital of MMTC out of Governmentôs holding of 99.33% through an ñOffer for Sale of Shares through Stock Exchangesò as per SEBI Rules and Regulations. Transaction is likely to be completed during current financial year.

(b) **Bharat Heavy Electricals Ltd. (BHEL) -** Government has approved disinvestment of 5% equity out of Government shareholding. DRHP was filed with SEBI on 30.09.11. The Issue could not be launched due to non-availability of requisite numbers of Independent Directors. Due to restrictions imposed on investor relations activity, the DRHP filed with SEBI has been allowed to be withdrawn by the Company. As SEBI has now provided auction route for sale of shares, the possibility of the same in respect of BHEL is under consideration. A decision to commence with the transaction is yet to be taken in consultation with Department of Heavy Industry.

(c) **Rashtriya Ispat Nigam Ltd. (RINL) -** Government has approved disinvestment of 10% paid up equity capital of RINL. The RHP was filed with SEBI on 27.09.2012. Preparatory action for appointment of advisors has been completed. The Issue has been defered for the time being.

(d) **Steel Authority of India Ltd. (SAIL) -** Government has approved disinvestment of 10.82% paid up equity capital of SAIL out of GoI shareholding through Stock Exchanges Mechanism. The Merchant Bankers/Selling Brokers and Legal Advisers for the Issue of SAIL have been appointed.

(e) **National Aluminium Company Ltd. (NALCO)** - Government has approved disinvestment of 12.15% paid up equity capital in NALCO out of GOIôs holding of 87.15% through an óOffer for Sale of Shares through Stock Exchangesô as per SEBI Rules and Regulations. Merchant Bankers/ Selling Brokers and the Legal Advisors for the Issue have been appointed. The OFS transaction would be carried out after there is clarity with regard to the improvement in the performance in 3rd quarter.

(f) **Hindustan Aeronautics Ltd. (HAL)** - Government has approved disinvestment of 10% paid up equity in HAL out of GOIôs shareholding of 100% through an Initial Public Offering(IPO). The Book Running Lead Managers and Legal Counsels to the Issue have been appointed. Issue is expected in financial year 2013-14.

(g) **Rashtriya Chemicals and Fertilizers Ltd. (RCF)** - Government has approved disinvestment of 12.5% paid up equity in RCF out of GOIôs shareholding through stock exchange mechanism. The procedure for appointment of Merchant Bankers/Selling Brokers is in progress.

(h) **Neyveli Lignite Corporation Ltd. (NLC)** - Proposal for disinvestment of 5% paid up equity of NLC out of GOIôs shareholding of 93.56%

through an Offer for Sale(OFS) has been mooted. Merchant bankers/Selling brokers and Legal Advisors for the OFS in NLC transaction have been appointed. Transaction is likely to be carried out in financial year 2013-14.

(i) **Engineers India Ltd. (EIL)** ï Government has approved disinvestment of 10% paid-up equity capital in Engineers India Limited (EIL) out of Government shareholding of 80.40% through a prospectus based Further Public Offering (FPO) in the domestic market. Transaction is likely to be carried out in FY 2013-14.

(j) **State Trading Corporation of India Ltd. (STC) -** A proposal for disinvestment of 5% paid-up equity capital in STC out of Government of India shareholding of 91.02% through an ñOffer for Sale of Shares through Stock Exchangesò as per SEBI Rules and Regulations is under consideration.

(k) **Tyre Corporation of India Limited (TCIL) -** Pursuant to the passage of the TCIL(Disinvestment of Ownership) Bill 2007 by the Parliament, the CCEA on 16th Nov. 2008 approved disinvestment in TCIL through outright sale. Pursuant to the above decisions, Department of Disinvestment constituted an Inter-Ministerial Group(IMG) on 13th October, 2011 for guiding the process of disinvestment through strategic sale in TCIL. The Advisor, the Legal Advisor and the Asset Valuer for the transaction have been appointed. In response to Advertisement requesting Global Expression of Interest for TCIL transaction issued on 13th and 20th July, 2012, three parties have submitted their EOIs. IMG in its meeting held on 22nd November, 2012 considered and approved the Draft Sale documents viz CIM, SPA, DD&DR Rules and RFP for TCIL transaction. Site visits and due diligence by the bidders were completed in December, 2012.

(l) **Scooters India Limited (SIL) -** On a Cabinet Note on revival of Scooters India Limited (SIL) sponsored by the Department of Heavy Industry, the Cabinet on 19.05.2011 *inter-alia* approved the transfer of entire Government equity of 95.38% in SIL to a suitable strategic partner through the Department of Disinvestment and to introduce a resolution in both Houses of Parliament to authorize the Government to identify and induct a strategic partner through DOD for SIL. The actual process of disinvestment in SIL to be carried out by DoD, would commence after the resolution is introduced in and passed by the Parliament (for which action is being taken by DHI). DHI introduced a resolution during Monsoon Session 2011 of Parliament to facilitate induction of strategic partner. However, due to subsequent developments, the resolution so introduced was withdrawn. The DHI on reconsideration of the matter, has proposed revival of SIL on its own through a draft CCEA Note sponsored by them in that regard. A decision in the matter is pending.

II The Budgeted targets for disinvestment receipts and the amounts realized through disinvestment in CPSEs during 2011-12 and 2012-13 (upto February, 2013) are given below:-

Year	Budgeted targets (₹ in crore)	Proceeds from Disinvestment (₹ in crore)	Remarks (₹ in crores)		
2011-12	40000.00	13894.07	Power Finance Corporation Ltd.	:	₹1144.55
			Oil & natural gas Corporation Ltd.	:	₹12749.52
2012-13	30000.00	21504.31	National Building Construction Corporation Ltd.	:	₹124.97
			Hindustan Copper Ltd.	:	₹807.02
			National Mineral Development Corporation Ltd.	:	₹5973.27
			Oil India Ltd.	:	₹3141.51
			National Thermal Power Corp. Ltd.	:	₹11457.54

III A sum of ₹1,15,47,67,364 has been received as income generated from Tranche-I of National Investment Fund at the end of November, 2012. Income from tranche-II will be received by 27.03.2013 and hence RE 2012-13 & BE 2013-14 may be taken as ₹196.00 crore as income from NIF.

FINANCIAL REVIEW

OBJECT HEAD-WISE EXPENDITURE VIS-À-VIS BE/RE FOR THE YEAR 2010-11, 2011-12 & 2012-13

(₹ in crore)

S.No.	Description	2010-11			2011-12			2012-13		
		B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual upto 31.12.2012
REVENUE SECTION										
1	Salaries	2.75	2.79	2.79	2.99	3.34	3.24	3.60	3.46	2.78
2	Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Overtime Allowance	0.02	0.02	0.01	0.02	0.02	0.01	0.02	0.01	0.00
4	Medical Treatment	0.02	0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.03
5	Domestic Travel Expense	0.10	0.40	0.52	0.40	0.40	0.14	0.40	0.20	0.12
6	Foreign Travel Expenses	3.00	3.00	2.65	3.00	3.00	0.30	3.00	1.00	0.78
7	Office Expenses	0.60	1.00	0.95	0.95	1.10	1.10	1.00	1.00	0.80
8	Publication	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.00
9	Other Administrative Expenses	0.03	0.03	0.01	0.03	0.03	0.03	0.03	0.03	0.03
10	Professional Services	56.80	56.04	56.06	55.14	42.57	30.31	55.09	20.04	8.33
11	Information Technology (other charges)	0.03	0.03	0.03	0.05	0.07	0.08	0.05	0.04	0.04
Total Revenue Section		**63.36**	**63.36**	**63.05**	**62.63**	**50.58**	**35.26**	**63.24**	**25.83**	**12.91**
CAPITAL SECTION		**00.00**	**00.00**	**00.00**	**00.00**	**00.00**	**00.00**	**00.00**	**00.00**	**00.00**
GRAND TOTAL		**63.36**	**63.36**	**63.05**	**62.63**	**50.58**	**35.26**	**63.24**	**25.83**	**12.91**

ANALYSIS OF OVERALL TRENDS IN EXPENDITUE

The overall Revenue expenditure under this Grant was ₹ 63.05 crore in 2010-11, ₹ 35.26 crore in 2011-12 and ₹12.91 crore in 2012-13 (up to December 2012). This expenditure is mainly to meet the requirements of the Secretariat of the Department.

Annexure

Demand No. 45 – Department of Disinvestment (Earlier 44)

During the financial year 2011-12 against a budgetary provision of ₹62.63 crore, an expenditure of ₹35.26 crore was incurred resulting in a savings of ₹27.37 crore.

These savings have been segregated into the following categories:-

(i) Normal savings : Savings resulting from economic use of Resources

Normal Savings : ₹0.17 crore (less requirement of administrative expenses)

(ii) Under/Non utilization : Savings due to non-implementation/delay in execution of projects/schemes

₹27.20 crore (Due to Non completion of Public Offerings)

Note:- *This annexure is included in compliance of O.M.No.7(1)-B(AC)/2011 dated 23rd March, 2012 of Budget Division regarding segregation of savings due to normal savings, under/non-utilization & surrender of funds for the financial year 2011-12 as desired by the Standing Committee on Finance in its 33rd Report.*

ORGANIZATIONAL STRUCTURE

DEPARTMENT OF DISINVESTMENT

FINANCE MINISTER

SECRETARY

JOINT SECRETARY & CEO, NIF (Ms. Sangita Choure)

I. All matters relating to Disinvestment in CPSEs under Min/Deptt :
- Railways
- Shipping
- Civil Aviation
- Water Resources
- Communication & Information Technology
- Information & Broadcasting
- Tourism
- Social Justice & Empowerment
- Development of NER
- Textiles
- Petroleum & Natural Gas
- Chemicals & Fertilizers
- Commerce & Industry

II. Matters relating to :
- Media
- CCEA papers & follow up
- Labour (VRS/VSS) issues
- Disinvestment Commission (Residual matters)
- Investment Commission
- National Investment Fund
- CPGRAM

III. Grievance Officer for DoD

JOINT SECRETARY (Shri Alok Tandon)

I. All matters relating to Disinvestment in CPSEs under Min/Deptt :
- Power
- Mines
- Steel
- Agriculture
- Consumer Affairs, Food & Public Distribution
- Finance

II. Matters relating to:
- General Administration
- Establishment
- Parliament
- R&I
- Budget
- Cash
- Coordination
- Misc.

III. Disinvestment data management

JOINT SECRETARY (Shri Pramod Agrawal)

I. All matters relating to Disinvestment in CPSEs under Min/Deptt
- Coal
- Heavy Industries & Public Enterprises.
- Defence
- Atomic Energy
- Space
- Science & Technology
- New & Renewable Energy
- Urban Development
- Housing & Urban Poverty Alleviation
- Micro, Small & Medium Enterprises Industries
- Health & Family Welfare

II. Nodal Officer for
- e-governance
- IT
- DoD website
- IPv6 Policy implementation

III. Appellate Authority under RTI

IV. Policy

* Chief Executive Officer, National Investment Fund, additional charge held by JS(SC).