



# Outcome Budget 2007-08



अर्थमूलं कार्यम्  
Outlays for Outcomes

Ministry of Finance  
Government of India

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## Preface

The “Outcome Budget” is an endeavour of the Government to convert the “Outlays” into “Outcome” by planning the expenditure, fixing appropriate targets, quantifying the deliverables in each scheme and bring to the knowledge of all, the “Outcomes” of the Budget outlays provided for each scheme/programme. Thus, the “Outcome Budget” is an effort of the Government to be accountable and transparent to the people. Government has taken efforts to improve its presentation every year. During the year 2005-06, “Outcome Budget” was presented for the first time to the Parliament covering Plan outlays. Moving forward in this direction in the year 2006-07, Non-Plan schemes with quantifiable and deliverable outputs were also covered. A separate “Performance Budget” was also presented evaluating and indicating the achievements on “Outcome Budget 2005-06”. For the year 2007-08, it has been decided to merge the “Outcome Budget” and “Performance Budget” and place one combined document.

The “Outcome Budget 2007-08” comprises of six chapters. **Chapter-I** gives brief introduction of the Ministry; **Chapter-II** depicts outlays *vis-à-vis* quantifiable deliverables/physical outputs, projected outcomes, process/ timeliness and risk factors, if any in achieving targets/ objectives of each scheme/programme; **Chapter-III** depicts major policy initiatives and programmes taken up by different units of Ministry of Finance; **Chapter-IV** gives the details of achievements of the “Outcome Budget of 2005-06” for the full financial year and achievements as at 31<sup>st</sup> December, 2006 with reference to the “Outcome Budget 2006-07”; **Chapter-V** depicts the financial performance of the different Departments for three years; and **Chapter-VI** presents the review of performance of statutory and autonomous bodies under Ministry of Finance.



- The Ministry of Finance administers total 13 Grants of which 6 have been exempted from the purview of 'Outcome Budget'.
  - The total provision (gross) for these 13 Grants during 2006-07 was Rs.13,38,040.56 crore (Revenue Rs.2,25,575.52 crore, Capital Rs.11,12,465.04 crore). The Plan and Non-Plan provision was Rs 31,524.63 crore and Rs.13,06,515.93 crore, respectively.
  - This was revised to Rs.17,07,414.53 crore at RE stage (Revenue Rs.2,49,734.81 crore Capital Rs.14,57,679.72 crore), Plan provision to Rs.37,933.46 crore and Non-Plan Rs.16,69,481.07 crore.
  - The Budget provision for the FY 2007-08 for the 13 Grants has been kept at Rs.19,19,250.99 crore (Revenue Rs. 2,58,693.36 crore Capital Rs.16,60,557.63 crore) comprising of Rs.38,358.58 crore Plan and Rs.18,80,982.41 crore Non-Plan provisions.
  - The 7 Grants which have been covered in Outcome Budget 2007-08 have total out lay of Rs.62,707.86 crore (Revenue Rs.18,444.76 crore and Capital Rs.44,263.10 crore) comprising of Rs.1,550.38 crore Plan and Rs.61,157.48 crore Non Plan, out of which outlay of Rs 12,941.47 crore (Plan Rs.825.69 crore, Non-Plan 12,115.78 crore) have been included in the outcome budget.
- DEMAND NO. 32 – DEPARTMENT OF ECONOMIC AFFAIRS**
- Contribution for Railway Safety Works (Rs.724.69 crore) against additional levies on Motor Spirit & High Speed Diesel (Plan) – Under this scheme during 2007-08 the Ministry of Railways have targetted to strengthen the safety at level crossings by providing manning at 375 locations, lifting 200 barriers, basic infrastructure at 700 locations, interlocking at 460 points, telephones at 350 locations and by constructing 60 over bridges and under bridges.
  - To promote Public Private Partnership (PPP) in Infrastructure Sector Rs.100.00 crore (Plan) have been provided for 2007-08. 21 proposals amounting to Rs.2,530.00 crore have been accorded 'in principle' approval by the Empowered Institution out of 37 proposals received so far. Additional funds would be obtained at RE 2007-08.
  - A provision of Rs.228.00 crore has been made for interest equalization support to Exim Bank of India to implement the India Development and Economic Assistance Scheme (IDEAS). The Scheme was started in 2003-04. During the period of 3 years and a half, 51 lines of credit of US\$ 2165 million have been extended to the developing countries.
  - Under the Technical and Economic Cooperation with other countries, Rs.35.50 crore has been provided for development assistance as Grant-in-Aid. About Rs.10 crore will be used to write off the past loans of Government of India credit lines of Highly Indebted Poor Countries (HIPC) recipient countries.

- It has been envisaged to develop human resource by providing technical education to 410 students from South and South East Asia under **Colombo Plan** for which a provision of Rs.5.96 crore has been made.
- To promote export of goods and services from India and to cultivate long term relationship with the recipient countries, Rs.101.68 crore has been provided for 2007-08. For the year 2004-05, an assistance of Rs.264.16 crore has been provided and the main beneficiaries were Mauritius, Sri Lanka, Suriname, Cambodia, Myanmar and Laos. For 2006-07, the provision has been kept at Rs.125.60 crore at revised estimates. This will benefit countries viz., Laos, Mauritius, Myanmar, Sri Lanka, Cambodia and Suriname.

### DEMAND NO. 33 – PAYMENTS TO FINANCIAL INSTITUTIONS

- **Universal Health Insurance Scheme (UHS)** was extended to BPL families of Tsunami affected areas in Andhra Pradesh, Kerala, Tamil Nadu and Puducherry with a subsidy of Rs.500/- by PMO and Rs.300/- by Government of India. As on 31<sup>st</sup> December, 2006, 1,55,414 families in Tamil Nadu, 1,21,795 in Andhra Pradesh, 1,54,363 in Kerala and 22,376 in Puducherry have been covered. It is expected to cover 8 lakh families in 2006-07 and 15 lakh families in 2007-08. The BE provision of Rs.3.00 crore in 2006-07 was enhanced to Rs.25.00 crore at RE stage. The BE provision for 2007-08 has been kept at Rs.45.00 crore.
- **Varishtha Pension Bima Yojana (VPBY)** meant for senior citizens aged 55 years and above was launched on 14.07.2003 and withdrawn on 09.07.2004. Under the scheme the pensioner get an effective yield of 9% per annum on the investment. Difference in yield is being compensated to LIC by Government. An expenditure of Rs.244.59 crore was incurred in 2005-06 and an expenditure of Rs.226.33 crore is expected in 2006-07. A budget provision of Rs.249.77 crore has been made for BE 2007-08.
- The report of the Task Force under Prof. A. Vaidyanathan on **Revitalisation of Cooperative Credit Structure** in the country with regard to short term credit structure has been accepted by Government. Under the scheme, the expenditure is to be shared by Government of India, State Government and the Cooperative Credit Societies in the ratio of 68:28:4. The States willing to implement the package are required to sign MoU with Central Government and NABARD. Eight States viz. Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Orissa, Rajasthan, Uttarakhand and Uttar Pradesh have so far executed such MoUs. A provision of Rs.1500.00 crore each has been made in BE 2006-07 and BE 2007-08.
- In the budget 2005-06, it was envisaged to give interest relief of 2 percentage point in the interest rate on the principal amount up to Rs.1.00 lakh on crop loans availed by farmers for Kharif and Rabi 2005-06. In 2006-07, the scheme was revised to ensure that farmers receive short term credit at 7% with an upper limit of Rs.3.00 lakh. As on 31.12.2006, Rs.875.43 crore has been utilized by banks. A provision of Rs.1100.00 crore has been made in BE 2006-07 and Rs.1676.86 crore in BE 2007-08.
- To mitigate the extreme financial constraints faced by the farmers of 31 debt stressed Districts in the States of Andhra Pradesh (16), Karnataka (6), Kerala (3) and Maharashtra (6), Prime Minister announced a package for providing **interest waiver to farmers on overdue loans**. Government of India and State Government share the interest waived on a 50:50 basis. Under the scheme, the entire interest on overdue loans as on 01.07.2006 will be waived off and the overdue loans as on the said date will be rescheduled over a

period of 3 to 5 years with a one year moratorium. The total overdue interest waived off amounts to Rs.3068.98 crore, i.e., Rs.1810.91 crore in Andhra Pradesh, Rs.200.84 crore in Karnataka, Rs 273.00 crore in Kerala and Rs.784.23 crore in Maharashtra. A provision of Rs.1359.13 crore has been made for the purpose in BE 2006-07.

### DEMAND NO. 38 – DEPARTMENT OF EXPENDITURE

- The Department of Expenditure being the nodal department in respect of Public Expenditure Management System in the Central Government and matters connected with State finances oversees the expenditure management in the Central Ministries/Departments through the interface with the Financial Advisers. Monitoring of implementation of recommendations of the Expenditure Reforms Commission, overall coordination of Outcome Budget of different Ministries/Departments, release of funds to State Governments for implementing developmental work and matters relating to the Central Plan are the important activities of the Department which provide the entire canvas of development activity of the Central Government.
- An outlay of Rs.1 crore has been provided towards Central Plan Scheme for training officers of North Eastern/Special Category/ Other States (Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh). Under this scheme, 14 officers in 2005-06 and 15 officers in 2006-07 have been funded for the high level professional course covering basic elements of MBA (Finance) in the National Institute of Financial Management.
- On non-Plan side, an outlay of Rs.2.41 crore has been provided for strengthening training infrastructure for the Civil Accounting Department in the Institute of Government Accounts and Finance. This is expected to upgrade the skills and knowledge of Accounts personnel.

- A Monitoring mechanism in the Department has been put in place to review the trend of expenditure on monthly basis at the level of Joint Secretary and Financial Adviser. Quarterly report on the progress made in respect of schemes included in the Outcome Budget is reviewed by Secretary (Expenditure). In 2007-08, status of the schemes is also proposed to be reported on the website of the Department.

### DEMAND NO. 41 – DEPARTMENT OF REVENUE

- The successful implementation of VAT in all the States has been an achievement. The new system has been received well by business community and the trend of revenue collection during 2005-06 in VAT implementing States registered an increase of around 13.8% over the tax revenue of 2004-05.
- Compensation amounting to Rs.5306.39 crore has been released for the year 2005-06 and Rs.270.71 crore has been released upto 31.12.2006 as compensation for 2006-07. Compensation released upto 31.12.06 amount to Rs.5577.10 crores. Total pending claims amounted to Rs.1840.51 crore as at the end of December 2006.
- The CST being inconsistent with the concept of VAT needs to be phased out and the CST rate is being reduced from 4 per cent to 3 per cent w.e.f. 2007-08. A total of Rs.5495 crore has been provided in B.E. 2007-08 for compensation to States for losses on account of VAT & CST & for modernization of State tax administration including setting up/upgradation of two institutes for taxation studies in States/UTs. The compensation to States/UTs towards implementation of VAT Scheme & VAT related expenditure are constituting as much as 92% of the total expenditure under grant at the RE 2006-07 stage.

- Government Opium & Alkaloid Works at Ghazipur & Neemuch are processing raw opium for exports, manufacturing of opium alkaloid and other related functions. They are expected to realise revenues of Rs.258 crore in 2007-08. The proposal for conversion of both the departmental factories into a corporate entity is under consideration.
- Central Bureau of Narcotics has introduced Smart Card Project for opium poppy cultivators which is helping in building the data on opium cultivation, facilitating the procedures of licensing, production, regulation, monitoring and policy decisions.
- In the Department of Revenue, while revised Delegation of Financial Powers to HODs including the field units of CBEC and CBDT have been issued to enable them to function more efficiently, a monitoring mechanism for Outcome Budget has also been established through a system of Monthly Report by concerned units, monthly and quarterly review of trend of expenditure and review of progress of items under Outcome Budget and establishment of Project Monitoring and Implementation Committees.
- Perspective Plan for Phase-III of Comprehensive Computerisation in the Income Tax Department
- Tax Information Network (TIN)
- Business Process Re-engineering
- Taxpayers' friendly services
- Implementation of Multi-Protocol Level Switching, Virtual Private Network of Zonal Accounts Officers
- An outlay of Rs.7.47 crore has also been provided under Capital Section towards housing which would bridge the shortfall in residential accommodation of the Department.
- The initiatives and measures undertaken by the Department have focussed on simplification of tax laws and procedures, better facility to taxpayers and minimizing the human interface between the taxpayers and the officials. These, *inter alia*, include Facilities for Online Preparation and Filing of Returns, Large Taxpayers' Units, Electronic Clearing of Refunds, Filing of Income Tax Returns with the Post Offices, Scheme of Refund Banker on a Pilot - project basis and Tax Return Preparer Scheme. Income Tax Ombudsmen have been posted in seven cities to look into taxpayers' grievances.

## DEMAND NO. 42 – DIRECT TAXES

- The Central Board of Direct Taxes (CBDT) is the apex body entrusted with the responsibility of administering direct tax laws in the country. Various Chief Commissioners of Income Tax supervise collection of direct taxes and provide taxpayer 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 is also first appellate machinery in the Department for disposal of appeals against the order of assessing officers.
- An outlay of Rs.142 crore has been provided under 'Information Technology' to be spent on following major programmes/schemes:
  - A Business Process Re-engineering Project has been undertaken with a view to improve the functional efficiency and effectiveness of the Department in view of induction of technology. The e-governance initiatives undertaken by the Department are in line with the overall policy of the Government and have, in general, brought out improvement in taxpayers' services.
  - The Directorate of Infrastructure of Income Tax Department has put in place a mechanism for preparation and monitoring of Asset Register containing the assets like land, office buildings, residential

quarters, vehicles and furniture etc. whose book value is above Rs.2 lakh.

- The Empowered Committee under the Chairmanship of Adviser to the Finance Minister monitors the progress made in respect of Information Technology related projects on regular basis.
- A system of monthly review of expenditure at the level of Joint Secretary & Financial Adviser and also quarterly review by Secretary (Revenue) is in place. It is also proposed to display the progress made by the Department in respect of Outcome Budget related items on the official website.

### DEMAND NO. 43 – INDIRECT TAXES

- For Indirect taxes a futuristic and ambitious project of computerization has been taken up to consolidate the Customs, Excise & Service Tax Servers to provide benefit to both the Department and facilitate trade. A revised cost proposal for the project amounting to more than Rs.700 crore is being submitted for approval of CCEA.
- A Risk Management Division has been established to give focussed attention for identification of potential duty evaders and facilitate compliant trade.
- As major initiatives in facilitating cargo clearance and to strengthen anti-smuggling operations, modern electronic container scanners and marine vessels are being procured and a provision of Rs.100 crore has been made during the year 2007-08.
- The concept of Single Window Service for Large Tax Payers has been initiated by setting up an LTU in Bengaluru and in 2007-08. More LTUs are going to be set up in Chennai and three other places.

- Intensive Advertising & Publicity campaigns for assessee awareness have been launched especially for Service Tax. The revenues under Service Tax have shown exponential growth. A provision of Rs.25 crore has been made for advertising and publicity for the year 2007-08.

### DEMAND NO. 44 – DEPARTMENT OF DISINVESTMENT

- The Department of Disinvestment, which came into effect from 27<sup>th</sup> May 2004 by converting the Ministry of Disinvestment into a Department, deals with all matters relating to Disinvestment of Central Government equity from Central Public Sector Undertakings. The Government has in November 2005 constituted 'a National Investment Fund' (NIF), to be maintained outside the Consolidated Fund of India into which the proceeds from disinvestments of Central Public Sector Enterprises would be channelised.
- In the year 2005-06 an amount of Rs.1569.67 crore has been realized from the sale of 8% equity to public sector financial institutions and banks through competitive bidding and 0.01% to employees @ Rs.660/- per share, both out of Government's shareholding of 18.28% in Maruti Udyog Ltd.
- On 6<sup>th</sup> July 2006, the Government decided to keep all disinvestment decisions and proposals on hold, pending further review. Three power companies, viz., Rural Electrification Corporation Limited (REC), Power Grid Corporation of India Limited (PGCIL) and National Hydro-Electric Power Corporation Limited (NHPC), propose to make Public Offerings of equity equal to 10% each of their pre-issue paid-up equity capital. Government would piggy-back with an 'Offer for Sale' of 10%, 5%, and 5% respectively out of its shareholding.



## 1. MANDATE

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

## 2. POLICY FRAMEWORK

The Ministry of Finance is required to pursue, facilitate and coordinate all policies having a bearing on the finances of the Central Government and their impact on the economy with various stakeholders so as to achieve the overall objectives of the Government. The thrust is on the objectives of (a) maintaining a stable macroeconomic environment with low inflation and sound public finances, (b) influencing the efficiency of related institutions (*laws, rules, regulations, regulators, procedures, authorities etc.*) to facilitate sustainable high growth (c) leveraging the consequent opportunities to raise and expand fiscal resources their access to citizens/entrepreneurs at a reasonable cost and (d) apply available resources to optimise quality of life and employment opportunities for all citizens whether in India or the Indian entities operating within the country and abroad.

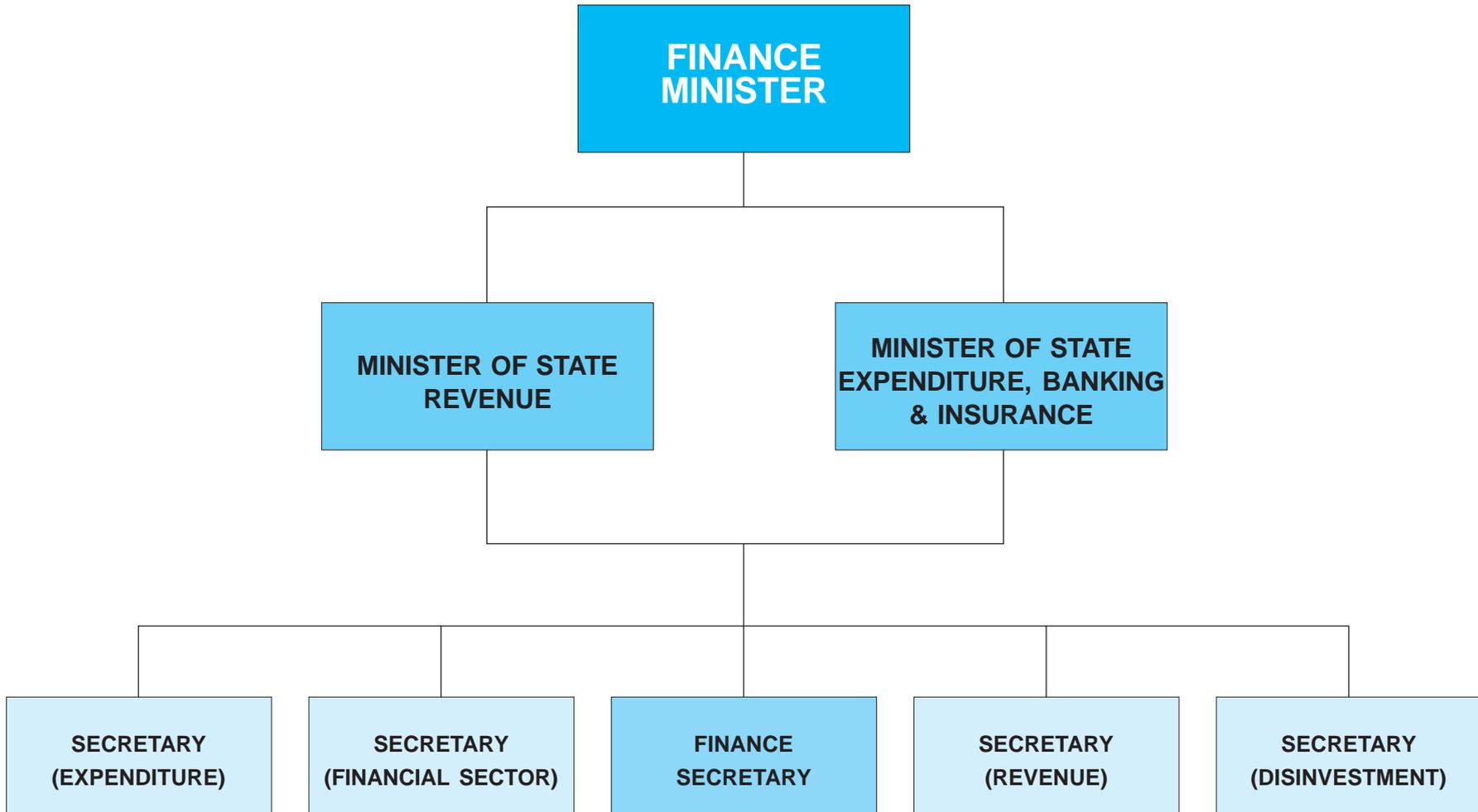
## 3. ORGANISATION AND FUNCTIONS OF THE MINISTRY

The Ministry implements its policy objectives, through its four departments viz. Department of Economic Affairs, Department of Expenditure, Department of Revenue and Department of Disinvestment. The key functions include preparation of Union Budget, seeking Parliamentary approval thereon, tracking and managing the flow of funds into and out of the Contingency Fund of India, Consolidated Fund of India and the Public Accounts and reporting to Parliament/Cabinet, raising tax and non-tax resources for Government operations, improving fiscal management by engaging multilateral agencies viz., International Monetary Fund (IMF), Asian Development Bank (ADB) and the International Bank for Reconstruction and Development (IBRD) etc. as development partners; developing and regulating banking, insurance, pension and capital markets through regulatory agencies (SEBI, IRDA, PFRDA, NHB, UTI, NSSB) and in close co-ordination with the Reserve Bank of India (RBI); enhancing bilateral co-operation with friendly countries through financial and technical cooperation in and out of the country; and tracking the progress in the application of funds to finance various projects/programmes in India and abroad.

## 4. ORGANIZATIONAL SETUP

The Ministry consists of four departments, viz. Department of Economic Affairs, Department of Expenditure, Department of Revenue and Department of Disinvestment.

## Ministry of Finance Organisational Set up



## 5. DEPARTMENT OF ECONOMIC AFFAIRS

DEA is the nodal agency of the Union Government to formulate and monitor economic policies of the State and to draw up programmes having a bearing on internal and external aspects of economic management. One of the principal responsibilities of this Department is the preparation of the Annual Union Budget (excluding the Railway Budget). Other main functions include:

- formulation and monitoring of economic policies at the macro level inter-alia relating to the functioning of Indian Banking Industry, Insurance Agencies and Capital Market including Stock Exchanges.
- raising of external resources through Official Development Assistance (multilateral and bilateral) and commercial borrowings abroad, foreign investment, husbanding of foreign exchange resources including balance of payment.
- 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).

Internally, the principal role of DEA relates mainly to formulation of ways and means to raise internal resources through taxation, market borrowings, and regulation of money supply and mobilization of small savings.

The work of the Department has been organized in Division/Sub divisions, which are headed by Additional Secretaries or Joint Secretaries. The Divisions and their responsibilities are as under:

### 5.1 Economic Affairs

#### 5.1.1 Administration Division and Fund Bank Division

- Responsible for the day to day administration of the Department.
- Matters relating to International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Global Environment Facility (GEF), and Multilateral Investment Guarantee Agency (MIGA), are looked after by this Division. Indian Consortium, now Indian Development Forum, and matters relating to International Fund for Agricultural Development (IFAD) are also dealt with by this Division.
- Maintenance of statistics relating to utilization/repayments of foreign assistance by IMF.

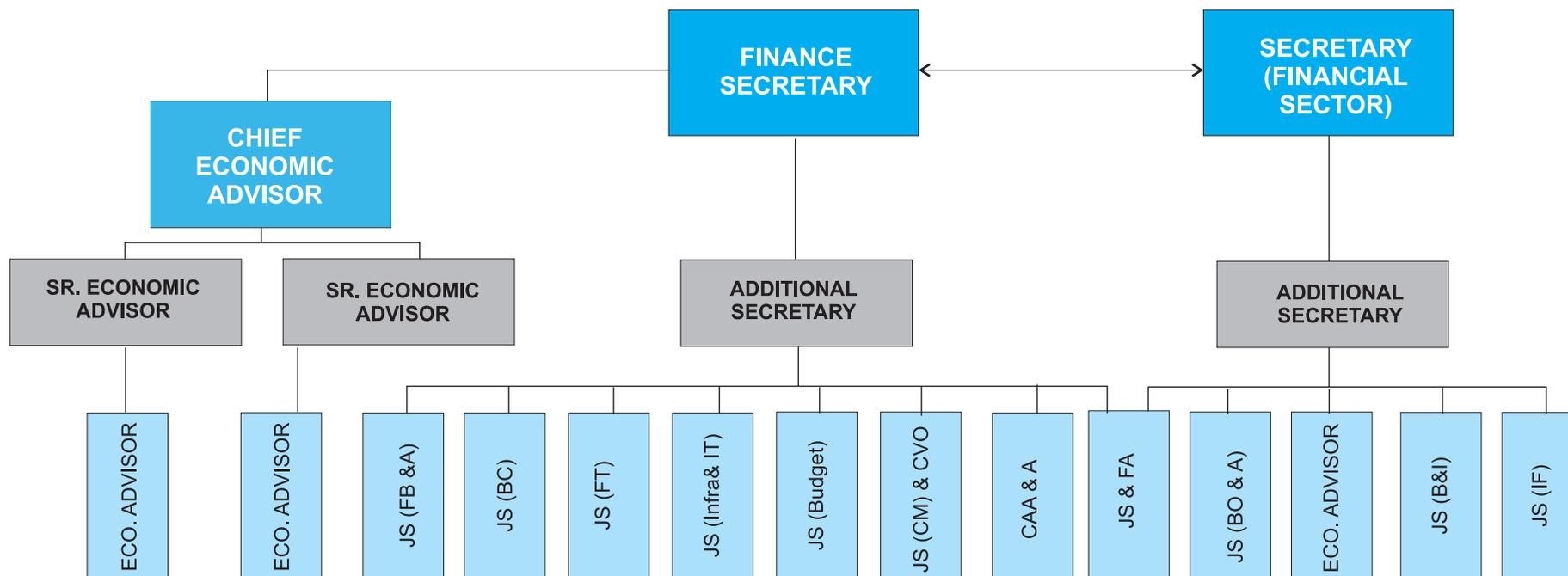
#### 5.1.2 Aid Accounts & Audit Division

- Responsible for draw-down of the committed external assistance by the donors in the form loans/grants and also for arranging timely discharge of debt service payment to the external agencies.
- Budget Estimates for both Receipts and Debt Service Payments in respect of external debt on Government account.
- Brings out External Assistance Brochure annually.
- Convener of the Permanent Technical Group on Reconciliation of External Debt Statistics with International Agencies. Carries out audit of import licenses issued by the Licensing offices under DGFT.

#### 5.1.3 Bilateral Credit Division (European Economic Community)

- This Division is primarily responsible for processing of Official

## Department of Economic Affairs Organisational Set up



### Legends

- Eco. Advisor Economic Adviser
- JS (FB&A) Joint Secretary (Fund Bank & Administration)
- JS (BC) Joint Secretary (Bilateral Cooperation)
- JS (FT) Joint Secretary (Foreign Trade)
- JS (Infra&IT) Joint Secretary (Infrastructure & Information Technology)
- JS (Budget) Joint Secretary (Budget)
- JS (CM)&CVO Joint Secretary (Capital Market) & Chief Vigilance Officer
- CAA&A Controller of Aid, Accounts & Audit
- JS&FA Joint Secretary & Financial Adviser
- JS (BO&A) Joint Secretary (Banking Operations & Administration)
- JS (B&I) Joint Secretary (Banking & Insurance)
- JS (IF) Joint Secretary (Industrial Finance)

Development Assistance from European Economic Community and other European countries (other than CIS).

#### 5.1.4 Budget Division

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

#### 5.1.5 Capital Market, External Commercial Borrowing & Pension Reforms Division

- Policy aspects and offers of individual loans as External Commercial Borrowing.
- Collection, compilation and analysis of data on imports under Suppliers' as well as Commercial Credit both in Public and Private Sector.
- EDMU cell monitors Debt related data.
- Liability management in respect of Foreign Currency Loans approved.
- Rules and regulations under SEBI and matters relating to Unit Trust of India, Mutual Funds and Capital Market.
- Administration of Security (Contracts) Regulation Act, 1956 and 1957 and the rules framed thereunder, thus guiding and supervising the activities of the recognized Stock Exchanges in the country.
- Right to Information Act.
- Vigilance matters of the DEA.

#### 5.1.6 Foreign Trade Division

- Formulation of policy for Indian Direct Investment Abroad for setting up joint ventures and wholly owned subsidiaries, matters relating to promotion of Indian investments abroad and negotiating and concluding Bilateral Investment Promotion & Protection Agreement (BIPA) with other countries;
- Administration of the Colombo Plan and trainings thereunder;
- Matters relating to 'Indian Development and Economic Assistance Scheme (IDEAS), whose main components are:
  - i) Writing off past debts of HIPC countries;
  - ii) Provide concessional Lines of Credit through Lending Agencies;
  - iii) Working with other Donors, Governments and Multilateral Funding Institutions (MFIs);
  - iv) Creation of Regional & Country Strategies;
  - v) Providing assistance for Project preparation;
  - vi) Technical Assistance; and
  - vii) Special Thrust Areas.
- African Development Bank (AfDB)
- Group Foreign Investment Policy, FIPB matters related to DEA,
- Financial services under WTO/GATS, Regional trade agreements with other countries/regions, Economic cooperation agreement and comprehensive economic and partnership agreement with other countries;

### 5.1.7 Finance Division

- Responsible for tendering financial advice on all matters involving expenditure of the Department of Economic Affairs.
- Preparation of Appropriation Accounts relating to the Grants and Appropriations controlled by the Department.
- Preparation/compilation/printing of Detailed Demands for Grants and Outcome Budget of the Ministry of Finance.

### 5.1.8 Infrastructure & ADB Division

- Matters relating to ADB and ADB financed projects.
- Infrastructure Policy concerning road, ports, shipping, inland water transport, Railways, and telecommunication sector.
- Scheme to promote public private partnership (PPP) in various infrastructure sectors with viability gap funding (VGF).
- Policy matters relating to production and supply of Currency Notes and Coins in the country. In this process, this Division administers four Government of India Mints and four Government of India Security Presses and one Security Paper Mill.

### 5.1.9 Economic Division

- It tenders economic advice to the Government on important policy issues relating to macro management of the economy.

## 5.2 Banking and Insurance Division

### 5.2.1 Banking Division

- Banking Division looks after the ownership issues relating to Public Sector Banks and administers Government policies having a bearing

on the working of banks and the term lending Financial Institutions and operates through three sub-divisions (i) Banking Operations and Agriculture Credit (ii) Industrial Finance and (iii) Banking and Insurance.

- Main functions of Banking Division include: (i) Dealing with legislative proposals relating to banks, non-banking financial companies, chit fund companies and other related matters and processing of appointments of Chief Executives and Government nominees Directors/non-official Directors on the Boards of Public Sector Banks; (ii) Policy matters relating to private banks, foreign banks and non-banking financing companies, improvement of customers' service in banks and redressal of customers' grievances; (iii) Flow of credit to agriculture and rural sector; (iv) Appointment of Chief Vigilance Officers (CVOs) in Public Sector Banks and other related matters; (v) Legislative and Administrative work relating to All India Financial Institutions, appointment of Chief Executives of Financial Institutions, appointment of Chairman and Members of Board for Industrial and Financial Reconstruction (BIFR), Appellate Authority for Industrial and Financial Reconstruction (AAIFR) and matters relating to industrial sickness and miscellaneous issues of coordination between industry, banks and financial institutions; (vi) establishment of Debts Recovery Tribunals (DRTs), Debts Recovery Appellate Tribunals (DRATs); (vii) All policy matters relating to banks' credit linked self employment programmes implemented by Ministries/Departments of Central Government, operations and administrative matters of National Housing Bank (NHB) and coordination with the RBI on the above matters; (viii) Credit Policy matters relating to village and cottage industries, handloom, handicrafts, transport, education, small business, retail trade etc.; (ix) Matters relating to selective credit control, credit guarantee

corporation and administration of the Regional Rural Banks Act, 1976, negotiation and implementation of wage settlement in banking industry, man-power housing, processing of proposals for appointment of workmen employee directors, implementation of reservation policy for Scheduled Castes/Scheduled Tribes and the other specified categories.

### 5.2.2 Insurance

- The functions of the Division include formulation of policy for the orderly growth of the Insurance sector, monitoring of the performance of the nationalized insurance companies, framing of rules and regulations in respect of service conditions of employees of nationalized insurance companies; framing of Rules in respect of terms and conditions of services of the Chairpersons and Members of Insurance Regulatory and Development Authority (IRDA) and appointment of the Members of IRDA, co-ordination of vigilance matters in the nationalized insurance industry and appointment of Chief Executives and Directors on the Boards of nationalized insurance companies, framing of rules under IRDA Act, 1999 and appointment of Chairperson and members of the IRDA.
- The following acts are administered by this Division:
  - (i) Insurance Act, 1938
  - (ii) Life Insurance Corporation Act. 1956
  - (iii) General Insurance Business (Nationalization) Act, 1972
  - (iv) Insurance Regulatory and Development Authority (IRDA) Act, 1999 and other related Act

## 5.3 Main Programme/Schemes

(Details of the Schemes are in Chapter-II)

### Plan

#### ■ Contribution for Railway Safety Works against Additional Levies on Motor Spirit and High Speed Diesel

The grant is provided to Ministry of Railways for construction of over-bridges/safety works at unmanned Railway crossings. Ministry of Railway is carrying out the implementation of this scheme.

#### ■ Assistance for Infrastructure Development

This scheme is for putting in place an innovative funding mechanism Public Private Partnership in Infrastructure sector for viability gap support.

### Non-Plan

#### ■ Indian Development and Economic Assistance Scheme (IDEAS)

The IDEAS attempts to promote India's strategic economic interests abroad. Following interventions will form the core of the activities under IDEAS:

- (i) Writing off past debts of HIPCs (Heavily Indebted Poor Countries);
- (ii) Provide concessional Lines of Credit (LOCs) through Lending Agencies;
- (iii) Working with other Donors, Governments and Multilateral Funding Institutions (MFIs);
- (iv) Creation of Regional & Country Strategies;

- (v) Providing assistance for Project Preparation;
- (vi) Project Training.

#### ■ **Interest equalization support to EXIM Bank for GOI supported lines of credit**

Under the newly launched Indian Development and Economic Assistance Scheme (IDEAS), the part, relating to extension of concessional lines of credit through Exim Bank of India is operational. Under this, GOI provides interest equalization support (i.e. the difference between Exim Bank's rate of interest and the concessional rate of interest on which LOC is extended).

#### ■ **Technical aid to South and South East Asia under the Colombo Plan**

Under the Technical Cooperation scheme, the Colombo Plan was started with a view to providing technical assistance to neighbouring Colombo Plan countries, by providing support to Human resource development, through courses conducted by Indian Institutes.

#### ■ **Development Assistance to Foreign Governments**

This scheme covers Government-to-Government line of credit, for the purpose of growth of exports of goods and services from India and development of long standing economic relationship with other countries.

### 5.3.2 Banking and Insurance

#### ■ **Varishtha Pension Bima Yojana**

This is subsidized scheme for citizens aged 55 years and above

#### ■ **Universal Health Insurance Scheme (UHS)**

Scheme is for health care to BPL families

#### ■ **Revitalization of Cooperative Credit Structure**

The scheme is for reviving short term Cooperative Credit Structure.

#### ■ **Interest Subvention Scheme**

This is for interest relief to farmers on Short Term Production Credit.

## 6. DEPARTMENT OF EXPENDITURE

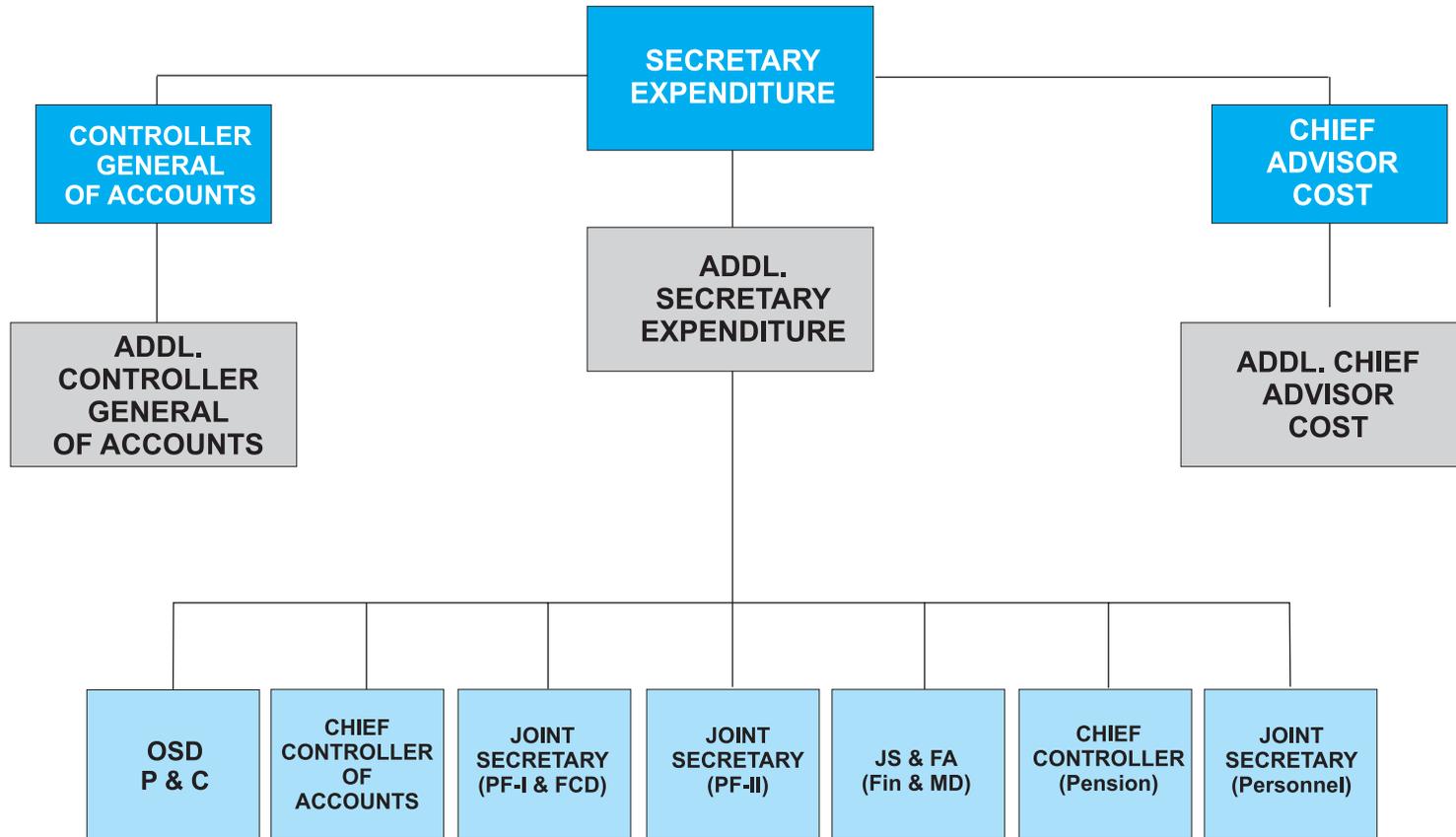
The Department of Expenditure is the nodal Department for overseeing the public expenditure management system in the Central Government and matters connected with State finances. Principal activities of the Department include pre-sanction appraisal of all major schemes/projects (both Plan and non-Plan expenditure); handling bulk of the Central budgetary resources transferred to States; implementing the recommendations of the Finance Commission; overseeing the expenditure management in the Central Ministries/Departments through the interface with the Financial Advisors and the adherence to Financial Rules, Regulations, as also 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, organizational re-engineering by review of systems and procedures to optimize outputs and outcomes of public expenditure. The Department also coordinates matters concerning the Ministry of Finance including Parliament-related work of the Ministry. The Department has under its administrative control the National Institute of Financial Management (NIFM), Faridabad.

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

### 6.1 Administration Division

- Looks after the secretariat work of the Department and comprises of Finance Minister's Office, Cadre Administration Section, Accounts

## Department of Expenditure Organisational Set up



and Budget, General and Personnel Administration, the Official Language Section, Internal Work Study Unit.

## 6.2 Establishment Division

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

## 6.3 Policy and Coordination Wing

- Responsible for the Outcome Budget, Annual Report, the administration of General Financial Rules and Delegation of Financial Powers Rules; Defence acquisitions; Committee on Non-Plan Expenditure; Government procurements systems and procedures; re-appropriation of establishment related expenditure; foreign deputation proposals; Implementation of recommendations of the Expenditure Reforms Commission and of Economy instructions on expenditure management; Public Accounts Committee; Review of monthly accounts; Right to Information Act; legislative proposals received for vetting/comments; Reports/returns; Departmental representation in various committees and autonomous bodies; Parliamentary coordination for Ministry of Finance; policy issues and proposals for Cabinet/Group of Ministers/Committee of Secretaries, which are not specifically dealt with in any other wing/division in the Department.

## 6.4 Plan Finance – I Division

- Deals with the matter relating to finances and plan outlays of the States in close co-ordination with the Planning Commission, releases

funds to State Governments for implementing developmental work in the States, clearance of overdrafts of States. It monitors the Ways & Means and resources position of States and also handles issues relating to calamity relief to States, Centre–State and Inter-State financial relations.

## 6.5 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.

## 6.6 Finance Commission Division

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

## 6.7 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.

## 6.8 Miscellaneous Departments Division

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

## 6.9 Staff Inspection Unit

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

## 6.10 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 government.

## 6.11 Integrated Finance Unit

- Deals with the expenditure and Budget related proposals under Demand No.38 – Department of Expenditure which includes Secretariat General Services and Other Administrative Services. This unit is responsible for monitoring and control over expenditure of the Department and implementing the economy instructions for compliance by various organizations of the Department.

## 6.12 Controller General of Accounts

- Apex accounting authority of the Central Government exercises 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.

## 6.13 Monitoring Cell

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

## 6.14 Central Pension Accounting Office

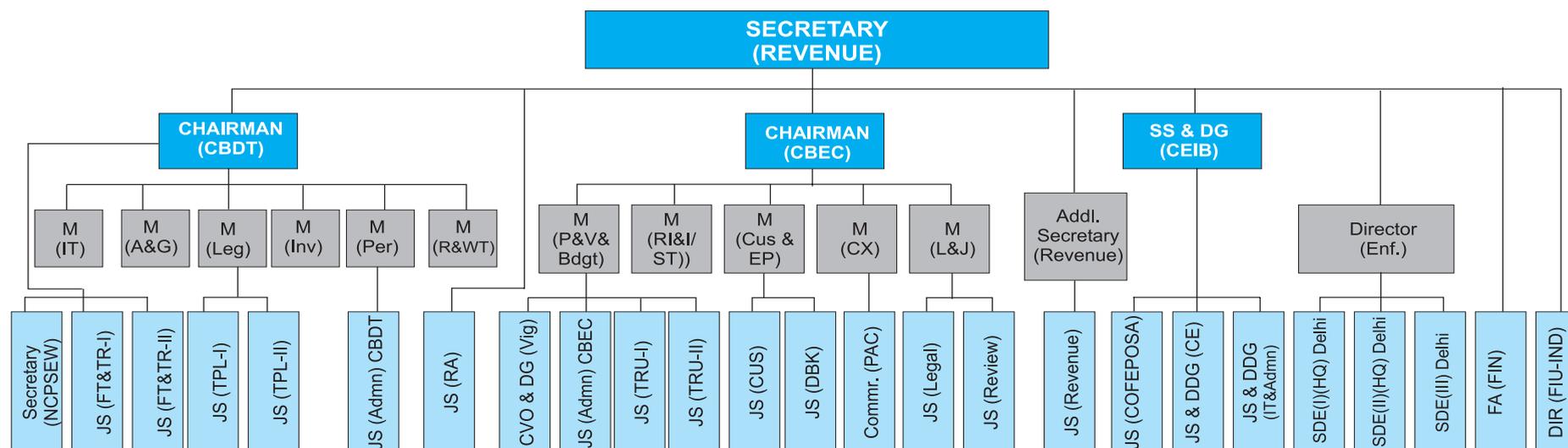
- Administers the "Scheme for payment of Pensions to Central Government Civil Pensioners by Authorized Banks". It is primarily responsible for preparation of budget for the Pension Grant and accounting thereof; issue of Special Seal Authorities (SSAs); and audit of pension payment made by Banks. Currently, CPAO is also discharging the additional responsibilities as the interim central record keeping agency for the New Pension Scheme.

## 6.15 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.

## Department of Revenue Organisational Set up

### Organisational Setup of Department of Revenue



#### LEGENDS

CBDT: Central Board of Direct Taxes  
 CBEC: Central Board of Excise & Customs  
 M (A&J): Member (Audit & Judicial)  
 M (Per): Member (Personnel)  
 M (Leg.): Member (Legislation)  
 M (IT): Member (Income Tax)  
 M (Inv.): Member (Investigation)  
 M (R&WT): Member (Revenue & Widening of Tax)  
 M (P&V & Budget): Member (Personnel & Vigilance & Budget)  
 M (Cus & EP): Member (Custom & Export Promotion)  
 M (RI&I/ST): Member (Revenue Intelligence, Investigation and Service Tax)  
 M (CX): Member (Central Excise)  
 M (L&J): Member (Legal & Judicial)  
 NCPSEW: National Committee for Promotion of Social and Economic Welfare.

#### LEGENDS

SS&DG: Special Secretary & Director General  
 CVO & DG (VIG): Chief Vigilance Officer & Director General (Vigilance)  
 JS: Joint Secretary  
 TRU: Tax Research Unit,  
 Enf: Enforcement  
 CUS: Customs  
 AC: Administration & Coordination  
 DBK: Drawback  
 EI: Economic Intelligence  
 ADMN: Administration  
 TPL: Tax Planning and Legislation.  
 FT&TR: Foreign Tax and Tax Research  
 RA: Revision Applications  
 COFEPOSA: Conservation of Foreign-Exchange & Prevention of Smuggling Activities Act  
 CEIB: Central Economic Intelligence Bureau  
 DDG: Deputy Director General  
 PAC: Public Accounts Committee  
 COMR: Commissioner  
 SDE: Special Director Enforcement  
 FA: Financial Adviser (Finance)

#### ATTACHED OFFICES AND OTHER BODIES OF DEPARTMENT OF REVENUE

1. Enforcement Directorate
2. Central Economic Intelligence Bureau.
3. Central Bureau of Narcotics
4. Chief Controller of Factories
5. Competent Authorities (SAFEM (FOP) Act & NDPS Act)
6. Committee of Management
7. National Committee for Promotion of Social and Economic Welfare
8. Custom & Central Excise Settlement Commission
9. Income Tax Settlement Commission
10. Appellate Tribunal for Forfeited Property
11. Custom Excise & Service Tax Appellate Tribunal
12. Authority for Advance Ruling (Income Tax)
13. Authority for Advance Ruling (Customs & Central Excise)
14. Financial Intelligence Unit, India (FIN-IND)

## 6.16 Institute of Government Accounts and Finance

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

## 7. DEPARTMENT OF REVENUE

**7.1** 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. CBDT has six Members and CBEC has five Members. The Members are also ex-officio Additional Secretaries to the Government of India.

**7.2** The Department of Revenue is mainly responsible for the following functions:

- All matters relating to levy and collection of Direct Taxes.
- All matters relating to levy and collection of Indirect Taxes.
- Investigation into economic offences and enforcement of economic laws.
- Framing of policy for cultivation, export and fixation of price of Opium etc.

- Prevention and combating abuse of Narcotic drugs and psychotropic substances and illicit traffic therein.
- Enforcement of FEMA and recommendation of detention under COFEPOSA.
- Work relating to forfeiture of property under Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 and Narcotics Drugs and Psychotropic Substances Act, 1985.
- Levy of Taxes on sales in the course of inter-State trade or commerce.
- Matters relating to consolidation/reduction/exemption from payment of Stamp duty under Indian Stamp Act, 1899.
- Residual work of Gold Control.

**7.3** 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 (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.

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

#### **7.4.1 Central Board of Direct Taxes**

All matters relating to levy and collection of direct taxes.

#### **7.4.2 Central Board of Excise and Customs**

All matters relating to levy and collection of indirect taxes.

#### **7.4.3 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.

#### **7.4.4 Narcotics Control Division**

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

#### **7.4.5 Committee of Management**

Administering the departmental undertakings viz. Govt. Opium and Alkaloid Works Neemuch (M.P.) and Ghazipur 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.

#### **7.4.6 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.

#### **7.4.7 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.

#### **7.4.8 Integrated Finance Unit**

Tendering advice in all financial matters pertaining to Department of Revenue and the field formations under CBDT & CBEC. Deals with expenditure and financial proposals. Prepares expenditure budget for grants relating to Department of Revenue, Direct Taxes & Indirect Taxes.

#### 7.4.9 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.

#### 7.4.10 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.

#### 7.4.11 Customs, Excise, Service Tax Appellate Tribunal

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

#### 7.4.12 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.

#### 7.4.13 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.

#### 7.4.14 Customs and Central Excise Settlement Commission

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

#### 7.4.15 Settlement Commission (IT/WT)

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

#### 7.4.16 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.

#### 7.4.17 Enforcement Directorate

Responsible for enforcement of the provisions of Foreign Exchange Management 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.

#### 7.4.18 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

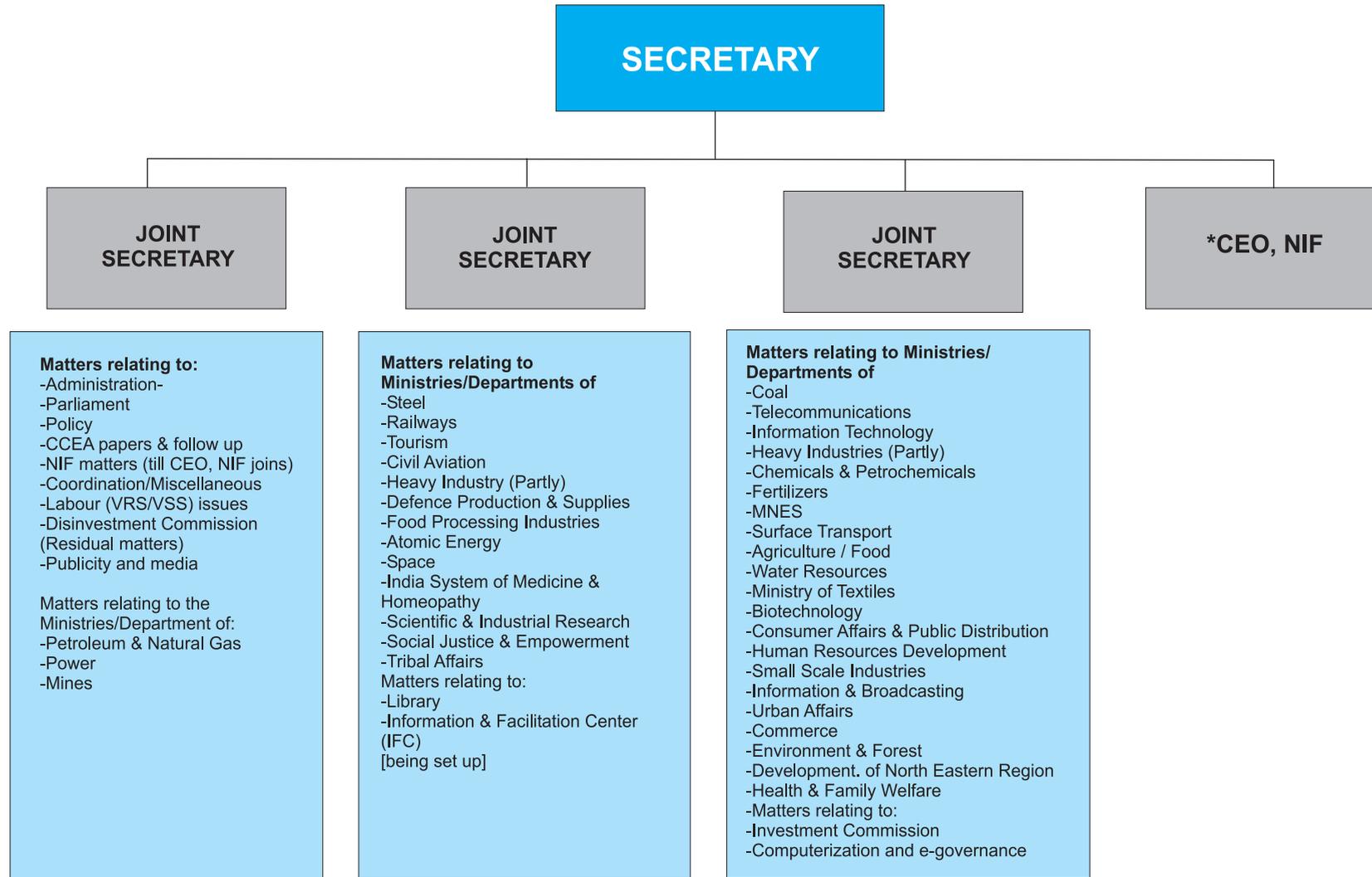
#### 7.4.19 Income Tax Ombudsman

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

## 8. DIRECT TAXES

**8.1** 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

## Department of Disinvestment Organisational Set up



\*Chief Executive Officer, National Investment Fund.

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 (Organisation & Management Services)
- (v) Directorate of Income Tax (Infrastructure)

**8.2** Various Chief Commissioners of Income Tax, stationed all over the country, supervise collection of direct taxes and provide taxpayer services. Directors General of Income Tax (Investigation) supervise the investigation machinery, with the aim to curb tax evasion and unearth unaccounted money. Chief Commissioners of Income Tax / Directors General of Income Tax are assisted by Commissioners of Income Tax / Directors of Income Tax within their jurisdictions. There is also first appellate machinery comprising Commissioners of Income Tax (Appeals), who perform the task of disposal of appeals against the orders of assessing officers.

The Principal Chief Controller of Accounts, CBDT with the assistance of the local Pay & Accounts officers is responsible for accounting the revenue collection as well as expenditure incurred by the Department.

## 9. INDIRECT TAXES

**9.1** The Central Board of Excise and Customs is the apex body in the Indirect Taxes set up. The Board discharge its various functions through its field organizations which includes 23 Chief Commissioners' Zones for Central Excise and Service Tax, 11 Chief Commissioners' Zones for Customs, 11 Directorates General, 7 Directorates, a Chief Departmental Representative's setup for Customs, Excise and Service Tax Appellate Tribunal, a Settlement Commission for Customs and Central Excise and an Authority for Advance Ruling. The Chief Commissioners are assisted by Commissioners and DGs by ADGs, Directors, etc. The Principal Chief Controller of Accounts, CBEC with the assistance of the local Pay and Accounts Offices is responsible for accounting the revenue collections as well as expenditure incurred by the Department.

**9.2** It is the continuous endeavour of the Department of Revenue to improve the tax to GDP ratio, expand the taxpayer base, increase tax compliance and make tax administration more efficient.

**9.3** In Department of Revenue, there are three Demands for Grants, viz.  
Demand No. 41 - Department of Revenue  
Demand No. 42 - Direct Taxes  
Demand No. 43 - Indirect Taxes.

There is no Plan expenditure in these demands.

**9.4 Under Demand No. 41 - Department of Revenue,** major expenditure is towards Compensation to States/Union Territory Governments on account of revenue loss due to implementation of Value Added Tax (VAT) and VAT related expenditure which is budgeted at Rs. 2995 crore for 2007-08 and included in the 'Outcome Budget'. A provision of Rs. 2500 crore has been made for compensation to States/Union Territory Governments for Revenue loss due to phasing out of CST. The other non-Plan expenditure included in the Outcome Budget are expenditure related to implementation of VAT

scheme, setting up of Tax Information Exchange system (TINXSYS) and expenditure on Government Opium & Alkaloid Works.

**9.5 Under Demand No. 42 - Director Taxes and 43 - Indirect Taxes,** only specific schemes under 'Information Technology', involving extensive computerization in the Tax Administration and Capital expenditure meant for acquisition of office/residential accommodation, acquisition of marine fleet and anti-smuggling equipments are included in the Outcome Budget.

## 10. DEPARTMENT OF DISINVESTMENT

**10.1** The Ministry of Disinvestment was converted into a Department under the Ministry of Finance with effect from 27<sup>th</sup> May, 2004. It has been assigned the following work:

- (a) All matters relating to disinvestment of Central Government equity from Central Public Sector Undertakings.
- (b) Decisions on the recommendations of Disinvestment Commission on the modalities of disinvestment, including restructuring.
- (c) Implementation of disinvestment decisions, including appointment of Advisors, pricing of Shares, and other terms and conditions of disinvestment.

- (d) Disinvestment Commission. (Since wound up on 31/10/2004)
- (e) Central Public Sector Undertakings for purposes of disinvestment of Government equity only.
- (f) Financial policy in regard to the utilization of the proceeds of disinvestment channelised into the National Investment Fund.

**10.2** The National Common Minimum Programme adopted by the Government outlines the policy of the Government with respect to the Public Sector, including disinvestment of Government's equity in Central Public Sector Enterprises (CPSEs).

**10.3** The Government has in November, 2005 constituted a "National Investment Fund" (NIF) into which the proceeds from disinvestment of CPSEs would be channelised. NIF would be maintained outside the Consolidated Fund of India and would be professionally managed by the selected Public Sector Mutual Funds to provide sustainable returns without depleting its corpus. 75% of the annual income of NIF will be used to finance selected social sector schemes, which promote education, health and employment. The residual 25% of the annual income of NIF will be used to meet the capital investment requirements of profitable and revivable CPSEs that yield adequate returns, in order to enlarge their capital base to finance expansion/diversification. No funds have accrued to NIF till date.

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

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

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

## 2 Detailed Demands for Grants of the Ministry of Finance at a Glance

(Rs. in crore)

Description	Actuals 05-06		Budget Estimates 06-07		Revised Estimates 06-07		Budget Estimates 07-08		Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
<b>Demand No. 32 - Department of Economic Affairs</b>									
<b>Total-Revenue Section</b>	<b>1423.61</b>	<b>1226.87</b>	<b>1425.72</b>	<b>1463.02</b>	<b>1424.72</b>	<b>1828.47</b>	<b>1449.38</b>	<b>2036.85</b>	<b>3486.23</b>
Charged	--	--	--	--	--	--	--	--	--
Voted	1423.61	1226.87	1425.72	1463.02	1424.72	1828.47	1449.38	2036.85	3486.23
<b>Total-Capital Section</b>	<b>--</b>	<b>1278.30</b>	<b>500.00</b>	<b>158.09</b>	<b>--</b>	<b>6728.98</b>	<b>100.00</b>	<b>355.20</b>	<b>455.20</b>
Charged	--	--	--	--	--	--	--	--	--
Voted	--	1278.30	500.00	158.09	--	6728.98	100.00	355.20	455.20
<b>Total (Revenue &amp; Capital)</b>	<b>1423.61</b>	<b>2505.17</b>	<b>1925.72</b>	<b>1621.11</b>	<b>1424.72</b>	<b>8557.45</b>	<b>1549.38</b>	<b>2392.05</b>	<b>3941.43</b>
Charged	--	--	--	--	--	--	--	--	--
Voted	1423.61	2505.17	1925.72	1621.11	1424.72	8557.45	1549.38	2392.05	3941.43
<b>Demand No. 33 - Payments to Financial Institutions</b>									
<b>Total-Revenue Section</b>	<b>17.90</b>	<b>3571.13</b>	<b>36.00</b>	<b>4133.43</b>	<b>9.53</b>	<b>6528.26</b>	<b>--</b>	<b>5723.81</b>	<b>5723.81</b>
Charged	--	--	--	--	--	--	--	--	--
Voted	17.90	3571.13	36.00	4133.43	9.53	6528.26	--	5723.81	5723.81
<b>Total-Capital Section</b>	<b>--</b>	<b>1252.88</b>	<b>--</b>	<b>232.80</b>	<b>--</b>	<b>198.00</b>	<b>--</b>	<b>40353.76</b>	<b>40353.76</b>
Charged	--	--	--	--	--	--	--	--	--
Voted	--	1252.88	--	232.80	--	198.00	--	40353.76	40353.76
<b>Total (Revenue &amp; Capital)</b>	<b>17.90</b>	<b>4824.01</b>	<b>36.00</b>	<b>4366.23</b>	<b>9.53</b>	<b>6726.26</b>	<b>--</b>	<b>46077.57</b>	<b>46077.57</b>
Charged	--	--	--	--	--	--	--	--	--
Voted	17.90	4824.01	36.00	4366.23	9.53	6726.26	--	46077.57	46077.57

Description	Actuals 05-06		Budget Estimates 06-07		Revised Estimates 06-07		Budget Estimates 07-08		Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
<b>Appropriation No. 34 - Interest Payments</b>									
<b>Total-Revenue Section</b>	—	<b>141374.88</b>	—	<b>145822.60</b>	—	<b>150691.85</b>	—	<b>163994.93</b>	<b>163994.93</b>
Charged	—	141374.88	—	145822.60	—	150691.85	—	163994.93	163994.93
Voted	—	—	—	—	—	—	—	—	—
<b>Total-Capital Section</b>	—	—	—	—	—	—	—	—	—
Charged	—	—	—	—	—	—	—	—	—
Voted	—	—	—	—	—	—	—	—	—
<b>Total (Revenue &amp; Capital)</b>	—	<b>141374.88</b>	—	<b>145822.60</b>	—	<b>150691.85</b>	—	<b>163994.93</b>	<b>163994.93</b>
Charged	—	141374.88	—	145822.60	—	150691.85	—	163994.93	163994.93
Voted	—	—	—	—	—	—	—	—	—
<b>Demand No. 35 - Transfers to State and Union Territory Governments</b>									
<b>Total-Revenue Section</b>	<b>24966.70</b>	<b>31590.03</b>	<b>25562.28</b>	<b>32769.01</b>	<b>31798.58</b>	<b>41715.52</b>	<b>33521.70</b>	<b>34140.00</b>	<b>67661.70</b>
Charged	—	25133.91	—	29406.50	—	28802.11	—	30087.50	30087.50
Voted	24966.70	6456.12	25562.28	3362.51	31798.58	12913.41	33521.70	4052.50	37574.20
<b>Total-Capital Section</b>	<b>4673.47</b>	<b>650.00</b>	<b>4000.00</b>	<b>1000.00</b>	<b>4700.00</b>	<b>1000.00</b>	<b>3286.50</b>	<b>1000.00</b>	<b>4286.50</b>
Charged	4673.47	650.00	4000.00	1000.00	4700.00	1000.00	3286.50	1000.00	4286.50
Voted	—	—	—	—	—	—	—	—	—
<b>Total (Revenue &amp; Capital)</b>	<b>29640.17</b>	<b>32240.03</b>	<b>29562.28</b>	<b>33769.01</b>	<b>36498.58</b>	<b>42715.52</b>	<b>36808.20</b>	<b>35140.00</b>	<b>71948.20</b>
Charged	4673.47	25783.91	4000.00	30406.50	4700.00	29802.11	3286.50	31087.50	34374.00
Voted	24966.70	6456.12	25562.28	3362.51	31798.58	12913.41	33521.70	4052.50	37574.20

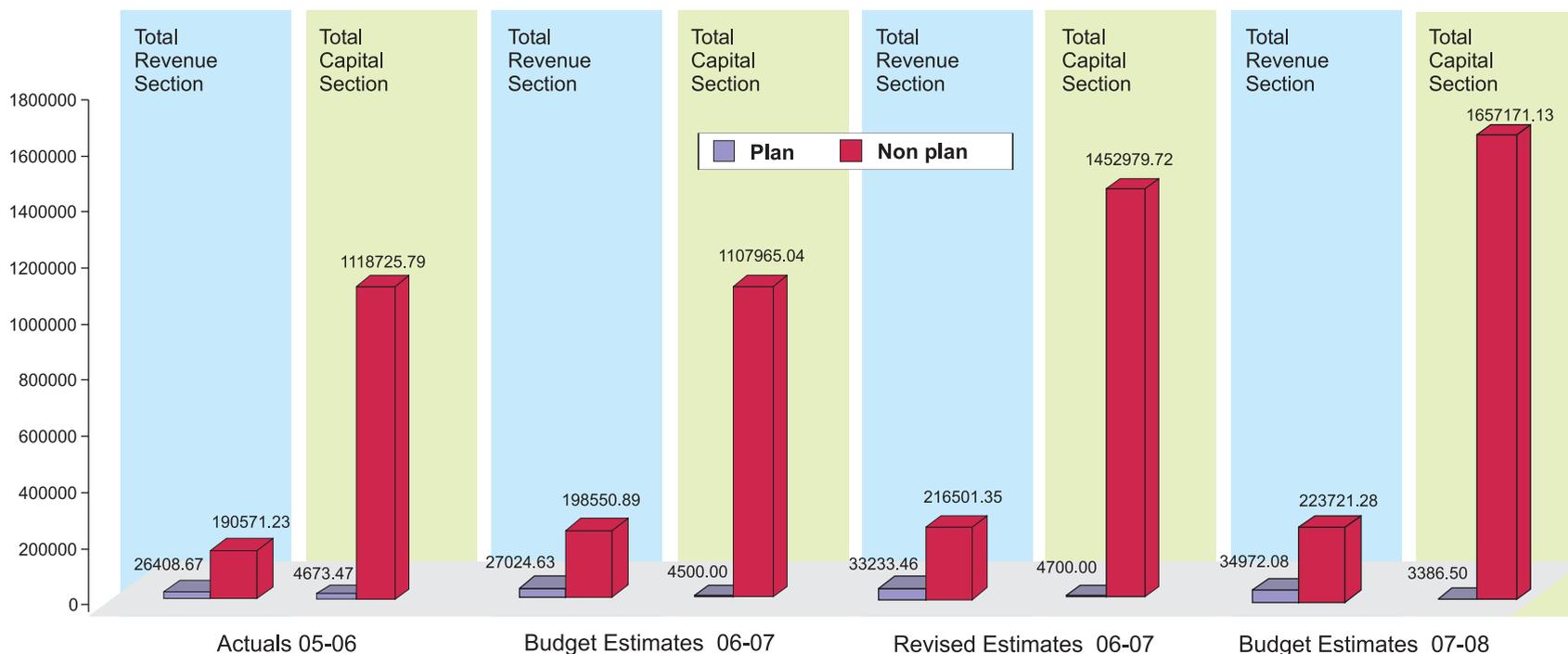
Description	Actuals 05-06		Budget Estimates 06-07		Revised Estimates 06-07		Budget Estimates 07-08		Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
<b>Demand No. 36 - Loans to Government Servants etc.</b>									
<b>Total-Revenue Section</b>	-	-	-	-	-	-	-	-	-
Charged	-	-	-	-	-	-	-	-	-
Voted	-	-	-	-	-	-	-	-	-
<b>Total-Capital Section</b>	-	<b>303.50</b>	-	<b>450.00</b>	-	<b>400.00</b>	-	<b>360.00</b>	<b>360.00</b>
Charged	-	-	-	-	-	-	-	-	-
Voted	-	303.50	-	450.00	-	400.00	-	360.00	360.00
<b>Total (Revenue &amp; Capital)</b>	-	<b>303.50</b>	-	<b>450.00</b>	-	<b>400.00</b>	-	<b>360.00</b>	<b>360.00</b>
Charged	-	-	-	-	-	-	-	-	-
Voted	-	303.50	-	450.00	-	400.00	-	360.00	360.00
<b>Appropriation No. 37 - Repayment of Debt</b>									
<b>Total-Revenue Section</b>	-	-	-	-	-	-	-	-	-
Charged	-	-	-	-	-	-	-	-	-
Voted	-	-	-	-	-	-	-	-	-
<b>Total-Capital Section</b>	-	<b>1115210.06</b>	-	<b>1098307.66</b>	-	<b>1444578.10</b>	-	<b>1611645.92</b>	<b>1611645.92</b>
Charged	-	1115210.06	-	1098307.66	-	1444578.10	-	1611645.92	1611645.92
Voted	-	-	-	-	-	-	-	-	-
<b>Total (Revenue &amp; Capital)</b>	-	<b>1115210.06</b>	-	<b>1098307.66</b>	-	<b>1444578.10</b>	-	<b>1611645.92</b>	<b>1611645.92</b>
Charged	-	1115210.06	-	1098307.66	-	1444578.10	-	1611645.92	1611645.92
Voted	-	-	-	-	-	-	-	-	-

Description	Actuals 05-06		Budget Estimates 06-07		Revised Estimates 06-07		Budget Estimates 07-08		Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
<b>Demand No. 38 - Department of Expenditure</b>									
<b>Total-Revenue Section</b>	<b>0.46</b>	<b>26.31</b>	<b>0.63</b>	<b>28.82</b>	<b>0.63</b>	<b>36.00</b>	<b>1.00</b>	<b>143.00</b>	<b>144.00</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	0.46	26.31	0.63	28.82	0.63	36.00	1.00	143.00	144.00
<b>Total-Capital Section</b>	–	–	–	–	–	–	–	–	–
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	–	–	–	–	–	–	–	–
<b>Total (Revenue &amp; Capital)</b>	<b>0.46</b>	<b>26.31</b>	<b>0.63</b>	<b>28.82</b>	<b>0.63</b>	<b>36.00</b>	<b>1.00</b>	<b>143.00</b>	<b>144.00</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	0.46	26.31	0.63	28.82	0.63	36.00	1.00	143.00	144.00
<b>Demand No. 39 - Pensions</b>									
<b>Total-Revenue Section</b>	–	<b>6278.84</b>	–	<b>6823.10</b>	–	<b>7058.66</b>	–	<b>7333.50</b>	<b>7333.50</b>
<i>Charged</i>	–	22.10	–	23.44	–	23.44	–	25.96	25.96
Voted	–	6256.74	–	6799.66	–	7035.22	–	7307.54	7307.54
<b>Total-Capital Section</b>	–	–	–	–	–	–	–	–	–
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	–	–	–	–	–	–	–	–
<b>Total (Revenue &amp; Capital)</b>	–	<b>6278.84</b>	–	<b>6823.10</b>	–	<b>7058.66</b>	–	<b>7333.5</b>	<b>7333.50</b>
<i>Charged</i>	–	22.10	–	23.44	–	23.44	–	25.96	25.96
Voted	–	6256.74	–	6799.66	–	7035.22	–	7307.54	7307.54

Description	Actuals 05-06		Budget Estimates 06-07		Revised Estimates 06-07		Budget Estimates 07-08		Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
<b>Demand No. 40 - Indian Audit &amp; Accounts Department</b>									
<b>Total-Revenue Section</b>	–	<b>1162.50</b>	–	<b>1239.88</b>	–	<b>1242.56</b>	–	<b>1258.47</b>	<b>1258.47</b>
<i>Charged</i>	–	31.18	–	37.09	–	39.77	–	39.98	39.98
Voted	–	1131.32	–	1202.79	–	1202.79	–	1218.49	1218.49
<b>Total-Capital Section</b>	–	<b>7.53</b>	–	<b>7.50</b>	–	<b>7.50</b>	–	<b>2.11</b>	<b>2.11</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	7.53	–	7.50	–	7.50	–	2.11	2.11
<b>Total (Revenue &amp; Capital)</b>	–	<b>1170.03</b>	–	<b>1247.38</b>	–	<b>1250.06</b>	–	<b>1260.58</b>	<b>1260.58</b>
<i>Charged</i>	–	31.18	–	37.09	–	39.77	–	39.98	39.98
Voted	–	1138.85	–	1210.29	–	1210.29	–	1220.60	1220.60
<b>Demand No. 41 - Department of Revenue</b>									
<b>Total-Revenue Section</b>	–	<b>2778.78</b>	–	<b>3339.09</b>	–	<b>4447.87</b>	–	<b>5874.39</b>	<b>5874.39</b>
<i>Charged</i>	–	–	–	0.02	–	23.02	–	0.02	0.02
Voted	–	2778.78	–	3339.07	–	4424.85	–	5874.37	5874.37
<b>Total-Capital Section</b>	–	<b>0.81</b>	–	<b>2.06</b>	–	<b>1.24</b>	–	<b>1.47</b>	<b>1.47</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	0.81	–	2.06	–	1.24	–	1.47	1.47
<b>Total (Revenue &amp; Capital)</b>	–	<b>2779.59</b>	–	<b>3341.15</b>	–	<b>4449.11</b>	–	<b>5875.86</b>	<b>5875.86</b>
<i>Charged</i>	–	–	–	0.02	–	23.02	–	0.02	0.02
Voted	–	2779.59	–	3341.13	–	4426.09	–	5875.84	5875.84

Description	Actuals 05-06		Budget Estimates 06-07		Revised Estimates 06-07		Budget Estimates 07-08		Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
<b>Demand No. 42 - Direct Taxes</b>									
<b>Total-Revenue Section</b>	–	<b>1193.95</b>	–	<b>1306.00</b>	–	<b>1371.05</b>	–	<b>1521.53</b>	<b>1521.53</b>
<i>Charged</i>	–	–	–	0.02	–	0.02	–	0.02	0.02
Voted	–	1193.95	–	1305.98	–	1371.03	–	1521.51	1521.51
<b>Total-Capital Section</b>	–	<b>15.88</b>	–	<b>28.00</b>	–	<b>10.30</b>	–	<b>10.47</b>	<b>10.47</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	15.88	–	28.00	–	10.30	–	10.47	10.47
<b>Total (Revenue &amp; Capital)</b>	–	<b>1209.83</b>	–	<b>1334.00</b>	–	<b>1381.35</b>	–	<b>1532.00</b>	<b>1532.00</b>
<i>Charged</i>	–	–	–	0.02	–	0.02	–	0.02	0.02
Voted	–	1209.83	–	1333.98	–	1381.33	–	1531.98	1531.98
<b>Demand No. 43 - Indirect Taxes</b>									
<b>Total-Revenue Section</b>	–	<b>1361.91</b>	–	<b>1615.89</b>	–	<b>1577.11</b>	–	<b>1690.80</b>	<b>1690.80</b>
<i>Charged</i>	–	0.56	–	1.00	–	1.00	–	1.00	1.00
Voted	–	1361.35	–	1614.89	–	1576.11	–	1689.80	1689.80
<b>Total-Capital Section</b>	–	<b>6.83</b>	–	<b>98.93</b>	–	<b>55.59</b>	–	<b>140.20</b>	<b>140.20</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	6.83	–	98.93	–	55.59	–	140.20	140.20
<b>Total (Revenue &amp; Capital)</b>	–	<b>1368.74</b>	–	<b>1714.82</b>	–	<b>1632.70</b>	–	<b>1831.00</b>	<b>1831.00</b>
<i>Charged</i>	–	0.56	–	1.00	–	1.00	–	1.00	1.00
Voted	–	1368.18	–	1713.82	–	1631.70	–	1830.00	1830.00

Description	Actuals 05-06		Budget Estimates 06-07		Revised Estimates 06-07		Budget Estimates 07-08		Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
<b>Demand No. 44 - Department of Disinvestment</b>									
<b>Total-Revenue Section</b>	–	<b>6.03</b>	–	<b>10.05</b>	–	<b>4.00</b>	–	<b>4.00</b>	<b>4.00</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	6.03	–	10.05	–	4.00	–	4.00	4.00
<b>Total-Capital Section</b>	–	–	–	<b>7680.00</b>	–	<b>0.01</b>	–	<b>3302.00</b>	<b>3302.00</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	–	–	7680.00	–	0.01	–	3302.00	3302.00
<b>Total (Revenue &amp; Capital)</b>	–	<b>6.03</b>	–	<b>7690.05</b>	–	<b>4.01</b>	–	<b>3306.00</b>	<b>3306.00</b>
<i>Charged</i>	–	–	–	–	–	–	–	–	–
Voted	–	6.03	–	7690.05	–	4.01	–	3306.00	3306.00
<b>GRAND TOTAL</b>									
<b>Total-Revenue Section</b>	<b>26408.67</b>	<b>190571.23</b>	<b>27024.63</b>	<b>198550.89</b>	<b>33233.46</b>	<b>216501.35</b>	<b>34972.08</b>	<b>223721.28</b>	<b>258693.36</b>
<i>Charged</i>	–	166562.63	–	175290.67	–	179581.21	–	194149.41	194149.41
Voted	26408.67	24008.60	27024.63	23260.22	33233.46	36920.14	34972.08	29571.87	64543.95
<b>Total-Capital Section</b>	<b>4673.47</b>	<b>1118725.79</b>	<b>4500.00</b>	<b>1107965.04</b>	<b>4700.00</b>	<b>1452979.72</b>	<b>3386.50</b>	<b>1657171.13</b>	<b>1660557.63</b>
<i>Charged</i>	4673.47	1115860.06	4000.00	1099307.66	4700.00	1445578.10	3286.50	1612645.92	1615932.42
Voted	–	2865.73	500.00	8657.38	–	7401.62	100.00	44525.21	44625.21
<b>Total (Revenue &amp; Capital)</b>	<b>31082.14</b>	<b>1309297.02</b>	<b>31524.63</b>	<b>1306515.93</b>	<b>37933.46</b>	<b>1669481.07</b>	<b>38358.58</b>	<b>1880892.41</b>	<b>1919250.99</b>
<i>Charged</i>	4673.47	1282422.69	4000.00	1274598.33	4700.00	1625159.31	3286.50	1806795.33	1810081.83
Voted	26408.67	26874.33	27524.63	31917.60	33233.46	44321.76	35072.08	74097.08	109169.16



**An overview of Expenditure and Budget Estimates for all Grants under Ministry of Finance**

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

**3.1** In this Demand, the major portion of the budget provision is to meet the establishment related expenditure of various establishments, units and subordinate offices including Department of Economic Affairs, National Savings Institute (NSI), Appellate Authority for Industrial and Financial Reconstruction (AAIFR), Board

for Industrial and Financial Reconstruction (BIFR), Debts Recovery Tribunals (DRTs) etc. In this Demand, there are very few activities/outlays for which 'Outcome/Target' could be set in tangible, quantifiable/measurable terms. The activities, Plan and Non-Plan, indicating 'Outcomes' during the financial year 2007-08 have been depicted in the following statements:

**3.2 Statement of Outlays and Outcomes**  
**3.2.1 Demand No. 32 - Department of Economic Affairs**

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs.in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
1	<b>Major Head 3054 – Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel</b>	Under this Scheme, Cess money under Central Road Fund Act, 2000 is to be used for financing construction of railway over bridges and Railway safety works at unmanned level crossings. The proposal for construction of Road over/under bridges in lieu of existing busy manned level crossings on cost sharing basis where traffic density is more than 1 lakh train vehicle units (TVUs) is sponsored by respective State.	-	724.69	<ul style="list-style-type: none"> <li>Manning at 375 locations</li> <li>Lifting Barrier at 200 locations</li> <li>Basic Infrastructure at 700 locations</li> <li>Interlocking at 460 locations</li> <li>Telephones at 350 locations.</li> <li>Over Bridge/ Under Bridge at 60 locations</li> </ul>	Ensure safety at unmanned level crossing and provide smooth passage for traffic.	<ul style="list-style-type: none"> <li>For manning of unmanned level crossing, gates/lifting barriers have to be erected at the locations and duty huts/gate lodges constructed for gatekeepers. The medically qualified suitable willing gate keepers are to be selected and posted at the gates.</li> <li>The process include provision of a cabin for gateman, upgrading and maintaining of smooth roads and embankment, proper gradient, hexagonal block on track for smooth passage of road vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>Non availability of medically fit &amp; suitable willing gate keepers</li> <li>Delay in receiving approval of CRS &amp; State Govt. consent.</li> <li>Non availability of material and contractors at way side locations.</li> <li>Shortage of contractors Most of the level crossings are in remote areas for which long distance provisions are to be made.</li> </ul>

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs.in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors			
			4						6	7	8
			4(i)	4(ii)							
				Non-Plan	Plan						
		Govt./local bodies duly fulfilling certain preliminary requisites. Based on firm proposal from State Govt./local bodies work is sanctioned.					<ul style="list-style-type: none"> <li>Laying of cable from station to the level crossing location, connecting signalling system &amp; telephones with level crossing location</li> <li>Proposal for construction of Road over/under bridges in lieu of existing busy manned level crossings on cost sharing basis where traffic density is more than 1 lakh Train Vehicle Units (TVUs) is sponsored by respective State Govt./local bodies duly fulfilling certain preliminary requisites as per extant rule such as closure of LC after completion of Road over Bridge, sharing of cost</li> </ul>				

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs.in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
							of work etc. based on firm proposal from State Govt./local bodies, work is sanctioned. General arrangement, drawings and estimates are prepared before taking up the work.	
2	<b>Major Head 5475 – Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure</b> <i>(Ref Annex-I Appendix-A)</i>	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	-	100.00	<ul style="list-style-type: none"> <li>At present 37 VGF proposals have been received &amp; 21 have been given 'in principle' approval by the Empowered Institution. Bidding Process/Pre-qualification of bidders have already been started. In some projects, bidding process has also been completed. The expected fund requirement for FY 2007-08 has been assessed as Rs. 154 crore.</li> </ul>	Growth of Public Private Partnership.	Actual disbursement cannot take place as there is time lag between 'in principle' approval and final disbursement. The disbursement of fund can take place only when the private sector company invests its equity of shares. It will take further 6 months to 1 year in final disbursement of funds.	

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs.in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors				
			4						5	6	7	8
			4(i)	4(ii)								
			Non-Plan	Plan								
3	<b>Major Head 3475 – Other Expenditure - Interest equalization support to Exim Bank of India</b> <i>(Ref. Annex-I Appendix-B&amp;C)</i>	Indian Development and Economic Assistance Scheme (IDEAS).The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme <i>inter-alia</i> , provides interest equalization support to Exim Bank of India for GOI supported lines of credit.	228.00	-	Exports of Indian goods and services to countries like Angola, Djibouti, Burkina Faso, Chad, Congo, Cote d' loire, Ethiopia, Equatorial Guinea, Fiji, Gambia, Ghana, Guyana, Guinea Bissau, Honduras, Jamaica, Lesotho, Mali, Mauritius, Mozambique, Myanmar, Niger, Senegal, Seychelles, Sri Lanka, Sudan, Suriname, Vietnam and Zambia	Growth of Indian exports, development of strategic and economic relationship with countries like Angola, Djibouti, Burkina Faso, Chad, Congo, Cote d' loire, Ethiopia, Equatorial Guinea, Fiji, Gambia, Ghana, Guyana, Guinea Bissau, Honduras, Jamaica, Lesotho, Mali, Mauritius, Mozambique, Myanmar, Niger, Senegal, Seychelles, Sri Lanka, Sudan, Suriname, Vietnam and Zambia.	The provision is to be utilized upto 31 <sup>st</sup> March 2008.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to Exim Bank as counter-guarantee of GOI has been given to Exim Bank for the lines of credit.				
4	<b>Major Head 3605 – Technical and Economic Cooperation with other</b>	<ul style="list-style-type: none"> <li>• Writing off of past debt of <b>HIPCs</b> (Heavily Indebted Poor Countries)</li> <li>• Providing assistance for</li> </ul>	35.50	-	<ul style="list-style-type: none"> <li>• About Rs.10 crore may be required to write off past loans of GOI credit lines of recipient countries</li> </ul>	<ul style="list-style-type: none"> <li>• Develop long standing economic relationship</li> <li>• Identific-ation of Projects</li> </ul>	<ul style="list-style-type: none"> <li>• The scheme will initially run for 5 years.</li> <li>• The provision is to be utilized upto 31<sup>st</sup> March 2008</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of CCEA is awaited.</li> </ul>				

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk factors
			4(i)	4(ii)				
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
	<p><b>countries, Development Assistance, Grants-in-aid</b> (Ref. Annex-I Appendix-B)</p>	<p>project preparations.</p> <ul style="list-style-type: none"> <li>Creation of regional and Country strategies.</li> </ul>			<p>which may be classified as HIPC.</p> <ul style="list-style-type: none"> <li>Release of grants to professionals/ organizations for carrying out project identification, preparation and appraisal.</li> <li>Develop coherent regional and country strategies through external and inter Ministerial consultations</li> </ul>	<ul style="list-style-type: none"> <li>This initiative would deliver maximum economic and strategic value to country</li> </ul>		
5	<p><b>Major Head 3605 - Technical and Economic Cooperation with other countries, Technical aid to South and South East Asia under the Colombo Plan;</b></p>	<p>Provide technical aid to countries under Colombo Plan, by providing support to Human resource development, through courses conducted by Indian Institutes.</p>	5.96		<p>Human Resource Development through technical education to 410 students every year from Colombo Plan countries.</p>	<p>Development of long standing economic relationship through continued technical assistance to countries like, Afghanistan, Bangladesh, Bhutan, Fiji, Indonesia, Iran, Korea, Laos, Malaysia, Maldives, Mangolia, Myanmar,</p>	<p>The courses are approved by DEA. The trainees are drawn as per the slots allotted to different countries. They are provided with air fare, tuition fee, accommodation and living allowances</p>	<p>There is no risk factor involved as the funds allocated under BE 2006-07 is being utilized for the objective mentioned in Col. No. 3.</p>

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs.in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors				
			4						5	6	7	8
			4(i)	4(ii)								
			Non-Plan	Plan								
	<b>07.01.32 and 07.02.32: contribution</b> <i>(Ref. Annex - I Appendix - D)</i>					Nepal, Papua New Guinea, Philippines, Sri Lanka, Thailand and Vietnam.						
<b>6</b>	<b>Major Head 7605 - Advances to Foreign Governments Loan to Govt. of Mauritius</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	12.00		Export of equipment for cyber city project and International Convention Centre project in Mauritius.	Growth of Indian exports, development of strategic and economic relationship with Mauritius.	Ongoing credit line since 2001. Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 100 million credit line agreement dated 4.5.2001, with fixed LIBOR six months rate of interest (prevailing on the date of credit agreement) and 3 years moratorium, US\$ 19.99 million disbursed till 16 <sup>th</sup> January, 2007. Utilisation of US\$ 4 million was expected in 2006-07. However, the same is now expected to occur in 2007-08.				
<b>7</b>	<b>Major head 7605 - Advances to Foreign Governments - Loan to Govt. of Sri Lanka</b>	Promotion of export of goods and services from India and cultivating long term economic	77.00		Export of various goods e.g. buses, spare parts of buses, Jeeps, IT equipments, binoculars etc. and consultancy services.	Growth of Indian exports, development of strategic and economic relationship.	Ongoing credit line since 2002 and 2004. Exporters' claims are routed through SBI Overseas Branch, New	Out of a total of US\$ 31 million credit line agreement dated 3.7.2002 and US\$ 25 million credit line				

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs.in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
		relationship with the recipient country.					Delhi for reimbursement.	agreement dated 23.3.2004 with fixed LIBOR six months rate of interest (prevailing on the date of credit agreement) and 5 years moratorium, US\$ 26.89 million disbursed till 16 <sup>th</sup> January, 2007. Utilisation of US\$ 20 million is expected in the financial year 2007-08.
8	<b>Major Head 7605 - Advances to Foreign Governments - Loan to Govt. of Cambodia</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	11.68		Export of various equipment and goods and consultancy services for rehabilitation of an irrigation project in Cambodia. Export of pump sets.	Growth of Indian exports, development of strategic and economic relationship.	Ongoing credit line since 2002. Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 10 million credit line agreement dated 6.11.2002, with rate of interest 1.5% per annum, and 5 years moratorium, US\$ 5.51 million disbursed till 16 <sup>th</sup> January, 2007. Utilisation of US\$ 3 million is expected in the financial year 2007-08.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors			
			4						6	7	8
			4(i)	4(ii)							
		Non-Plan	Plan								
9	<b>Major Head 7605 – Advances to Foreign Governments - Loan to Govt. of Surinam</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	1.00			Growth of Indian exports, development of strategic and economic relationship.	Ongoing credit line since 2003. Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 10 million credit line agreement dated 17.3.2003, with fixed LIBOR six months rate of interest(prevaling on the date of credit agreement) and 3 years moratorium, US\$ 9.47 million disbursed till 16 <sup>th</sup> January, 2007. Utilisation of a small portion of US\$ 0.25 million is expected in the financial year 2007-08.			



*Better awareness through counseling to overcome debt stress in drought affected districts.*

#### 4. Demand No.33 - Payments to Financial Institutions

4.1 This demand deals with Financial Institutions .The provision under this Demand is basically for financial sector reforms and mandatory payments to International Organisations like IMF, African Development Fund/Bank, International Fund for Agricultural Development, Afghan Reconstruction Trust Fund and Contribution to Multi Donor Technical Assistance.

The investment boom in infrastructure industry (including housing) and services need to be nurtured through further reforms in the financial sector

including reforms in bank finances. The ‘Grants-in-aid’ are given for Industrial Financial Institutions, Agriculture Financial Institutions and General Financial & Trading Institutions and ‘Subsidy’ to Public Sector General Insurance Companies for Community based Universal Health Insurance Scheme and to LIC for Pension Plan for Senior Citizens.

There are no Plan provisions in this Demand for the Financial Year 2007-08. The major Non-Plan activities projecting ‘Outcomes’ are given in the following statement:

4.2 Statement of Outlays and Outcomes								
4.2.1 Demand No. 33 – Payments to Financial Institutions								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
1	<b>Major Head 2235 – Subsidy to public sector general insurance companies for community based Universal Health Insurance Scheme(UHIS)</b> <i>(Ref. Para No. 3 Annexure - II).</i>	Health care to BPL families through Public Sector General Insurance Companies by providing subsidy.	45.00	-	Coverage of 15 lakh families.	15 lakh families belonging to Below Poverty Line will benefit out of the scheme.	1 year	-
2	<b>Major Head 2235 – Payment of interest subsidy to LIC for Pension Plan for Senior Citizens. (Varishtha Pension Bima Yojana)</b> <i>(Ref. Para No. 4 Annexure - II).</i>	Pension Plan to Senior Citizens aged 55 years and above through LIC by paying interest subsidy.	249.77	-	Coverage of approximately 3.8 lakh pensioners.	Liabilities towards pension annuity in respect of policies already issued and maturing shall be met.	1 year	Low market yield may result in increased liability on the part of Government, which may require providing additional resources in the Budget.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
3	<b>Major Head 2416 – Grants in aid for revitalization of Cooperative Credit Structure</b> <i>(Ref. Para No. 5 Annexure - II).</i>	Revitalisation of Cooperative Credit Structure in the country.	1500.00	-	9 States have executed MoUs with NABARD and Government of India for implementing the package.	Cooperative Credit Structure in the country shall be strengthened.	The revitalization is to take place within three years depending upon the willingness of the States.	The normal financial risk of lending always exists with a financial institution.
4	<b>Major Head 2416 – Grants-in-aid – Interest Subvention for providing short term credit to farmers.</b> <i>(Ref. Para No. 6 Annexure - II).</i>	Interest relief to farmers on short term production credit.	1676.86	-	To provide short term production credit at 7% to the farmers upto an amount of Rs. 3.00 lakh.	Farmers will benefit of the much needed interest relief on short term loans.	1 year	This is a subsidy to farmers. No risk factor is involved.
5	<b>Major Head 2885 – Redemption of IDBI Bonds relating to Stressed Assets Stabilisation Fund (SASF)</b> <i>(Ref. Para No. 8 Annexure - II).</i>	Cash neutral provision for weeding out stressed assets of IDBI.	500.00	-	Premature redemption of special securities.	Redemption of special securities worth Rs. 750.00 crore.	1 year	Defaults in payment of settled cases.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
6.	<b>Major Head 2885 – Industrial Finance Corporation of India (IFCI)</b>	Payment of Government. guaranteed liabilities covered under restructuring package	1300.00	-	Confidence of foreign lenders on Indian Financial system, improvement in performance of IFCI, optimal utilization of resources for designated purpose.	The objective of restructuring would be attained and the confidence of domestic and international lenders on Indian Financial market would be bolstered.	2007-08	Do not foresee any risk in meeting the objective of the restructuring package.
7.	<b>Major Head 4885 – Export Import Bank of India</b> <i>(Ref. Para No. 9 Annexure - II).</i>	Strengthening of equity base of EXIM Bank.	100.00	-	India's exports catalyzed by EXIM Bank. Credit to SMEs as percentage of total loan portfolio lending.	18% of exports to be catalyzed by the Bank. SME loans to constitute 35% of the total loan portfolio. Increased in LoC portfolio to USD 1 billion. New initiatives to be undertaken.	1 year. Generating financing proposals and raising resources for lending programmes services.	Credit risk, liquidity risk, interest rate risk and foreign exchange risk.
8.	<b>Major Head 4885 – India Infrastructure Finance</b>	Contribution to the capital of IIFCL for enabling the programme of	200.00	-	Propose to extend finance of Rs. 12,000.00 crore during the year.	The company would fill the gap for long term infrastructure finance which the banks are not in a	1 year	Access to funds at reasonable cost. Timely provision of capital and guarantee.

Sl. No.	Name of the Scheme/ Programme	Objective/ Out-come	Outlay 2007-08 (Rs.in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
	<b>Company Ltd. (IIFCL)</b> <i>(Ref. Para No. 10 Annexure - II).</i>	providing long term infrastructure finance.				position to provide owing to concerns relating to mismatches in assets and liabilities.		

<b>5. Statement of Outlays and Outcomes</b>								
<b>5.1 Demand No. 38 – Department of Expenditure</b>								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
1	<b>Major Head 2070 – Other Administrative Services. Central Plan Scheme for training to officers of North-Eastern/ Special category/ *BIMARU States.</b> (*Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh)	High level professional course covering basic elements of MBA (Finance) for officers dealing with Accounts and Finance matters to be offered by the National Institute of Financial Management Society.	-	1.00	Training to 15 officers of North Eastern/ Special category/ BIMARU States. The programme consists of 4 semesters each having 22 weeks duration. Of these, 3 semesters are for class room teaching and fourth for project work.	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.	2 years	1. Seats are first offered to officers from North Eastern States/ Special category states and then to BIMARU States, if available.  2. In view of the enhanced Plan allocation as compared to the previous year, efforts will be made to increase the number of seats.
2	<b>Major Head 2070 – Other Administrative Services.</b>	i) To provide in-service training to the staff of Civil Accounts Organisation.	2.41	-	Through its training centres at Delhi, Kolkata, Chennai and Mumbai, 268 training programmes on various modules for officials of	Modules -50 Total no. of courses- 268 Civil Accounts Officials -4000	Courses range from two days to three weeks.	The training programmes would be completed as per schedule.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
	<b>Non-Plan scheme for Training Centre in the Civil Accounting Department (Institute of Government Accounts and Finance)</b>	ii) To upgrade their skills and knowledge by adopting modern training and research methodology.			Civil Accounts Organisation, treasuries of State Governments, Public Sector Undertakings, and courses for ITEC Division of Ministry of External Affairs for about 50 countries are proposed to be organized.	Other participants of Union Govt. and PSUs – 500 Participants from State Governments -250 Participants from foreign countries - 300		

## 6. Statement of Outlays and Outcomes

### 6.1 Demand No. 41 - Department of Revenue

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)			Physical Outputs/ Quantifiable Deliverables	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors				
			4							5	6	7	8
			4(i)	4(ii)	4(iii)								
			Non-Plan	Plan	Complementary Extra Budgetary								
1	<b>Major Head 2052 – Implementation of VAT Scheme</b> (The Budget provision is for VAT related computerization in NE States and Sikkim and for other VAT related Expenditure)	Setting up Modern VAT Administration System in NE States & Sikkim as also facilitating similar action in other States.	5.00	-	NE States and Sikkim have made available office space and other infrastructure for the Project.	Computerization of VAT administration in NE States and Sikkim	Effective implementation and administration of VAT	The initial phase of implementation of the Project on Turnkey basis has been completed. The task during 2007-08 is to effectively utilize the systems already put in place and to add new need-based software applications and remove bottlenecks, if any.					
2	<b>Major Head 2052 – Setting up of Tax Information Exchange System etc.</b> (The Budget	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the EC.	9.00	-	3.50 (States' matching share in TINXSYS Project)	<ul style="list-style-type: none"> <li>Implementation of TINXSYS Project.</li> <li>Smooth functioning of EC.</li> </ul>	<ul style="list-style-type: none"> <li>Effective tracking of inter-State transactions, which will</li> </ul>	<ul style="list-style-type: none"> <li>The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation will</li> </ul>					

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)			Physical Outputs/ Quantifiable Deliverables	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non-Plan	Plan	Complementary Extra Budgetary				
	provision is for grant-in-aid to Empowered Committee (EC) for implementing TINXSYS Project, VAT Computerisation of J&K & HP and for EC's administrative expenditure)					<ul style="list-style-type: none"> <li>VAT Computerisation in J&amp;K and HP.</li> </ul>	<ul style="list-style-type: none"> <li>set the stage of CST reforms.</li> <li>Modern VAT Administration in J&amp;K and HP</li> </ul>	<ul style="list-style-type: none"> <li>be completed during 2007-08. Thereafter, it will be run by the Service Provider for another about 2 years, before transfer to EC.</li> <li>J&amp;K and HP VAT Computerisation Project: Initial phase expected to be completed during 2007-08.</li> </ul>	
3	<b>Major Head 3601/3602 - Compensation to States/UTs for revenue losses due to implementation of VAT and other VAT related expenditure</b> (The Budget Provision is for	<ul style="list-style-type: none"> <li>Smooth and effective implementation of State VAT.</li> </ul>	2,995.00	-	-	<ul style="list-style-type: none"> <li>VAT Implementation by all States/ UTs.</li> <li>Modernisation of State Tax Administration including setting up/ upgradation of two Institutes for taxation</li> </ul>	<ul style="list-style-type: none"> <li>Smooth and effective implementation of State VAT</li> <li>Considered to be the most significant tax reform</li> </ul>	<ul style="list-style-type: none"> <li>As per agreed formula, VAT Compensation is to be provided for 2005-06, 2006-07 and 2007-08. Claims for the last part of 2007-08 would need to be settled during 2008-09.</li> <li>Support for</li> </ul>	

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)			Physical Outputs/ Quantifiable Deliverables	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors				
			4							5	6	7	8
			4(i)	4(ii)	4(iii)								
			Non-Plan	Plan	Complementary Extra Budgetary								
	providing grant-in-aid to States for (i) VAT compensation, and (ii) other VAT related expenditure and setting up/ upgradation of two Institutes for taxation studies in States/UTs)					studies in States/UTs	measures at State level.	modernization of State VAT administration upto 2009-2010					
4	<b>Major Head 3601/3602 – Compensation to States/UTs for revenue losses due to phasing out of Central Sales Tax (CST).</b> (The Budget Provision is for providing grant-in-aid to States for CST compensation.)	• Smooth and effective implementation of phasing out of CST.	2500.00	-	-	<ul style="list-style-type: none"> <li>• Implementation by all States/ UTs.</li> <li>• Phasing out of CST</li> </ul>	<ul style="list-style-type: none"> <li>• Smooth and effective implementation of phasing out of CST</li> <li>• A corollary to the implementation of VAT.</li> </ul>	CST is being phased out in three years time. As per agreed formula, CST compensation will need to be provided to the States till 2009-10.					

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)			Physical Outputs/ Quantifiable Deliverables	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors				
			4							5	6	7	8
			4(i)	4(ii)	4(iii)								
			Non-Plan	Plan	Complementary Extra Budgetary								
5	<b>Major Head 2875 – Govt. Opium &amp; Alkaloid Works</b>	The Govt. Opium & Alkaloid Factories in Ghazipur and Neemuch are two departmental undertakings functioning under the Department of Revenue. Each of these undertakings has two separate units viz. Opium Factory and Alkaloid Plant. The Opium Factories are engaged in catering to the demand of opium and the major portion of raw opium received from the field is exported.	231.13	-	-	Export of Opium (475MT) Sales of alkaloids (34.215 MT). This will result in revenue receipt of Rs.258 Crore.	Revenue Realisation of Rs.258 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 market, fluctuation in foreign exchange, production of alkaloid, quantity of opium for procurement etc.				

<b>7. Statement of Outlays and Outcomes</b>								
<b>7.1 Demand No. 42 – Direct Taxes</b>								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
1	<b>Major Head 2020 - Collection of Income Tax; Information Technology</b>  I) Perspective Plan for Phase-III of Comprehensive Computerisation.	A) Systems Integration along with hardware and software procurement	142.00	-	<ul style="list-style-type: none"> <li>• Computing capacity to handle the projected workload up to 2010-11.</li> <li>• Country-wide facility for e-filing of returns and other documents.</li> <li>• Jurisdiction free filing of returns with migration facility of PAN.</li> <li>• Centralized issue of refunds through designated refund banker.</li> </ul>	Setting up of National Data Centre, Consolidation of regional data bases into single national data base.	31.8.2007	The timeline is dependent on successful execution of contract.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
		B) Modification of Aayakar Bhawan, Vaishali into a secure Information Technology Hub and its maintenance.			<ul style="list-style-type: none"> <li>Facilities management in the offices of Income Tax Department.</li> </ul> <p>After modification of the Vaishali Building, National Data Center will be established.</p>	The IT hub of the Department viz. National Computer Centre will enable the Directorate, Application Management team, System Integrater, Network Service Provider, Project consultants and Business Process Re-engineering team to work in close co-ordination and resolve issues relating to IT services for the Income Tax Department in a secure and technology friendly environment.	31.8.2007	The timeline is dependent on successful execution of contract.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
		C) Networking equipment and Monitoring implementation of All India Tax Network and setting up video conferencing facilities for Chief Commissioners of Income Tax.			Network of Income Tax offices across the country and video conferencing facility to North Block and 46 Chief Commissioners of Income Tax (CCsIT).	<ul style="list-style-type: none"> <li>• Officers and staff in 510 cities would be able to access the Central Data Centre over the "Taxnet" to perform their functions. Faster and reliable transfer of data would ensure timely delivery of services to the taxpayer.</li> <li>• Video conferencing would provide connectivity from CBDT, North Block to 46 CCsIT. This would improve business efficiency within the Department which would ultimately benefit the Taxpayers.</li> </ul>	30.6.07	

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			4(i)	4(ii)				
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
	II. Tax Information Network (TIN)	<p>D) Hiring of Data Centres for Primary, Business Continuity Planning (BCP) &amp; Disaster Recovery (DR) sites.</p> <p>Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to :</p> <ul style="list-style-type: none"> <li>• Online Tax Account System (OLTAS),</li> <li>• Tax deductions coming from TDS returns</li> <li>• High value financial</li> </ul>			<ul style="list-style-type: none"> <li>• Co-location of hardware equipments in Data Centres meeting industry standards.</li> <li>• Security certification as per industry norms for ensuring security of the equipment and data.</li> <li>• On line receipt of tax payments coming from banks enabling the Department to check frauds by ensuring correct credit of tax deducted;</li> </ul>	<p>Secured data will be available at national level for various management controls.</p> <p>Tax payers will get details of Tax deducted on their behalf on an on going basis during the financial year itself.</p>	<p>31.03.07. However, residual payments will be made in 2007-08.</p> <p>On going activity.</p>	

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors				
			4						5	6	7	8
			4(i)	4(ii)								
			Non-Plan	Plan								
	III. Business Process Re-engineering (BPR)	<p>transactions coming through Annual Information Returns; and</p> <ul style="list-style-type: none"> <li>Facility for generation of electronic TDS accounts.</li> </ul> <p>Complete revamping of existing processes to meet the needs of stake holders.</p>			<ul style="list-style-type: none"> <li>Facility of TDS assessments;</li> <li>Information in respect of deductees in TDS returns which can be used for widening of tax base using PAN as identifier.</li> </ul> <p>Submission of the report of the consultant and BPR Implementation Plan. Main components are reports on</p> <ul style="list-style-type: none"> <li>Document management system</li> <li>Tax payer identification system</li> <li>Tax accounting system</li> <li>Risk assessment system</li> </ul>	<ul style="list-style-type: none"> <li>Correct credit of tax deducted to tax payers will be ensured.</li> </ul> <p>Business processes of the Department will be in line with advancement in the field of Information Technology.</p>	The project report will be available by 31.10.07	Contractual obligation to be fulfilled by the vendor.				

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
	IV. Tax payers' friendly services	Aayakar Sampark Kendra and maintenance of website of Income Tax Department			<ul style="list-style-type: none"> <li>• Knowledge management system.</li> <li>• Dispute avoidance and resolution system</li> <li>• Information technology enablement plan.</li> </ul> <p>a) Deliverables from Aayakar Sampark Kendra will be</p> <ul style="list-style-type: none"> <li>• Provision of PAN, Challan, Return forms and related information.</li> <li>• Facility to send forms by e-mail.</li> <li>• Handling of PAN grievances.</li> </ul> <p>b) Provision of tax related information, facility for downloading of various forms/</p>	<ul style="list-style-type: none"> <li>• Easy &amp; convenient dissemination of information and settlement of PAN grievances.</li> <li>• Enhanced convenience reducing manual interface and increased tax payers' satisfaction.</li> </ul>	On-going activity	

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
	V. Implementation of Multi Protocol Level Switching, Virtual Private Network.	To implement an online monitoring system for revenue as well as expenditure for the Income Tax Department.			challans and return preparation software and the facility for e-filing of income tax returns.  Connectivity for all the Zonal Accounts Offices linking all the servers of Expenditure accounting and also of Revenue accounts.	Monitoring of expenditure and receipt of the Income Tax Department on daily basis would be possible at headquarters in the office of Principal Chief Controller of Accounts, CBDT.	30.06.07 On pilot basis	
2	<b>Major Head 4216 – Capital Outlay on Housing</b>  Purchase of 30 ready built flats from NOIDA at Noida.	To bridge the shortfall in residential accommodation.	7.47	-	The purchase of this residential accommodation will mitigate the shortage of quarters in the Department.	Better staff satisfaction resulting in enhanced motivation and productivity.	31.12.07	

**8. Statement of Outlays and Outcomes**
**8.1 Demand No. 43 – Indirect Taxes**

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			4 (i)	4 (ii)				
1	2	3	4	5	6	7	8	
			Non-Plan	Plan				
1	<b>Major Head 2037 and 2038 – Information Technology</b>	Strengthening of IT capability for e-governance	141.00	–	<ul style="list-style-type: none"> <li>Setting up of an All India Wide Area Network.</li> <li>Installation of Central servers (hardware, storage and security infrastructure)</li> </ul>	<p>Country-wide connectivity of all offices under CBEC to the National Data Centre, Business continuity and Disaster Recovery Sites.</p> <ul style="list-style-type: none"> <li>The Department would be acquiring new generation of servers and storage to provide computing, data storage, systems security infrastructure, Central Facilities Management and related functionalities to all departmental and external users</li> </ul>	<ul style="list-style-type: none"> <li>Work on Phase-I likely to be completed by end of March, 07.</li> <li>Work on Phase-II is likely to be completed by June, 2007.</li> <li>Installation of hardware and its commissioning to be completed by July, 07.</li> </ul>	<p>Massive effort is required in change management</p> <p>CNE/CCEA approval for revised cost is to be obtained. The tentative revised cost is working out to Rs.705 crore as compared to original sanctioned amount of Rs.167.05 crore. Details are given in Annex III.</p>

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors				
			4						5	6	7	8
			4(i)	4(ii)								
			Non-Plan	Plan								
					<ul style="list-style-type: none"> <li>• Provision of local area network to all departmental users</li> <li>• Establishment of Data warehouse</li> </ul>	<p>accessing the CBEC systems. These would be located in the national data centre, business continuity and disaster recovery sites. All the Department's applications would be hosted centrally on this infrastructure.</p> <ul style="list-style-type: none"> <li>• All applications in Customs, Central Excise, Service Tax will be accessed by the departmental users using this network.</li> <li>• CBEC would become a centralized repository of all Customs, Central Excise and Service</li> </ul>	<ul style="list-style-type: none"> <li>• Phase-I: between May, 2007 - September, 2007.</li> <li>• Phase-II: between October, 2007 - December, 2007.</li> <li>• Phase-I (Customs data) - December, 2007.</li> <li>• Phase-II (Central Excise and Service</li> </ul>	CNE/CCEA approval for revised cost to be obtained.				

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			4(i)	4(ii)				
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
					<ul style="list-style-type: none"> <li>Automation of Central Excise &amp; Service Tax</li> <li>Gateway Project for Customs upgradation</li> </ul>	<p>Tax Data. This data would be available to all user groups over the web with a user friendly interface.</p> <ul style="list-style-type: none"> <li>Ensuring a large degree of transparency and reduced interface with the Central Excise and Service Tax assesseees through automated workflow of all business processes.</li> <li>A system for Electronic Data Interchange for Customs was operational at local levels. With a view of linking the Customs community through a single network, Gateway Project</li> </ul>	<p>Tax data) – February, 2008.</p> <ul style="list-style-type: none"> <li>Phase-III (Data from new CBEC applications) – June, 2008.</li> </ul> <p>Testing commenced in January, 07. Implementation in metros to commence by August, 07.</p>	<p>The timeline is dependent on installation of central hardware which is expected to be completed by July, 2007.</p>

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			4(i)	4(ii)				
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
						<p>was launched. E-filing of Customs document through this project has improved the on-line assessment, duty payment and clearance procedure. Thirty five automated Customs locations are connected through this project. The upgradation exercise for the gateway project is for development of capabilities to handle electronic transaction in a consolidated environment and for enhancement of quality of service delivery to the Customs Trading Partners.</p>		

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
					<ul style="list-style-type: none"> <li>Setting up of Risk Management System (RMS)</li> <li>Setting up of a portal for Large Taxpayer Units to facilitate tax payers.</li> </ul>	<ul style="list-style-type: none"> <li>Transition from a consignment based control to 'intervention by exception' through identification of risk associated with imports. Facilitation of low risk, compliant trade and optimized use of resources for computer aided scrutiny of high risk consignments.</li> <li>The portal will facilitate tax payers in their interaction with Central Excise &amp; Service Tax and Income Tax/ Corporate Tax. There will be single point interface between Tax</li> </ul>	<p>End of 2007</p> <p>(i) RMS has been implemented at 13 major locations. Extension to all other major Customs locations is expected by May, 2007.</p> <p>(ii) The Pilot implementation of the Export RMS is likely by April, 2007 and phased rollout to EDI locations is expected by December, 2007.</p> <p>• An LTU specific website has been developed. The first LTU is already operational at Bengaluru. Other LTUs at Chennai, Delhi, Mumbai and Kolkata are planned</p>	

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors																			
			4						5	6	7	8															
			4(i)	4(ii)																							
			Non-Plan	Plan																							
						Administration of CBEC/CBDT and Large Taxpayers	to be operationalised during 2007-08.																				
2	<b>Major Head 4047 – Preventive Functions - Acquisition of ships and fleets</b>	Strengthening Anti-smuggling capability and improved coastal security	50.00	–	<p>Following vessels are expected to be delivered to the Department during 2007-08:-</p> <table style="margin-left: 20px;"> <tr> <td>Category</td> <td>No. of Vessels</td> </tr> <tr> <td>III A</td> <td>16</td> </tr> <tr> <td>III B</td> <td><u>16</u></td> </tr> <tr> <td>Total:</td> <td><u>32</u></td> </tr> </table>	Category	No. of Vessels	III A	16	III B	<u>16</u>	Total:	<u>32</u>		<p>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 total cost of the project is Rs.358.19 crore. Approval of the Cabinet has been obtained for the revised cost on 22.02.07.</p>	<p>The orders for procurement of Category I, III A and III B vessels numbering 87 are likely to be placed by March, 2007. Global Tender for Category II vessels numbering 22 has been floated. The order for these vessels is likely to be placed by June, 07 after Technical and Commercial Evaluation of bids. The expected delivery schedule is as follows:-</p> <table style="margin-left: 20px;"> <tr> <td>Category</td> <td>No. of Vessels</td> </tr> <tr> <td><b>2007-08</b></td> <td></td> </tr> <tr> <td>IIIA</td> <td>16</td> </tr> <tr> <td>IIIB</td> <td><u>16</u></td> </tr> <tr> <td>Total:</td> <td><u>32</u></td> </tr> </table>	Category	No. of Vessels	<b>2007-08</b>		IIIA	16	IIIB	<u>16</u>	Total:	<u>32</u>	
Category	No. of Vessels																										
III A	16																										
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<b>2007-08</b>																											
IIIA	16																										
IIIB	<u>16</u>																										
Total:	<u>32</u>																										

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
	Plan Schemes		Non-Plan	Plan				
							<b>2008-09</b> I 12 II 9 III A 14 III B 17 Total: <b>52</b> <b>2009-10</b> I 12 II 13 Total: <b>25</b>	
3	<b>Major Head 4047 – Acquisition of Anti-smuggling equipments</b>	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improve Customs control through non-intrusive examination.	50.00	–	Installation of 3 mobile scanners, placement of order and start of construction for 4 fixed scanners at a total project cost of Rs.172.94 crores (non-recurring) and Rs.18.61 crores per annum (recurring).	Non-intrusive scanning of containers and interpretation of the images obtained. The Scanning Systems will help in detection of large number of cases of irregularities. This will also result in increased revenue collection and fast clearance of cargo etc.	Original schedule is 14 months for mobile scanner and 23 months for fixed scanner from the date of Cabinet approval i.e. 27.10.2006.	Start of the project depends on acquisition of land from the port authorities, timely development of sites by BARC and timely approval from statutory authorities.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors			
			4						6	7	8
			4(i)	4(ii)							
		Non-Plan	Plan								
4	<b>Major Head 4059 – Acquisition of Office Accommodation</b>	To meet shortfall in Office Accommodation	25.00	–	The purchase of office accommodation will bridge the shortfall in requirement of office space.	The availability of adequate own office space would increase the efficiency of the department.	Payment of balance amount to the Specified Undertaking of Unit Trust of India in respect of building purchased at Mumbai will be made after the necessary requirements mentioned in the agreement are fulfilled by the Specified Undertaking of Unit Trust of India. The Department has taken possession of the building in November, 06 and offices of Mumbai Zonal Unit of Directorate of Revenue Intelligence, Risk Management Division and other offices of CBEC have occupied the building.	Payment in such cases depends on various formalities involving consultation with different concerned authorities.			

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			4(i)	4(ii)				
			Non-Plan	Plan				
5	<b>Major Head 4216 -</b> Acquisition of Residential Accommodation	To meet shortfall in residential accommodation	15.00	–	The purchase of residential accommodation will bridge the shortfall in requirement.	The availability of residential accommodation will lead to better staff satisfaction resulting in enhanced motivation and productivity.	Part payment in respect of purchase of flats from Allahabad Development Authority, residential premises at Shillong and other payments in respect of other ongoing projects are likely to be made.	The proposals involve obtaining clearance from CPWD, M/UD, SFC etc. after following the due procedure prescribed in GFRs.

## 1 DEPARTMENT OF ECONOMIC AFFAIRS

### 1.1 Assistance for Infrastructure Development (Plan)

This scheme is for putting in place an innovative funding mechanism Public Private Partnership in Infrastructure sector for viability gap support. The Government recognizes the need of significantly improving the availability and quality of critical infrastructure in the country in order to make the economy competitive and take it on to a high growth trajectory. It has been decided to encourage Public Private Partnership in infrastructure sectors in order to augment the pace of development of physical infrastructure through enhanced investment. Provision has been made for extending support for viability gap funding, for public private partnerships projects in various infrastructure sectors such as roads, seaports, airports, railways, convention centers, power, water supply, sewerage and solid waste disposal in urban areas etc.

### 1.2 Technical and Economic Cooperation with other countries, Technical Aid to South and South East Asia under the Colombo Plan

Under the Technical Assistance scheme, the Colombo Plan was started with a view to give comprehensive integrated training to participants from neighbouring Colombo Plan Member countries. Under this scheme,

about 410 scholars from 18 countries receive technical training in different institutes in India every year. The training courses are carefully selected so that trainees from abroad get exposure in reputed training institutes of our country and in the long run it will help our institutes to develop long-standing relationship with the participant countries.

### 1.3 Technical and Economic Cooperation with other countries – Interest equalization support to Exim Bank of India

Under the **newly launched** Indian Development and Economic Assistance Scheme (IDEAS), the part relating to extension of concessional lines of credit through Exim Bank of India is operational. Under this, GOI provides interest equalization support (i.e., the difference between Exim Bank's rate of interest and the concessional rate of interest on which LOC is extended). In most of the cases GOI counter guarantee for repayment of principal and payment of interest is also given to Exim Bank. Interest equalization support has been provided to the tune of Rs.28.71 crore (approx.) during 9 months of the financial year 2006-07. During the first three quarters of 2006-07 i.e., between 1.4.2006 - 31.12.2006, following GOI supported Exim Bank of India LOCs have been approved by this Department:

Sl.No.	Borrower	Amount of LOC (In millions of US Dollars)	Purpose of credit
1	Government of Ethiopia	65.00	Energy transmission and distribution project in Ethiopia.
2	ECOWAS Bank for Investment & Development	250.00	Public Sector Projects
3	Government of Seychelles	8.00	Purchase of essential commodities from India
4	Government of Jamaica	9.50	<ol style="list-style-type: none"> <li>1. Import of machinery and equipment from India worth US\$ 2 million for Small Scale Sector;</li> <li>2. Purchase of water pumps by National Commission, Jamaica for US\$ 7.5 million (being 75%) of the order value and remaining amount to be covered by Supplier's Credit from M/s Kirloskar Brothers Ltd.</li> </ol>
5	Government of Afghanistan	50.00	Import of goods and services and project exports from India
6	Government of Myanmar	10.00	Kaladan Multi-Modal Transport Project in Myanmar.*

\* This is subject to final approval of Cabinet, which is to be taken by Ministry of External Affairs.

Exim Bank of India is taking further necessary action for operationalising all the above mentioned lines of credit.

## 1.4 Advances to Foreign Governments

Formerly Government of India lines of credit (LOC) were extended to foreign countries (Government to Government) for export of capital goods, consumer durables and consultancy services from India. Under the present system, the amounts of credit are disbursed to the Indian exporters operating under the particular LOC. Since this system of providing assistance

to foreign countries has been discontinued from 2003-04, no fresh LOCs are being approved by this Department. However, disbursements are already going on in respect of some previous LOCs which are operational. Substantial disbursements were made against these LOCs, which are expressed as under:

(Rupees in crore)

Name of the country	Amount of credit	Date of credit agreement	BE 2006-07	RE 2006-07	Amount Disbursed upto 31.12.2006
Laos	US\$ 10 million	6.11.2002	5.00	0.6	0.51
Mauritius	US\$ 100 million (Closed at US\$ 30.5 million)	4.05.2001	18.00	8.00	–
Myanmar	US\$ 25 million	24.10.2003	5.00	1.00	–
Sri Lanka	i) US\$ 25 million ii) US\$ 31 million	23.03.2004 3.07.2002	108.00	100.00	70.62
Cambodia	US\$ 10 million	6.11.2002	21.00	15.00	1.90
Suriname	US\$ 10 million	17.03.2003	1.00	1.00	0.48

## 1.5 Pension Reforms

- Pension reform is a major initiative undertaken by the Government to provide income security after retirement.

The Government approved on 23<sup>rd</sup> August 2003 the proposal to implement the budget announcement of 2003-04 relating to introducing of a new restructured defined contribution pension system for new entrants to Central Government service, except to Armed Forces, in the first stage replacing the existing system of defined benefit pension system.

- The Government of India established “The Pension Fund Regulatory and Development Authority” ( PFRDA ) as the prudential regulator for the New Pension Scheme (NPS), which is a defined contribution pension system to be launched after the PFRDA Bill, 2005, is passed by Parliament.

### 1.5.1 Scope of the New Pension System

- The new system will also be available, on voluntary basis, to all persons including self employed professionals and others in the unorganised sector.
- For Central Government employees joining service on or after January 1, 2004, the new pension scheme is compulsory.
- The option of joining the new system would also be available to the State Governments and as and when they decide, the new system would be capable of accommodating the new participants. Nineteen State Governments have also issued notifications to opt for the defined contribution pension system for future State Government employees who will join the services of these Governments.
- Mandatory programmes under the Employee Provident Fund Organisation (EPFO) and other special provident funds would continue

to operate as per the existing system under the Employee Provident Fund and Miscellaneous Provisions Act, 1952 and other special Acts governing these funds. However, individuals under these programs could voluntarily choose to additionally participate in this scheme.

## 2. BANKING SECTOR

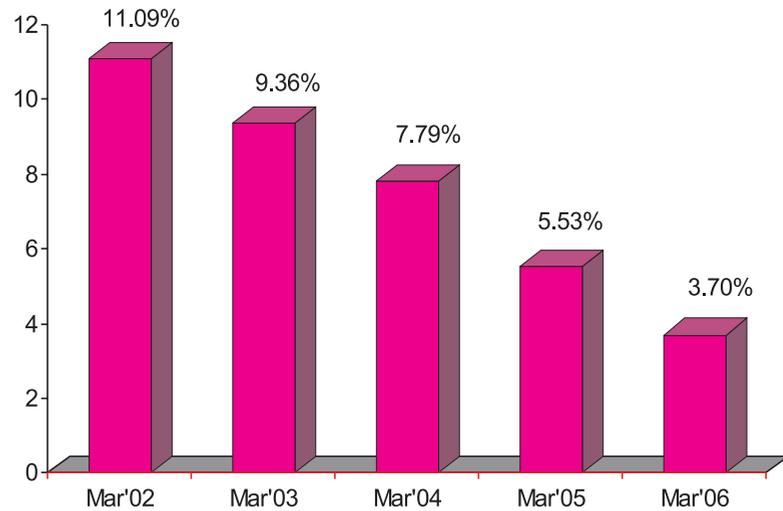
### 2.1 Recent Policy Initiatives by Government

Policy initiatives announced by the Government in recent months to help improve the efficiency of rural finance in India are as under:

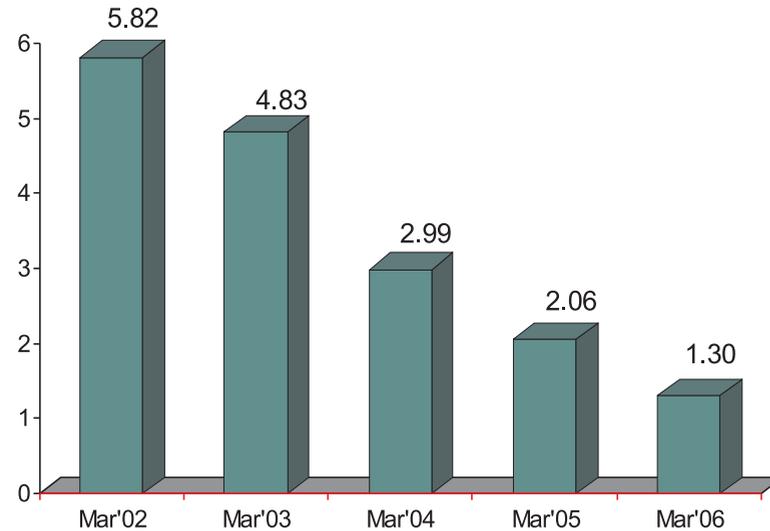
- The RBI has dispensed with some of the restrictive provisions of the ‘service areas approach’, and the changes are likely to help stimulate the entry of new branches in rural areas, increase competition and ease the functioning of rural bank branches.
- To encourage direct lending by banks to priority sectors, investments made by banks on or after April, 2005, in special bonds issued by certain specified institutions have been made ineligible for classification under priority sector lending.
- Investments by banks in securitized assets representing direct and indirect lending to agriculture are to be treated as their priority sector lending provided the securitized loans are originated by banks and financial institutions.
- Interest rates on micro finance are left to the discretion of the lending banks.
- Prudential regulation of the rural cooperatives is being strengthened.
- Kisan Credit Cards norms have been revised to move beyond agriculture production credit and allow use for consumption credit, allied activities and term credit.

## NPAs Public Sector Banks

Gross NPAs/Gross Advances (%)



Net NPAs/Net Advances (%)

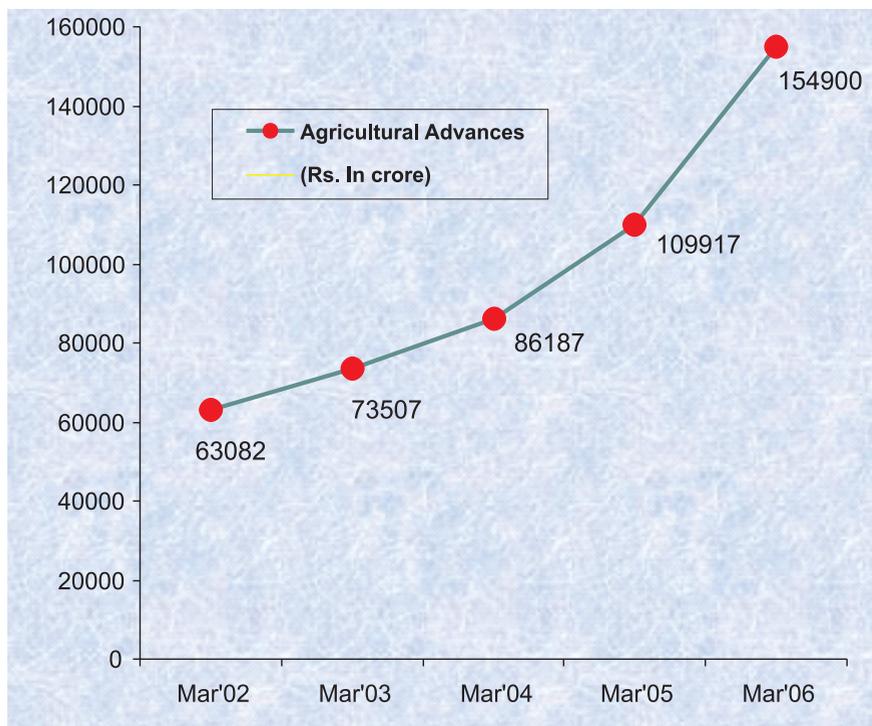


### NPAs in Public Sector Banks

Steps taken by the Government, which have been indicated below, has helped to reduce NPAs:

- 'The Securitisation and Reconstruction of Financial assets and Enforcement of Security Interest Act, 2002'.
- Credit Information Bureau set up to disseminate information on borrowers to the banks.
- A scheme of Corporate Debt Restructuring (CDR), for restructuring of corporate debts has been put in place.

## Outstanding Agricultural Advances Public Sector Banks



**Agriculture Credit Flow** : The target for agriculture credit flow for the year 2005-06 was Rs.1,41,000 crore. As against this, an achievement of Rs.1,67,775.27 crore (provisional figure) had been reported. On receipt of final figures from the banks the credit flow for 2005-06 **comes to Rs.1,80,485.57 crore which is 128% of the target.**

For the year 2006-07, the achievement of agriculture credit upto December 2006 has been Rs.1,49,343 crore against a target of Rs.1,75,000 crore. The agency wise details are given in table:

(Rs.in Crore)

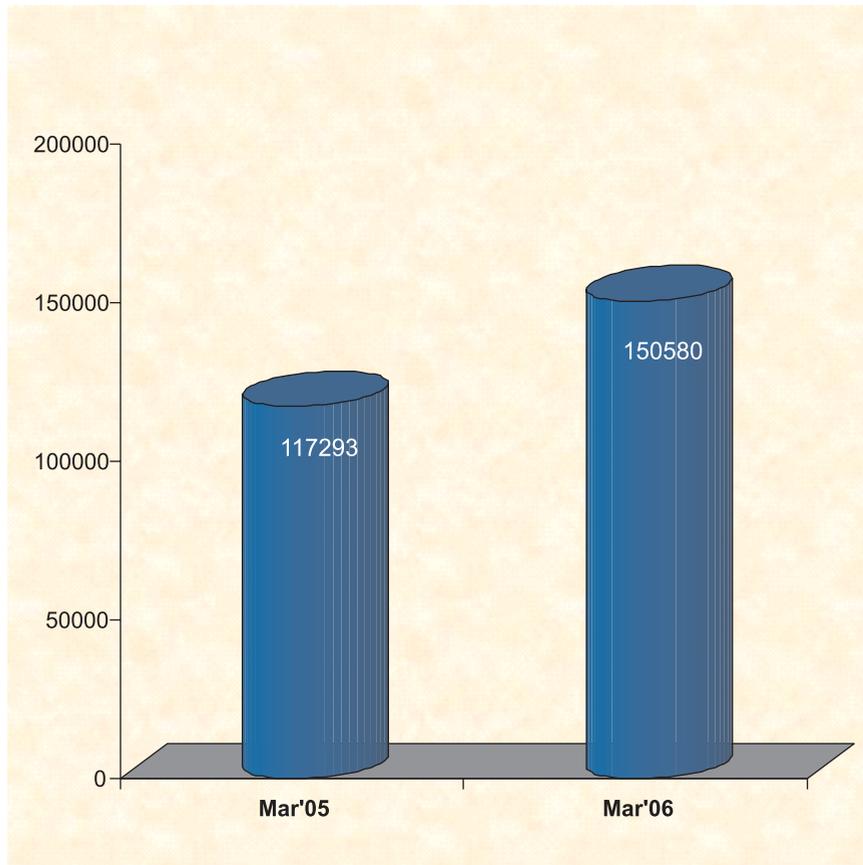
S.No.	Particulars	Achievement upto December, 2005	Achievement upto December 2006 (provisional)	Growth over 2005-06 (%) (upto Dec'06)
1	Public Sector Banks	68,991	86,865	25.9
2	Private Sector Banks	10,031	14,134	40.9
3	Cooperative Banks	28,947	33,174	14.6
4	Regional Rural Banks	11,146	15,170	36.1
	<b>Grand Total</b>	<b>1,19,115</b>	<b>1,49,343</b>	<b>25.4</b>

It is expected that target of Rs.1,75,000 crore for the current year will be exceeded.



*Water harvesting – the way forward for a better life*

## Outstanding Credit to SME (Rs.in crore) Public Sector Banks



### Credit to SMEs:

A policy packet for Public Sector bank (PSBs) to achieve a minimum of 20% year on year growth in credit to Small and Medium Enterprises (SMEs) was announced in Parliament on August 10, 2005.

As against the target of 20% year on year growth in credit to SMEs, the PSBs have shown a growth of 27.83% year on year for the period ending 31.3.2006. The year on year growth of outstanding credit as on 31.12.2006 is 28.45%.

(vii) The Rs.100 crore, Micro finance Development Fund at NABARD has been redesigned to the Micro Finance Development and Equity Fund with a size of Rs.200 crore, to cater to the equity, other financing and capacity building needs of the micro finance sector.

## 2.2 Interest Subvention to farmers

- The Budget 2006-07 envisages interest relief of 2% point in the interest rate on the principal amount up to Rs.1,00,000/- on crop loans availed by the farmers for Kharif and Rabi 2005-06. An amount equal to two percentage points of the borrower's interest liability on the principal amount up to Rs.1,00,000/- has been credited to borrower's account before March 31, 2006.
- Further, for the year 2006-07, Government has decided to ensure that the farmer receives short-term credit at 7 percent, with an upper limit of Rs.3,00,000/- on the principal amount. For the implementation of the scheme, it has been decided to provide 2% per annum interest subvention to Public Sector Banks, Regional Rural Banks and Cooperative Banks on their own funds and concessional refinance to Cooperative Banks at 2.5% p.a. and Regional Rural Banks at 4.5% p.a. for the year 2006-07.
- The amount of subsidy on the part of the Government for the implementation of the scheme has been estimated at around Rs.1,955 crore for the year 2006-07.

## 2.3 Debt Waiver

- Keeping in view the extreme conditions of the farmers in four states, 31 districts have been identified in the states of Maharashtra (06), Andhra Pradesh (16), Karnataka (06) and Kerala (03) for special package of Debt Waiver.
- It has been decided to provide a comprehensive Debt Relief Package



*United and together to become self aware and confident during debt stress.*

for farmers in these 31 districts which would be premised on the package announced on 18.06.2004 but also specifically addressing the deep debt and distress of the farmers of the Region. The main items of the package is that the entire interest on overdue loans as on 01.07.2006 will be waived in the affected districts such that all farmers will have no past interest burden as on that date. This should immediately make them eligible for fresh loan from the banking system. The estimated amount of interest on overdue loans in these 31 districts as on 01.07.2006 is estimated at Rs.3090 crore. Further, the overdue loans of the farmers as on 01.07.2006 will be rescheduled over a period of 3-5 years with a one-year moratorium. Besides, an additional credit flow of Rs.21,422 crore will be ensured in these 31 districts in 2006-07.



*Seeking Excellence*

- The burden of waiver of overdue interest will be shared equally by the State Government (50%) and by the Central Government.

## 2.4 Reviving Rural cooperative credit Institutions (short term)

- Concerned with the need to strengthen the rural cooperative credit institutions, the GOI constituted a task force under the chairmanship of Prof. A. Vaidyanathan. The Task Force, in its report recommended provision of liberal financial assistance to the ailing credit cooperatives, subject to certain legal and institutional reforms in the cooperative sector. The Task Force sought to bring down the interference of the State Governments in the credit cooperatives and recommended suitable amendments to the State Cooperative

Societies Acts and Banking Regulation Act to make the credit cooperatives truly member driven.

- Based on the discussions held with the State Governments on the recommendations of the Vaidyanathan Committee report and also such other feedback received, GOI approved and circulated, amongst all States for acceptance, a revival package for revival of short term cooperative credit structure in the country at an estimated outlay of Rs.13,596 crores to be shared by GOI, State Governments and units of cooperative credit structure in the ratio 68:28:4, subject to certain legal and institutional reforms to be initiated by State Governments. The States willing to implement the package are required to sign a MoU with the Central Government and NABARD.

- The same Task Force has been entrusted the work of making recommendations with regard to revival of long-term cooperative credit institutions. The Task Force has submitted its report and the report is under consideration.

## 2.5 General Policy measures

Government/Reserve Bank of India (RBI) endeavour to improve the level of customer service by banks, including non-scheduled banks, on a continuous basis to ensure that the interests of the customers are adequately protected. Some of the initiatives/measures taken in this regard include;

- Implementation of recommendations of the Committee on Customer Service headed by Shri M.N. Goiporia.
- Constitution of the Standing committee on Procedures and Performance Audit on Public Services;
- Setting up of an internal grievance redressal mechanism by the banks;
- Operationalising the revised banking Ombudsman Scheme, 2006 with enlarged scope;
- Establishment of Banking Codes and Standards Board of India (BCSBI) to provide an institutional set up to measure the performance of the banks vis-à-vis established industry best codes and standards;
- Requiring banks to display and update, including on their web sites, the details of all the service charges and fees etc.

## 2.6 Insurance

- Section 2(7A) (b) of the Insurance Act, 1938 provides for foreign joint venture partner in an Indian insurance company to hold up

to 26% equity stake. The opening up of insurance sector has resulted in entry of 15 and 9 players in the life and non-life segment respectively.

- A proposal to increase the FDI limit from 26% to 49% is under consideration of the Government.
- The entry of new insurance companies with joint venture partners has led to the growth of the insurance sector. The benefits of the opening of insurance sector inter-alia include increased penetration growth in premium underwritten, product innovation and employment generation opportunities.

## 3. DEPARTMENT OF EXPENDITURE

The Department of Expenditure has taken a number of measures to improve the systems and procedures of public financial management, thereby promoting the cause of good governance. The Prime Minister's Thrust Areas included five planks of Institutional reforms, viz., Decentralization, Simplification, Transparency, Accountability and e-governance. These were echoed in the Initiatives on Expenditure Management announced by the Finance Minister in the 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 for the Department.

### 3.1 Revised Guidelines for Outcome Budget/ Performance Budget

Guidelines were issued vide O.M. No. 2(1)Pers/E-Coord/OB/2005 12<sup>th</sup> December, 2006 for integration of OUTCOME BUDGET and PERFORMANCE BUDGET documents into a single document, stipulating specific mention of the monitoring mechanism and the public information system put in place by the Ministry to regularly monitor physical and financial progress during the course of the year and inform general public about it as well.

### 3.2 Issue of New Manuals

After the comprehensive revision of “General Financial Rules” from July 1, 2005 with a view to simplify procedures and devolve necessary authority, responsibility and direct accountability on vital functionaries in the Government, Manuals on procurement of ‘Goods’, ‘Works’ and ‘Consultancy’ have been finalised and issued.

### 3.3 Charter for Financial Advisers

A Charter for Financial Advisers was issued on June 1, 2006 to redefine the role, responsibilities and accountability of the Financial Advisors with measures to strengthen their authority and capacity. This was issued in view of second-generation reforms, which are throwing up complex challenges. Emphasis is on ensuring value for money and redefining the structure through which developmental projects would be monitored and implemented effectively. Role of FAs is now conceived to be similar to the role of Chief Financial Officer in a corporate sector with specific responsibilities in areas such as Preparation of Outcome Budget, FRBM related tasks, Expenditure and Cash Management, Project/programme formulation, Appraisal Monitoring and Evaluation, Enhancement of non-tax receipts, Procurement and contracts, Financial Management systems, and Use of state-of-art technology. A system of periodic reporting and capacity building has also been envisaged.

### 3.4 Strengthening of Internal Audit

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

### 3.5 State Plan Outlay and Finance

The matters relating to plan schemes and finances concerning States

like, releasing funds, clearance of overdrafts, monitoring Ways & Means and Resources position of States is being done in coordination with Planning Commission. The schemes relating to calamity relief to States are formulated on recommendation of Finance Commission and funds are released on the advice of Ministry of Agriculture and Ministry of Home Affairs. Besides the regular State Plan schemes like Normal Central Assistance, Additional Central Assistance for Externally Aided Project, funds have been provided to the State Governments under new plan scheme namely Backward Regions Grant Fund with an allocation of Rs.1250.00 crore. A Mission, namely Jawaharlal Nehru National Urban Renewal Mission launched in December, 2005 focuses on integrated development of infrastructural services in identified cities. This functions in collaboration with the Ministry of Urban Development. Against the allocation of Rs.4900/- crore in 2006-07, Rs.1993.60 crore have been utilized till December, 2006.

### 3.6 Projects Clearance by EFC & PIB

In 2005-06, the Expenditure Finance Committee (EFC) and Public Investment Board (PIB) serviced by this Department held 92 meetings to clear projects/schemes estimated to cost Rs.173,495 crore. Since 2006-07 is the terminal year of the 10<sup>th</sup> Plan, the level of appraisal of new projects/schemes has come down. Till December 31, 2006, there have been 64 such meetings to clear proposals costing Rs.76,369 crore.

### 3.7 Austerity Measures – Expenditure Control

With a view to contain non-developmental expenditure, and thereby releasing additional resources for meeting the objectives of priority schemes, particularly under the National Common Minimum Programme (NCMP) and promoting fiscal discipline, without restricting operational efficiency of the Government, instructions were issued vide OM No. 7(2)/E.(Coord)/2005 on November 23, 2005 and OM No. 7(3)/E.Coord/2006 dated 22<sup>nd</sup> July, 2006 imposing 5% cut on Non-Plan Expenditure and

placing restrictions on purchase of new vehicles, foreign travel, seminars, conferences and restrictions on creation of new posts. Expenditure in the last quarter has been restricted to 33% of Budget and the expenditure in March has been limited to 15% of Budget to avoid year-end rush of expenditure. Restrictions have also been placed on release of funds in advance, particularly towards the end of the financial year.

Flexibility has been allowed to the Ministries in using the services of airlines other than Air India/Indian Airlines in domestic and overseas travel as also the services of telecom companies, other than MTNL/BSNL, guided only by the considerations of economy in expenditure. Accordingly, Ministries have been asked to avail of various incentives/concessional tariffs.

### 3.8 E-procurement

Instructions were issued to all Ministries/Departments on January 10, 2007 specifying a broad roadmap of moving towards mandatory e-procurement. Specifically, it is contemplated that in respect of all goods under the rate contracts concluded by the Director General (Supplies and Disposal), the Ministries should commence placing orders through the website of DGS&D as soon as feasible and this practice would become mandatory for supply to be placed w.e.f. April, 2007.

### 3.9 Release of Funds – Check on unspent balances

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

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

### 3.10 Computerisation of State Loan Units

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

## 4. DEPARTMENT OF REVENUE

### 4.1 Implementation of VAT Scheme

**4.1.1** Introduction of State VAT is the most significant tax reform measure at State level. The State VAT has replaced the earlier Sales Tax systems of the States. The Government of India has constituted an Empowered Committee of State Finance Ministers (EC) to deliberate upon and decide all issues concerning Sales Tax Reforms/ State VAT. The

decision to implement State VAT was taken in the meeting of the 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. The State VAT has already been introduced by 31 States/ UTs as on 01.01.2007. The UT of Pondicherry has decided to implement VAT w.e.f. 01.04.2007. Uttar Pradesh has not yet taken a decision to implement VAT. The remaining 2 UTs (Andaman & Nicobar Islands and Lakshdweep) do not levy sales tax/ VAT.

**4.1.2** Since Sales Tax/ VAT is a State subject, the Central Government has been playing the role of a facilitator for successful implementation of VAT. Some of the steps taken by the Central Government in this regard are as follows:

- a) A package for payment of compensation to States for any revenue loss on account of introduction of VAT has been implemented.
- b) A Model VAT Bill was got prepared and circulated amongst the States to help them in preparation of their VAT Bills. Similarly, an Audit Manual for VAT was also got prepared and circulated.
- c) Technical and financial support is being provided to North Eastern/ Special-category States to enable them to take up VAT computerisation.
- d) Financial support has been provided to the Empowered Committee as well as the States for undertaking VAT related publicity and awareness campaigns.
- e) 50% funding is being provided to the EC for implementation of the TINXSYS Project for tracking of inter-State transactions.
- f) The Budget provision for various VAT related Schemes has been made in the context of the above-mentioned role of the Central Government as facilitator in implementation of State level VAT.

4.1.3 The experience with implementation of VAT has been very encouraging so far. The new System has been received well by all the stake-holders. The transition to the new system has been quite smooth. The trend of revenue collection in the VAT implementing States has also been very encouraging. Based of provisional data furnished by the States, it is seen that during 2005-06, the tax revenue of the 25 VAT implementing States/ UTs registered an increase of around 13.8% over the tax revenue of 2004-05, which is higher than the Compounded Annual Growth Rate (CAGR) of sales tax revenues of these States for last 5 years upto 2004-05. During 2006-07, there is significant further improvement in the revenue performance of VAT States. In fact, the 30 VAT State/ UTs have collectively registered a growth rate of about 24% during first 9 months of 2006-07 (April-December) as compared to corresponding period of last year. This indicates that the VAT system has started yielding the desired results.

## 4.2 Phasing Out of Central Sales Tax

In order to achieve consistency with the concept of VAT, CST is needed to be phased out. A broad consensus was arrived at in the meeting of the Union Finance Minister with the State Finance Ministers held on 03.01.2007. Accordingly, it has been proposed to reduce CST from 4% to 3% w.e.f 01.04.2007 and thereafter, by 1% from 1<sup>st</sup> April every year. The broad parameters for the compensation package have been agreed upon. A Budgetary provision of Rs.2,500 crore has been made in 2007-08 to compensate States & UTs for revenue loss due to phasing out of VAT.

## 4.3 Additional Excise Duty (AED) in lieu of Sales Tax

As part of the ongoing VAT reforms, the Empowered Committee of State Finance Ministers (EC) has been of the view that AED should be abolished and the States should be allowed to levy VAT on AED items as well so that the AED items can be fully and effectively integrated in the VAT system. The EC has decided to start with levy of VAT on Tobacco during 2007-08. The decision in respect of other AED items is to be taken

later. Accordingly, necessary steps are being taken to facilitate levy of VAT on Tobacco by States during the year 2007-08.

#### 4.4 Mission Mode Project on Commercial Taxes

Under the National e-Governance Plan (NEGP) launched by the Department of Information Technology, the Department of Revenue is coordinating a Mission Mode Project (MMP) on 'Commercial Taxes', which is an important e-Governance initiative in the field of State taxes. The Department has engaged the National Institute of Smart Government, Hyderabad (NISG), as strategic consultant, with a view to develop overall scheme and framework within which individual State can take up the Project. NISG has submitted its report. The report will now be circulated to States/UTs for giving it a final shape before reference to Department of Information Technology for clearance. NISG has estimated the total project cost to about Rs.965 crore for all the States. The implementation of the Project may take about 2-3 years depending upon the responses of the various States. The assistance to the States/UTs shall be available on adopting the VAT and on complying with Empowered Committee's decision on VAT and CST.

#### 4.5 VAT Computerization for NE States

The Department is providing technical and financial support to the North Eastern States and Sikkim in taking up VAT computerization, which is a very critical requirement for successful implementation of VAT. A Turnkey Project, for VAT computerization of 5 North Eastern States (other than Assam and Meghalaya who have undertaken VAT computerisation on their own) and another Project, through NIC, for VAT computerisation in Sikkim has been implemented. Now, efforts are on to remove bottlenecks and for bringing about further improvement/upgradation. Technical and Financial support for VAT computerisation in Himachal Pradesh and J&K will also be provided during 2007-08.

#### 4.6 Modernisation of VAT Administration of States/UTs

The Central Government has made Budgetary provisions of Rs.100 crore in BE 2007-08 for modernisation of (two institutes for Taxation Studies are also to be provided assistance for capacity building) VAT Administration and also for capacity Building of States/UTs. Assistance will also be provided for upgradation of Centre for Taxation Studies, Thiruvananthapuram as the Centre of Excellence and setting up a new similar Regional Centre in Eastern India.

#### 4.7 Reorganisation of Directorate of Enforcement

In order to enable it to discharge its responsibilities more effectively under provisions of FERA, 1993; FEMA, 1999 & PMLA, 2002, the Directorate of Enforcement has been recently reorganized during the year 2006-07 with 10 Zonal and 11 sub Zonal Offices. A massive Computerization Plan is underway to build-up linkages of Enforcement Directorate Headquarters with Zonal and Sub-Zonal Offices.

#### 4.8 Project FINnet by FIU-IND

Finance Intelligence Unit – India (FIU-IND) has initiated Project FINnet – Financial Intelligence Network, with the objective to “adopt industry best practices and appropriate technology to collect, analyze and disseminate valuable financial information for combating money laundering and related crimes”. The project would consist of two phases i.e., Phase I-Preparation of the Consultancy Report and Phase II-Implementation of the Consultancy Report. The Project is likely to be completed in 27 months time.

#### 4.9 National Productivity Council Study

The Department has got study conducted by National Productivity Council on delegation of powers in the Department of Revenue. National Productivity Council has analysed the existing channels of submission

and made recommendations on reduction of channels of submission. The report once implemented is likely to ensure more efficient and speedy disposal of cases.

#### 4.10 Review of Delegation of Powers

A review of Delegation of Powers to Heads of Departments of Department of Revenue including field units of Central Board of Excise & Customs and Central Board of Direct Taxes was considered and a revised delegation of financial powers to all Heads of Departments have been issued on 5.4.2006. Revised Delegation of Financial Powers have also been issued to Committee of Management and Chief Controller of Factories who supervise the functioning of Govt. Opium & Alkaloid Works (GOAWs).

#### 4.11 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 has been established to review the implementation of major project items. For coordinated efforts and faster decision making in massive computerization endeavours of CBDT & CBEC, an Empowered Committee is functional under the Chairmanship of Adviser to Finance Minister where eminent experts from Private Sector are also members. The Empowered Committee is also evolving a projectwise reporting information system for close review of the progress of various Computerisation Projects.

#### 4.12 Government Opium & Alkaloid Works

The Government Opium & Alkaloid Works (GOAWs) at Ghazipur (U.P.) and Neemuch (M.P.) are responsible for processing of raw opium for exports, manufacturing of opiate alkaloids and other related functions through its

two factories at Ghazipur (U.P.) and Neemuch (M.P.) Some of the major reforms and initiatives undertaken by GOAWs are as follows –

- a) A Project at National Botanical Research Institute, Lucknow is being undertaken for development of high yielding varieties of opium poppy and installation of climate control chamber. On completion of this R&D work, those varieties of opium poppy may be cultivated which may facilitate production of superior and international quality alkaloids, pharmaceutical ingredients and value added drugs as per market demands. This may lead to increase in revenue receipts and lesser dependence on imports. This may also lead to increased compensation/income for opium cultivators.
- b) The proposal for involvement of private pharmaceutical companies of the country for production of alkaloids and active pharmaceutical ingredients is under active consideration. The procedure, which includes invitation of 'Expression of Interest' (EOI) and other follow up procedures is underway.
- c) The proposal for conversion of both the departmental factories into a corporate entity is under consideration. The process of selection of consultant and other follow up action is underway.
- d) A short term modernization plan of GOAWs, which started with its sanction in 2003, has been completed. This has helped maintain the productivity level of factories and alkaloid works.

#### 4.13 Central Bureau of Narcotics

The Central Bureau of Narcotics (CBN) is primarily responsible for (i) administration of NDPS Act, 1985 Rules, (ii) Regulations of opium cultivation in the country, (iii) control of trade of narcotic materials, psychotropic substances and precursor chemicals and (iv) other related activities of preventive and intelligence work. Certain initiatives undertaken and completed by CBN are as follows:

- a) The Smart Card Project for opium poppy cultivators had been initiated in 2004. This microprocessor chip based card for each cultivator contains data on area licensed, area test measured and opium produce tendered for current year as well as for previous years. This project was extended to 17 opium Districts in U.P., M.P. and Rajasthan in 2005-06 and has continued in all districts during 2006-07. It is helping in building the data on opium cultivation, facilitating the procedures of licensing, production, regulation, monitoring, policy decisions and all other functions of CBN.
- b) In association with ISRO organisation, the ongoing satellite imagery of licit opium poppy cultivation which has been started last year, is being expanded to cover more cultivation area for better control, climate estimation etc. Secondly, the satellite imagery technology is also being used to assess the damage to poppy crop and for considering the requests from cultivators to relax minimum qualifying yield (MQY). A project has been initiated in association with Advanced Data Processing Research Institute (ADRIN), Hyderabad, to link climate conditions with opium cultivation and yields.
- c) In 2006, CBN has started 'on-line' issuance of 'Pre-Export Notification' for export/import of psychotropic substances, precursor chemicals and narcotics drugs. This measure has cut down loss of time as well as helped in maintaining desired level of alertness.

## 5 CENTRAL BOARD OF DIRECT TAXES

### 5.1 Initiatives for Better Taxpayer Services

In recent years, the measures undertaken by the Income Tax Department have focussed on simplification of tax laws and procedures, better facility to the tax payers and minimizing the human interface between the tax payer and the officials. Some important measures are as under:

- Availability of all direct-tax related **information on website**.
- **Outsourcing of PAN related services** for better services. Services are also available on electronic platform.
- **Facilities for online preparation** and filing of returns and payment of taxes.
- Setting up of **Large Taxpayers Unit (LTU)** for single-window interaction of large taxpayers with the Departments of Income Tax and Customs & Central Excise.
- Facility of **filing income-tax returns with the post offices** made available.
- **Electronic clearing (ECS) of refunds** implemented in 12 cities and being extended to 24 more cities.
- A scheme of "**Refund Banker**" being implemented on a pilot-project basis for issue of refunds through banks.
- **Tax Return Preparer Scheme (TRPS)** has been launched under which 5,000 persons are being trained for preparing income-tax returns on behalf of the small taxpayers.
- **Income Tax Ombudsmen** have been posted in seven cities to look into taxpayers' grievances. The Income Tax Department was selected to implement the "**Sevottam**" scheme for improved governance on a fast-track basis.
- A Directorate General of Income Tax, (**Business Process Re-engineering**) has been created to undertake a study with a view to improve the functional efficiency and effectiveness of the Department in view of the induction of technology.

### 5.2 E-Governance Initiatives

The vision document 2010 of the Income Tax Department identified quality taxpayer service as a key area. In this connection the main objective

of the department has been defined as “to enable taxpayers to meet their normal tax obligations in a convenient manner without visiting Income Tax Office.” The computerisation programme of the department has accordingly been aligned to achieve the aforesaid objective by way of:

- (i) e-delivery of taxpayer services;
- (ii) augmentation of departmental computer infrastructure; and
- (iii) setting up Tax Information Network (TIN).

### 5.2.1 Electronic delivery of taxpayer services

The initiative includes:

- Dissemination of tax information on website
- Services related to online filing and allocation of PAN
- Online preparation and electronic filing of returns of income
- Electronic payment of taxes.
- Faster processing of returns and issue of refunds
- Electronic credit of refunds in taxpayers’ bank account.
- Issuance of refunds by a designated nationalized bank (Refund Banker).
- Electronic filing of TDS/TCS returns.
- Computer assisted selection of cases for scrutiny.

### 5.2.2 Augmentation of Departmental Computer Infrastructure

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

- Setting up Single National Data Base by consolidating 36 regional data bases.

- Establishment of National Data Centre to house the National Data Base.
- Setting up of a highly secure and efficient all India ‘Virtual Private Network (VPN)’ to link 715 Income Tax Offices in 510 cities across the country.

### 5.2.3 Setting up Tax Information Network (TIN)

Tax Information Network has been set up as a repository of information relating to:

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

### 5.2.4 Initiatives undertaken by the Principal Chief Controller of Accounts, CBDT

Major e-governance initiatives undertaken by the Principal Chief Controller of Accounts, CBDT are:

- Linking of all the 24 Zonal Accounts Offices by a Virtual Private Network (VPN) through Bharat Sanchar Nigam Limited (BSNL) with a view to monitor the functioning of Zonal Account Offices on an online basis.
- Project for the development of software for revenue accounting of the Direct Taxes. The software will help in processing of information received from all the banks and will help in bank wise, Chief Commissioner wise position of tax collection on day to day basis.

### 5.2.5 Infrastructure Related Initiatives

The initiatives undertaken by the Directorate of Infrastructure included:

- Preparation of Asset Register containing the assets like Land, Office buildings, Residential quarters, vehicles and furniture etc. (whose book value is above Rs.2 lakh) owned by the Income Tax Department. The value of such assets as on 31.03.2006 is Rs.1760.62 crore.
- Planning of new office buildings, designed in accordance with International best practices, keeping the future requirements in view and customized to suit requirements of modern information technology with particular emphasis to the needs of the physically challenged and senior citizens.

## 6. CENTRAL BOARD OF EXCISE & CUSTOMS

### 6.1 Initiatives on Computerization & Automation

A futuristic & ambitious project of Computerisation has been taken up to consolidate the Customs, Excise & 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 is being developed for identification of potential duty evaders/smugglers and facilitate compliant trade. A Risk Management Division has been established to give focused & specified attention to this area.

The above measures, intended to provide benefit to both the Department & its clients, are to facilitate the assessment & 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 & 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 Nationalized 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 computerization was approved by CCEA in February, 2005 for Rs.167.05 crore (non-recurring) and Rs.30.00 crore per annum for 3 years (recurring). An initial estimate was made based on presentations by vendor. In such large projects, it is difficult to get accurate estimates without tendering. After opening of tenders, it has been observed that CCEA approval shall be required for revised cost.

### 6.2 Large Tax Payer 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 & service tax has been initiated. First LTU has become operational in Bengaluru during 2006-07. The next LTU at Chennai is likely to be operational in July, 2007. Other LTUs targeted to be operational in 2007-08 are to be placed at Delhi, Kolkata and Mumbai.

### 6.3 Help Centers

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

### 6.4 Container Scanners

Two Container scanners, one mobile and one fixed for checking container cargo through non-intrusive examination have already been installed at Jawaharlal Nehru Port Trust (JNPT), Nhava Sheva, Mumbai. In view of encouraging results, the procurement process for 3 mobile scanners and 4 fixed scanners at other major ports has started after obtaining Cabinet clearance in October, 2006. Three mobile scanners are expected to be installed in 2007-08.

This is a major step towards facilitation of Cargo Clearance, efficient handling of increased volume of container traffic & improved Customs Control through non-intrusive examination. The total cost of the project is Rs.172.94 crore (non-recurring) and Rs.18.61 crore per annum (recurring).

### 6.5 Marine Fleet

The strategic importance of Customs Maritime Fleet along the Coast as a preventive arm of the Department to protect the country's maritime trade and enforce Import/Export provisions of Customs Act has been duly acknowledged, especially in view of the growing threats of smuggling of arms and ammunition for terrorism and anti-national activities and that of narcotics drugs. A review of the existing fleet and future requirements has been made and a proposal for replacing outlived, old and dilapidated vessels with modernized and fast moving vessels in a phased manner is also under implementation.

Under the plan, customs organization shall be getting 109 modern vessels of different categories over the next 3 years starting 2007-08.

### 6.6 Utilisation 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 schemes to utilize 1% of incremental revenue to encourage greater efforts at garnering revenue, enhancing organizational efficiency, infrastructure and wherewithal, Rs.40 crore have been provided on this account in the expenditure budget of 2007-08 in the grant of Indirect Taxes. Schemes for improving the operational efficiency of Department amounting to Rs.38.48 crore have been given in principle approval. One percent of incremental revenue of Rs.7142 crore earned during 2005-06 i.e. Rs.71.42 crore would be spent for upgradation of facilities etc.

## 7 DEPARTMENT OF DISINVESTMENT

The National Common Minimum Programme (NCMP) adopted by the Government outlines the policy of the Government with respect to the Public Sector, including disinvestment of Government's equity in Central Public Sector Enterprises (CPSEs).

On 6th July, 2006, the Government decided to keep all disinvestment decisions and proposals on hold, pending further review, which is yet to be completed. Three power companies, viz., Rural Electrification Corporation Limited (REC), Power Grid Corporation of India Limited (PGCIL) and National Hydro-electric Power Corporation Limited (NHPC) propose to make Public Offerings of equity equal to 10% each of their pre-issue paid-up equity capital. Government would piggy-back with an 'Offer for Sale' of 10%, 5%, respectively out of its shareholding.

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

Ministry covering both Plan & selected Non-Plan outlays. In this chapter the scheme wise performance for the year 2005-06 upto 31st March 2006 and for the year 2006-07 upto 31st December 2006 is being depicted.



*Surat Manor Highway – Public Private Partnership Initiative*

**2. Status of Outcome of the Outcome Budget 2005-06**
**2.1 Grant No. 32 - Department of Economic Affairs**

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2005-06 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
1	<b>Major Head 2075 - Umbrella Support Project Programme under Country Cooperation Framework (CCF)</b>	This project will establish a fast track mechanism for facilitating formulation of high quality development programmes for organising cross cutting thematic support, advisory services, capacity building initiatives, and disseminating best practices, thus drawing optimal value from programme (CCF) activities.	5.00 (Plan)	2.00	<p>Three projects were envisaged under the following programme:</p> <p><b>1. Preparatory Assistance for Livelihoods:</b></p> <p>This will have different activities for Capacity building involving various stakeholders and studies would be carried out to recommend strategies for livelihoods in Rajasthan and Orissa.</p> <p><b>2. UNDP-GOI partnership for Clean Development Mechanism under the Kyoto Protocol.</b></p>		The Umbrella Support Project by its very design imparts an element of flexibility, since its basic objective is to provide catalytic/filler support to other projects in CCF II programme between UNDP and GOI	<p>Actual expenditure was Rs.1.99 crore.</p> <p>An expenditure of Rs.76,23,673/- has been made in pursuance of capacity building activities. Recently, it has been decided to take out this project from the ambit of Umbrella Support Project Programme due to the widening of the scope of the project. The project now will be executed by the Ministry of Rural Development under the Country Cooperation Framework of UNDP from the financial year, 2006-07.</p> <p>An expenditure of Rs.82,21,018/- has been made on various activities undertaken under the project. Five</p>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2005-06 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
					<p>This will involve capacity building of State level agencies for implementing small scale CDM projects that would involve feedback from donor agencies, State govts., and other user agencies. These State level agencies would also be provided support through studies for development of project design document as per the CDM requirements. The project intends to enhance capacity of Designated National Authority, establish CDM Cells in select State level agencies, enhance the capacity of operational CDM cells and capacity building of new State level agencies.</p>			<p>State level agencies namely Environmental Policy &amp; Training Research Institute, Hyderabad, Environmental Management &amp; Policy Research Institute, Bengaluru, Rajasthan Renewable Energy Cooperation Ltd, Jaipur, Punjab Energy Development Agency, Chandigarh and Manarashtra Energy Development Agency, Pune have been selected for carrying out project activities envisaged under CDM. Further States namely Assam, Gujarat, Tamil Nadu, Uttar Pradesh, Chhatisgarh, West Bengal, Orissa, Uttarakhand, Madhya Pradesh, Haryana, Himachal Pradesh etc are being involved for implementing projects on CDM Capacity Building</p>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2005-06 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
					<p><b>3. Development of Coordination and Decision Support System (CDSS):</b></p> <p>This includes a study for review of existing systems and preparation of initial conceptual framework and further software development for the collection and development of knowledge base. This aims to improve DEA's aid coordination function by developing a comprehensive web-based CDSS on external assistance. A customized version of the Development Assistance Database (DAD) would be developed</p>			<p>3. Draft concept note for the project as well as draft Terms of Reference for the CDSS advisor have been approved. Work Plan and Management Structure have been finalised. Steps have been initiated to appoint an international consultant and Project Manager.</p>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2005-06 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
					and installed within DEA. Entire amount allocated to the project is expected to be spent by March'07. Activities under the project is expected to continue till Sept 2007 without any additional cost.			
2.	<b>Major Heads 3475&amp;5475- Public Private Partnership (PPP) in Infrastructure</b>	To promote Public Private Partnership in the infrastructure sector through provision of Viability Gap Funding (VGF)	1500.00 (Plan)	49.10	9 projects		New Scheme declared in August, 2005 after Cabinet decision. Under the new scheme, the Viability Gap Funding (VGF) would be disbursed only after the Private Sector Company has subscribed and expended the equity contribution required for the project and will be released in proportion to debt disbursements remaining to be disbursed thereafter.	No disbursement had taken place during 2005-06 since there is a time lag between initial approval and disbursement of fund and disbursement can only take place once the private party is selected through competitive bidding and it has invested its share of equity. However, it may be stated that the total budget allocation of Rs.1500 crore in BE 2005-06 was restricted to Rs.49.19 crore in RE 2005-06

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2005-06 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
							The proposals are received prior to the selection of the Private Partner that is required to be done through competitive bidding. Hence due to the time lag involved in various stages, immediate disbursement under the scheme was not possible.	and at the end of the FY the entire fund was surrendered.
3	<b>Major Head 3054 – Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel</b>	Under this Scheme Cess money under Central Road Fund Act, 2000 to be used for financing construction of railway over bridges and Railway safety works at unmanned level crossings. The proposal for construction of Road over/under bridges in lieu of existing busy manned level crossings on cost	710.81 (Plan)	710.81	Manning at 365 gates Interlocking at 300 locations Telephones at 300 locations. Over Bridge/ Under Bridge at 30 locations	<ul style="list-style-type: none"> <li>For manning of Unmanned level crossing, gates/ lifting barriers have to be erected at the locations and duty huts/gate lodges constructed for gatekeepers. The medically qualified suitable willing gate keepers are to be selected and</li> </ul>	<ul style="list-style-type: none"> <li>Non availability of medically fit &amp; suitable willing gate keepers</li> <li>Delay in receiving approval of CRS &amp; State Govt. consent</li> <li>Non availability of material and contractors at way side locations.</li> <li>Shortage of contractors</li> </ul>	291 LCs manned 426 lifting barriers provided 1235 works of basic infrastructure completed 392 Nos Interlocking 254 Nos Telephone 21 Road over Bridge/ Road under bridge constructed. Total expenditure incurred as on 31st March, 2006 was Rs.710.81 crore.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2005-06 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
		sharing basis where traffic density is more than 1 lakh Train Vehicle Units (TVUs).				<p>posted at the gates.</p> <ul style="list-style-type: none"> <li>The process include provision of a cabin for gateman, upgrading and maintaining of smooth roads and embankment, proper gradient, hexagonal block on track for smooth passage of road vehicles</li> <li>Laying of cable from station to the level crossing location, connecting signalling system &amp; telephones with level crossing location.</li> <li>Proposal for construction over/ under bridges in lieu of existing busy manned level crossings on</li> </ul>	<p>Most of the level crossings are in remote area for which long distance provisions are to be made.</p> <p>Construction of Road over/under bridges is joint work of Railway and / State Govt/local bodies. Some time completion of work delayed due to not starting of work by State Govt/local bodies on their portion due to financial crunch with them and removing encroachments etc. thus overall completion of work is delayed.</p>	

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2005-06 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
						<p>cost sharing basis where traffic density is more than 1 lakh Train Vehicle Units (TVUs) is sponsored by respective State Govt./local bodies duly fulfilling certain preliminary requisites as per extant rule such as closure of LC after completion of ROB, sharing of cost of work etc. based on firm proposal from State Govt./local bodies work is sanctioned. General Arrangement Drawing and estimate prepared before taking up the work.</p>		

2.2 Grant No. – 33 Payments to Financial Institutions								
Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2005-06 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
4	<b>Major Head 2416 – Grants in Aid – Water Harvesting Scheme for SC/ST farmers through NABARD</b> <i>(Ref. Para No. 1 Annex - II)</i>	To subsidise farm ponds for SC and ST farmers to raise the incomes of these weaker sections of society.	3.81 (Plan)	8.50 (Plan) The amount has been fully utilized during 2005-06.	Initial target of 15000 units has been reduced to 8000 units at RE 2005-06 stage. 8000 ponds to be constructed during the year.	Programme for construction of 8000 ponds to be finalised by Sept. 2005.	Adequate number of land-owning farmers of this group who have no loan over dues and are willing and eligible to draw bank finance, could be financed.	The scheme was launched by NABARD in August, 2004 through public sector banks, Cooperative banks and Regional Rural Banks. 50% of the cost of the pond was given as loan and the remaining 50% has been disbursed as back ended subsidy to borrowers through NABARD. 6983 units have been financed till 31.03.06 utilising the full amount provided for.
5	<b>Major Head 2885 – Small Industries Development Bank of India (SIDBI) (National Equity Fund)</b> <i>(Ref. Para No. 2 Annexure - II)</i>	Assist SIDBI to provide equity support to small and tiny entrepreneurs for setting up new projects.	22.00 (Plan)	22.00 (Plan) An expenditure of Rs.9.40 crore was actually incurred	Around 1000 units to be assisted.	Around 100 units by June, 2005, 200 units by September, 2005, 300 units by December, 2005 and 400 units by March, 2006.	Availability of adequate number of eligible entrepreneurs with bankable projects.	423 units were assisted during 2005-06. The scheme did not pick up well, as expected because SIDBI had tied its refinance to equity support. Since refinance is not attractive to banks, there has been no enthusiasm for equity support either. Hence the utilization fund was less than the BE provision.

**2.3 Demand No. 38 - Department of Expenditure**

S. No.	Name of the Scheme	Objectives/ Outcomes	Outlay in 2005-06		Quantifiable Deliverable/ Physical Outputs	Processes/ Timelines	Present Status
			BE	RE			
1	2	3	4(i)	4(ii)	5	6	7
1	<b>Major Head 2070 – Other Administrative Expenses.</b> <b>Central Plan Scheme for funding 15 seats to High Level Professional Course covering basic element of MBA (Finance) for the officers of North Eastern/ Special Category/*BIMARU States</b> (* Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh)	Development of Finance Professionals in North Eastern/ Special Category/ BIMARU States	0.50 (Plan)	0.46	MBA (Finance) training to 15 officers.	2 Years	14 officers (Assam -1, Tripura-2, Uttranchal-2, Orrissa-5, Sikkim-1, Uttar Pradesh-2 and Gujarat-1) joined the programme in January 2005 and completed the same in November 2006.The target was achieved and Rs.0.46 crore being the revised allocation, was utilized completely.

### 3. Status of Outcome of the Outcome Budget 2006-07

#### 3.1 Grant No. 31 - Department of Economic Affairs

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
1	<b>Major Head 2075 – Umbrella Support Project for Country Cooperation Framework (CCF II)</b>	This project will establish a fast track mechanism for facilitating formulation of high quality development programmes for organising cross cutting thematic support, advisory services, capacity building initiatives, and disseminating best practices, thus drawing optimal value from programme (CCF-II) activities.	4.00 (Plan)	3.00	3 projects are envisaged under this programme. <b>(i) Coordination and Decision Support System (CDSS) on External Assistance</b> This aims to improve DEA's aid coordination function by developing a comprehensive web- based Coordination and Decision Support System on external assistance. A customised version of the Development Assistance Database (DAD) would be developed and installed within DEA. The pilot stage of the project	March 2007	The Umbrella Support Project by its very design imparts an element of flexibility, since its basic objective is to provide catalytic/ filler support to other projects in CCF II programme between UNDP and Government of India	The project has an outlay of US\$ 0.84 million approx. (Rs.3.78 crore approx. @ 1 US\$ = Rs.45/-). An amount of Rs.1.54 crore has been incurred during the period April- December, 2006.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
					has been launched in December, 2006, covering three pilot States and pilot Ministries. Outreach to train counterparts at Central and State levels on data entry, and prepare analysis for decision making. Assessment of Aid coordination capacity at Central and State levels, tailored training course for 15 civil servants on aid coordination. CDSS embracing all externally aided projects and programmes. Proposals for improving dialogue between donors and the GOI and for development assistance management.			

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
					<p><b>(ii) Capacity Development Mechanism</b>                      This will involve establishment of capacity building of 14 State level agencies. Development of 42 Project Design Documents/ Project Concept Notes – 3 by each agency. State level seminars and workshops on CDM by each agency to create awareness among stakeholders.</p>	<p>August 2006</p>		<p>The project has an outlay of US\$ 0.30 million (Rs.1.35 crore approx. @ 1 US\$ = Rs.45/-) An amount of Rs.0.57 crore has been incurred during the period April-December, 2006</p>
					<p><b>(iii) Capturing and Disseminating lessons from</b></p>	<p>May 2006</p>		<p>The project has an outlay of US\$ 0.06 million (Rs.0.27 crore approx. @ 1 US\$ = Rs.45/-). An amount of</p>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4 (i)	4 (ii)	5	6	7	8
					<p><b>programme activities.</b> It is a pilot project for advocacy &amp; media dissemination. One documentary film and 3 short films are proposed at special multi-stakeholder workshops, apart from TV screenings. One advocacy film targeting Policy makers(27 minutes) and 3 short film of 13 minutes each on UNDP assisted projects completed.</p>			Rs.0.07 crore has been incurred during the period April-December, 2006.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4 (i)	4 (ii)	5	6	7	8
2	<b>Major Head 3054 – Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel</b>	Under this Scheme Cess money under Central Road Fund Act, 2000 to be used for financing construction of railway over bridges and Railway safety works at unmanned level crossings. The proposal for construction of Road over/under bridges in lieu of existing busy manned level crossings on cost sharing basis where traffic density is more than 1 lakh Train Vehicle Units (TVUs).	710.86 (Plan)	710.86	<ul style="list-style-type: none"> <li>Manning at 369 gates</li> <li>Lifting Barrier at 486 locations</li> <li>Infrastructure at 1453 locations</li> <li>Interlocking at 460 locations</li> <li>Telephones at 392 locations.</li> <li>Over Bridge/ Under Bridge at 31 locations</li> </ul>	<ul style="list-style-type: none"> <li>For manning of Unmanned level crossing, gates/ lifting barriers have to be erected at the locations and duty huts/gate lodges constructed for gatekeepers. The medically qualified suitable willing gate keepers are to be selected and posted at the gates.</li> <li>The process include provision of a cabin for gateman, upgrading and maintaining of smooth roads and embankment, proper gradient, hexagonal block on track for smooth passage of road vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Non availability of medically fit &amp; suitable willing gate keepers</li> <li>Delay in receiving approval of CRS &amp; State Govt. consent.</li> <li>Non availability of material and contractors at way side locations.</li> <li>Shortage of contractors</li> <li>Most of the level crossings are in remote area for which long distance provisions are to be made</li> <li>Construction of Road over/under bridges is joint work of Railway and /State Govt./ local bodies. Some time completion of work delayed due to not</li> </ul>	<p>Rs.533.13 crore has been released</p> <p>94 LCs manned</p> <p>312 lifting barriers provided</p> <p>820 works of basic infrastructure completed</p> <p>198 Nos. Interlocking</p> <p>136 Nos. Telephone.</p>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
						<ul style="list-style-type: none"> <li>Laying of cable from station to the level crossing location, connecting signalling system &amp; telephones with level crossing location</li> <li>Proposal for construction of ROB/RUB in lieu of existing busy manned level crossing on cost sharing basis where traffic density is more than 1 lakh Train Vehicle Units (TVUs) is sponsored by respective state Govt./local bodies, as per extant rule such as closure of LC after completion of ROB, sharing of cost of work etc.</li> </ul>	starting of work by State Govt/local bodies on their portion due to financial crunch with them and removing encroachments etc. Thus overall completion of work is delayed.	24 Road Over Bridge/ Road Under Bridge constructed

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
						based on firm proposal from State Govt/ local bodies work is sanctioned. General arrangement drawing and estimate is prepared before taking up the work.		
3	<b>Major Head 5475 – Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure.</b>	To Promote Public Private Partnership in the infrastructure sector through provision of Viability Gap Funding (VGF).	500.00 (Plan)	–	At present 7 proposals under the revised scheme received. Scheme of VGF for 3 road sector projects considered by Empowered Institutions for in principle approval. Four proposals already under submission. With the streamlining of the mechanism for review of proposals and dissemination of the information	There is a time lag between 'in principle' approval and final disbursement and normally it will take 6 months to one year in the process of bidding etc after giving in Principle Approval to a proposal.	Disbursement can take place only when the Private Party is selected through competitive bidding and it has invested its share of equity.	21 Proposals have been granted in Principle approval so far. Process of Prequalification has either begun or completed and financial bids are being invited in case of 8 projects. However, any disbursement in the current Financial Year is not foreseen as such the fund of Rs.500 crore allocated under BE 2006-07 has been restricted to nil in RE 2006-07.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
					relating to the scheme it is expected that the number of proposals received would increase.			
4	<b>Major Head 3475 – Interest equalization support to Exim Bank of India</b> <i>(Ref. Annex. - IV)</i>	Proposals of GOI supported lines of credit to various foreign countries are recommended by Ministry of External Affairs and after processing the proposal Department of Economic Affairs (DEA) approves the proposal. Exim Bank of India implements the credit lines and based on disbursements, claims interest equalization support from DEA.	–	100.00 (Non Plan)	Exports of Indian goods and services to countries like Angola, Djibouti, Burkina Faso, Chad, Congo, Cote d' loire, Ethiopia, Equatorial Guinea, Fiji, Gambia, Ghana, Guyana, Guinea Bissau, Honduras, Jamaica, Mali, Lesotho, Mozambique, Myanmar, Niger, Senegal, Sri Lanka, Sudan, Surinam, Vietnam and Zambia		Utilisation of funds is subject to actual disbursement of credit by Exim Bank of India. Therefore, actual utilization may vary from the budgetary provisions.	Rs.28.71 crore disbursed. Exim Bank has stated that additional amount of Rs.59.27crore approx. will be required in respect of approved GOI supported lines of credit during the current financial year.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
5	<b>Major Head 3605 – Technical and Economic Cooperation with other countries, Development Assistance, Grants-in-aid.</b>	The provision was meant for activities under Indian Development and Economic Assistance Scheme (IDEAS). The objective is to project Indias image abroad and to develop long standing economic relation. One of the activities is witting off past debt of HIPCs (Heavily Indebted Poor Countries).	214.17 (Non-Plan)	4.31	The amount projected in RE/ Final Requirement is required for waiver of penal interest of Rs.4.31 crore (approx.) pertaining to GOI (Government to Government) Line of credit of US\$ 10 million extended to Govt. of Uzbekistan in 1993.			The penal interest of Rs.4.31 crore has been waived off pertaining to GOI (Government to Government) Line of credit of US\$ 10 million extended to Govt. of Uzbekistan in 1993.
6	<b>Major Head 3605 – Technical and Economic Cooperation with other countries, Technical aid to South and South East Asia under the Colombo Plan-Contribution</b>	Provide technical aid to countries under Colombo Plan, by providing support to Human resource development, through courses conducted by Indian Institutes.	4.46 (Non-Plan)	5.41	Human resource development through technical education to 410 students every year from Colombo Plan countries	The courses are approved by DEA. The trainees are drawn as per the slots allotted to different countries. They are provided with air fare, tuition fee, accommodation and living allowances	There is no risk factor involved .	During the year 2006-07, out of the 410 total available slots, 270 slots have been utilized. The expenditure incurred upto 31.12.2006 is Rs.1.87 crore

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
7	<b>Major Head 7605 – Advances to Foreign Governments - Loan to Govt. of Myanmar</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	5.00 (Non-Plan)	1.00	Export of various capital goods totally amounting to Rs.5 crore.	Ongoing credit line since 2003 (US\$ 25 million). Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement.	Only marginal amount is required for small balance under the operational LOC of US\$ 25 million extended to Myanmar in 2003. Therefore the final requirement has been slightly reduced from the RE figure.	Upto 31.12.2006 no claim has been received
8	<b>Major Head 7605 - Advances to Foreign Governments - Loan to Govt. of Cambodia</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	21.00 (Non-Plan)	15.00	Export of various equipment and goods and consultancy services for rehabilitation of an irrigation project in Cambodia amounting to Rs.21 crore.	Ongoing credit line of US\$ 10 million since 2002. Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement	Seeing the pace of filing of claims for reimbursement by the exporters, claims for about US\$ 1 million approx. (Rs.4.6 crore) of the balance unutilised amount of US\$ 4.5 million approx is expected.	Rs.1.90 crore disbursed. Capital goods and Consultancy service were supplied.
9	<b>Major Head 7605 - Advances to Foreign Governments</b>	Promotion of export of goods and services from India and cultivating long term economic	1.00 (Non-Plan)	1.00	Export of capital goods amounting to Rs.1 crore (approx.)	Ongoing credit line of US \$ 10 million since 2003. Exporters' claims are routed through	An amount of US\$ 0.25 million approx. (Rs.1.1 crore approx.) is balance under the operational LOC of	Rs.0.48 crore disbursed. Capital goods have been supplied.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
	<b>- Loan to Govt. of Surinam</b>	relationship with the recipient country.				SBI Overseas Branch, New Delhi for reimbursement.	US\$ 10 million extended to Surinam in 2003.	
10	<b>Major Head 7605 - Advances to Foreign Governments -Loan to Govt. of Sri Lanka</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	108.00 (Non-Plan)	100.00	Export of various capital goods and consultancy services totally amounting to Rs.108 crore.	Ongoing credit line since 2002 (US\$ 31 million) and 2004 (US\$ 25 million). Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement.	Govt. of Sri Lanka could not finalize contracts hence claims for lesser amount were received from the exporter for already approved contracts.	Rs.70.62 crore has been disbursed.
11	<b>Major Head 7605 - Advances to Foreign Governments, 00.094- Loan to Govt. of Mauritius</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	18.00 (Non-Plan)	8.00	Export of equipment for cyber city project and International Convention Centre project in Mauritius.	Ongoing credit line since 2001. Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement.	Under the operational credit agreement, 2001, there is still a balance of US\$ 9.5 million approx (Rs.43.7 crore approx.) under the already approved contracts.	No claims were received for reimbursement
12	<b>Major Head 7605 - Advances to Foreign Governments - Loan to Govt. of Laos</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	5.00 (Non-Plan)	0.60	Export of various capital goods totally amounting to Rs.5 crore.	Ongoing credit line since 2002 (US\$ 10 million). Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement.	Only marginal amount is required for small balance under the operational LOC of US\$ 10 million extended to Laos in 2002.	Rs.0.51 crore disbursed. Capital goods were supplied.

**3.2 Grant No. 33 - Payments to Financial Institution**

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
1	<b>Banking Division</b> <b>Major Head 2416 – Grants-in-aid for Water Harvesting Scheme for SC/ ST farmers through NABARD</b>	To subsidise farm ponds for SC and ST farmers to raise the income of these weaker sections of society.	16.00 (Plan)	4.53	About 16,500 irrigation units to be financed.	Banks to finance the scheme with 50% back ended subsidy.	If SC/ST farmers do not get adequate return, there is a risk of non-payment of loan amount.	6983 units financed till 31.12.2006. Rs.9.11 crore paid through bank loans and Rs.8.11 crore provided by Government as grant.
2	<b>Major Head 2885 – Small Industries Development Bank of India (SIDBI) (National Equity Fund).</b>	Assist SIDBI to provide equity support to small and tiny entrepreneurs for setting up new projects.	20.00 (Plan)	5.00	1000 units to be assisted during the year.	Lending institutions approach SIDBI for refinance.	Equity assistance is linked to refinance from SIDBI which impacts the demand from banks & financial institutions for assistance.	600 units have been financed till 31.12.2006 at a cost of Rs.10 crore. Action to release grant of Rs.5.00 crore to SIDBI initiated.
3	<b>Insurance Division</b> <b>Major Head 2235 – Subsidy to public sector general insurance companies for community based Universal Health Insurance Scheme.</b> <i>(Ref. Para No. 3 Annexure - II)</i>	Health care to BPL families through Public Sector General Insurance Companies by providing subsidy.	3.00 (Non-Plan)	25.00	Coverage of 1 lakh families was initially planned and raised to 8 lakh families for the year 2006-07.	1 year		60,663 policies issued and a subsidy of Rs.7.66 crore released till 31.12.2006. Proposal for release of a further amount of Rs.9.08 crore is under consideration.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
4.	<b>Banking Division</b> <b>Major Head 2235 – Debt relief in interest to farmers on overdue loans.</b> <i>(Ref. Para No.11 Annexure-II).</i>	To share interest waived on overdue loans payable by farmers in debt stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra on 50:50 basis by Government of India and State Governments.	0.00	1359.13 (Non-Plan)	50% share of Government of India is estimated at Rs.3068.98 crore.	The amount is released to Reserve Bank of India, who will release the share of interest waiver provided by Scheduled Banks, NABARD, RRBs and Cooperative Banks to them.	A total estimated amount of Rs.3068.98 crore has been waived as on 31.12.2006.	Action for release of Government of India's share has been initiated. Full amount would be utilised.
5	<b>Major Head 2416 – Grants in aid for revitalization of Cooperative Credit Structure.</b>	Revitalisation of Cooperative Credit Structure in the country	1500.00 (Non-Plan)	1500.00	To revitalize short term Cooperative Credit Structure in the States which agree to implement the package.	The revitalization is to take place within two years depending upon the participation of the States.		Eight States viz., Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Orissa, Rajasthan, Uttarakhand and Uttar Pradesh have signed MoUs with NABARD and Government of India for implementing the package. Released Rs.400.00 crore to NABARD till 31.12.2006.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs. in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
6	<b>Major Head 2416 – Interest Subvention for providing Short Term Credit to farmers.</b>	Interest relief to farmers on short term production credit.	0.00	1100.00 (Non-Plan)	To provide short term production credit at 7% to the farmers upto an amount of Rs.3.00 lakh	Reimbursement of interest subvention is given to Scheduled Commercial Banks, NABARD, RRBs and Cooperative Banks for loans disbursed by them in Kharif, 2006 and Rabi 2006-07 out of their own resources.	Being a subsidy, no risk factor is involved.	Action to release the amount has been initiated.
7	<b>Major Head 2416 – Grants-in-aid – Interest Subvention</b> (Ref. Para No. 6 Annexure - II)	Government decided to extend interest subvention of an amount of Rs.2500.00 crore @ 1.5% i.e., Rs.37.50 crore was earmarked for three years starting from 2004-05 to NABARD for the purpose of refinance for cooperative banks and RRBs for the debt restructuring package announced by the Government.	37.50 (Non-Plan)	75.00	To provide interest subvention on liquidity support to NABARD for debt restructuring package to Cooperative Banks and RRBs.	Rs.37.50 crore to be released every year for three years from the financial year 2004-05.		Rs.37.50 crore has been released as on 31.12.2006.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
8	<b>Major Head 2885 – Redemption of IDBI Bonds relating to Stressed Assets Stabilisation Fund (SASF)</b> <i>(Ref. Para No. 6 Annexure - II)</i>	Cash neutral provision for weeding out stressed assets of IDBI.	1500.00 (Non-Plan)	1500.00		1 year	Defaults in payment of settled cases.	Premature redemption of the special securities to the extent of Rs.771 crore till 31.12.2006.
9	<b>Major Head 4885 – Export Import Bank of India</b>	Strengthening of equity base of EXIM Bank.	50.00 (Non-Plan)	50.00	Speed up India's export to other countries.	1 year	Credit risk, liquidity risk, interest rate risk and foreign exchange risk.	By investing Rs.50.00 crore the paid up capital base of EXIM Bank will go up to Rs.1000.00 crore. Action to release the amount has been initiated.
10	<b>Major Head 4885 – India Infrastructure Finance Company Ltd. (IIFCL)</b> <i>(Ref. Para No.10 Annexure - II)</i>	Contribution to the capital of IIFCL for enabling the programme of providing long term infrastructure finance.	90.00 (Non-Plan)	90.00	Provide funds for debts of long term maturity directly to the eligible projects with a view to supplementing loans from banks and financial institutions.	1 year	Access to funds at reasonable cost, timely provision of capital and guarantee.	IIFCL has sanctioned financial assistance of more than Rs.700.00 crore to 40 eligible information technology projects.

**3.3 Grant No. 38 - Department of Expenditure**

S. No.	Name of the Scheme	Objectives/ Outcomes	Outlay in 2006-07		Quantifiable Deliverable/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2006
			BE 4 (i)	RE 4 (ii)			
1	2	3	4 (i)	4 (ii)	5	6	7
1	<b>Major Head 2070 – Other Administrative Expenses</b> <b>Central Plan Scheme for funding 15 seats to High Level Professional Course covering basic element of MBA (Finance) for the officers of North Eastern/ Special Category/*BIMARU States</b> (* Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh)	Development of Finance Professionals in North Eastern/ Special Category/ BIMARU States	0.63	0.63	MBA (Finance) training to 15 officers.	2 Years	15 officers (Mizoram-1, Tripura-2, Uttaranchal-2, Madhya Pradesh-2, Orissa-6, Uttar Pradesh-2) have joined the course during the year 2006-07.  The expenditure upto December, 2006 was Rs.0.47 crore. Outlay for the year is expected to be utilized fully.

### 3.4 Grant No. 41- Department of Revenue

S. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay in 2006-07 (Rs.in crore)		Quantifiable Deliverable	Process/ Timelines	Status as on 31st December 2006
			BE	RE			
1	2	3	4 (i)	4 (ii)	5	6	7
1	<b>Major Head 2052 – Implementation of VAT Scheme</b>	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other states.	5.00	5.00	Computerisation of VAT administration in NE States & Sikkim	Completion of initial phase on 31st March 2006. The task in 2006-07 was to effectively utilise the system and remove bottlenecks.	The initial phase of implementation of the Project on Turnkey basis has been completed. The task during 2007-08 is to effectively utilize the systems already put in place and to add new need-based software applications and remove bottlenecks, if any. Actual expenditure in 2006-07 upto 31 <sup>st</sup> December, 2006 has been Rs.1.00 crore and total expenditure so far starting 2004-05 is Rs.12.39 crore.
2	<b>Major Head 2052 – Setting up of Tax Information Exchange System (TINXSYS)</b>	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the Empowered Committee(EC)	4.00	3.25	<ul style="list-style-type: none"> <li>Implementation of TINXSYS Project for effective tracking of inter-State transactions.</li> <li>Smooth functioning of EC.</li> </ul>	The total project is costing Rs.30 crore and the duration of the project is 5 years starting from 2004-05.	The TINXSYS Project is being implemented with cost sharing between the Centre and the State Governments on 50:50 basis. The initial difficulties have been resolved. All States, have agreed to join the Project. Creation of physical infrastructure (Hardware, networking etc.) has been completed for most States and is expected to be completed for remaining States as well by 31.3.2007. Software applications have also been developed as per the initial scope of the Project. Presently, the focus is on data migration i.e. uploading of

S. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay in 2006-07 (Rs.in crore)		Quantifiable Deliverable	Process/ Timelines	Status as on 31st December 2006
			BE	RE			
1	2	3	4 (i)	4 (ii)	5	6	7
							data by States into the System. The expenditure upto 31.12.2006 in 2006-07 is Rs.1.50 crore. Total expenditure so far is Rs.14.96 crore.
3	<b>Major Head 3601/3602 – Compensation to States/UTs for revenue loss due to implementation of VAT and other VAT related expenditure</b>	Grant-in-aid to States for (i) VAT compensation and (ii) other VAT related expenditure	3000.00	4100.00	To compensate States/UTs for revenue loss due to introduction of VAT with a view to ensuring VAT implementation in all States/UTs as well as for meeting other VAT related expenditure of States/ UTs	The financial support is for 3 years starting from 2005-06 with 100% compensation for revenue loss in 2005-06, 75% in 2006-07 & 50% in 2007-08.	Under this Scheme, grant-in-aid is released to States for compensating them for revenue loss due to introduction of VAT. The total amount released so far has been Rs.5577.10 crore, out of which Rs.2471.27 crore was released during 2005-06 and Rs.3105.83 crore during 2006-07. Out of the compensation amount released during 2006-07, Rs.2835.12 crore pertains to claims for the financial year 2005-06 and Rs.270.71 crore pertains to the claim for the financial year 2006-07.
4	<b>Major Head 2875 – Government Opium &amp; Alkaloid Works</b>	To cater to the demand of opium and alkaloids for domestic consumption as well as international market.	214.01	228.64	Export of opium (475 MTs). Sale of alkaloids (35 MTs). This was to result in revenue receipt of Rs.243 crore.	The progress of revenue realisation vis-a-vis expenditure to be renewed monthly.	The opium export has been 282.4 Metric Tonnes (MTs) upto December, 2006 against the targeted export of 475 MTs. The sale of alkaloid is 25.4 MTs upto Dec., 2006 against the target of 35 MTs in the whole year. Revenue Receipts upto Dec. 2006 has been Rs.160.82 crore against projected revenue receipt of Rs.250 crore at RE stage. The

S. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay in 2006-07 (Rs. in crore)		Quantifiable Deliverable	Process/ Timelines	Status as on 31st December 2006
			BE	RE			
1	2	3	4 (i)	4 (ii)	5	6	7
							<p>expenditure upto December, 2006 on Govt. Opium &amp; Alkaloid Works is Rs.138.88 crore.</p> <p>Efforts have been made to maintain the level of export by reducing the opium export price in 2005-06 in view of fall in CPS price in international market. Further alkaloid prices in 2006-07 have also been revised.</p> <p>With these measures, the Revised Estimates of Rs.250 crore are expected to be achieved in 2006-07.</p>

## 3.5 Grant No. 42 - Direct Taxes

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay in 2006-07		Quantifiable Deliverable/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2006
			BE	RE			
1	2	3	4 (i)	4 (ii)	5	6	7
1	<b>Major Head 2020 – Information Technology Comprehensive Computerisation of the Income Tax Department.</b>	1. Electronic delivery of tax payers services. 2. Augmentation of Departmental computer infrastructure 3. Setting up of Tax Information Network (TIN).	138.50	74.00	The outcomes of the computerisation project can be broadly categorized under 3 headings: <b>1. Electronic-delivery of taxpayer services comprising the following components:-</b> <ul style="list-style-type: none"> <li>• Dissemination of tax information through the website</li> <li>• Services related to allotment of Permanent Account Number</li> <li>• Online preparation of returns of income</li> <li>• Electronic filing of returns of income</li> <li>• Electronic payment of taxes</li> <li>• Computer based</li> </ul>	31.12.2006	1. The e-governance initiatives have in general brought out improvement in tax payer services. The efforts are also supplemented with various web-enabled services through a tax payer friendly website www. Incometaxindia.gov.in. A call centre 'Aayakar Sampark Kendra (ASK)' is functional to provide assistance to tax payers' queries. The services available include downloadable form , Tax calculator facility for TATKAL, PAN status , Enquiry of PAN/TAN, PAN query in batch mode, Challan Status Enquiry, Online Filing of grievances and their redressal. 2. Computerised processing of Income Tax Returns has facilitated faster processing of

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay in 2006-07		Quantifiable Deliverable/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2006
			BE	RE			
1	2	3	4 (i)	4 (ii)	5	6	7
					processing of returns and issue of refunds <ul style="list-style-type: none"> <li>• Electronic credit of refunds</li> <li>• Electronic filing of TDS returns</li> </ul>		refunds, resulting in improved tax payer service, lower interest outgo on refunds, deepening & widening of tax base and reducing tax evasion. <p>3. Scheme of e-filing of TDS/TCS returns is in place. Corporate deductors/ Government deductors mandatorily file their return in e-format. Creation of electronic TDS accounts of deductees has facilitated viewing and verification of taxes paid.</p> <p>4. Direct internet filing for all assesseees throughout the country without intermediaries or digital signatures was introduced. All Corporates were required to e-file the return of income.</p> <p><b>Total e-return file till 31.12.2006 were 3,14,834. With the e-filing facility, Corporate returns have become annexure-less and jurisdiction-free.</b></p>
					2. Augmentation of Departmental computer infrastructure comprising the		

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay in 2006-07		Quantifiable Deliverable/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2006
			BE	RE			
1	2	3	4 (i)	4 (ii)	5	6	7
					<p><b>following components:-</b></p> <ul style="list-style-type: none"> <li>• Setting up of All India Income Tax Network</li> <li>• Setting up of National Data Centre</li> <li>• Consolidation of Regional Databases into Single National Data base</li> </ul> <p><b>3. Setting up Tax Information Network (TIN)</b></p>		<p>The All India Tax Network Project was divided into two phases. Phase-I consisted of 60 cities and Phase-II of 450 cities. Work in Phase-I has been completed while Phase-II is expected to be completed by 30.06.2007. In Phase-I 158 buildings in 60 cities have been connected. In Phase-II, 397 buildings in 350 cities have been connected so far. Work is in progress in the rest of the cities and expected to be completed by 30.06.07.</p> <p>The contracts of hiring of Data Centres for National Data Centres at Delhi, Business Continuity Site at Mumbai and Disaster Recovery Site have been awarded.</p> <p>System Integrator will be rolled out by 31.08.2007. However, it will be contingent upon the award of tender to the successful bidder. Migration of Version_3.3 with source cut off date as on 15.07.2006 has been completed.</p> <p>Migration of Version_3.4 with source cut off date as on 15.11.2006 is in progress Migration</p>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay in 2006-07		Quantifiable Deliverable/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2006
			BE	RE			
1	2	3	4 (i)	4 (ii)	5	6	7
							<p>of final version to be rolled out in production in 3-tier architecture will be taken up shortly.</p> <p>M/s Engineers India Limited have been awarded the contract for complete renovation of Vaishali building which would come up as the National Computer Centre of the Department.</p> <p>This is being hosted National Securities Depository Limited (NSDL) as a repository of information relating to –</p> <p>i) Tax payments – coming online from banks under Online Tax Accounting System (OLTAS)</p> <p>ii) Tax deductions coming from TDS returns – filed electronically as well as filed on paper and digitized at TIN.</p> <p>iii) High value financial transactions coming through Annual Information Returns (AIR).</p>
2	<p><b>Major Head 4059 – Acquisition of Office Accommodation</b></p> <p>1. Purchase of ready built office accommodation at Scindia House at Mumbai</p>		19.00	7.45	The purchase of this office accommodation will bridge the shortfall requirement of office space in Mumbai.		The building has been acquired in the previous year. The provision was for balance payment. However, the same is not likely to be paid in this financial year due to some tenants not vacating the small portion of the building.

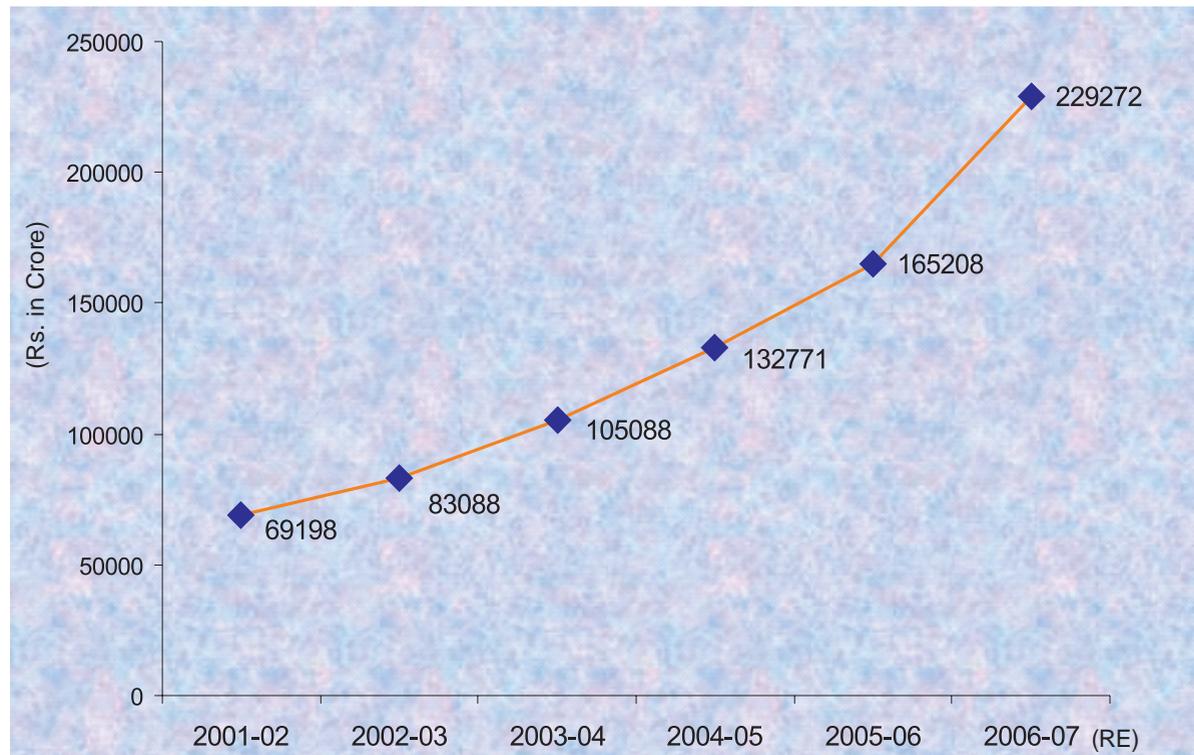
Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay in 2006-07		Quantifiable Deliverable/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2006
			BE	RE			
1	2	3	4 (i)	4 (ii)	5	6	7
	<p>2. Purchase of ready built office at Kohlapur (CCIT Pune)</p> <p>3. Purchase of ready built office at Pollacchi, Coimbatore</p>				<p>The purchase of this office accommodation will bridge the shortfall requirement of office space.</p> <p>- do -</p>		<p>The proposal has been dropped and provisions surrendered at RE stage.</p>
3	<p><b>Major Head 4216 – Acquisition of Residential Accommodation</b></p> <p>1. Purchase of 30 ready built flats at NOIDA</p>		7.00	1.20	<p>The purchase of this residential accommodation will bridge the shortfall requirement.</p>		<p>The proposal is still under examination and no payment is likely to be made during this year. Hence, provision surrendered.</p> <p>The amount is not likely to be utilized this year, as the procedural formalities and required certification by the CPWD have not been completed.</p>

### 3.5.1 Salient Features of Overall Performance of the Central Board of Direct Taxes (CBDT)

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

- i. The collection of direct taxes has almost doubled from Rs.83,088 crore in 2002-03 to Rs.1,65,208 in 2005-06 at an average annual growth of 25.75% as against average annual growth rate of 18.86% between 1990-91 to 2001-02. It has happened for the first time that direct tax collections have increased at a rate above 20% for four consecutive years.

**Direct Tax Collections**

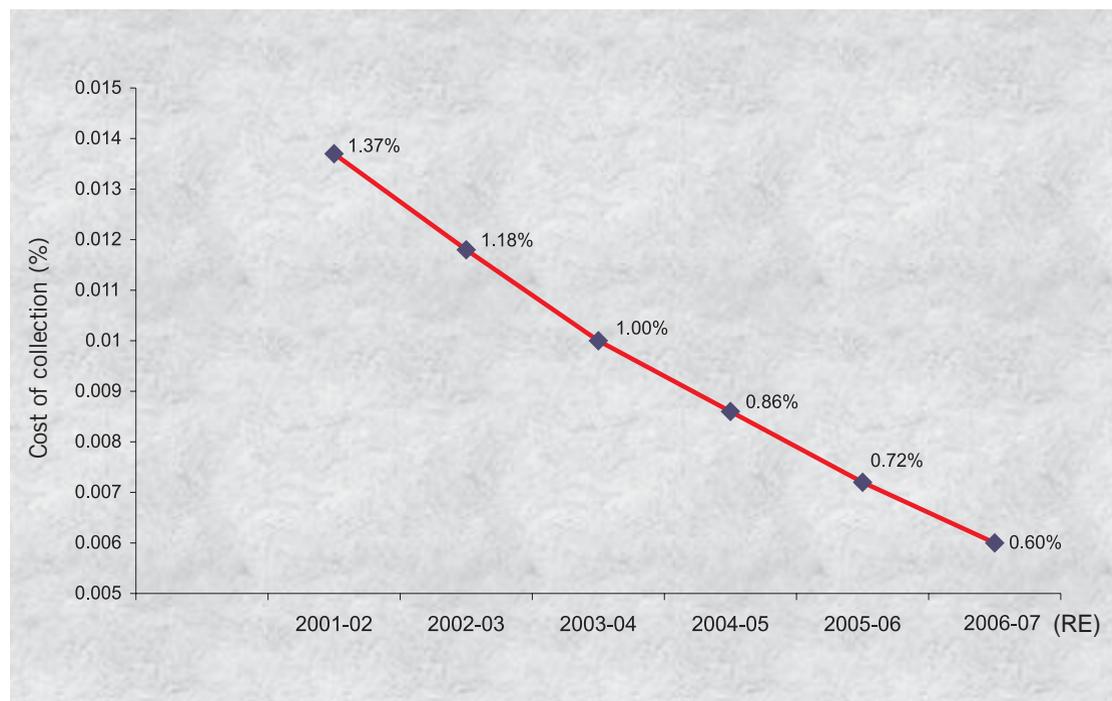


- ii. The direct tax-GDP ratio has increased from 3.39% in 2002-03 to 4.68% in 2005-06 (three years' time) as compared to increase from 2.10% in 1990-91 to 3.03% in 2001-02 (in 11 years). This is for the first time that direct tax - GDP ratio is expected to surpass 5% at the end of 2006-07.
- iii. There has been a significant increase in the amount of recovery from arrears from Rs.5,470 crore in 2002-03 to Rs.5,540 crore, Rs.7,084 crore and Rs.8,064 crore in 2003-04, 2004-05 and 2005-06, respectively. In 2006-07, up to December 2006, an amount of

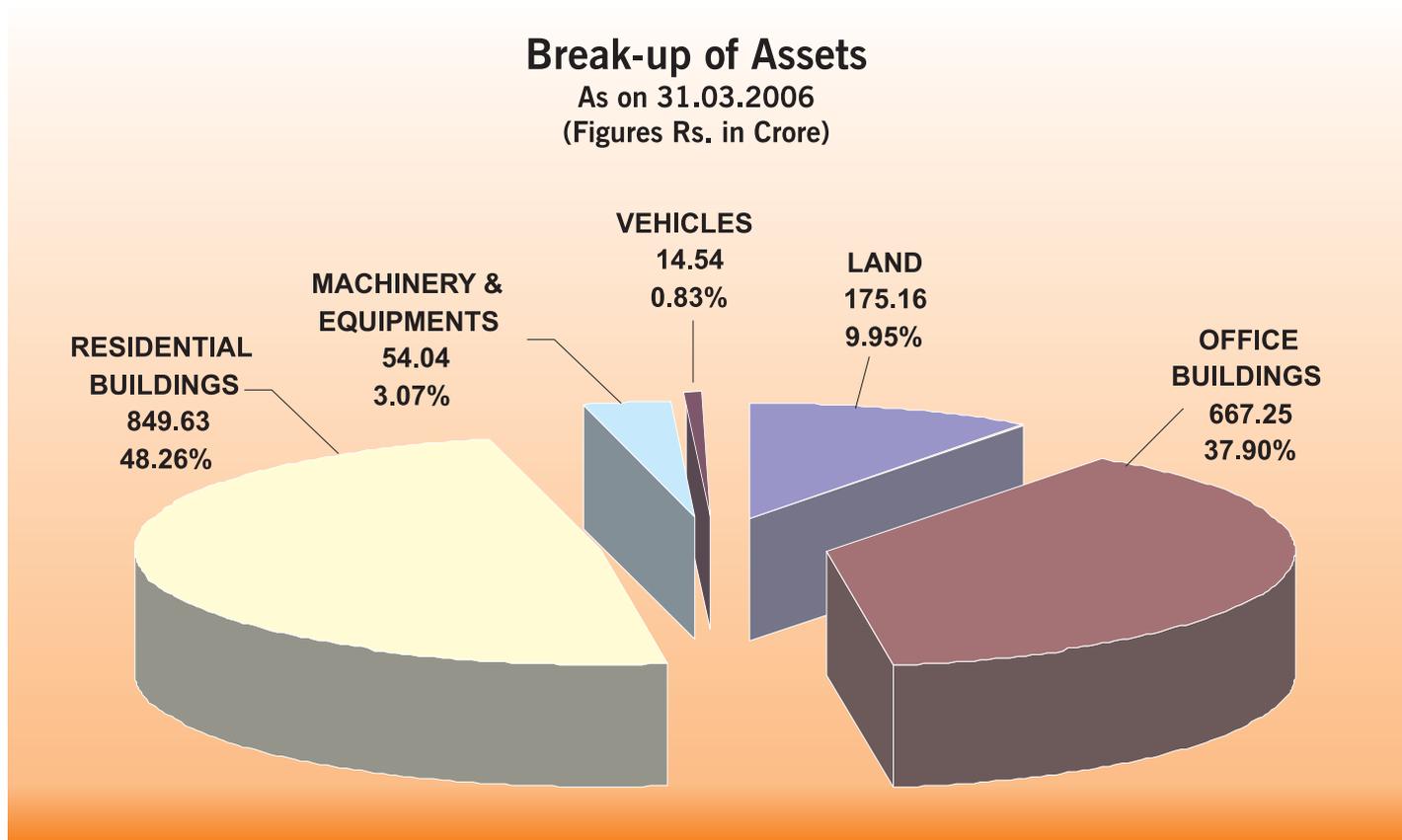
Rs.8,897 crore has been recovered from the arrears. Considering the present trends, the Income Tax Department is likely to achieve the annual target of Rs.11,741 crore for 2006-07.

- iv. Collection out of current demand, which was Rs.7,300 crore in 2002-03, has increased to Rs.10,610 crore in 2003-04, Rs.15,632 crore in 2004-05 and Rs.16,389 crore in 2005-06. In 2006-07, up to December 2006, an amount of Rs.4,754 crore has been collected from current demand.

### Cost of collection in Terms of Percentage



- v. The cost of collection of direct taxes has drastically come down from 1.37 paise per rupee collected in 2000-01 to 0.72 paise per rupee collected in 2005-06. It is estimated to further decrease to 0.60 paise per rupee in revised estimates 2006-07.
- vi. The Income Tax Department has been providing one of the best e-delivery of services by a Government Department.
- vii. As on 31<sup>st</sup> March, 2006, the physical assets owned by the Department were to the tune of Rs.1760.62 crore. The break-up of the assets is as under:



**Physical Assets Owned by the Income Tax Department Rs.1760.62 Crore**

### 3.6 Grant No.43 - Indirect Taxes

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
1	<b>Major Head 2037 and 2038 - Information Technology</b>	Strengthening of IT capability for e-governance	165.00	110.00	<ul style="list-style-type: none"> <li>Establishment of a co-location Data Centre and country wide data network covering all CBEC locations</li> <li>Installation of Central servers</li> <li>Development of Customs software</li> <li>Establishment of Data warehouse</li> <li>Automation of Central Excise &amp; Service Tax</li> <li>Intranet development</li> </ul>	In order to consolidate the system for Customs, Central Excise and Service Tax processes being done through separate platforms and also to set up Centralized Data Warehouse for CBEC and a Disaster Recovery Site, a major project named the Business Processes Re-engineering Project or the Server Consolidation Project was approved by the Cabinet in February, 2005. The project envisages to bring all computerization efforts of the CBEC	Massive effort is required in change management.	<ul style="list-style-type: none"> <li>For establishment of a co-location Data Centre and country wide data network covering all CBEC locations, selection of vendor and award of contract has been approved on 24.08.2006. Site survey for about 450 locations have been completed. Area for housing departmental hardware in the VSNL Data Centre and Disaster Recovery Site have been identified and caged. Contract agreement between the vendor and the Department being worked out. Work on Phase -I likely to be completed before the end of 2006-07.For</li> </ul>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
						on a single platform and will be an extension of the existing projects which will suitably be re-built into the new project utilizing the existing infrastructure to the maximum. Besides, other routine expenses are also incurred for computerization of Customs & Central Excise Department.		<p>installation of central servers, tender was issued on 17.07.2006. Technical Evaluation completed and Commercial bids opened on 22.12.2006. Report of technical and commercial evaluation placed before the Empowered Committee on 11.01.2007 have been approved. Capacity planning exercise has commenced in association with vendor as directed by the Empowered Committee.</p> <ul style="list-style-type: none"> <li>For development of Customs software, implementation in export module has started at ICD, Dadri. Work on major</li> </ul>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
								<p>imports module migration has been completed. Testing and implementation of import module is in progress at ICD Dadri. Extension to 35 new locations in phases from March, 07. A Risk Management System (RMS) alongwith Post Clearance Audit has been implemented in 13 Custom locations in metro cities. The RMS is progressively being extended to all Electronic Data Interchange (EDI) locations.</p> <ul style="list-style-type: none"> <li>For establishment of data warehouse, the Empowered Committee approved the report of the Commercial Evaluation and Price Negotiation Group and also the award of</li> </ul>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006								
			BE	RE												
1	2	3	4(i)	4(ii)	5	6	7	8								
								<p>the contract to vendor.</p> <ul style="list-style-type: none"> <li>For automation of Central Excise and Service Tax, User Acceptance Test have commenced from January, 07. Training of officers for conducting UATs has been completed.</li> <li>An expenditure of Rs.17.69 crore has been incurred upto December, 2006.</li> </ul>								
2	<b>Major Head 4047 – Preventive Functions - Acquisition of ships and fleets</b>	Strengthening Anti-smuggling capability and improved coastal security	35.68	20.00	<p>Following vessels proposed to be acquired during 2006-07:-</p> <table border="1"> <thead> <tr> <th>Cate-gory</th> <th>No. of Vessels</th> </tr> </thead> <tbody> <tr> <td>III A</td> <td>16</td> </tr> <tr> <td>III B</td> <td>16</td> </tr> <tr> <td>Total</td> <td><u>32</u></td> </tr> </tbody> </table>	Cate-gory	No. of Vessels	III A	16	III B	16	Total	<u>32</u>	In December, 2004, the Cabinet approved acquisition of 109 vessels of three categories as mentioned below to strengthen Customs Marine capability at a cost of Rs.153.85 crore.		<ul style="list-style-type: none"> <li>As total cost after global tender was working out more than the cost sanctioned by the Cabinet, clearance of CNE has been obtained afresh on 18.12.2006 for purchase of Vessels at a revised total cost of Rs.358.19 crore, constituting cost of vessels Rs.277.27</li> </ul>
Cate-gory	No. of Vessels															
III A	16															
III B	16															
Total	<u>32</u>															

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006												
			BE	RE																
1	2	3	4(i)	4(ii)	5	6	7	8												
						<table border="0"> <tr> <td><u>Cate- gory</u></td> <td><u>No. of Vessels</u></td> </tr> <tr> <td>I</td> <td>24</td> </tr> <tr> <td>II</td> <td>22</td> </tr> <tr> <td>III A</td> <td>30</td> </tr> <tr> <td>III B</td> <td><u>33</u></td> </tr> <tr> <td>Total</td> <td><u>109</u></td> </tr> </table> <p>The acquisition to be completed by March, 2010.</p>	<u>Cate- gory</u>	<u>No. of Vessels</u>	I	24	II	22	III A	30	III B	<u>33</u>	Total	<u>109</u>		<p>crore, AMC for 5 years at a cost of Rs.53.01 crore and spares for 5 years at a cost of Rs.27.91 crore. For Category II vessels, CNE approved re-tendering. As cleared by CNE, the order for procurement of Category I, III A and III B vessels numbering 87 are likely to be placed by March, 07. An advance payment will have to be made against bank guarantee.</p> <ul style="list-style-type: none"> <li>Expenditure of Rs.19.90 crore is likely to be incurred before the end of March, 2007.</li> </ul>
<u>Cate- gory</u>	<u>No. of Vessels</u>																			
I	24																			
II	22																			
III A	30																			
III B	<u>33</u>																			
Total	<u>109</u>																			
3	<b>Major Head 4047 – Acquisition of Anti-smuggling equipments</b>	Facilitate cargo clearance, efficient handling of increased volume of container	20.00	6.00	Procurement of 3 mobile scanners and 4 fixed scanners proposed	As a Pilot Project, one Mobile Scanner and one fixed scanner for		<ul style="list-style-type: none"> <li>The proposal for procurement of 3 mobile and 4 fixed scanners was cleared</li> </ul>												

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st March 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
		traffic, improve Customs control through non- Intrusive examination			at a total project cost of Rs.172.94 crore (recurring) and Rs.18.61 crore per annum (non-recurring)	checking container cargo have been installed at Jawahar Customs House, Nhava Sheva. Now, more scanners are to be purchased.		by CNE on 14.02.2006. Cabinet has approved it on 27.10.2006. To monitor the project, a Project Implementation Committee has been constituted. Tender for Mobile Scanner is being vetted by Ministry of Law. Tender Document for X-Ray Scanner, linked to Geo-Technical Investigation of sites is under preparation. <ul style="list-style-type: none"> <li>The amount at RE stage has been reduced to Rs.6.00 crore as compared to Rs.20.00 crore in BE 2006-07. Constituents of expected expenditure are pending balance payment in respect of containers installed in first phase and</li> </ul>

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
								expenses for site development for installation of containers in second phase. As the orders are to be placed in 2007-08 only, the balance amount has been surrendered at RE stage.
4	<b>Major Head 4059 – Acquisition of Office Accommodation</b>	To meet shortfall in Office Accommodation	33.00	17.34	The purchase of office accommodation will bridge the shortfall in requirement of office space.	Purchase of building from UTI at Mumbai and some other proposals to be finalised		The proposal to purchase building from Specified Undertaking of UTI (SUUTI) at Mumbai at a cost of Rs.38.00 crore (Rs32.00 crore as cost of the property and Rs.6.00 crore payable to respective authorities) was approved by the CNE on 07.06.2006. An advance payment of Rs.16.00 crore has been made in November,2006 after signing the agreement with SUUTI.

Sl. No.	Name of the Scheme/ Programme	Objectives/ Outcomes	Outlay 2006-07 (Rs.in crore)		Quantifiable Deliverable	Processes/ Timelines	Risk Factors	Status as on 31st December 2006
			BE	RE				
1	2	3	4(i)	4(ii)	5	6	7	8
5	<b>Major Head 4216 – Acquisition of Residential Accommodation</b>	To meet shortfall in residential accommodation	10.00	12.00	The purchase of residential accommodation will bridge the shortfall in requirement.	Part payment in respect of purchase of flats from Allahabad Development Authority, residential premises at Shillong and remaining amount in respect of other ongoing projects to be made.	The proposal involves obtaining clearance from various concerned authorities after following due procedure.	<ul style="list-style-type: none"> <li>• Structural framework of 134 flats being constructed by Allahabad Development Authority has been completed and payment of 45% of the cost has been made.</li> <li>• Proposal for purchase of premises for use as staff quarters at Shillong is under consideration in Ministry and details has been called from the Commissionerate. Funds amounting to</li> <li>• Rs.6.83 crore have also been released for various other payment in respect of residential quarters.</li> </ul>

### 3.6.1 Salient Features of overall Performance of the Central Board of Excise and Customs (CBEC)

- Total Indirect Tax revenues amounted to Rs 1,98,787 crore in 2005-06. Union Excise Duties Collection accounted for 55.7% (Rs 1,10,665 crore), Customs : 32.7% (Rs 65,067 crore) and Service Tax : 11.6% (Rs 23,055 crore).
- Indirect Tax Revenues have increased by 52% from Rs 1,31,015 crore in 2002-03 to Rs 1,98,787 crore in 2005-06.
- There has been 12.94% increase in customs duties collections & 12.26% in Union Excise Duties Collections in 2005-06 over previous year.
- Service Tax Collection have grown by 62.36% in 2005-06 over previous year. In fact, Service Tax collections have shown phenomenal growth of 459% from 2002-03 (Rs 4,122 crore) to 2005-06 (Rs 23,055 crore). The share of Service Tax in Indirect Tax Revenues has increased from 1% in 1995-96 to almost 12% in 2005-06.

#### Cost of Collection

Head of Duty	2001-02	2002-03	2003-04	2004-05	2005-06
Customs	1.5%	0.9%	0.9%	0.8%	0.8%
Central Excise & Service Tax	0.8%	0.8%	0.8%	0.7%	0.7%

- Indirect Tax Revenues have increased form 5.1% of GDP in 2001-02 to about 5.6% of GDP in 2005-06.

- In 2006-07, upto December 2006 Indirect Taxes Revenue collections amounted to Rs 1,57,694 crore constituting Union Excise Duties Rs 71,344 crore, Customs Duties Rs 63639 crore & Service Tax Rs 22711 crore.
- The total Indirect Collections upto December 06 have shown significant growth of 22.7% over the comparative period of previous financial year. Central Excise Duties, Custom Duties & Service Tax Collections respectively have grown by 6.8%, 33% & 64.3% over the collections in the comparative period of previous year.
- The cost of collection for Customs duties has been 0.9% in 2002-03 & 2003-04 respectively and 0.8% in 2004-05 & 2005-06 respectively. In fact, it has come down from 1.5% in 2001-02 to 0.8% in 2005-06. The cost of collection for Central Excise & Service Tax together has been 0.8% in 2002-03 & 2003-04 respectively and has come down to 0.7% in 2004-05 & 2005-06 respectively. The cost of collection of Indirect Taxes are tabulated below:

- Average expenditure on pay and allowances and average collection of revenue per employee for last 3 years is given below:-

Year	Average expenditure on pay and allowances per employee (Rs. in lakh)	Average collection of revenue per employee (Rs. in crore)
2003-04	1.43	2.55
2004-05	1.60	3.00
2005-06	1.73	3.51

## E-GOVERNANCE:

There are various components of e-governance in the CBEC. The main components are outlined below:

- i) **Wide Area Networking:-** This project envisages setting up a country wide network linking CBEC offices in 550 buildings in 245 cities to National Data Centre, Business Continuity and Disaster Recovery Sites. This is on outsourced services model in which the vendor will provide the Department with reliable, secure and high standard network and Data Centre services. Selection of vendor and award of contract has been approved on 24.08.2006. Site surveys for about 450 locations have been completed. Area for housing departmental hardware in the VSNL Data Centre and DR site have been identified and caged. Contract agreement between the vendor and the Department is being finalised.
- ii) **Installation of Central Servers:-** The Department would be acquiring new generation of servers and storage to provide computing, data storage, systems security infrastructure, central facilities management and related functionalities to all departmental and external users accessing the CBEC systems. These would be located in the National Data Centre, Business Continuity and Disaster Recovery Sites. All the Department's applications would be hosted centrally on this infrastructure. Tender was issued on 17.07.2006. Technical Evaluation completed and commercial bids opened on 22.12.2006. Report of technical and commercial evaluation placed before the Empowered Committee on 11.01.2007 have been approved. Capacity planning exercise has commenced in association with vendor.
- iii) **Development of Customs Software (EDI):-** CBEC has implemented an EDI system which facilitate clearance of import and export cargo. The system was first implemented at Delhi Air Cargo in May, 1995

and was subsequently extended to other locations. Presently, Customs operations have been automated at 35 major Custom locations covering seaport, airport, land customs station and inland container depot. E-filing has been introduced through the Customs e-commerce gateway which enables the importer/exporter/agents to file their import and export documents from their offices and receive assessment and duty payment related messages.

EDI system features online assessment, duty payment and clearance procedure as well as EDI connectivity and data sharing with clearing agents and other community partners such as custodians, banks, shipping lines and airlines, regulatory agency like Director General Foreign Trade, RBI. Some of the salient features of the EDI system are:-

- (a) Electronic filing of goods declarations either on the user's own computer or with the help of a specially setup Service Centre.
- (b) Electronic processing of declaration on a first-cum-first served basis.
- (c) Systems appraisal for select goods.
- (d) Green channel (waiver of examination) for select importers.
- (e) Risk assessment based clearance at places where Risk Management System has been implemented.
- (f) Electronic messaging with the banks for the collection of duties.
- (g) Electronic messaging and data sharing with custodians and other agencies concerned with cargo clearance.
- (h) Electronic disbursement of duty drawback by crediting the amount directly in the account of the beneficiary.

In the year 2004-05 and 2005-06, the Customs EDI system processed about 47lakhs and 54 lakhs declarations respectively.

A Risk Management System (RMS) along with Post Clearance Audit has been implemented in 13 Custom locations in metro cities. Under

RMS, there is a shift from consignment based control to a regime of ‘intervention by exception’ and is a major step towards enhancing service delivery to compliant trade. The RMS has a Accredited Clients Programme under which importers with a high compliance record are extended the facility of ‘no assessment’ and ‘no examination’ by Customs. This has significantly reduced the time for assessment and examination of imported goods. At present, approximately 60% of the imports are cleared through the Risk Management System. The RMS is progressively being extended to all EDI Customs locations.

(iv) **Establishment of Data Warehouse:** - CBEC has trade data for the last one decade which is being used in an adhoc manner as a decision support system, in the absence of a proper data warehouse. As the workflow system for Central Excise and Service Tax begin to capture transaction level data and get integrated with Custom data, CBEC will be able to get a centralized, national perspective of Indirect Tax data. This will go a long way in helping to shape tax policy. With this in view, data warehouse is being set up which will become a source of consistent data pertaining to Customs, Central Excise and Service Tax. The Empowered Committee approved on 11.01.2007 the report of the commercial evaluation and price negotiation group for the data warehouse and also the award of contract to the vendor.

(v) **Automation of Central Excise and Service Tax (ACES):-** The present system in Central Excise and Service Tax are primarily modules for data capture relating to registration and returns. The proposed ACES system aims at developing a workflow based application to automate the entire working of the Central Excise and Service Tax. The step envisages moving on from computerization to e-governance. ACES will enable clients to see their own accounts with the Department, check the current status of their applications, claims, permissions and minimize the need for physical interaction with

the departmental officer or visit to Central Excise offices. For ACES, User Acceptance Tests (UAT) have commenced from January, 2007. Training of officers for conducting UATs has been completed. User Acceptance Tests are likely to be completed by April, 2007.

### Computerisation Initiatives by Principal Chief Controller of Accounts, CBEC

- **REVACT Software for Revenue Accounting** is being modified further to integrate the software with the online tax information systems which is a part of the computerization project of CBEC.
- The salient features of REVACT software are Data entry through Multiple Nodes, Revenue Reconciliation between PAOs & Commissionerates & generation of various reports for monitoring & control.
- Electronic Accounting System in Central Excise And Service Tax (EASIEST) is aimed for obtaining a complete, correct and useful database that can be used for accounting, reconciliation and for other MIS purposes.
- EASIEST is for “Online Transmission of Tax Payment Data from Banks to Central Excise Department” and e-Payment of Central Excise and Service Tax is for on-line payment of Tax to the Banks by the tax payers.
- Out of 28 banks authorized to collect CBEC revenue, 25 banks are offering e- Payment solution to Central Excise and Service Taxpayers.
- For e-Payment for Customs Duty Collections, testing process are in progress and system is being put in place
- Electronic Accounting Solution for e-Receipts (EASeR) is conceived in the context to further facilitate and support the entire Business

Process especially in the areas of Accounting and Banking, in smooth, efficient, effective and user friendly manner. It is aimed to put in place a proper electronic accounting and reconciliation process. The project also aims to have a “zero error database” that will contribute to the Tax Information Network (TIN).

- Setting up of Multi Protocol Level Switching Virtual Private Network (MPLSVPN): Office of the Pr. CCA has initiated a number of IT projects. A number of software applications are running and few are under pilot stage. These application software need to be configured to run in a centralized environment. For improvement of efficiency and transparency, it was felt necessary to set up a Multi Protocol Level Switching Virtual Private Network. It is expected that the VPN shall be functional by April 2007. Meanwhile, the requirement of application software is being finalized in consultation with all stake holders.

### Procurement of Scanners

A proposal for procurement of electronic scanners for scanning the import and export cargo containers arriving for customs clearance so as to detect contraband drugs, arms and ammunition and other undeclared cargo was considered by the Committee of Secretaries and approved as a Pilot Project with two scanners to start with. Accordingly, a proposal for procurement and installation of one Mobile Gamma Ray Scanner and one Re-locatable X-Ray Scanner at Jawaharlal Nehru Port, Nhava Sheva was considered by the Committee of Non-plan Expenditure (CNE) and approval granted for procuring them through M/s ECIL at a total cost of Rs.31.27 crore on 1<sup>st</sup> July, 2003. The Mobile Scanner was commissioned on

29.03.2004 and the re-locatable scanner commissioned in June, 2005. Both are now operational and more than 100 containers are being scanned every day. Encouraged by the success of the Pilot Project, a proposal for procuring 3 more Mobile Scanners and 4 more fixed scanners for installation at Mumbai, Chennai, Tuticorin and Kandla has been taken up in the second phase, at an estimated cost of Rs.172.94 crore. The proposal has been approved by the CNE on 14.02.2006 and by the Cabinet on 27.10.2006. Tender for mobile scanner is being vetted by Ministry of Law. Tender document for fixed scanner is under preparation. Geo Technical investigation of sites are going on.

### PROCUREMENT OF MARINE VESSELS

In order to improve the effectiveness of Customs Patrol over the territorial waters of the country, a proposal for acquiring modern and sophisticated marine vessels was prepared after an assessment of the requirement of various categories of vessels depending upon the needs and purposes for which they are deployed was made. A proposal for acquiring 109 vessels of different categories at a total cost of Rs.153.85 crore was approved by CCEA on 15.12.2004. As total cost, after global tender, was working out to more than the cost sanctioned by the Cabinet, clearance of CNE has been obtained afresh on 18.12.2006 for purchase of vessels at a revised cost of Rs.277.27 crore, AMC for 5 years at a cost of Rs.53.01 crore and spares for 5 years at a cost of Rs.27.91 crore. CCEA has approved the revised cost proposal on 22.02.2007. The orders for 87 vessels of Category I, III A and III B are likely to be placed in March, 2007 and retender for Category II vessel has been issued and orders for them are likely to be placed by June, 2007.

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

The Department of Disinvestment has no plan or non-plan scheme. The entire Budget of the Department is under non-plan for payment of salary, wages, professional services and other administrative expenses, etc. The Budget Estimates for the financial year 2006-07 for the Revenue Section and Capital Section were Rs.10.05 crore and Rs.3840 crore respectively, whereas the Revised Estimates for financial year 2006-07 is Rs.4.00 crore in the Revenue Section and is Rs.0.01 crore in the Capital Section.

The Budget Estimate of Rs.3840 crore under Capital Section for 2006-07 was based on the estimated receipts from the approved disinvestment of small portions of equity in National Mineral Development Corporation

Limited (NMDC) and Power Finance Corporation Limited (PFC). The estimated realization in the case of NMDC was worked out on the basis of two weeks' average price ended on 10th February, 2006. For PFC, which is an unlisted CPSE, the estimated realization was based on book value as on 31st March, 2005. Government has decided on 6th July, 2006, to keep all disinvestment decisions and proposals on hold, pending further review. Consequent upon the aforementioned decision of the Government, a token provision of Rs.1.0 lakh has been retained under the capital section in R.E. 2006-07.

The Budget Estimates for disinvestment receipts and the amounts realized through disinvestment in PSUs during 2005-06 and 2006-07 are given below:

Year	Budgeted Targets (Rs. in crore)	Proceeds from Disinvestment (Rs. in crore)	Remarks
2005-06	No target fixed	1569.67	This amount has been realised from the sale of 8% equity to public sector financial institutions and banks through competitive bidding and 0.01% to employees @ Rs.660/- per share, both out of Government's shareholding of 18.28% in Maruti Udyog Ltd.
2006-07	No target fixed	–	All disinvestment decisions and proposals have been put on hold pending further review.

#### 4. Summarised Position of Schemes under Outcome Budget 2007-08

(Rs. in crore)								
		2005-06			2006-07			2007-08
	Scheme	BE	RE	Actual up to 31.3.06	BE	RE	Actual up to 31.3.06	BE
<b>Grant No. 32: Department of Economic Affairs</b>	Umbrella Support Project - Programme under Country Cooperation Framework (2075) - <b>Plan</b>	<b>5.00</b>	<b>2.00</b>	<b>1.99</b>	<b>4.00</b>	<b>3.00</b>	<b>0.36</b>	<b>0.00</b>
	Public Private Partnership (PPP) in infrastructure, Provision of viability gap funding (3475) (5475) - <b>Plan</b>	<b>1500.00</b>	<b>49.10</b>	<b>0.00</b>	<b>500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100.00</b>
	Contribution to Railway Safety Works against additional levies on motor spirit and high speed diesel (3054) - <b>Plan</b>	<b>710.81</b>	<b>710.81</b>	<b>710.81</b>	<b>710.86</b>	<b>710.86</b>	<b>533.13</b>	<b>724.69</b>
	Technical Economic Cooperation with Other Countries - Development Assistance, Grants-in-aid, Writing off of past debts of HIPCs heavily indebted poor countries (3605)				214.17	4.31	4.31	35.50
	Interest Equilisation Support to EXIM Bank of India (3475)				0.00	100.00	28.71	228.00
	Technical Economic Cooperation with Other Countries - Technical Aid to South & South East Asia under Columbo Plan (3605)				4.46	5.41	1.87	5.96
	Development Assistance (7605), Loans to Governments of Developing Countries							
	– Myanmar				5.00	1.00	0.00	0.00
– Cambodia				21.00	15.00	1.91	11.68	
– Suriname				1.00	1.00	0.48	1.00	

	Scheme	2005-06			2006-07			2007-08
		BE	RE	Actual up to 31.3.06	BE	RE	Actual up to 31.3.06	BE
	– Sri Lanka				108.00	100.00	70.62	77.00
	– Mauritius				18.00	8.00	0.00	12.00
	– Laos				5.00	0.60	0.51	0.00
	<b>Total</b>	<b>2215.81</b>	<b>761.91</b>	<b>712.80</b>	<b>1591.49</b>	<b>949.18</b>	<b>641.90</b>	<b>1195.83</b>
	<b>Percentage w.r.t. RE</b>			<b>93.55</b>			<b>67.63</b>	
<b>Grant No. 34</b>								
	<b>Payment to Financial Institutions</b>							
	Grant-in-aid to NABARD for water Harvesting Scheme Scheme for SC/ST farmers - <b>Plan</b>	3.81	8.50	8.50	16.00	4.53	4.53	0.00
	Small Industries Bank of India (SIDBI) - National Equity Fund - <b>Plan</b>	22.00	22.00	9.40	20.00	5.00	5.00	0.00
	Universal Health Insurance Scheme - Subsidy to Insurance Companies - Health Care to BPL families (2235)				3.00	25.00	3.00	45.00
	Interest subsidy to LIC for pension plan for senior citizens (2235)							249.77
	Debt relief in interest to farmers on over-due loans payable by farmers in Debt Stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra on 50:50 basis by Government of India and State Government (2235)				0.00	1359.13	0.00	0.00
	Revitalisation of cooperative credit structure (2416)				1500.00	1500.00	400.00	1500.00
	Interest Subvention for providing short term credit to farmers @7% on loans up to 3.00 lakh through commercial banks, NABARD, RRBs and cooperative banks (2416)				0.00	1100.00	0.00	1676.86

	Scheme	2005-06			2006-07			2007-08
		BE	RE	Actual up to 31.3.06	BE	RE	Actual up to 31.3.06	BE
	Interest Subvention to NABARD for re-finance to Cooperative Banks and RRBs @ 1.5% (2416)				37.50	75.00	37.50	0.00
	Redemption of IDBI Bonds for stressed assets stabilization fund (2885)				1500.00	1500.00	771.00	500.00
	Payment of Government guarantee liabilities covered under re-structuring package to Industrial Finance Corpn. of India (IFCI) 2885)							1300.00
	Strengthening of equity base of EXIM Bank (4885)				50.00	50.00	0.00	100.00
	Contribution of equity to India Infrastructure Finance Company Ltd. (IIFCL) 4885)				90.00	90.00	90.00	200.00
	<b>TOTAL</b>	<b>25.81</b>	<b>30.50</b>	<b>17.90</b>	<b>3216.50</b>	<b>5708.66</b>	<b>1311.03</b>	<b>5571.63</b>
	<b>Percentage w.r.t. RE</b>			<b>58.69</b>			<b>22.97</b>	
<b>Grant No. 38 Deptt. of Expenditure</b>	Grant-in-aid to National Institute of Financial Management Society for training of officers of North- Eastern/Special Category States (2070) - Plan	<b>0.50</b>	<b>0.46</b>	<b>0.46</b>	<b>0.63</b>	<b>0.63</b>	<b>0.47</b>	<b>1.00</b>
	To provide service training to the staff of Civil Accounts Organisation and upgradation of facilities at Institute of Government Accounts & Finance (2070)							2.41
	<b>TOTAL</b>	<b>0.50</b>	<b>0.46</b>	<b>0.46</b>	<b>0.63</b>	<b>0.63</b>	<b>0.47</b>	<b>3.41</b>
	<b>Percentage w.r.t. RE</b>			<b>100.00</b>			<b>74.60</b>	
<b>Grant No. 41 Deptt. of Revenue</b>	Implementation of VAT in N.E. states etc.				5.00	5.00	1.00	5.00

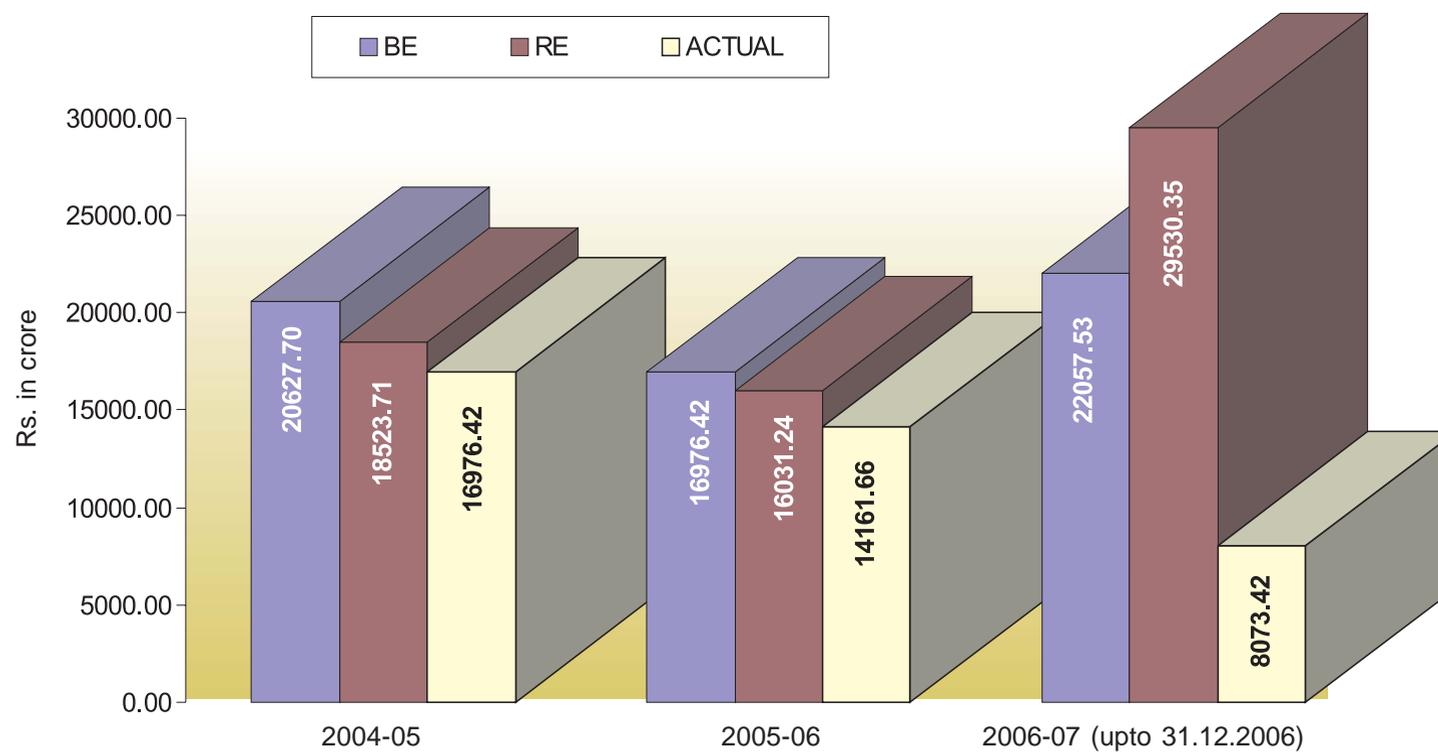
	Scheme	2005-06			2006-07			2007-08
		BE	RE	Actual up to 31.3.06	BE	RE	Actual up to 31.3.06	BE
	Setting up of TINXSYS & grants to EC				4.00	3.25	1.50	9.00
	Compensation to States/UTs towards VAT and other VAT related expenditure				3000.00	4100.00	3105.83	2995.00
	Compensation to States towards CST				-	-	-	2500.00
	Govt. Opium & alkaloid Works				214.01	228.64	138.88	231.13
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3223.01</b>	<b>4336.89</b>	<b>3247.21</b>	<b>5740.13</b>
	<b>Percentage w.r.t. RE</b>			<b>0.00</b>			<b>74.87</b>	
<b>Grant No. 42</b>	Comperhensive Computerisation of IT Deptt.				138.50	74.00	26.91	142.00
<b>Direct Taxes</b>	Purchase of Office Accommodation				19.00	7.45	0.00	0.00
	Purchase of Residential Accommodation				7.00	1.20	0.00	7.47
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>164.50</b>	<b>82.65</b>	<b>26.91</b>	<b>149.47</b>
	<b>Percentage w.r.t. RE</b>			<b>0.00</b>			<b>32.56</b>	
<b>Grant No. 43</b>	Strengthening of IT capability for e-governance				165.00	110.00	17.69	141.00
<b>Indirect Taxes</b>	Acquisition of Ships & Fleets				35.68	20.00	0.00	50.00
	Acquisition of Scanners				20.00	6.00	0.00	50.00
	Acquisition of Office Accommodation				33.00	17.34	16.00	25.00
	Acquisitionof Residential Accommodation				10.00	12.00	2.21	15.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>263.68</b>	<b>165.34</b>	<b>35.90</b>	<b>281.00</b>
	<b>Percentage w.r.t. RE</b>			<b>0.00</b>			<b>21.71</b>	
	<b>Grand Total</b>	<b>2242.12</b>	<b>792.87</b>	<b>731.16</b>	<b>8459.81</b>	<b>11243.35</b>	<b>5263.42</b>	<b>12941.47</b>
	<b>Percentage w.r.t. RE</b>			<b>92.22</b>			<b>46.81</b>	

**Trend of Expenditure during Last Three Years  
in 7 Grants Depicted in Outcome and Performance Budget  
during 2004-05, 2005-06 & 2006-07 - At a Glance**

*(Rupees in Crore)*

Name of the Grant	2004-05			2005-06			2006-07		
	B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual 31.12.06
1 Department of Economic Affairs	4103.98	2943.12	2246.78	5408.53	4064.49	3928.79	3545.83	9982.17	2024.81
2 Payments to Financial Institutions	13335.50	12455.93	11801.41	6843.27	6402.43	4841.91	4402.23	12044.38	617.97
3 Department of Expenditure	26.62	26.24	25.24	27.82	27.65	26.77	29.45	36.63	23.38
4 Department of Revenue	396.69	414.61	398.37	5379.26	2832.00	2779.59	3341.15	4449.11	3325.02
5 Direct Taxes	1247.98	1257.59	1175.30	1250.00	1230.04	1209.83	1334.00	1381.35	950.58
6 Indirect Taxes	1461.93	1377.62	1300.33	1648.40	1468.50	1368.74	1714.82	1632.70	1128.68
7 Department of Disinvestment	55.00	48.60	28.99	6.70	6.13	6.03	7690.05	4.01	2.98
<b>Total</b>	<b>20627.70</b>	<b>18523.71</b>	<b>16976.42</b>	<b>20563.98</b>	<b>16031.24</b>	<b>14161.66</b>	<b>22057.53</b>	<b>29530.35</b>	<b>8073.42</b>

## Trend of Expenditure During Last Three Years in 7 Grants



## 2 DEPARTMENT OF ECONOMIC AFFAIRS

### 2.1 Statement showing Actual Expenditure vis-à-vis BE/RE provision for the years 2004-05, 2005-06 and 2006-07

1. Grant No. 32 - Department of Economic Affairs										
<i>(Rupees in Crore)</i>										
		2004-05			2005-06			2006-07		
	Major Head	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
<b>PART - A NON-PLAN ITEMS</b>										
<b>Secretariat-General Services</b>										
	2052	39.96	61.89	58.37	66.05	88.70	81.84	43.11	58.83	38.42
Other Fiscal services										
	2047	12.98	12.61	15.55	12.98	12.90	12.95	13.34	12.86	7.40
Interests on deposits under Compulsory Deposits (Income Tax Payers Scheme,1974)										
	2047	2.00	1.50	0.47	1.50	1.00	0.23	1.00	0.50	0.10
Contribution to ESAF Trust subsidy account to IMF										
	2047	4.55	4.64	4.63	4.60	4.36	4.36	4.50	4.67	4.67
Other Expenditure										
	2047	7.83	7.45	6.55	4.63	4.81	4.11	4.76	4.50	2.75
<b>Total</b>										
	<b>2047</b>	<b>27.36</b>	<b>26.20</b>	<b>27.20</b>	<b>23.71</b>	<b>23.07</b>	<b>21.65</b>	<b>23.60</b>	<b>22.52</b>	<b>14.92</b>
Other Administrative Services Appellate Authority for Industrial and Financial Reconstruction										
	2070	1.67	1.54	1.31	1.91	1.88	1.56	2.14	1.96	1.25
Board for Industrial and Financial Reconstruction										
	2070	7.13	5.89	5.51	6.65	6.51	6.00	7.52	7.65	4.54
Debts Recovery Tribunals										
	2070	19.20	18.34	15.98	20.45	20.21	17.35	25.61	24.41	15.00

	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
Twelfth Finance Commission	2070	6.45	5.98	6.12	–	–	–	–	–	–
Investment Commission	2070	–	–	–	–	1.00	0.60	1.00	0.77	0.11
Grants-in-aid to Insurance Regulatory and Development Authority	2070	0.01	–	–	0.01	0.01	–	0.01	0.01	–
Grants-in-aid to Pension Fund Regulatory and Development Authority	2070	1.00	1.00	0.10	3.00	3.00	2.10	5.00	4.75	2.00
Other Expenditure (SAT)	2070	1.75	2.50	2.50	2.00	1.95	1.75	1.70	1.90	1.40
<b>Total</b>	<b>2070</b>	<b>37.21</b>	<b>35.25</b>	<b>31.52</b>	<b>34.02</b>	<b>34.56</b>	<b>29.36</b>	<b>42.98</b>	<b>41.45</b>	<b>24.30</b>
Miscellaneous General Services										
Other Programmes	2075	0.02	0.42	0.01	0.82	0.84	0.73	0.82	0.82	0.59
General Education										
Interest Subsidy on education loans to bright and needy students	2202	0.01	0.01	–	0.01	0.01	–	0.01	0.01	–
Social Security and Welfare										
Insurance Schemes for the poor through GIC etc.	2235	0.01	0.01	–	0.01	2.34	0.04	3.00	–	–
Interest relief on loans to persons affected by November 1984 riots	2235	0.01	0.01	–	1.16	1.16	1.16	0.01	0.01	–
Contribution to Pensions Fund for the Government employees	2235	24.00	–	–	–	–	–	–	–	–
Other Expenditure	2235	1.48	0.45	0.32	0.55	1.59	0.27	0.55	0.60	0.39
<b>Total</b>	<b>2235</b>	<b>25.50</b>	<b>0.47</b>	<b>0.32</b>	<b>1.72</b>	<b>5.09</b>	<b>1.47</b>	<b>3.56</b>	<b>0.61</b>	<b>0.39</b>
Central Road Fund										
Contribution for Railways	3054	–	–	–	–	–	–	–	–	–

	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
safety works against additional levies on Motor Spirit and High Speed Diesel	3054	-	-	-	-	-	-	-	-	-
Less:Met from Central Road Front	3054	-	-	-	-	-	-	-	-	-
<b>Other Transport Services</b>										
Subsidy to Railways towards dividend reliefs and other concessions	3075	1362.16	1333.00	954.34	1476.00	985.68	985.68	1078.15	1212.23	720.00
Losses on Strategic Railway Lines	3075	-	-	-	-	-	-	-	309.00	-
<b>Total</b>	<b>3075</b>	<b>1362.16</b>	<b>1333.00</b>	<b>954.34</b>	<b>1476.00</b>	<b>985.68</b>	<b>985.68</b>	<b>1078.15</b>	<b>1521.23</b>	<b>720.00</b>
International Financial Institutions										
Creating Institutional Strengthening and Capacity Building of Aid, Accounts and Audit Division	3466	-	0.05	-	0.05	0.10	-	0.10	-	-
<b>Other General Economic Services</b>										
War Risks (Marine Hulls)										
Reinsurance schemes, etc.	3475	0.50	0.04	-	0.50	0.01	-	0.01	-	-
Emergency Risks Insurance	3475									
Fund - Transfers To		9.35	16.25	16.14	15.86	0.02	-	0.02	-	-
From	3475	-0.50								
<i>Net</i>		<i>8.85</i>	<i>16.25</i>	<i>16.14</i>	<i>15.86</i>	<i>0.02</i>	<i>-</i>	<i>0.02</i>	<i>-</i>	<i>-</i>
Grants to India Investment Centre	3475	2.50	2.25	1.90	2.25	0.90	0.90	0.01	0.01	-
International Cooperation	3475	6.23	6.43	6.31	6.43	6.63	6.46	7.03	7.83	7.28
Exchange loss under NRI Bonds	3475	1.00	1.00	0.27	1.00	0.50	0.44	0.80	0.80	0.56

	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
Waiving of Outstanding dues in respect of 3475	–	39.98	39.83	–	–	–	–	–	Tajikistan	
Other Expenditure	3475	9.11	8.03	6.48	10.38	9.73	8.78	10.28	110.00	30.05
<b>Total</b>	<b>3475</b>	<b>28.19</b>	<b>73.98</b>	<b>70.93</b>	<b>36.42</b>	<b>17.79</b>	<b>16.58</b>	<b>18.15</b>	<b>118.64</b>	<b>37.89</b>
Assistance for Infrastructure Development	5475	0	0	0	0	0	0	–	–	–
Lumpsum provision funding initiatives for social and infrastructural development	5475	–	–	–	–	–	–	–	6500.00	–
<b>Technical and Economic cooperation with other countries</b>										
Contribution to UNDP	3605	22.93	21.08	20.98	22.93	20.76	20.77	22.93	21.19	20.66
Cooperation with other countries	3605	15.31	15.18	14.84	15.18	15.18	14.48	14.51	16.12	2.23
Other Expenditure	3605	–	–	–	–	5.00	5.95	0.01	22.74	19.01
Development Assistance	3605	100.00	26.63	0.18	100.00	71.70	48.36	214.17	4.31	–
<b>Total</b>	<b>3605</b>	<b>138.24</b>	<b>62.89</b>	<b>36.00</b>	<b>138.11</b>	<b>112.64</b>	<b>89.56</b>	<b>251.62</b>	<b>64.36</b>	<b>41.90</b>
Purchase of Coins from SPMCIL	4046	–	–	–	–	–	–	–	96.37	–
Purchase of Multi-colour Web Offset										
Printing Machine for Budget Press	4075	–	–	–	–	–	–	–	7.00	6.24
Loans for General Financial and Trading Institutions	7465	–	–	–	–	700.00	700.00	0.01	0.01	–
<b>Advances to Foreign Governments</b>										
Mauritius	7605	40.00	35.00	27.53	32.00	32.00	15.89	18.00	8.00	–
Tanzania	7605	–	–	...	–	–	–	–	–	–
Srilanka	7605	50.00	100.00	101.38	140.00	70.00	49.27	108.00	100.00	70.62
Vietnam	7605	6.00	–	–	–	–	–	–	–	–
Zambia	7605	–	–	–	–	–	–	–	–	–

	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
Mozambique	7605	-	-	-	-	-	-	-	-	-
Suriname	7605	14.13	40.00	34.78	11.00	11.00	7.38	1.00	1.00	0.48
Guyana	7605	-	-	-	-	-	-	-	-	-
Cambodia	7605	9.00	2.70	2.69	14.00	2.20	0.70	21.00	15.00	1.92
Namibia	7605	-	-	-	-	-	-	-	-	-
Seychelles	7605	-	-	-	-	-	-	-	-	-
Syria	7605	-	-	-	-	-	-	-	-	-
Maldives	7605	-	-	-	-	-	-	-	-	-
Mongolia	7605	-	-	-	-	-	-	-	-	-
Myanmar	7605	8.62	82.00	84.88	37.00	27.00	24.65	5.00	1.00	-
Morocco	7605	-	-	-	-	-	-	-	-	-
Laos	7605	10.00	12.00	12.90	21.00	31.00	30.41	5.00	0.60	0.51
Tunisia	7605	-	-	-	-	-	-	-	-	-
Egypt	7605	-	-	-	-	-	-	-	-	-
Central Asian Republic	7605	5.01	-	-	-	-	-	-	-	-
Iraq	7605	-	-	-	-	-	-	-	-	-
Malaysia	7605	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7605</b>	<b>142.76</b>	<b>271.70</b>	<b>264.16</b>	<b>255.00</b>	<b>173.20</b>	<b>128.30</b>	<b>158.00</b>	<b>125.60</b>	<b>73.53</b>
Appropriation to the Contingency Fund	7999	-	-	-	450.00	450.00	450.00	-	-	-
Appropriation from the Consolidated Fund	8000	-	-	-	-450.00	-450.00	-450.00	-	-	-
Net		-	-	-	-	-	-	-	-	-
<b>TOTAL NON-PLAN</b>		<b>1801.41</b>	<b>1865.86</b>	<b>1442.85</b>	<b>2031.91</b>	<b>2141.68</b>	<b>2055.17</b>	<b>1620.11</b>	<b>8557.45</b>	<b>958.18</b>

	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
<b>PART - B PLAN ITEMS</b>										
Miscellaneous General Service										
1 Other Programmes	2075	–	1.96	1.94	5.00	2.00	1.99	4.00	3.00	0.36
2 Roads and Bridge	3054	401.00	401.00	401.00	710.81	710.81	710.81	710.86	710.86	533.13
3 Assistance for Infrastructure Development	3475	100.00	23.50	–	100.00	–	–	–	–	–
4 Other General Economic Services	5475	1400.00	250.00	–	1400.00	49.19	–	500.00	–	–
<b>TOTAL PLAN</b>		<b>1901.00</b>	<b>676.46</b>	<b>402.94</b>	<b>2215.81</b>	<b>762.00</b>	<b>712.80</b>	<b>1214.86</b>	<b>713.86</b>	<b>533.49</b>
<b>GRAND TOTAL</b>		<b>3702.41</b>	<b>2542.32</b>	<b>1845.79</b>	<b>4247.72</b>	<b>2903.68</b>	<b>2767.97</b>	<b>2834.97</b>	<b>9271.31</b>	<b>1491.67</b>

## 1.1 ANALYSIS OF EXPENDITURE DURING 2004-05, 2005-06 AND UP TO DECEMBER 2006

### NON-PLAN

#### MH-2052: Secretariat General Services

The provision under this head is kept for the Secretariat expenditure of the Department of Economic Affairs. The trend of utilization has been more than the Budget Provision due to additionality required to meet the expenditure in connection with arbitration proceedings in respect of Dhabol Power Project and for making provision under IT for LAN up-gradation of Ministry of Finance. However, the BE 2006-07 was lower than the BE-2005-06. The flow of expenditure up to December, 2006 is satisfactory.

#### MH-2047: Other Fiscal Services

The provision under this head is for expenditure of National Savings Institute with its network of regional offices. It also includes provision in respect of contribution to EASF Trust Subsidy account of IMF. The decrease in BE-2005-06 over the BE 2004-05 and BE 2006-07 over BE 2005-06 is due to cut in Non-Plan expenditure in pursuance of economy instructions, reduction under sub-heads "Office Expenses", "Rent Rate" and "Taxes of NSI" and lower provision kept under the sub-head "Grants to RBI". It also includes the provision made for interests on deposits under compulsory deposits (Income Tax Payers) Scheme, 1974. The flow of expenditure up to December, 2006 is slow in comparison to provision kept at RE-2006-07.

#### MH-2070: Other Administrative Services

There is slight decrease in Budget provision at BE 2005-06 over BE 2004-05. However, there is increase at BE 2006-07 over BE 2005-06. The flow of expenditure up to December, 2006 is also slow. The provision kept

for Pension Fund Regulatory & Development Authority could not be utilized fully due to its late constitution. The Twelfth Finance Commission wound up on 31<sup>st</sup> December, 2004. The increase in provision at 2006-07 over 2005-06 is mainly due to payment of rent rate and taxes by PFRDA and new establishment of Investment Commission.

#### MH-2075: Miscellaneous General Services

No Major variation at 2006-07 over 2005-06 noticed. The provision is for interest payment of central securities in time barred cases and payment in connection with unclaimed securities created to Government accounts for the year 2005-06. Under this head a provision of Rs. 80 lakh each for the years 2005-06 and 2006-07 has been kept for creating Institutional Strengthening & Capacity Building of Aid Accounts & Audit Division of this Department. It is external aided component of grants-in-aid. Hence, budget neutral.

#### MH-2202: General Education

This token provision has been kept in the Budget for providing 2% Interest Subsidy on education loans to bright and needy students pursuing higher studies. The subsidy is to be routed to public sector banks through RBI, however, no claims have been received in this regard. As intimated by the Banking Division, this scheme has since been dispensed with.

#### MH-2235: Social Security & Welfare

The slight increase in 2006-07 over 2005-06 is mainly due to provision kept for external aided components – Grants-in-aid for creating institutional capacity for reforming India's pension system. However, the drastic decrease at 2005-06 over 2004-05 is because no provision has been kept in connection with contribution to pension fund for Government employees under DEA's grant. The provision of Rs. 24 crore which was kept at BE 2004-05 was subsequently transferred to other Grant viz. 'Pensions'.

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

During 2004-05, the actual expenditure was Rs. 954.34 crore against the BE 1362.16. However, at BE 2005-06, the BE was kept at Rs. 1476 crore against which the actual expenditure was only 985.68 crore. The amount under this head has been increased to Rs. 1521.23 crore at RE 2006-07 against which the expenditure of Rs. 720 crore has been incurred up to December, 2006.

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

A small provision was kept for contribution in connection with World Bank's grants for creating institutional strengthening and capacity building of Aid Accounts and Audit Division of this Department. The expenditure is obligatory transfer of foreign aid and hence budget neutral. However, no provision has been kept at 2006-07.

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

The significant increase at RE 2006-07 is due to internal diversion of budget provision from MH 3605 under 'Grants-in-aid' for interest equalization support to EXIM Bank of India to this Major Head under object head 'Subsidies'. A token supplementary has also been obtained under this head in this regard.

### **MH-3605: Technical & Economic Cooperation with Other Countries**

The flow of expenditure in comparison to budget provision during 2004-05, 2005-06 has been very low. The decrease in budget provision at RE 2006-07 is due to the fact that the budget provision was also made for payment in connection with interest equalisation support to EXIM Bank which has since been diverted to MH-3475 under object head 'Subsidies'.

A token supplementary has also been obtained in this regard under MH-3475.

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

A provision of Rs. 96.37 crore has been kept at RE 2006-07 for purchase of coins from Security Printing & Minting Corporation of India Ltd. This provision has been obtained through the supplementary demands for grants for 2006-07.

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

A provision of Rs. 7 crore has been kept at RE 2006-07 for purchase of a Multi Colour Web Off Set Printing Machine for Budget Press. A token supplementary has also been obtained in this regard. Rs. 6.24 crore have been incurred upto Dec., 2006 against this provision.

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

A Lumpsum provision of Rs. 6500 crore at RE – 06-07 has been kept to meet expenditure in connection with funding initiatives for Social and Infrastructural Development. The provision has been obtained through Supplementary Demands for Grants for 2006-07.

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

A provision of Rs. 700 crore was kept at RE 2005-06 under this Head to accommodate the interest free loan provided for corporatisation of security press, paper mill and India Government Mints. However, for the year 2006-07, only a token provision of Rs. 1 lakh has been kept. A token supplementary was also obtained during 2005-06 in this regard.

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

The actual expenditure during 2004-05 against BE 2004-05 and increase at BE 2005-06 over 2004-05 was due to the increase in shipment of goods against the approved contracts with Government of Myanmar to meet the substantial expenditure that was carried forward from the previous financial year and also to meet the expenditure on account of approved contracts under existing operational credit lines of US \$ 100 million in respect of advances to Government of Sri Lanka. However, there is decrease in 2006-07 over 2005-06. This is due to decrease in the provision of loans to Government of Laos, Mauritius, Myanmar and Surinam.

### **MH-7999: Appropriation to the Contingency Fund of India**

In 2005-06, this provision was kept for augmentation of the corpus of the contingency fund of India from Rs. 50 crore to Rs. 500 crore. This amount has been appropriated from the Consolidated Fund of India, hence the netted expenditure is nil. No cash out go is involved.

## **PLAN SCHEMES**

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

Sudden Increase in BE 2005-06 over BE 2004-05 is due to new Plan provision of Rs. 5 crore kept for Umbrella Support Project for Country Cooperation Framework-II under UNDP assistance. During 2006-07, a provision of Rs. 4 crore was kept at BE 2006-07 which has been reduced

to Rs. 3 crore at RE 2006-07. An expenditure of Rs. 0.36 crore has been incurred up to December, 2006 under this scheme. The pace of expenditure is slow.

### **MH-3054: Roads & Bridges**

Increase in BE 2005-06 over 2004-05 is due to more provision for Railway Safety Work. There is no significant increase at 2006-07 over 2005-06. The provision is made strictly as per requirements from Railways in this regard. Against this provision, an expenditure of Rs. 533.13 crore has been incurred up to December, 2006 which appears satisfactory.

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

During 2005-06, this Plan provision (lump sum) of Rs. 100 crore in Revenue Voted Section was kept for Assistance for Infrastructure Development. However, in BE 2006-07, no provision has been kept as no expenditure has been incurred during the past years in this regard.

### **MH-5475: Capital Outlay On Other General Economic Services**

During 2005-06 in the Capital Section this Plan provision of Rs. 1400 crore was kept for putting in place an innovative funding mechanism by leveraging budgetary support for infrastructure projects. A provision of Rs. 1400 crore each was also kept in 2004-05 and 2005-06. Similarly, a provision of Rs. 500 crore was kept at BE 2006-07. However, there has been expenditure in the past years including up to December, 2006. Hence, no provision has been kept at RE 2006-07.

## 1.2 Grant No. 32 - Department of Economic Affairs (Object Head Wise)

(Rupees in Crore)

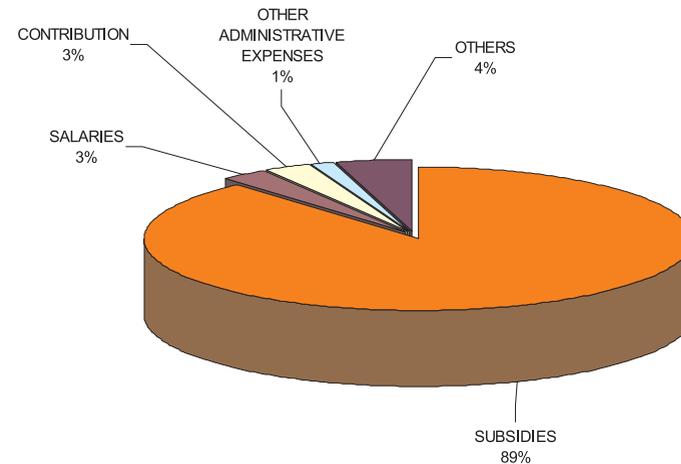
Non-Plan	2004-05			2005-06			2006-07		
Object Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals 31.12.06
<b>Revenue Section</b>									
01-Salaries	47.96	48.5	46.47	50.60	49.00	46.42	53.91	52.02	39.73
02-Wages	0.74	0.59	0.54	0.60	0.56	0.53	0.58	0.58	0.09
03-Overtime Allowance	0.60	0.50	0.43	0.58	0.54	0.44	0.61	0.53	0.34
06-Medical Treatment	1.36	1.19	0.70	1.23	1.20	0.94	1.31	1.64	0.89
11- Domestic Travel Expenses	2.42	2.12	1.82	2.12	2.06	1.70	2.27	2.19	1.25
12-Foreign Travel Expenses	2.71	2.49	1.83	2.37	2.25	1.87	2.48	2.34	1.45
13- Office Expenses	12.08	10.77	10.80	11.67	11.27	18.04	13.54	13.71	7.70
14 - Rent,Rates & Taxes	11.09	10.15	8.85	7.61	7.98	6.99	9.25	9.61	5.47
16 - Publications	2.91	2.71	5.91	2.94	3.87	4.49	4.17	4.04	1.70
20 - Other Administrative Expenses	0.89	0.5	0.66	0.35	5.87	6.69	0.47	23.23	19.41
21 - Supplies and Material	0.30	0.30	0.55	0.45	0.45	0.47	0.70	0.75	0.65
26 - Advertising and Publicity	0.80	0.60	0.51	0.75	0.73	0.32	0.75	0.76	0.04
27- Minor works	0.41	0.32	0.02	0.35	0.32	0.12	0.35	0.44	0.01
28 - Professional Services	5.04	24.61	23.80	22.18	37.14	35.63	4.24	9.52	7.67
31- Grants-in-aid	110.83	36.38	7.74	109.7	81.16	55.11	223.17	13.79	3.21
32 - Contribution	73.18	47.54	46.78	49.36	47.20	46.25	49.24	49.97	34.83
33 - Subsidies	1362.19	1333.03	954.33	1477.18	989.19	986.84	1081.17	1621.25	748.71
42- Lumpsum	0.62	0.56	0.61	0.61	0.63	0.62	0.72	0.81	0.66

Non-Plan Object Head	2004-05			2005-06			2006-07 (Rs. in crore)		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals 31.12.06
44 - Exchange variation	1.00	1.00	0.28	1.00	0.50	0.44	0.80	0.80	0.56
45 - Interest	2.04	1.54	0.47	1.54	1.04	0.23	1.04	0.54	0.10
50 - Other Charges	10.07	12.24	9.03	15.25	19.38	11.79	11.16	19.81	3.85
51 - Motor Vehicles	0.10	0.09	0.08	0.10	0.10	0.09	0.12	0.12	0.09
52 - Machinery and Equipment	0.20	0.35	0.34	2.00	6.00	0.85	0.01	0.01	–
63 - Inter-account transfer	9.85	16.24	16.31	16.36	0.03	–	0.03	–	–
64 - Write off/Losses	0.01	39.96	39.83	0.01	0.01	–	0.01	0.01	–
<b>Total Revenue</b>	<b>1659.40</b>	<b>1594.28</b>	<b>1178.69</b>	<b>1776.91</b>	<b>1268.48</b>	<b>1226.87</b>	<b>1462.10</b>	<b>1828.47</b>	<b>878.41</b>
<b>Capital Section</b>									
42- Lupsum	–	–	–	–	–	–	–	6500.00	–
52 - Machinery and Equipment	–	–	–	–	–	–	–	7.00	6.24
55 - Loans and advances	142.76	271.7	264.16	255	873.20	828.30	158.01	125.61	73.53
60 - Other Administrative Expenses	–	–	–	–	–	–	–	96.37	–
63 - Inter-account transfer	–	–	–	450.00	450.00	450.00	–	–	–
<b>Total Capital</b>	<b>142.76</b>	<b>271.70</b>	<b>264.16</b>	<b>705.00</b>	<b>1323.20</b>	<b>1278.30</b>	<b>158.01</b>	<b>6728.98</b>	<b>79.77</b>
<b>Total Non-plan</b>	<b>1802.16</b>	<b>1865.98</b>	<b>1442.85</b>	<b>2481.91</b>	<b>2591.68</b>	<b>2505.17</b>	<b>1620.11</b>	<b>8557.45</b>	<b>958.18</b>
<b>Plan</b>									
<b>Revenue Section</b>									
31- Grants-in-aid	–	1.96	1.94	5.00	2.00	1.99	4.00	3.00	0.36
53 - Major Works	401.00	401.00	401.00	710.81	710.81	710.81	710.86	710.86	533.13
42- Lupsum	100.00	23.50	–	100.00	–	–	–	–	–
<b>Capital Section</b>									
42- Lupsum	1400.00	250.00	–	1400.00	49.19	–	500.00	–	–
<b>Total Plan Section</b>	<b>1901.00</b>	<b>676.46</b>	<b>402.94</b>	<b>2215.81</b>	<b>762.00</b>	<b>712.80</b>	<b>1214.86</b>	<b>713.86</b>	<b>533.49</b>
<b>Grand Total</b>	<b>3703.16</b>	<b>2542.44</b>	<b>1845.79</b>	<b>4697.72</b>	<b>3353.68</b>	<b>3217.97</b>	<b>2834.97</b>	<b>9271.31</b>	<b>1491.67</b>

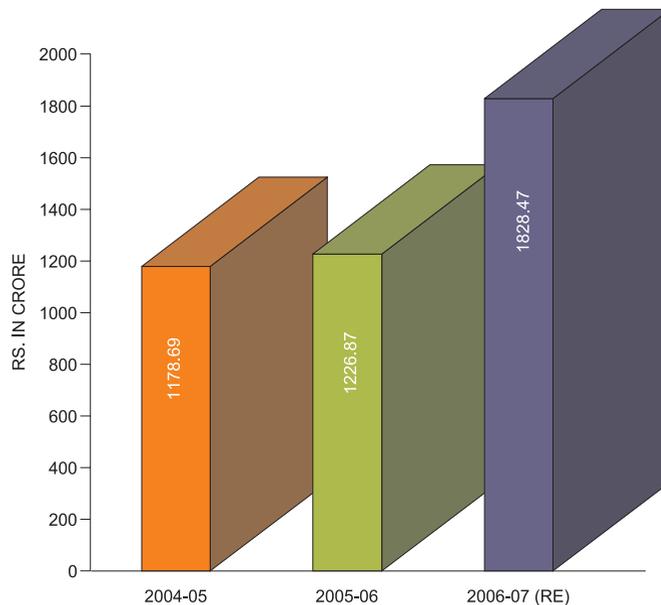
### 1.3 Grant No. 32 – Department of Economic Affairs

#### General Overview

- ❑ The subsidies form 89% of the grant. The major part of the subsidy goes to Railways towards Dividend Relief & Other Concessions and for Interest equalization support to Exim Bank.
- ❑ Salaries form 3%
- ❑ Contribution to various International Bodies and Organisation which are obligatory in nature form 3%



#### Demand No. 32 – Trend of Expenditure



#### Trend of Expenditure

- ❑ There has been continuous improvement in the performance from 2004-05 to 2006-07.
- ❑ The resultant performance during 2006-07 is significant due to defining the objectives more clearly and foreseeing the deliverables in reference to Outlays

## 1.4 The Object Head-wise expenditure in respect of Plan and Non-Plan Schemes is analysed below:

### Revenue Section

#### Non-Plan

#### Salaries

Under this head, slight increase has been noticed both at 2005-06 and 2006-07. This is due to increase in DA etc. The actual expenditure during 2005-06 was Rs.46.42 crore against the budget provision of Rs.50.60 crore. The expenditure flow is, however, satisfactory. An amount of Rs. 39.73 crore has been incurred up to December, 2006 against the budget provision of Rs. 53.91 crore at BE 2006-07 which has been revised to Rs. 52.02 crore at RE 2006-07.

#### Wages

No abnormal variation has been noticed under this head. Rs. 9 lakh have been incurred up to December, 2006 against the budget provision of Rs. 58 lakh at BE 2006-07. Thus the pace of expenditure under this head is slow.

#### OTA

No significant variation has been noticed under this head. The expenditure flow is also satisfactory. A provision of Rs. 34 lakh has been incurred up to December, 2006 against the budget provision of Rs. 53 lakh kept at RE 2006-07. The actual expenditure during 2005-06 was Rs.44 lakh against the provision of Rs.58 lakh.

#### Medical Treatment

Under this head, a slight decrease has been noticed at BE 2005-06 over BE 2004-05. However, there has been slight increase at BE 2006-07

over BE 2005-06. A budget provision of Rs.1.31 crore was kept at BE 2006-07 which has been revised to Rs.1.64 crore at RE stage. Against this provision, Rs.89 lakh have been incurred up to December, 2006. During 2005-06, the actual expenditure was only Rs.94 lakh against the BE of Rs.1.23 crore.

#### Domestic Travel

Decrease in the budget provision has been noticed at BE 2005-06 over BE 2004-05. However, there is slight increase at BE 2006-07 over BE 2005-06. However, the actual expenditure during 2005-06 was Rs. 1.70 crore only against the budget provision of Rs.2.12 crore. Expenditure of Rs. 1.25 crore has been incurred up to December, 2006 against the budget provision of Rs. 2.27 crore at BE which has been revised to Rs. 2.19 crore at RE 2006-07.

#### Foreign Travel Expenses

There has been decrease at BE 2005-06 over BE 2004-05. However, there has been slight increase at BE 2006-07 over 2005-06. However, the actual expenditure during 2005-06 was Rs. 1.87 crore against the budget provision of Rs. 2.37 crore. An expenditure of Rs. 1.45 crore has been incurred up to December, 2006 against the budget provision of Rs. 2.48 crore at BE 2006-07. Budget provision has been reduced to Rs.2.34 crore at RE 2006-07.

#### Office Expenses

There has been decrease at BE 2005-06 over BE 2004-05. However, during 2006-07, increase in budget provision has been noticed over BE 2005-06. A provision of Rs. 7.70 crore has been incurred up to December, 2006 against the provision of Rs. 13.54 crore. The flow of expenditure is not satisfactory. This is because the expenditure under this head normally takes pace during the last quarter of the financial year.

## Rent, Rates and Taxes

A significant decrease has been noticed at BE 2005-06 over 2004-05. However, BE 2006-07 has got increase over BE 2005-06. The actual expenditure during 2005-06 has been Rs. 6.99 crore against the budget provision of Rs. 7.61 crore. Rs. 5.47 crore have been incurred up to December, 2006 against the budget provision of Rs. 9.25 crore at BE 2006-07. The pace of expenditure is slow. Payment under this head normally takes pace during the last quarter of the financial year.

## Publications

No abnormal increase has been noticed at BE 2005-06 over 2004-05. However, there has been increase at BE 2006-07 over 2005-06. An expenditure of Rs. 1.70 crore has been incurred up to December, 2006 against the BE of Rs. 4.17 crore at BE 2006-07.

## Other Administrative Expenses

Increase at 2005-06 and 2006-07 has been noticed under this head. This increase is due to meeting expenditure in connection with organizing Annual General Meeting of the ADB. An expenditure of Rs. 19.41 has been incurred up to December, 2006 against the budget provision of Rs. 23.23 at BE 2006-07. Actual expenditure during 2005-06 was Rs.6.69 crore against the RE provision of Rs.5.87 crore.

## Supplies & Material

A slight increase has been noticed at BE 2006-07 over 2005-06. An expenditure of Rs.65 lakh has been incurred up to December, 2006 against the budget provision of Rs. 70 lakh. The flow of expenditure under this head is satisfactory. The actual expenditure incurred during 05-06 was Rs. 47 lakh against the provision of Rs.45 lakh.

## Advertisement & Publicity

No abnormal variation is noticed under this head. However, the flow of expenditure under this head is not satisfactory as only Rs. 4 lakh have been incurred up to December, 2006 against the budget provision of Rs. 75 lakh. During 2005-06 the actual expenditure was only Rs.32 lakh against provision of Rs.75 lakh.

## Minor Works

No abnormal increase in budget provision is noticed under this head. The actual expenditure during 2004-05 and 2005-06 has been quite low against the BE provision. During 2004-05 only Rs. 1.00 lakh was incurred and during 2005-06 only Rs. 12.00 lakh could be incurred. Only Rs. 1.00 lakh has been incurred up to December, 2006 against the provision of Rs. 35.00 lakh.

## Professional Services

There has been increase at 2005-06 and 2006-07 under this head. This increase is mainly due to meeting expenditure in connection with clearing pending bills in respect of legal proceedings of Dabhol Power Project and payment of Rs. 37.47 lakh to IFCI as consultant for providing advisory services for alternative options and solutions for stamp paper registration with bid process management of Central Record Keeping Agency.

## Grants-in-aid

Under this head, there is substantial increase at BE 2006-07 over BE 2005-06. The provision is mainly for grants in aid to various economic research oriented institutions and to support an overall general and imaginative promotion of India, its trade and faster techno-economic and intellectual cooperation with other countries. This has been, however, reduced at RE 2006-07 to Rs. 13.82 crore only. A provision of Rs. 100.00

crore has been diverted to the object-head 'subsidies' to meet expenditure in connection with interest equalisation support to EXIM Bank of India under MH 3475.

### Contribution

There has been increase at 2005-06 over 2004-05. However, no substantial increase has been noticed at Be 2006-07 over 2005-06. An expenditure of Rs. 34.85 crore has been incurred up to December, 2006 against the budget provision of Rs. 49.24 crore. The flow of expenditure under this head is a bit slow.

### Subsidies

There has been increase at 2005-06 and RE 2006-07 over BE 2004-05. The actual expenditure during 2004-05 was Rs. 954.33 crore against the provision of Rs. 1362.19 crore. The increase at RE 2006-07 is due to increased demand by Railways and diversion of funds approximately Rs. 100.00 crore from MH 3605 and MH 3475 under this object head to meet expenditure in connection with interest equalization. An expenditure of Rs. 720.00 crore has been incurred up to December, 2006 against the RE of Rs. 1621.25 crore. The flow of expenditure is quite slow.

### Lump sum

No abnormal fluctuation has been noticed. The flow of expenditure is also satisfactory.

### Exchange Variation

The provision under this head is mainly in respect of exchange loss under NRI Bonds. The amount involved is not substantial. No major variation has been noticed. Rs. 56.00 lakh have been incurred up to December, 2006 against the provision of Rs. 80.00 lakh.

### Interest

There has been decrease in budget provision at BE 2005-06 over 2004-05 and further at 2006-07 over BE 2005-06. The actual expenditure during 2005-06 is only Rs. 47.00 lakh against the provision of Rs. 2.04 crore. Similarly, the actual expenditure during 2005-06 was Rs. 23.00 lakh only against the provision of Rs. 1.54 crore. Expenditure up to December, 2006 is only Rs. 10 lakh against the provision of Rs. 1.04 crore, which has been reduced to Rs. 54.00 lakh at RE 2006-07.

### Other Charges

There has been increase at BE 2005-06 over BE 2004-05. However, decrease has been noticed at BE 2006-07 over BE 2005-06. The flow of expenditure under this head has been quite slow. Only Rs. 3.85 crore have been incurred up to December, 2006 against BE Rs. 11.16 crore, which has been revised to Rs. 19.81 crore at RE 2006-07. The increase at RE 2006-07 is due to expenditure in connection with I.T. Plan of this Ministry.

### Motor Vehicles

The provision under this head is in connection with publicity vehicles of the NSI. No abnormal fluctuation in the budget provision has been noticed. The flow of expenditure up to December, 2006 is also satisfactory as Rs. 9.00 lakh have been incurred against the provision of Rs. 12.00 lakh at BE 2006-07.

### Machinery and Equipment

Earlier a provision of Rs. 6.00 crore at RE 2005-06 was kept under Revenue Section for purchase of a printing machine for Budget Press. However, the actual expenditure during 2005-06 was only Rs. 85.00 lakh. During 2006-07, it was decided to keep this provision under the Capital Section. Thus only token provision was kept under this head under the Revenue Section during 2006-07.

## Inter Account Transfer

The provision kept during 2004-05 was mainly in connection with Transfer to Reserve Funds for Emergency Risks (Goods Insurance Fund, 1962). However, during RE 2005-06 and BE 2006-07 no requirement was projected by Insurance Division in this regard. Only a token provision has been kept at BE 2006-07.

## Write of Losses

During 2004-05 this provision was kept for waiving of outstanding dues in respect of line of credit extended to Tajikistan. However, only token provision has been kept during 2005-06 and 2006-07 to keep the head alive.

## Capital Section

### Lump sum

A lump sum provision of Rs. 6500 crore at RE 2006-07 has been kept to meet expenditure in connection with funding initiatives for social and infrastructural development. The provision has been obtained through the first batch of supplementary demands for grants for 2006-07.

## Machinery and Equipment

The provision of Rs. 7.00 crore at RE 2006-07 has been kept for purchase of multi-colour web offset printing machine for Budget Press. A token supplementary has also been obtained through the First Batch of Supplementary Demands for Grants. The expenditure flow under this head is satisfactory as Rs. 6.24 crore has been incurred up to December, 2006 against the provision of Rs. 7.00 crore.

## Loans and Advances

The abnormal increase at RE 2005-06 is due to extending interest

free loans of Rs. 700 crore for corporatisation of Security Press, Paper Mills and India Government Mints. The pace of expenditure during 2006-07 is however, slow as only Rs. 73.53 crore have been incurred up to December, 2006 against the provision of Rs. 158.01 crore, which has been reduced to Rs. 125.61 crore at RE stage.

## Inter Account Transfer

The provision of Rs. 450.00 crore was kept at 2005-06 for making appropriation to the Contingency Fund from the Consolidated Fund for raising it from Rs. 50.00 crore to Rs. 500.00 crore. The actual cash out go was nil.

## PLAN

## REVENUE SECTION

### Grant-in-aid

The provision is for UNDP aided Umbrella Support Project for Country Cooperation Framework-II. A provision of Rs. 1.96 crore was kept at BE 2004-05. However, actual expenditure was only Rs. 1.50 crore. During 2005-06 Rs. 5.00 crore was provided, however, at RE it was reduced to Rs. 2.00 crore. At BE 2006-07, a provision of Rs. 4.00 crore was kept, however, at RE 2006-07, it has been reduced to Rs. 3.00 crore. Up to December, 2006 Rs. 36.00 lakh has been incurred. The pace of expenditure is slow.

## Major Works

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

### Lump sum

The provision of Rs. 100.00 crore at BE 2004-05 was kept to put in place an innovative funding mechanism by leveraging budgetary support for infrastructure projects under railways, roads, airports, seaports etc. As administrative Ministries were not ready with such proposals, no expenditure could be incurred. However, no provision has been kept under Revenue Section for this scheme during 2005-06 and 2006-07.

### Capital Section

#### Lump sum

Rs. 1400.00 crore was kept at BE 2004-05, which was reduced to Rs. 250.00 crore at RE 2004-05. Similarly, Rs. 1400.00 crore was kept at BE 2005-06 and Rs. 500.00 crore was kept at BE 2006-07. However, no expenditure could be incurred till date as no proposal could get final approval under this scheme.

## 2. Grant No. 33 - Payments to Financial Institutions

(Rupees in Crore)

	Major Head	2004-05			2005-06			2006-07			
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06	
<b>Part A - Non-Plan items:</b>											
<b>Industrial Financial Institutions</b>											
1.	Industrial Development Bank of India	2885	574.10	255.00	255.00	495.00	815.48	815.31	294.80	294.80	–
2.	Asset Management Trust for SASF	6885	9000.00	9000.00	9000.00	–	–	–	–	–	–
2.	Redemption of securities issued to SASF	2885	–	–	–	–	1000.00	134.00	1500.00	1500.00	–
3.	Industrial Finance Corporation of India	2885	226.00	316.00	316.00	300.00	300.00	300.00	225.00	224.97	–
4.	ICICI Bank	2885	–	50.00	50.00	37.50	37.50	37.50	25.00	25.00	–
5.	Export-Import Bank of India	2885	14.53	–	–	–	14.53	–	–	–	–
		4885	200.00	200.00	200.00	200.00	100.00	100.00	50.00	50.00	–
6.	<i>Industrial Investment Bank of India</i>	2885	143.00	143.00	143.08	–	119.47	119.47	99.32	0.01	–
		4885	–	–	–	150.00	–	–	–	–	–
8.	India Infrastructure Finance Co. Ltd. (IIFCL)	2885	–	–	–	–	2.50	2.50	–	–	–
		4885	–	–	–	–	10.00	10.00	90.00	90.00	90.00
<b>Total Industrial Financial Institutions</b>			<b>10157.63</b>	<b>9964.00</b>	<b>9964.08</b>	<b>1182.50</b>	<b>2399.48</b>	<b>1518.78</b>	<b>2284.12</b>	<b>2184.78</b>	<b>90.00</b>
<b>Agricultural Financial Institutions</b>											
9.	National Bank for Agriculture and Rural Development	2416	5.30	5.30	42.80	5.18	5.13	5.13	0.91	0.91	0.05
10.	Grants through NABARD for strengthening Co-operative Credit structure	2416	800.00	200.00	–	600.00	400.00	–	1500.00	1500.00	400.00
12.	<i>Agricultural Credit Support Scheme</i>	<b>2416</b>	–	–	–	1.00	37.50	–	<b>37.50</b>	<b>75.00</b>	37.50

	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
13. Interest Subvention for providing short term credit to farmers	2416	-	-	-	-	-	-	-	1100.00	-
<b>Total Agricultural Financial Institutions</b>	<b>805.30</b>	<b>205.30</b>	<b>42.80</b>	<b>606.18</b>	<b>442.63</b>	<b>5.13</b>	<b>1538.41</b>	<b>2675.91</b>	<b>437.55</b>	
<b>General Financial and Trading Institutions</b>										
14. Payment of accrued interest to RBI on subordinate debt of IDFC	3465	-	-	-	-	21.37	21.36	-	-	-
14. Assistance to specified undertaking of Unit Trust of India	3465	1200.00	1200.00	702.66	1200.00	190.00	-	-	-	-
<b>Part A - Non-Plan items:</b>										
15. Grants to Infrastructure Dev. Fin. Co. Ltd. (IDFC)	3465	-	109.17	109.17	5.00	-	-	-	-	-
16. Investments in Infra. Dev. Fin.Co. Ltd (IDFC)	5465	-	150.00	150.00	-	-	-	-	-	-
17. Loan to Infra. Dev. Fin.Co. Ltd. (IDFC)	7465	-	350.00	350.00	-	-	-	-	-	-
14. Investment in Life Insurance Corp. of India	5465	-	-	-	280.00	67.50	30.00	80.00	-	-
15. Equity support to Punjab & Sind Bank	5465	-	-	-	-	500.00	500.00	-	-	-
15. Restructuring equity/preference share capital of Indian Bank and Central Bank of India	5465	-	-	-	-	-	-	-	0.01	-
<b>Total General Financial and Trading Insttts.</b>		<b>1200.00</b>	<b>1809.17</b>	<b>1311.83</b>	<b>1485.00</b>	<b>778.87</b>	<b>551.36</b>	<b>80.00</b>	<b>0.01</b>	<b>-</b>
<b>International Financial Institutions</b>										
17. International Monetary Fund	5466	-	-	-	357.14	595.02	595.01	0.01	39.57	39.57
18. Service Charges Payable to IMF	2047	0.01	0.01	-	0.01	-	-	0.01	0.01	-
19. International Bank for Reconstruction & Development	5466	0.01	0.01	-	0.01	-	-	-	-	-
20. International Development Association	5466	0.01	1.04	1.04	-	5.14	5.14	-	2.87	-

	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
21. Asian Development Bank	5466	0.01	0.01	–	0.01	–	–	–	–	–
22. African Development Fund/Bank	5466	9.08	9.03	9.03	0.85	12.81	12.74	12.79	15.55	1.33
23. Multilateral Investment Guarantee Agency (MIGA)	5466	0.01	0.01	–	0.01	–	–	–	–	–
24. International Fund for Agricultural Development	2416	23.00	22.75	22.75	23.00	21.82	21.82	46.00	55.60	45.33
25. Contribution to Development Gateway Foundation	3466	7.68	15.60	15.61	–	–	–	–	–	–
25. Afghanistan Reconstruction Trust Fund	3466	0.95	0.95	0.89	0.95	0.90	0.90	–	0.95	0.95
26. Contribution to Multi-donor Tech. Assistance sub-a/c for Iraq	3466	0.55	0.90	–	0.69	0.45	0.45	0.45	0.68	–
<b>Total International Financial Instts.</b>		<b>41.31</b>	<b>50.31</b>	<b>49.31</b>	<b>382.67</b>	<b>636.14</b>	<b>636.05</b>	<b>59.26</b>	<b>115.23</b>	<b>87.18</b>
27. Interest Subsidy										
27.01 Goan Banks	2885	0.09	0.09	–	0.08	–	0.08	–	7.75	–
<b>Shipping</b>										
28. Subsidy towards interest differential on Acquisition of ships	3052	0.01	0.01	–	0.01	–	–	–	–	–
<b>Other General Economic Services</b>										
28. Compensation for Exchange Loss										
28. 01 Industrial Development Bank of India	3475	0.01	5.00	–	5.00	–	–	–	–	–
28. ICICI Bank	3475	0.01	0.01	–	0.01	35.64	35.64	–	–	–
28.01 National Housing Bank	3475	7.70	7.48	7.48	7.70	6.93	7.08	7.13	6.96	–
29. Contribution towards exchange loss on India Millennium Deposits	3475	208.00	–	–	1.00	–	–	–	–	–
29. Write off of government investments in Public Sector Banks (Indian Bank & United Bank of India)	3475	–	–	–	–	–	–	–	0.01	–

	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
30. Other Expenditure	3466	0.47	0.22	0.29	0.33	0.32	0.32	0.31	0.25	0.25
	4885	0.01		–	0.01	–	–	–	–	–
<b>Total Other General Economic Services</b>		<b>216.20</b>	<b>12.71</b>	<b>7.77</b>	<b>14.05</b>	<b>42.89</b>	<b>43.03</b>	<b>7.44</b>	<b>7.22</b>	<b>0.25</b>
<b>Social Security &amp; Welfare</b>										
31. Subsidy to Public Sector General Insurance Cos. For Community based Universal Health Insurance Scheme	2235	5.00	–	–	0.01	2.34	–	3.00	25.00	3.00
32. Interest subsidy to LIC for Pension Plan for senior citizens	2235	150.00	263.16	263.16	269.19	244.59	244.59	269.00	226.23	–
33. Waiving of partial interest on Kharif Loans, 2002 (write off/losses)	2235	–	–	16.28	–	–	–	–	–	–
34. Interest subsidy to farmers	2235	–	–	–	–	1700.00	1700.00	–	–	–
33. <i>Waiver of interest on overdue loans in debt stressed States of AP, Karnataka, Kerala &amp; Maharashtra</i>	2235	–	–	–	–	–	–	–	1359.13	–
<b>Miscellaneous General Services</b>										
34. Transfer to Guarantee Redemption Fund	2075	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	–
<b>Total Non-Plan</b>		<b>12700.54</b>	<b>12429.75</b>	<b>11780.23</b>	<b>4064.69</b>	<b>6371.93</b>	<b>4824.02</b>	<b>4366.23</b>	<b>6726.26</b>	<b>617.98</b>
<b>Part B - Plan Items</b>										
7. <i>Small Industries Development Bank of India</i>	2885	24.00	21.18	21.18	22.00	22.00	9.40	20.00	5.00	–
11. Grant to NABARD for Water Harvesting Scheme	<b>2416</b>	–	<b>5.00</b>	–	3.81	8.50	8.50	<b>16.00</b>	<b>4.53</b>	–
<b>Total Plan</b>	<b>24.00</b>	<b>26.18</b>	<b>21.18</b>	<b>25.81</b>	<b>30.50</b>	<b>17.90</b>	<b>36.00</b>	<b>9.53</b>	–	
<b>GRAND TOTAL (Gross)</b>		<b>12724.54</b>	<b>12455.93</b>	<b>11801.41</b>	<b>4090.50</b>	<b>6402.43</b>	<b>4841.92</b>	<b>4402.23</b>	<b>6735.79</b>	<b>617.98</b>

## 2.1 Major Head-wise analysis of expenditure trend during 2004-05, 2005-06 and 2006-07 (up to 31.12.2006)

### Revenue Section

#### Plan Schemes

##### Major Head 2416 – Agricultural Financial Institutions

**Water Harvesting Scheme for SC/ST farmers** – The Scheme was launched by NABARD in August, 2004. Accordingly, a provision of Rs. 5.00 crore was made in RE 2004-05. However, no expenditure could be incurred out of this provision as no claims were received from NABARD during the year 2004-05. In 2005-06, a provision of Rs. 3.81 crore was made in BE, which was raised to Rs. 8.50 crore at RE stage, which was fully utilized. This accounts for 223.10% of the BE provision. The budgetary provision for 2006-07 was Rs. 16.00 crore. However, as the scheme was not picking up as expected, the provision was reduced to Rs. 4.53 crore at RE stage. Request for release of Rs.3.00 crore is under consideration.

##### Major Head 2885 – Other Outlays on Industries and Minerals

**Small Industries Development Bank of India (SIDBI)** – The National Equity Fund Scheme (NEF) was launched in 1987, jointly funded by SIDBI and Government of India. The budgetary provision for 2004-05 was Rs. 24.00 crore, which was reduced to Rs. 21.18 crore at RE stage, as per the actual reimbursement under the Scheme. The entire amount was released to SIDBI during the year, thus utilising 100% of the grant. Though the budgetary provision of Rs. 22.00 crore was retained at RE stage in 2005-06, only Rs. 9.40 crore was actually spent, as the scheme slowed down than expected. The percentage of utilisation comes to 42.73. As the scheme further slowed down, the budgetary provision of Rs. 20.00 crore was reduced to Rs. 5.00 crore during 2006-07, which is being released to NABARD.

#### Non-Plan Schemes

##### Major Head 2047 – Other Fiscal Services

**Payment of charges under extended arrangement with International Monetary Fund (IMF)** – A token provision of Rs. 0.01 crore was made in the budgetary provisions of 2004-05, 2005-06 and 2006-07 for payment of charges under extended arrangement with International Monetary Fund. However, as no claim was received, no expenditure has been incurred under this head.

##### Major Head 2075 – Miscellaneous General Services

A provision of Rs. 125.00 crore was made in BE and RE 2004-05, 2005-06 and 2006-07 towards Guarantee Redemption Fund. 100% of the provision has been utilized in 2004-05 and 2005-06. Claim for the year 2006-07 is expected during the last quarter.

##### Major Head 2235 – Social Security & Welfare Programmes

The provision of Rs. 155.00 crore in 2004-05 was enhanced to Rs. 263.16 crore at RE stage. Due to more claims, an amount of Rs. 279.44 crore was actually expended. This accounts for 171.27% of the RE provision. In 2005-06, a provision of Rs. 269.20 crore was provided in budget estimates, which was enhanced to Rs. 1946.93 crore at RE stage. Rs. 1944.59 crore was actually utilized out of this provision. The utilisation account for 99.88%, as compared to RE figures. The budgetary provision for 2006-07 under head is Rs. 272.00 crore, which was enhanced to Rs. 1610.36 crore at RE stage. As on 31.12.2006, only an amount of Rs. 2.99 crore has been utilized, which accounts for 0.19% of the RE figures. Proposals for release of further amount are under consideration.

##### MH 2416 – Agricultural Financial Institutions

An actual expenditure of Rs. 65.54 crore was incurred in the year 2004-05

against the BE and RE provisions of Rs. 828.30 crore and Rs. 228.50 crore respectively. The percentage of utilisation is 28.74%. Though an amount of Rs. 629.18 crore was provided in BE 2005-06, it was reduced to Rs. 464.45 crore and an amount of Rs. 26.95 crore was utilized, i.e. 5.80% of the RE provision. The BE provision of Rs. 1584.41 crore was increased to Rs. 2731.51 crore in RE 2006-07. An expenditure of Rs. 482.88 crore has been incurred as on 31.12.2006, which account for 17.68% of the BE provisions.

#### **Major Head 2885 – Other Outlays on Industries and Minerals**

The provision of Rs. 957.72 crore was reduced to Rs. 764.09 crore at RE and an actual expenditure of Rs. 764.08 crore was incurred in the year 2004-05, which works out to 100% utilisation. As against this, a provision of Rs. 832.58 crore was made in BE, Rs. 2289.48 crore in RE and an actual expenditure of Rs. 1408.85 crore was incurred during the year 2005-06. The percentage of utilisation is 61.54. The BE provision for 2006-07 was Rs. 2144.12 crore which was reduced to Rs. 2052.53 crore at RE stage. No expenditure has been incurred so far.

#### **Major Head 3052 – Shipping**

A token provision of Rs.0.01 crore was made in the years 2004-05 and 2005-06. However, no expenditure has been incurred under this head during these years. No provision has been made for 2006-07.

#### **Major Head 3465 – General Financial and Trading Institutions**

Against the provision of Rs. 1200.00 crore in BE 2004-05 the amount was enhanced to Rs. 1309.17 crore at RE stage. The actual expenditure incurred amounted to Rs. 811.83 crore, i.e., 62.01% of RE provision. During 2005-06 an actual expenditure of Rs. 21.36 crore has been incurred though a provision of Rs. 1205.00 crore and Rs. 211.37 crore was made in BE and RE, respectively. 10.11% utilisation of the RE provision has been recorded during the year. No provision has been made in 2006-07 under this head.

#### **Major Head 3466 – International Financial Institutions**

The provision of Rs. 9.65 crore in BE 2004-05 was enhanced to Rs. 17.67 crore at RE stage. The actual expenditure incurred during the year was Rs. 16.79 crore i.e. 95.12% of RE. In 2005-06, the budgetary provision was Rs. 1.97 crore. This was reduced to Rs. 1.67 crore and fully utilized during the year, i.e. 100% utilisation. A provision of Rs. 0.76 crore was made in BE 2006-07, which has been enhanced to Rs. 1.88 crore at RE stage. An expenditure of Rs. 1.20 crore has been incurred as on 31<sup>st</sup> December, 2006, which comes to 63.83% of RE provision.

#### **Major Head 3475 – Other General Economic Services**

Though an amount of Rs. 215.72 crore was made in BE 2004-05, the provision was reduced to Rs. 12.49 crore at RE stage. The actual expenditure incurred was Rs. 7.48 crore, which comes to 59.89% of RE. The provision of Rs. 11.71 crore in BE 2005-06 was enhanced to Rs. 42.57 crore at RE stage and an actual expenditure of Rs. 42.72 crore was incurred during the year, which account for 100.47% utilisation over RE provision. The provision for 2006-07 in BE was Rs. 7.13 crore and in RE Rs. 6.98 crore. The proposal for release of the amount is under consideration.

#### **Major Head 4885 – Other Capital Outlay on Industries and Minerals**

A provision of Rs.150.00 crore was made at RE stage for subscription to Equity/Preference Shares of Industrial Investment Bank of India (IIBI) in 2004-05, which has been utilized 100%. In BE 2005-06, a provision of Rs.350.01 crore was made under this Major Head, which was reduced to Rs.110.00 crore at RE stage, which has been fully utilized. In 2005-06 also 100% utilisation was recorded. The provision of Rs.140.00 crore in BE 2006-07 has been retained at RE stage and an expenditure of Rs.90.00 crore has been incurred till 31<sup>st</sup> December, 2006, which comes to 64.29% of RE.

**Major Head 5465 – Investment in General Financial and Trading Institutions**

A provision of Rs.150.00 crore was made in RE 2004-05, which has been utilized 100%. In 2005-06, a provision of Rs.280.00 crore was made in BE, which was increased to Rs. 567.50 crore and an expenditure of Rs. 530.00 crore was incurred during the year. This comes to 93.39% of RE. Though, a provision of Rs.80.00 crore was made in BE 2006-07 under the Major Head, a token provision of Rs.0.01 crore only has been kept at RE stage. No expenditure is expected under this head during the year.

**Major Head 5466 – Investment in International Financial Institutions**

Against the provision of Rs.9.12 crore in BE 2004-05, it was enhanced to Rs.10.10 crore at RE stage and Rs.10.07 crore was actually utilized, which comes to 99.70%. The provision for 2005-06 was Rs.358.02 crore, which was enhanced to Rs.612.97 crore. The actual expenditure during

the year was Rs.612.88 crore, which comes to 99.99% of RE. In 2006-07, a provision of Rs.12.80 crore was made in BE, which was enhanced to Rs.57.99 crore at RE state. An expenditure of Rs.40.90 crore has so far been incurred, which is 70.53% of RE.

**Major Head 6885 – Other Loans to Industries and Minerals**

A provision of Rs. 9000.00 crore was made in BE 2004-05 for providing loan to Asset Management Trust for Stressed Assets Stabilisation Fund (SASF), which was retained at RE stage. 100% of the provision was utilized. No provision has been made for the years 2005-06 and 2006-07.

**Major Head 7465 – Loans for General Finance and Trading Institutions**

A provision of Rs. 350.00 crore was made at RE stage in 2004-05 for providing loan to Infrastructure Development Finance Corporation Ltd. (IDFC). 100% of the provision was utilized. No provision has been made for 2005-06 and 2006-07.

## 2.2 Demand No. 33 - Payments to Financial Institutions (Object Head Wise)

(Rs. in crore)

S. No.	Description	Actuals 2004-05			Actuals 2005-06			BE 2006-07			RE 2006-07			Actual		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Revenue Section</b>																
1.	Grants-in-aid	21.18	1475.63	1496.81	17.90	1294.43	1312.33	36.00	3545.71	3581.71	9.53	3545.67	3555.20	-	400.05	400.05
2.	Contribution	-	39.24	39.24	-	23.17	23.17	-	46.45	46.45	-	57.23	57.23	-	46.28	46.28
3.	Subsidy	-	406.24	406.24	-	2064.14	2064.14	-	408.82	408.82	-	1433.99	1433.99	-	40.50	40.50
4.	Exchange Variation	-	7.48	7.48	-	42.72	42.72	-	7.13	7.13	-	6.97	6.97	-	-	-
5.	Interest	-	-	-	-	-	-	-	0.01	0.01	-	0.01	0.01	-	-	-
6.	Other Charges	-	0.29	0.29	-	21.68	21.68	-	0.31	0.31	-	1359.38	1359.38	-	0.25	0.25
7.	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Inter Account Transfer	-	125.00	125.00	-	125.00	125.00	-	125.00	125.00	-	125.00	125.00	-	-	-
9.	Write Off/Losses	-	16.28	16.28	-	-	-	-	-	-	-	0.01	0.01	-	-	-
<b>Total Revenue Section</b>		<b>21.18</b>	<b>2070.16</b>	<b>2091.34</b>	<b>17.90</b>	<b>3571.14</b>	<b>3589.04</b>	<b>36.00</b>	<b>4133.43</b>	<b>4169.43</b>	<b>9.53</b>	<b>6528.26</b>	<b>6537.79</b>	<b>-</b>	<b>487.08</b>	<b>487.08</b>
<b>Capital Section</b>																
10.	Investments	-	360.07	360.07	-	1252.88	1252.88	-	232.80	232.80	-	198.00	198.00	-	130.90	130.90
11.	Loans	-	9350.00	9350.00	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Section</b>		<b>-</b>	<b>9710.07</b>	<b>9710.07</b>	<b>-</b>	<b>1252.88</b>	<b>1252.88</b>	<b>-</b>	<b>232.8</b>	<b>232.80</b>	<b>-</b>	<b>198.00</b>	<b>198.00</b>	<b>-</b>	<b>130.90</b>	<b>130.90</b>
<b>Grand Total (Gross)</b>		<b>21.18</b>	<b>11780.23</b>	<b>11801.41</b>	<b>17.90</b>	<b>4824.02</b>	<b>4841.92</b>	<b>36.00</b>	<b>4366.23</b>	<b>4402.23</b>	<b>9.53</b>	<b>6726.26</b>	<b>6735.79</b>	<b>-</b>	<b>617.98</b>	<b>617.98</b>

## 2.3 Object Head-wise analysis of expenditure trend for 2004-05, 2005-06 and 2006-07 (up to 31.12.2006)

### Revenue Section

#### Plan Schemes

**Grants-in-aid:** The provision of Rs.24.00 crore in BE 2004-05 was enhanced to Rs.26.18 crore. But the actual expenditure incurred was 21.18 crore, which come to 80.90% of RE. In 2005-06, against the provision of Rs.25.81 in BE, the amount provided in RE and the actual expenditure incurred during the year were Rs.30.50 crore and Rs.17.90 crore, respectively. The expenditure accounts for 58.69% of RE. Though an amount of Rs.36.00 crore was provided in BE 2006-07, an amount of Rs.9.53 crore has only been provided at RE stage, as both the Schemes were not fairing well. No expenditure has been incurred as on 31.12.2006.

#### Non-Plan Schemes

**Grants in-aid:** The budgetary provision under the Head for the year 2004-05 was Rs.2819.93 crore, which was reduced to Rs.2135.47 crore at RE stage. The actual expenditure incurred during the year was Rs.1475.63, i.e. 69.10% of the RE provision. In 2005-06, the budgetary provision of Rs.2642.68 crore was enhanced to Rs.2765.14 crore at RE. However, the actual expenditure incurred amounted to only Rs.1294.44 crore, i.e., 46.81% of the RE provisions. The BE and RE provisions during the year 2006-07 are Rs.3545.71 crore and Rs.3545.68 crore, respectively. As on 31<sup>st</sup> December, 2006, an expenditure of Rs.400.05 has been incurred i.e. 11.28% of RE.

**Contribution:** The budgetary provision for 2004-05 was Rs.32.18 crore, which was enhanced to Rs.40.19 crore at RE stage. Rs.39.24 crore is the actual expenditure, accounting for 97.64% of the RE provision. In 2005-06, the budgetary provision was Rs.24.64, which was reduced to Rs.23.17 crore at RE stage, which was utilized 100%. The BE provision of Rs. 46.45

crore has been enhanced to Rs. 57.23 crore at RE stage. As on 31<sup>st</sup> December, 2006, Rs. 46.28 crore has been released, which comes to 80.87% of RE.

**Subsidy:** The original provision in BE 2004-05 was Rs. 298.10 crore, which was enhanced to Rs. 406.26 crore at RE stage. The actual expenditure incurred is Rs. 406.24 crore which accounts for 99.99% of the RE provision. As against the BE provision of Rs. 279.29 crore in 2005-06, an amount of Rs. 2103.90 crore was earmarked at RE stage, out of which Rs. 2064.14 crore has been spent during the year. This works out to 98.11% of the RE provision. In 2006-07, an amount of Rs. 408.82 crore has been provided in BE and Rs. 1433.99 crore at RE stage. Rs. 40.50 crore has been spent as on 31<sup>st</sup> December, 2006, which comes to 2.82% only of RE provision.

**Exchange Variation:** An expenditure of Rs. 7.48 crore was actually incurred in 2004-05 against the BE and RE provisions of Rs. 215.72 crore and Rs. 12.49 crore, respectively. This comes to only 59.89% of the RE provision. In 2005-06, though only an amount of Rs. 13.71 crore was provided in BE it was enhanced to Rs. 42.57 crore at RE stage. The actual expenditure incurred amounted to Rs. 42.72 crore. The percentage of this comes to 100.35 over RE. The BE provision for 2006-07 is Rs. 7.13 crore and RE provision Rs. 6.97 crore. The proposal for release of this amount is under consideration, hence no expenditure has been incurred till 31.12.2006.

**Other Charges:** An amount of Rs. 0.29 crore was released under this head in 2004-05 against the original provision of Rs. 0.47 crore and RE provision of Rs. 0.22 crore. This comes to 131.82% of RE. An amount of Rs. 21.68 crore was released under this head in 2004-05 against the original provision of Rs. 0.33 crore and RE provision of Rs. 21.69 crore. This comes to 99.95% of RE. The BE provision for 2006-07 was Rs. 0.31 crore. However, consequent on the announcement made by Prime Minister for interest waiver on loans taken by farmers in the debt stressed States of Andhra Pradesh, Karnataka,

Kerala and Maharashtra. The RE was fixed at Rs. 1359.38 crore. An amount of Rs. 0.25 crore only has been released as on 31<sup>st</sup> December, 2006. Proposal for release of balance amount is under consideration.

**Inter Account Transfer:** An amount of Rs. 125.00 crore was provided in BE and retained at RE stage in 2004-05, 2005-06 and Rs. 2006-07. The amount has fully been utilized in 2004-05 and 2005-06 i.e. 100% utilisation has been recorded over RE. The provision for 2006-07 will be utilized in the last quarter of the fiscal.

## Capital Section

### Non-Plan Schemes

**Investments:** The provision of Rs. 209.13 crore in BE 2004-05 was

enhanced to Rs. 360.11 crore at RE stage. The actual expenditure incurred is Rs. 360.07 crore, accounting for 99.99% of the RE provision. In 2005-06, the original provision was Rs. 988.03 crore and the revised provision Rs. 1290.47 crore. The actual expenditure incurred was Rs. 1252.88 crore. This works out to 97.09% of the RE provision. Though a provision of Rs. 232.80 crore was made in BE 2006-07, it was reduced to Rs. 198.00 crore at RE stage. The actual expenditure as on 31<sup>st</sup> December, 2006 is Rs. 130.90 crore, which is 66.11% of RE.

**Loans:** A provision of Rs. 9000.00 crore was made in BE 2004-05, which was increased at RE stage to Rs. 9350.00 crore. The entire amount i.e. 100% was utilized in the year. No provision has been made under this head in 2005-06 and 2006-07.

## 2.4 Dividend and Profit (Nationalised Banks)

S. No.	Name of the Bank	Equity as on March 2006	Equity Holding of GOI as on March 06	(Rs. in crore)						
				BE 2004-05	Actual 2004-05	BE 2005-06	Actual 2005-06	RE 2006-07	Actual upto 1/07	BE 2007-08
1	Allahabad Bank	446.70	246.70	61.68	61.68	61.68	37.00	100.00	98.68	101.00
2	Andhra Bank	485.00	250.00	70.00	72.5	70.00	37.50	89.00	87.50	90.00
3	Bank of Baroda	367.00	196.00	127.40	103.89	127.40	62.72	99.00	98.00	102.00
4	Bank of India	488.14	339.00	33.86	67.72	33.86	33.86	102.00	101.57	103.00
5	Bank of Maharashtra	430.52	330.52	52.88	52.88	52.88	46.27	13.00	13.22	14.00
6	Canara bank	410.00	300.00	150.00	150.00	150.00	90.00	200.00	198.00	200.00
7	Central Bank of ndia	1124.14	1124.14	50.00	35.00	50.00	35.00	50.00	50.00	52.00
8	Corporation Bank	143.44	82.00	49.20	49.20	49.20	57.40	59.00	28.70	60.00
9	Dena Bank	286.82	146.82	–	–	–	–	–	–	5.00
10	Indian Bank	743.82	743.82	–	–	–	–	102.00	101.00	102.00
11	Indian Overseas Bank	544.80	333.60	76.27	73.39	76.27	33.36	88.00	86.74	89.00
12	Oriental Bank of Com	250.98	128.00	44.02	38.40	44.02	38.40	65.00	57.60	75.00
13	Punjab & Sind Bank	743.10	743.10	–	–	–	–	–	–	5.00
14	Punjab National Bank	315.30	182.24	84.90	95.51	84.90	109.35	175.00	109.35	180.00
15	Syndicate Bank	521.97	346.97	69.39	55.51	69.39	100.63	88.00	86.74	89.00
16	UCO Bank	799.36	599.36	80.00	47.94	80.00	59.94	–	45.97	10.00
17	Union Bank of India	505.00	280.00	92.02	98.00	92.02	42.00	99.50	140.00	101.00
18	United Bank of India	1532.43	1532.43	–	–	–	–	46.00	–	47.00
19	Vijaya Bank	433.52	233.52	58.38	70.05	58.38	23.35	25.00	46.70	25.00
	<b>Total</b>	<b>10572.04</b>	<b>8138.22</b>	<b>1100.00</b>	<b>1071.67</b>	<b>1100.00</b>	<b>806.78</b>	<b>1400.50</b>	<b>1349.77</b>	<b>1450.00</b>

### Analysis of Non-Tax Revenue (Nationalised Banks)

As against the estimate of Rs. 1100.00 crore in BE 2004-05, the actuals amounted to Rs. 1071.67 crore, which is 97.42% of the **BE estimate**. The actual receipt of Rs. 806.78 crore in 2005-06 works out to 73.74% of the

**BE estimate** of 2005-06, thus recording a decrease in receipt. The RE estimate for 2006-07 is Rs. 1400.50 crore and the actual receipt as on 31<sup>st</sup> January, 2007 is Rs. 1349.77 crore, i.e., 96.38% of the **RE estimate**. The BE estimate for 2007-08 is Rs. 1450.00 crore.

### 3. Grant No. 38 – Department of Expenditure

S. No	Description	Major Head	2004-05			2005-06			2006-07 (Rs. in crore)		
			B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals 31.12.06
1	<b>Secretariat-General Services</b>	2052	23.92	23.75	23.00	24.76	24.23	23.64	25.19	28.02	20.72
2	<b>Other Administrative Services</b>	2070	2.70	2.49	2.24	3.06	3.42	3.13	4.26	8.61	2.66
	i) Training Centre in Civil Accounting Department (INGAF)		1.05	0.99	0.74	1.15	1.04	0.98	1.16	2.25	1.01
	ii) Grants-in-aid to NIFM Society		1.65	1.50	1.50	1.90	1.86	1.85	2.03	2.03	1.52
	iii) Contributions		-	-	-	0.01	0.01	0.01	0.01	0.01	-
	iv) Modernization of Office of Controller General of Accounts		-	-	-	-	0.51	0.29	1.06	0.60	0.13
	v) Sixth Central Pay Commission*		-	-	-	-	-	-	-	3.72	-
	<b>TOTAL</b>		<b>26.62</b>	<b>26.24</b>	<b>25.24</b>	<b>27.82</b>	<b>27.65</b>	<b>26.77</b>	<b>29.45</b>	<b>36.63</b>	<b>23.38</b>

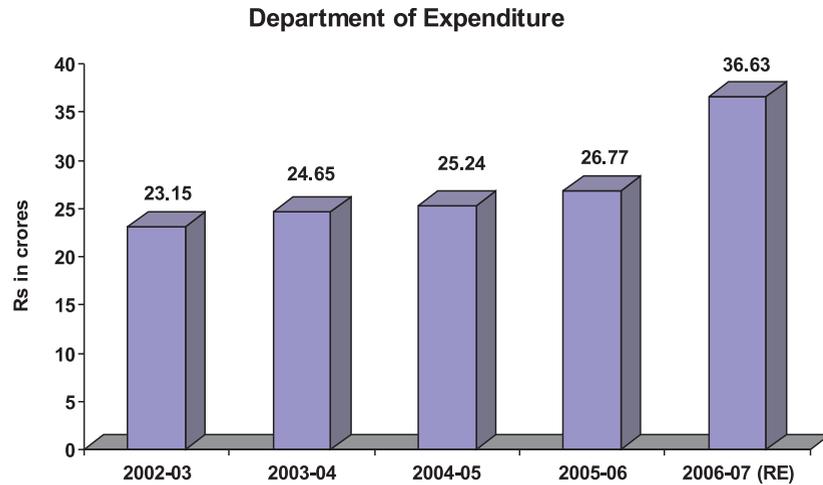
**Note:** The provision for Sixth Central Pay Commission was originally through withdrawal from Contingency Fund of India which was subsequently recouped by Supplementary Grant. Expenditure till December 2006 was charged to Contingency Fund of India pending adjustment to the Grant.

**3.1 Grant No. 38 – Department of Expenditure (Object Head Wise)**

S. No	Description	2004-05			2005-06			2006-07 (Rs. in crore)		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals 31.12.06
1	Salaries	14.96	15.37	15.36	15.89	16.55	16.23	16.65	17.44	13.87
2	Wages	0.02	0.02	0.01	0.02	0.00	0.00	0.00	0.05	0.00
3	Overtime Allowances	0.19	0.16	0.14	0.17	0.16	0.15	0.17	0.16	0.11
4	Medical treatment	0.54	0.56	0.34	0.63	0.48	0.41	0.53	0.55	0.32
5	Domestic Travel Expenses	0.79	0.70	0.56	0.79	0.63	0.64	0.74	1.02	0.55
6	Foreign Travel Expenses	0.50	0.43	0.33	0.53	0.76	0.55	0.62	0.64	0.30
7	Office Expenses	7.10	6.70	6.25	7.01	6.19	6.05	6.96	11.13	6.03
8	Rent, Rates & Taxes	0.01	-	-	-	-	-	-	0.60	0.00
9	Publication	0.22	0.20	0.17	0.22	0.20	0.14	0.22	0.22	0.13
10	Other Administrative Expenses	0.50	0.48	0.48	0.51	0.62	0.60	0.55	0.51	0.39
11	Advertising and Publicity	-	-	-	-	-	-	-	0.05	0.00
12	Professional Services	0.14	0.12	0.09	0.14	0.19	0.13	0.97	1.52	0.15
13	Grants-in-aid	1.65	1.50	1.50	1.90	1.86	1.86	2.03	2.03	1.53
14	Contribution	-	-	-	0.01	0.01	0.01	0.01	0.01	0.00
15	Information Technology	-	-	-	-	-	-	-	0.70	0.00
	<b>TOTAL</b>	<b>26.62</b>	<b>26.64</b>	<b>25.24</b>	<b>27.82</b>	<b>27.65</b>	<b>26.77</b>	<b>29.45</b>	<b>36.63</b>	<b>23.38</b>

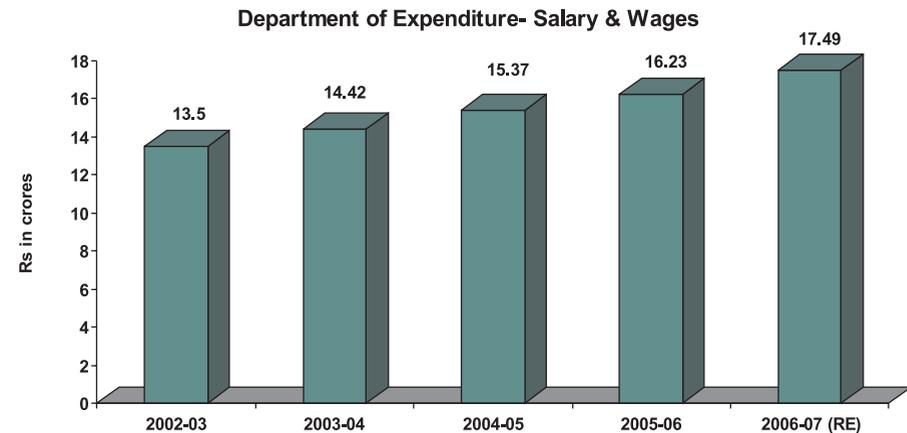
## GENERAL OVERVIEW

The overall increase in actual expenditure during 2005-06 is 6% over the actual expenditure in 2004-05. The increase in Revised Estimates during 2006-07 is 24.38% over Budget Estimates allocation 2006-07. The expenditure under this Grant is required to meet the needs of General Secretariat Services and Other Administrative Services like training Centre in Civil Accounting Department, Grants-in-aid to National Institute of Financial Management Society. A provision of Rs. 3.72 crore has also been made for Sixth Central Pay Commission.

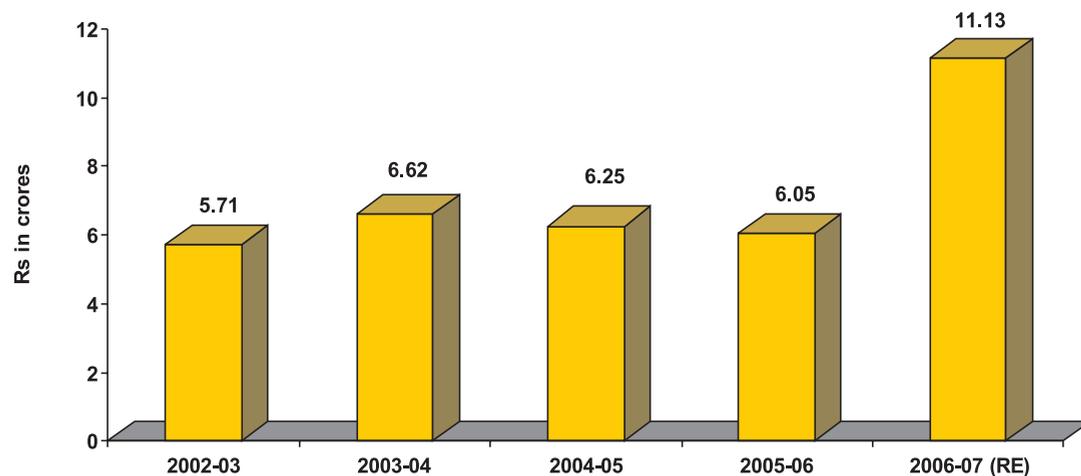


## SALARY & WAGES

Salary and Wages taken together constitute 48% of the Grant No. 38 as per Revised Estimates 2006-07. The increase in expenditure under this segment has been at the rate of 6.6%, 6.7% and 5.5% in the years 2003-04, 2004-05 and 2005-06 respectively. The increase during 2006-07 (RE) is estimates to be 7.9% as compared to the actuals of AGCR.



## Department of Expenditure- Office Expenses



## OFFICE EXPENSES

Office Expenses constitutes 30.36% of the Grant No. 38 as per Revised Estimates 2006-07. Originally, the provision under this Object head was kept at Rs. 6.96 crore in Budget Estimates 2006-07. However, the same has been enhanced to Rs. 11.13 crore in Revised Estimates 2006-07 on account of 6<sup>th</sup> Central Pay Commission, strengthening of training infrastructure in the Institute of Government Accounts & Finance and renovation work taken up by the Department in office buildings.

## 4. Grant No. 41 - Department of Revenue

(Rupees in Crore)

	Major Head	2004-05			2005-06			2006-07		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
Secretariat-General Services	2052	43.01	54.72	52.83	71.81	71.44	62.31	69.08	64.36	43.37
<b>Total</b>	<b>2052</b>	<b>43.01</b>	<b>54.72</b>	<b>52.83</b>	<b>71.81</b>	<b>71.44</b>	<b>62.31</b>	<b>69.08</b>	<b>64.36</b>	<b>43.37</b>
<b>Other Fiscal Services</b>										
Enforcement Directorate	2047	18.40	17.40	15.82	19.00	17.63	17.86	19.58	20.81	13.85
National Institute of Public Finance & Policy	2047	2.06	1.96	1.79	2.06	2.06	2.01	2.41	2.31	1.71
International Cooperation	2047	0.18	0.28	0.25	0.28	0.28	0.25	0.28	0.27	0.27
Other Expdtr.(ATFP/CESTAT)	2047	9.32	9.16	8.78	10.97	9.65	8.48	12.05	10.78	6.68
<b>Total</b>	<b>2047</b>	<b>29.96</b>	<b>28.80</b>	<b>26.64</b>	<b>32.31</b>	<b>29.62</b>	<b>28.60</b>	<b>34.32</b>	<b>34.17</b>	<b>22.51</b>
<b>Other Administrative Services</b>										
Narcotics Control	2070	18.09	17.99	17.04	18.78	18.74	17.61	18.60	18.40	14.02
International Cooperation etc.	2070	0.65	0.65	0.89	0.65	1.71	1.65	1.72	1.86	0.06
Transfer to National Fund for Control of Drug Abuse	2070	1.00	1.00	–	1.00	1.00	1.00	1.00	0.10	–
<b>Total</b>	<b>2070</b>	<b>19.74</b>	<b>19.64</b>	<b>17.93</b>	<b>20.43</b>	<b>21.45</b>	<b>20.26</b>	<b>21.32</b>	<b>20.36</b>	<b>14.08</b>
<b>Opium &amp; Alkaloids Factories</b>										
Revenue Expenditure	2875	261.05	269.73	261.79	245.39	206.29	194.85	213.51	228.13	138.48
Chief Controller, Govt. Opium & Alkaloid Factories	2875	0.52	0.48	0.48	0.46	0.47	0.44	0.50	0.51	0.40
<b>Total</b>	<b>2875</b>	<b>261.57</b>	<b>270.21</b>	<b>262.27</b>	<b>245.85</b>	<b>206.76</b>	<b>195.29</b>	<b>214.01</b>	<b>228.64</b>	<b>138.88</b>

	Major Head	2004-05			2005-06			2006-07		
		BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actual upto Dec. 06
<b>Other Taxes &amp; Duties on Commodities &amp; Services</b>										
Collection of Inland Air Travel Tax	2045	36.00	35.00	34.16	3.00	0.30	0.65	–	–	–
Collection of Foreign Travel Tax	2045	1.00	0.90	0.84	0.45	0.65	0.19	–	–	–
<b>Total</b>	<b>2045</b>	<b>37.00</b>	<b>35.90</b>	<b>35.00</b>	<b>3.45</b>	<b>0.95</b>	<b>0.84</b>	<b>–</b>	<b>–</b>	<b>–</b>
Collection of Taxes on Income & Expenditure	2020									
Other Charges		0.36	0.30	0.31	0.36	0.32	0.21	0.36	0.34	0.19
<b>Total</b>	<b>2020</b>	<b>0.36</b>	<b>0.30</b>	<b>0.31</b>	<b>0.36</b>	<b>0.32</b>	<b>0.21</b>	<b>0.36</b>	<b>0.34</b>	<b>0.19</b>
Grant in Aid to States (VAT)	3601	–	–	–	5000.00	2490.00	2471.27	2950.00	4080.00	3105.83
Grant in Aid to UTs (VAT)	3602	–	–	–		10.00	–	50.00	20.00	–
Total		–	–	–	5000.00	2500.00	2471.27	3000.00	4100.00	3105.83
Total (Revenue Section)		391.64	409.56	394.98	5374.21	2830.54	2778.78	3339.09	4447.87	3324.86
Capital Section										
Purchase of ready-built residential accomodation	4216	1.00	1.00	0.02	1.00	0.03	0.01	–	–	–
<b>Total</b>	<b>4216</b>	<b>1.00</b>	<b>1.00</b>	<b>0.02</b>	<b>1.00</b>	<b>0.03</b>	<b>0.01</b>	<b>–</b>	<b>–</b>	<b>–</b>
Purchase of ready-built office building	4059	–	–	–	–	–	–	–	–	–
Capital Expenditure	4875	4.05	4.05	3.37	4.05	1.43	0.80	2.06	1.24	0.16
<b>Total</b>	<b>4875</b>	<b>4.05</b>	<b>4.05</b>	<b>3.37</b>	<b>4.05</b>	<b>1.43</b>	<b>0.80</b>	<b>2.06</b>	<b>1.24</b>	<b>0.16</b>
Total(Capital Section)		5.05	5.05	3.39	5.05	1.46	0.81	2.06	1.24	0.16
Grand Total		<b>396.69</b>	<b>414.61</b>	<b>398.37</b>	<b>5379.26</b>	<b>2832.00</b>	<b>2779.59</b>	<b>3341.15</b>	<b>4449.11</b>	<b>3325.02</b>
Less										
(I) Revenue Receipts		285.00	260.00	238.00	260.00	242.00	280.72	243.00	250.00	160.82
(ii) Recoveries		40.20	40.11	35.30	45.95	38.62	31.73	40.13	34.59	–
Net		<b>71.49</b>	<b>114.50</b>	<b>125.07</b>	<b>5073.31</b>	<b>2551.38</b>	<b>2467.14</b>	<b>3058.02</b>	<b>4164.52</b>	<b>3164.20</b>

## 4.1 Grant No. 41 - Department of Revenue (Object Head Wise)

(Rupees in crore)

	2004-05			2005-06			2006-07		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals up to Dec.
<b>Revenue Section</b>									
Salary	65.79	68.35	66.36	72.43	71.49	70.18	74.31	75.20	61.84
Wages	0.55	0.46	0.39	0.50	0.38	0.33	0.32	0.32	0.19
Overtime Allowance	0.90	0.88	1.10	0.89	1.14	1.08	1.19	1.18	0.83
Pensionary Charges	0.56	0.74	0.76	0.78	0.77	0.79	0.78	0.78	–
Rewards	0.15	0.11	0.03	0.10	0.10	0.07	0.10	0.07	0.03
Medical Treatment	2.56	1.84	1.56	2.61	2.41	1.66	2.79	2.25	1.18
Domestic Travel Expenses	4.39	4.03	3.70	4.35	4.17	3.93	4.45	4.35	2.73
Foreign Travel Expenses	1.40	1.32	1.23	1.38	1.98	1.34	2.20	2.30	1.14
Office Expenses	18.07	16.14	14.02	16.98	18.87	19.13	20.20	20.95	13.59
Rent, Rates & Taxes	4.01	2.70	1.23	4.09	3.48	3.27	5.24	4.54	2.37
Publications	0.20	0.18	0.17	0.21	0.19	0.17	0.23	0.21	0.08
Other Administrative Services	1.41	1.27	0.81	1.38	1.42	1.27	1.73	1.90	0.94
Supplies & Material(Voted)	183.69	192.02	189.94	161.35	125.16	122.96	126.83	125.42	100.39
Supplies & Material(Charged)						–		23.00	20.93
Advertising & Publicity	1.04	1.04	0.02	1.05	0.44	0.37	0.29	0.08	0.02
Minor Works	1.02	0.89	0.96	1.00	0.95	0.84	1.19	1.35	0.41
Professional Services	4.76	4.62	4.32	5.12	6.61	6.39	5.82	6.03	4.06
Grant-in-Aid	2.40	7.30	7.98	5008.41	2512.41	2480.91	3006.76	4105.91	3109.38
International Contribution	0.83	0.93	1.14	0.93	1.99	1.90	2.00	2.13	0.33
Secret Service Expenditure	0.64	0.53	0.34	0.64	1.01	0.89	1.34	1.30	0.63
Interest on Capital	15.75	15.75	14.96	15.75	17.65	15.86	22.24	17.74	–
Other Charges									

<i>(Rupees in crore)</i>									
	2004-05			2005-06			2006-07		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals up to Dec.
Charged	0.02	0.02	–	0.02	0.02	–	0.02	0.02	–
Voted	39.17	44.35	41.79	22.60	12.53	7.78	6.80	8.79	2.04
Machinery & Equipment	0.06	0.06	0.05	0.06	0.02	0.02	0.05	0.04	–
Inter Account Transfer	42.27	41.78	36.85	47.56	41.16	34.18	42.72	36.23	
Information Technology		2.25	5.27	4.02	4.19	3.46	9.49	5.78	1.75
<b>Total - Revenue Section</b>	<b>391.64</b>	<b>409.56</b>	<b>394.98</b>	<b>5374.21</b>	<b>2830.54</b>	<b>2778.78</b>	<b>3339.09</b>	<b>4447.87</b>	<b>3324.86</b>
Charged	0.02	0.02		0.02	0.02	–	0.02	23.02	20.93
Voted	391.62	409.54	394.98	5374.19	2830.52	2778.78	3339.07	4424.85	3303.93
<b>Capital Section</b>									
Machinery & Equipment	3.27	2.99	2.61	1.74	0.85	0.65	1.07	0.74	0.05
Major Works	0.78	1.06	0.76	2.31	0.58	0.15	0.99	0.50	0.10
Investment	1.00	1.00	0.02	1.00	0.03	0.01	–	–	–
<b>Total - Capital Section</b>	<b>5.05</b>	<b>5.05</b>	<b>3.39</b>	<b>5.05</b>	<b>1.46</b>	<b>0.81</b>	<b>2.06</b>	<b>1.24</b>	<b>0.16</b>
<b>Grand Total</b>	<b>396.69</b>	<b>414.61</b>	<b>398.37</b>	<b>5379.26</b>	<b>2832.00</b>	<b>2779.59</b>	<b>3341.15</b>	<b>4449.11</b>	<b>3325.02</b>
Charged	0.02	0.02		0.02	0.02	–	0.02	23.02	20.93
Voted	396.67	414.59	398.37	5379.24	2831.98	2779.59	3341.13	4426.09	3304.09

**4.3 The position of expenditure in three years in respect of Grant No.41 – Department of Revenue has been, in nutshell, as under:**

<i>(Rs. in crore)</i>									
	2004-05			2005-06			2006-07		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals up to Dec.
VAT* - MH2052	0.02	11.50	11.50	23.00	20.00	13.35	9.00	8.25	2.50
VAT** - 3601/3602	...	–	–	5000.00	2500.00	2471.27	3000.00	4100.00	3105.83
Non-VAT	396.67	403.11	386.87	356.26	312.00	294.97	332.15	340.61	216.69
<b>Total</b>	<b>396.69</b>	<b>414.61</b>	<b>398.37</b>	<b>5379.26</b>	<b>2832.00</b>	<b>2779.59</b>	<b>3341.15</b>	<b>4449.11</b>	<b>3325.02</b>
Non-VAT	396.67	403.11	386.87	356.26	312.00	294.97	332.15	340.61	216.69
CCF(GOAWs)									
2875	261.57	270.21	262.27	245.85	206.76	195.29	214.01	228.64	138.88
4875	4.05	4.05	3.37	4.05	1.43	0.80	2.06	1.24	0.16
Others *** – Non-VAT and Non-GOAWs	131.05	128.85	121.23	106.36	103.81	98.88	116.08	110.73	77.65
Total – Salary	65.79	68.35	66.36	72.43	71.49	70.18	74.31	75.20	61.84
Non – Salary	330.90	346.26	332.01	5306.83	2760.51	2709.41	3266.84	4373.91	3263.18

\* The budget provision is for Implementation of VAT Scheme and TINSXYS Project.

\*\* The budget provision is for Compensation to States/UTs for revenue loss due to Introduction of VAT .

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

#### 4.4 Trends in Expenditure

Salary expenditure(actual) increased in 2005-06 by 5.75% over 2004-05 whereas non-salary expenditure increased by 716.06% during the same period mainly on account of VAT related expenditure. During 2005-06, the VAT related expenditure & grants to States towards VAT compensation constitute the very major portion of expenditure i.e. 89.38% of total expenditure under Grant No.41 – Department of Revenue. In 2005-06, VAT

Compensation of Rs.2471.27 crore was released to State Governments. An expenditure of Rs.3105.83 crore has been incurred upto December, 2006 in Financial Year 2006-07 towards Compensation to States for revenue loss due to introduction of VAT, out of which Rs. 2835.12 Crore pertains to claims for the financial year 2005-06. Therefore upto December 2006, total VAT Compensation of Rs.5577.10 crore have been provided to State Governments as detailed below:

(Rs. in crore)

Sr. No.	Name of State Government paid in 2005-06	Compensation of of 2005-06 paid in 2006-07	Compensation of 2005-06 paid upto Dec 2006	Compensation of 2005-06	Total Compensation	Pending claims as on 31 <sup>st</sup> Dec. 06
1	Andhra Pradesh	404.06	—	—	404.06	
2	Bihar	165.87	107.11	—	272.98	
3	Karnataka	1038.92	233.28	270.71	1542.91	141.20
4	Kerala	456.47	236.23	—	692.70	313.74
5	Madhya Pradesh	—	—	—	—	60.11
6	Maharashtra	259.89	2114.72	—	2374.61	1316.07
7	Sikkim	1.84	4.03	—	5.87	5.58
8	Tripura	5.12	—	—	5.12	3.81
9	West Bengal	139.10	139.75	—	278.85	
<b>Total</b>		<b>2471.27</b>	<b>2835.12</b>	<b>270.71</b>	<b>5577.10</b>	<b>1840.51</b>

The overall financial performance during 2004-05, 2005-06 and 2006-07 (up to December, 2006) has been as under:

*(Rs. in crore)*

Scheme	2004-05			2005-06			2006-07		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals up to Dec.
Implementation of VAT Scheme	0.01	6.50	5.65	17.00	10.00	5.74	5.00	5.00	1.00
Setting up of Tax Information Exchange System etc.	0.01	5.00	5.85	6.00	10.00	7.61	4.00	3.25	1.50
Compensation to States for revenue losses due to introduction of VAT and other VAT related expenditure	—	—	—	5000.00	2,500.00	2,471.27	3000.00	4,100.00	3,105.83
<b>Total</b>	<b>0.02</b>	<b>11.50</b>	<b>11.50</b>	<b>5023.00</b>	<b>2520.00</b>	<b>2484.62</b>	<b>3009.00</b>	<b>4108.25</b>	<b>3108.33</b>

#### 4.5 Government Opium and Alkaloid Works:

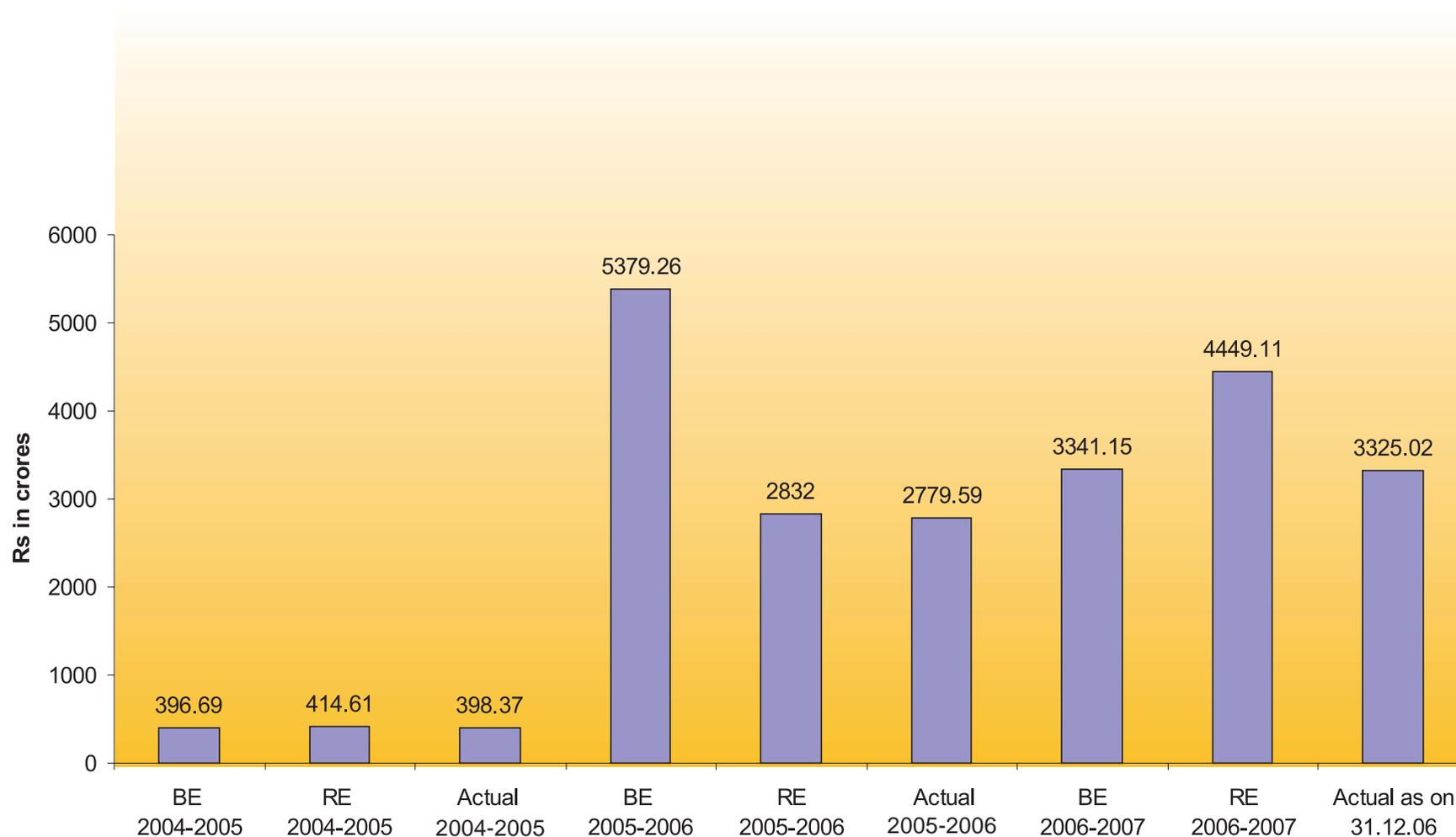
The position of actual expenditure in 2004-05 and 2005-06 vis-à-vis R.E. 2006-07 on gross expenditure and revenue receipts has been as under:

*(Rs. in crore)*

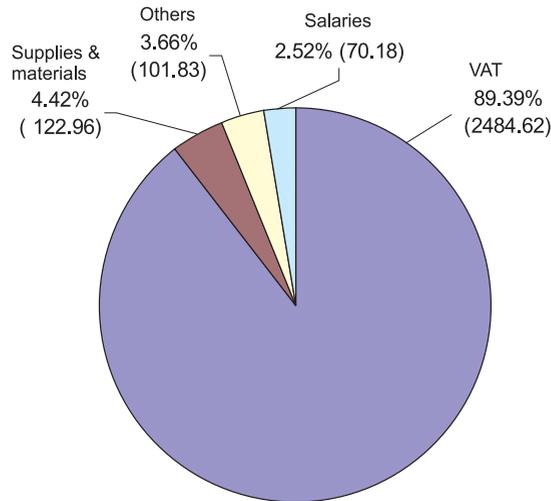
	Expenditure			Receipts		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
<b>2004-04</b>	261.57	270.21	262.27	285.00	260.00	238.00
<b>2005-06</b>	245.85	206.76	195.29	260.00	242.00	280.72
<b>2006-07</b>	214.01	228.64	138.88 (upto Dec.)	243.00	250.00	160.82 (upto Dec.)

After VAT, the second major constituent of expenditure is on Govt. Opium & Alkaloid Works which constituted 7.02% of total expenditure in 2005-06. Increase at R.E. stage in 2006-07 is due to payment of Re.20.93 crore as purchase tax to the State Government of Uttar Pradesh in pursuance to Hon'ble Supreme Court's judgement. Against actual revenue receipt of Rs.280.72 crore in financial year 2005-06, the R.E. of revenue receipts in the financial year 2006-07 is Rs.250 crore.

## 4.6 The details of the allocation made and actual expenditure incurred during 2004-05, 2005-06 and 2006-07



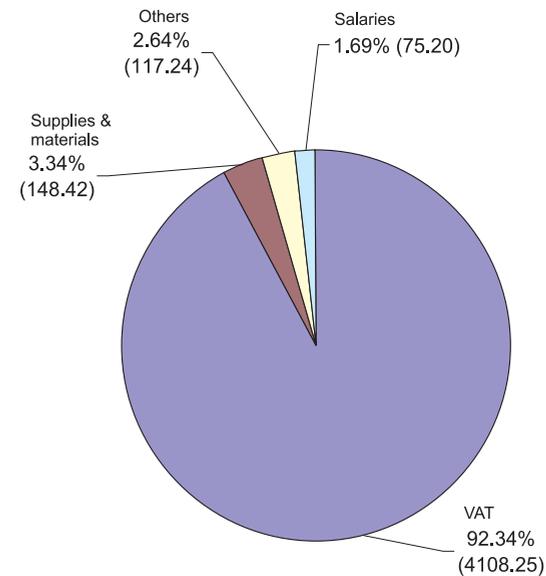
## 4.7 Major Components of Grant No. 41 - Department of Revenue



Actual (Rs. in Crore) 2005-06

4.7.1 The actual expenditure under the grant in 2005-06 amounted to Rs. 2779.59 crore. The Compensation to State governments on account of Revenue loss due to introduction of VAT and VAT related expenditure amounted to Rs. 2484.62 crore constituting 89.39% of the expenditure, supply and material was the next major component under which expenditure of Rs. 122.96 crore was incurred constituting 4.42% of the total expenditure. This expenditure is mainly on account of procurement of opium and import of Codeine phosphate. The expenditure on salaries is 2.52% of the total expenditure whereas other items constitute 3.66% of the total expenditure.

4.7.2 In the Revised Estimate 2006-07, the VAT Compensation and VAT related expenditure has increased to Rs. 4108.25 crore constituting 92.34% of the total Revised Estimates of Rs. 4449.11 crore. The next major component is supplies and materials amounting to Rs. 148.42 crore constituting 3.34% of the Revised Estimates. The Revised Estimates on salaries constitute 1.69% and other items constitute 2.64% respectively of the total Revised Estimates.



RE (Rs. in Crore) 2006-07

**5 Demand No. 42 – Direct Taxes**

(Rupees in Crore)

Description	Major Head	2004-05			2005-06			2006-07		
		B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual 31.12.06
<b>Revenue Section</b>										
Collection of taxes on income and expenditure	<b>2020</b>	1048.00	1069.93	1038.18	1066.31	1102.47	1089.94	1194.34	1253.82	950.07
Collection of Estate Duty, Taxes on Wealth and Gift Tax	<b>2031</b>	97.98	100.00	99.87	99.69	103.07	104.01	111.66	117.23	–
<b>Total Revenue Section</b>		<b>1145.98</b>	<b>1169.93</b>	<b>1138.05</b>	<b>1166.00</b>	<b>1205.54</b>	<b>1193.95</b>	<b>1306.00</b>	<b>1371.05</b>	<b>950.07</b>
<b>Capital Section</b>										
Purchase of Ready Built Office Building	<b>4059</b>	80.00	69.00	35.70	66.00	18.00	14.50	19.00	7.45	–
Purchase of Ready Built Residential Building	<b>4216</b>	20.00	16.66	0.43	16.00	4.50	0.10	7.00	1.20	–
Acquisition of Immovable Property under Income Tax Act	<b>4075</b>	2.00	2.00	1.12	2.00	2.00	1.28	2.00	1.65	0.51
<b>Total Capital Section</b>		<b>102.00</b>	<b>87.66</b>	<b>37.25</b>	<b>84.00</b>	<b>24.50</b>	<b>15.88</b>	<b>28.00</b>	<b>10.30</b>	<b>0.51</b>
<b>Grand Total</b>		<b>1247.98</b>	<b>1257.59</b>	<b>1175.30</b>	<b>1250.00</b>	<b>1230.04</b>	<b>1209.83</b>	<b>1334.00</b>	<b>1381.35</b>	<b>950.58</b>

### 5.1 Demand No. 42 – Direct Taxes (Object Head Wise)

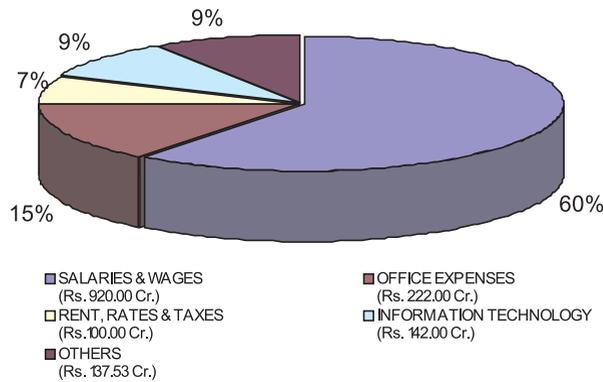
(Rupees in Crore)

Object Head	2004-05			2005-06			2006-07		
	B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual 31.12.06
<b>Revenue Section</b>									
Salaries	717.25	757.00	781.51	770.00	800.00	806.66	824.00	840.00	693.94
Wages	8.00	8.50	8.07	8.50	8.50	8.53	9.00	10.00	7.37
Overtime Allowance	1.10	1.10	0.97	1.25	1.25	1.07	1.30	1.20	0.53
Medical Treatment	37.75	21.00	7.63	25.00	16.00	12.87	20.00	17.00	9.48
Domestic Travel Expense	18.50	21.00	18.93	21.00	21.00	19.96	23.00	23.00	15.82
Foreign Travel Expenses	0.12	0.12	0.06	0.12	0.12	0.02	0.12	0.15	0.07
Office Expenses (Charged)	0.02	0.02	–	0.02	0.02	–	0.02	0.02	–
Office Expenses (Voted)	171.49	192.64	195.03	204.46	165.60	178.27	160.16	223.90	124.42
Rent, Rates & Taxes	50.50	52.50	50.11	52.50	52.00	49.58	55.00	95.00	48.66
Publications	2.50	2.50	2.31	2.50	2.00	1.91	2.00	2.00	0.60
Banking Cash Trans. Tax						0.07	–	0.08	0.07
Other Administrative Expenses	4.10	4.10	3.86	4.50	4.50	4.09	4.75	4.60	3.38
Advertising and Publicity	8.00	11.30	5.25	10.00	30.00	24.57	20.00	30.00	9.62
Minor Works	4.50	5.50	1.14	5.50	3.00	2.60	4.00	4.00	1.20
Professional Services	6.50	6.50	5.41	7.00	6.00	5.97	7.00	8.00	4.76
Contributions	0.15	0.15	0.18	0.15	0.15	0.13	0.15	0.15	0.02
Secret Service Expenditure	1.50	1.50	1.32	1.50	2.00	1.98	3.00	3.70	0.70
Other Charges	4.00	4.50	3.23	4.00	4.00	2.20	4.00	4.25	2.52
Inter Account Transfer	–	–	–	–	–	–	30.00	30.00	–
Information Technology	110.00	80.00	53.04	48.00	89.40	73.47	138.50	74.00	26.91
<b>TOTAL (REVENUE)</b>	<b>1145.98</b>	<b>1169.93</b>	<b>1138.05</b>	<b>1166.00</b>	<b>1205.54</b>	<b>1193.95</b>	<b>1306.00</b>	<b>1371.05</b>	<b>950.07</b>

Object Head	2004-05			2005-06			2006-07		
	B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual 31.12.06
<b>CAPITAL SECTION</b>									
<b>MH-4059</b> Acquisition of Ready Built Office Accommodation	80.00	69.00	35.70	66.00	18.00	14.50	19.00	7.45	–
<b>MH-4216</b> Acquisition of Ready Built Flats	20.00	16.66	0.43	16.00	4.50	0.10	7.00	1.20	–
<b>MH-4075</b> Acquisition of Immovable Property under Chapter XXC of Income Tax Act 1961	2.00	2.00	1.12	2.00	2.00	1.28	2.00	1.65	0.51
Total Capital Section	102.00	87.66	37.25	84.00	24.50	15.88	28.00	10.30	0.51
<b>GRAND TOTAL</b>	<b>1247.98</b>	<b>1257.59</b>	<b>1175.30</b>	<b>1250.00</b>	<b>1230.04</b>	<b>1209.83</b>	<b>1334.00</b>	<b>1381.35</b>	<b>950.58</b>

**Demand No. 42 – Direct Taxes BE 2007-08  
REVENUE SECTION**

**Total Rs. 1521.53 Crore**



**5.3.2 TREND OF EXPENDITURE**

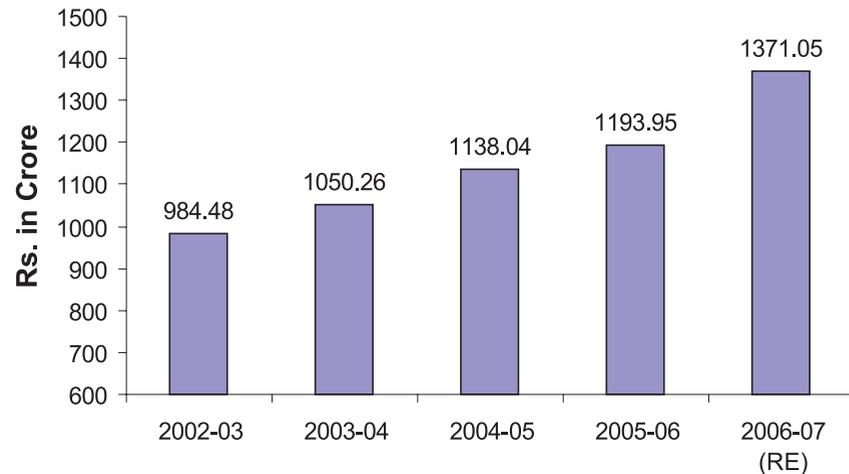
Overall Revenue Expenditure has annual growth rate of 6.7% in 2003-04, 8.4% in 2004-05, 4.9% in 2005-06 and 14.8% in 2006-07 (RE) respectively. Higher growth during 2006-07 has been due to additional requirement under Object heads of Salaries; Office Expenses; Rent, Rates & Taxes; Advertising & Publicity etc. which became essential to meet increased demand for collection of Direct Taxes.

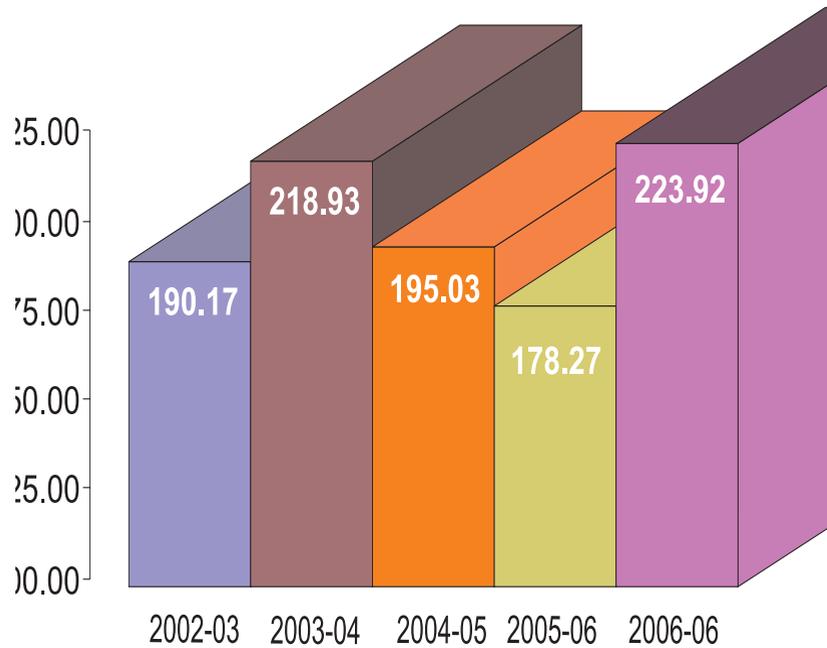
**5.3 FINANCIAL REVIEW**

**5.3.1 GENERAL OVERVIEW**

**Demand No. 42 – Direct Taxes** has a total provision of Rs. 1521.53 crore under Revenue Section in Budget Estimates 2007-08 which is 11% higher as compared to Revised Estimates 2006-07. Salary and Wages account for 60% provision under this Demand followed by Office Expenses (15%), Information Technology (9%) and Rent, Rates & Taxes (7%). Main Object Heads included in the remaining 9% provision are Advertising and Publicity, Domestic Travel Expenses, Medical Treatment and Professional Services etc. A provision of Rs. 30 crore has also been provided to Income Tax Welfare Fund.

**TREND OF REVENUE EXPENDITURE : GRANT 42  
DIRECT TAXES**



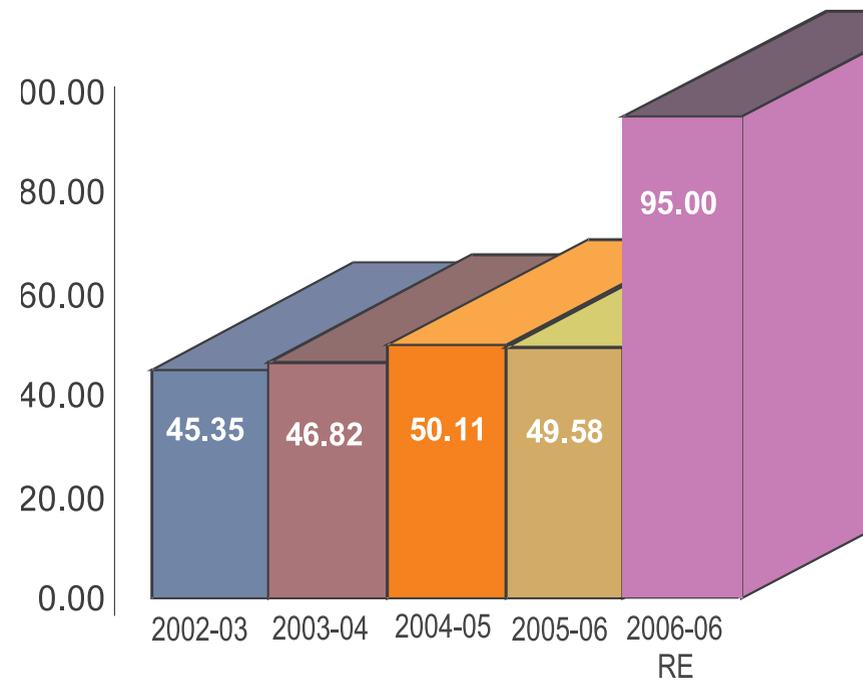


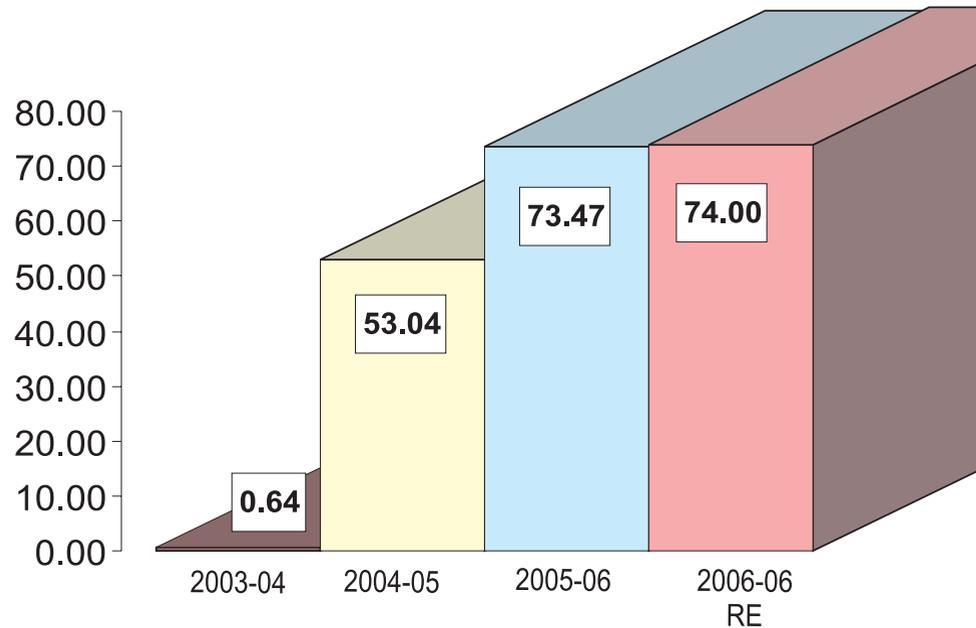
### 5.3.4 RENT, RATES AND TAXES

Expenditure under the Object head 'Rent, Rates & Taxes' has generally been on the increase over the years. The Department has undertaken revision of rents in recent past. In view of this, the provision has been enhanced to Rs. 95 crore in Revised Estimates 2006-07 to meet the liabilities accrued on account of such rent revisions. Actual expenditure till December, 2006 is Rs. 48.66 crore. A drive has been launched by the Department to discharge the outstanding liabilities.

### 5.3.3 OFFICE EXPENSES

Office Expenses are required to meet the requirements for running of field offices of the Income Tax Department which are responsible for collection of Direct Taxes. The trend of expenditure under this Object head during last five years has varied as per the activities undertaken by the Department. The requirement under Revised Estimates 2006-07 is Rs. 45.65 crore more as compared to the actual expenditure during 2005-06 to meet the committed liabilities on account of more activity in view of increased number of assesseees, pending printing bills, additional operational vehicles and furnishing of new office buildings etc.



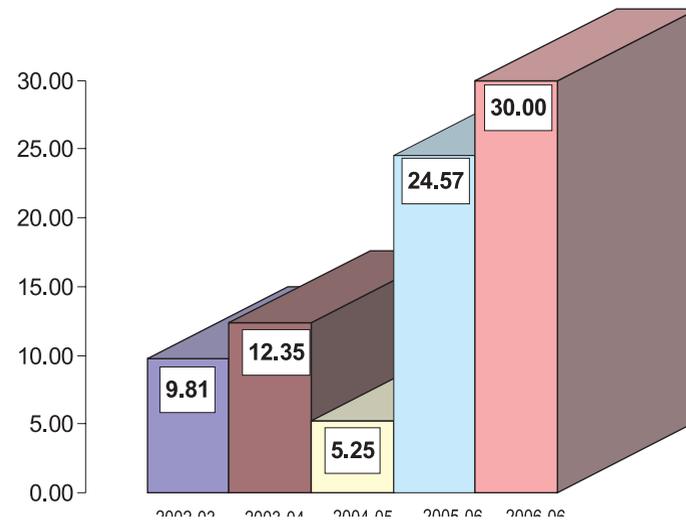


### 5.3.5 INFORMATION TECHNOLOGY

After the approval of 3<sup>rd</sup> phase of Computerisation Plan of the Income Tax Department in December 2002 at a cost of Rs. 251.56 crore, expenditure under the head 'Information Technology (Office Expenses)' has consistently been growing. An additional sanction of Rs. 442.03 crore was granted by the Cabinet in 2005-06 to include expenses on running and managing the All India Income Tax Network, National Data Centre, Business Continuity Planning Site, Disaster Recovery Site, Facilities Management Services etc. However, the provision has been reduced to Rs. 74 crore in RE 2006-07 from the original provision of Rs. 138.50 crore due to non-materialisation of tender for System Integrator. The provision also includes implementation of Multi Protocol Level Switching Virtual Private Network to ensure connectivity for all Zonal Accounts Offices.

### 5.3.6 ADVERTISING AND PUBLICITY

The Department has undertaken many publicity related initiatives to reach the wide span of tax payers across the country. Publicity campaigns have focussed on increasing awareness among the tax payers of various schemes of the Department viz. Help Centres, Submission of Income Tax Returns at Post Offices, e-filing, PAN de-duplication, e-TDS, Tax Return Preparer Scheme etc. The provision has accordingly been increased to Rs. 30 crore in Revised Estimates 2007-08.



**6. Grant No. 43 -Indirect Taxes**

(Rupees in Crore)

Descriptions		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
	Major Head	2004-05	2004-05	2004-05	2005-06	2005-06	2005-06	2006-07	2006-07	2006-07 (upto Dec.06)
1	2	3	4	5	6	7	8	9	10	11
<b>Revenue Section</b>										
Collection of Customs	2037	472.30	481.66	436.37	504.42	490.13	454.46	530.55	503.15	350.43
Customs Welfare Fund	2037	10.00	9.19	9.19	10.00	10.75	10.75	10.00	10.00	0.00
Missions Abroad	2037	0.80	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.69
Collection of Union Excise Duties	2038	716.58	744.28	749.41	793.92	821.79	807.78	845.36	882.15	692.99
Printing of Banderols etc.	2038	0.79	0.20	–	0.10	0.05	0.08	0.02	0.02	–
Directorate of Inspection	2038	23.07	38.87	31.44	95.74	55.22	31.44	160.57	107.35	24.89
Vigilance	2038	4.03	4.26	3.20	4.53	4.52	3.72	4.69	4.37	2.90
National Academy of Customs, Excise & Narcotics	2038	8.97	9.41	8.24	9.93	10.40	10.04	10.33	11.34	7.04
Directorate of Publicity & Public Relations	2038	5.84	15.15	14.79	15.42	30.65	20.99	21.07	28.26	15.19
Directorate of Central Excise Intelligence	2038	15.46	16.08	13.99	17.24	17.99	15.41	18.67	18.33	11.86

Descriptions		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
	Major Head	2004-05	2004-05	2004-05	2005-06	2005-06	2005-06	2006-07	2006-07	2006-07 (upto Dec.06)
1	2	3	4	5	6	7	8	9	10	11
Other Offices	2038	4.76	5.32	4.83	6.07	5.86	5.24	6.10	5.79	4.00
Housing - Maintenance & Repair	2216	0.50	1.00	0.14	1.50	1.50	0.58	2.40	3.25	0.48
Aid Material & Equipment	3606	–	–	–	–	1.00	0.62	5.23	2.20	–
<b>Total- Revenue Section</b>		<b>1263.10</b>	<b>1326.22</b>	<b>1272.40</b>	<b>1459.67</b>	<b>1450.66</b>	<b>1361.91</b>	<b>1615.89</b>	<b>1577.11</b>	<b>1110.47</b>
<b>Capital Section</b>										
Acquisition of Marine Vessels	4047	94.23	–	–	35.68	–	–	35.68	20.00	–
Acquisition of Container Scanners	4047	79.50	26.35	19.68	100.00	5.79	1.05	20.00	6.00	–
Major Works	4047	0.10	0.05	–	0.05	0.05	–	0.25	0.25	–
Acquisition of Ready Built Office Buildings	4059	10.00	10.00	3.42	33.00	2.00	0.01	33.00	17.34	16.00
Acquisition of Ready Built Residential Buildings	4216	15.00	15.00	4.83	20.00	10.00	5.77	10.00	12.00	2.21
<b>Total- Capital Section</b>		<b>198.83</b>	<b>51.40</b>	<b>27.93</b>	<b>188.73</b>	<b>17.84</b>	<b>6.83</b>	<b>98.93</b>	<b>55.59</b>	<b>18.21</b>
<b>Grand Total</b>		<b>1461.93</b>	<b>1377.62</b>	<b>1300.33</b>	<b>1648.40</b>	<b>1468.50</b>	<b>1368.74</b>	<b>1714.82</b>	<b>1632.70</b>	<b>1128.68</b>
Recoveries		-0.60	-0.60	-0.45	-0.50	-1.50	-0.98	-5.73	-2.70	–
<b>Net</b>		<b>1461.33</b>	<b>1377.02</b>	<b>1299.88</b>	<b>1647.90</b>	<b>1467.00</b>	<b>1367.76</b>	<b>1709.09</b>	<b>1630.00</b>	<b>1128.68</b>

**6.1 Grant No. 43 -Indirect Taxes (Object Head Wise)**
*Rupees in Crore)*

Descriptions	BE 2004-05	RE 2004-05	Actual 2004-05	BE 2005-06	RE 2005-06	Actual 2005-06	BE 2006-07	RE 2006-07	Actual 2006-07 (upto Dec.06)
1	2	3	4	5	6	7	8	9	10
<b>Revenue Section</b>									
Salaries	877.31	919.01	909.13	968.41	985.00	977.17	1016.60	1060.00	866.32
Wages	11.96	9.60	8.58	10.74	9.00	7.18	8.80	7.40	4.74
Overtime Allowance	17.45	16.01	13.45	16.98	16.00	12.75	16.00	14.50	8.49
Rewards	26.98	22.00	16.90	25.63	23.75	16.15	22.00	20.00	6.15
Medical Treatment	25.70	25.80	15.00	27.11	26.00	21.09	25.00	24.70	15.18
Domestic Travel Expenses	30.08	30.09	28.69	33.12	33.65	31.95	35.30	35.80	22.70
Foreign Travel Expenses	0.50	0.50	0.31	0.50	0.50	0.35	0.60	0.60	0.08
Office Expenses	121.63	133.20	140.81	144.80	150.97	146.55	152.81	153.13	100.80
Rent, Rates & Taxes	65.72	65.72	59.15	71.78	73.00	58.16	100.00	73.00	39.66
Publications	0.70	0.62	1.05	0.72	0.76	0.95	0.76	0.80	0.31
Other Administrative Expenses	3.75	3.85	3.32	4.01	3.90	3.49	4.18	4.58	3.07
Advertising & Publicity	3.00	12.70	11.97	15.00	30.00	18.55	20.00	27.00	13.25
Minor Works	1.32	1.25	0.84	1.50	3.17	1.82	4.07	4.95	0.85
Professional Services	9.51	9.16	7.55	10.30	10.11	7.46	9.50	10.00	3.34
Other Contractual Services	–	–	–	–	1.00	0.62	5.23	2.20	–
Grants-in-Aid	0.06	0.06	0.05	0.07	0.07	0.05	0.07	0.08	0.01
Secret Service Expenditure	3.02	3.02	2.87	3.35	3.35	3.21	3.70	3.70	2.03
Other Charges									
(Charged)	1.00	1.05	0.92	1.00	1.00	0.56	1.00	1.00	0.38

Descriptions	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
	2004-05	2004-05	2004-05	2005-06	2005-06	2005-06	2006-07	2006-07	2006-07 (upto Dec.06)
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
(Voted)	1.82	1.60	2.48	1.24	1.18	1.42	1.27	1.27	0.80
Machinery & Equipment	13.26	11.94	5.26	10.25	11.00	9.05	14.00	12.40	4.62
Inter Accounts Transfer	20.00	19.19	23.41	22.00	22.75	22.75	22.50	22.50	–
Deduct Recoveries	10.00	10.00	14.22	12.00	12.00	12.00	12.50	12.50	–
Information Technology									
Office Expenses	38.33	49.85	34.88	103.16	56.50	32.63	165.00	110.00	17.69
<b>Total - Revenue Section</b>	<b>1263.10</b>	<b>1326.22</b>	<b>1272.40</b>	<b>1459.67</b>	<b>1450.66</b>	<b>1361.91</b>	<b>1615.89</b>	<b>1577.11</b>	<b>1110.47</b>
<b>CAPITAL SECTION</b>									
<b>I. Major Head '4047'</b>									
Acquisition of Ships & Fleets	94.23	–	–	35.68	–	–	35.68	20.00	–
Acquisition of Anti Smuggling Equipment	79.50	26.35	19.68	100.00	5.79	1.05	20.00	6.00	–
Major Works	0.10	0.05	–	0.05	0.05	–	0.25	0.25	–
Total - Major Head '4047'	173.83	26.40	19.68	135.73	5.84	1.05	55.93	26.25	–
<b>II. Major Head '4059'</b>									
Purchase of Ready Built Office Accommodation	10.00	10.00	3.42	33.00	2.00	0.01	33.00	17.34	16.00
<b>III. Major Head '4216'</b>									
Purchase of Ready Built Residential Accommodation	15.00	15.00	4.83	20.00	10.00	5.77	10.00	12.00	2.21
<b>Total - Capital Section</b>	<b>198.83</b>	<b>51.40</b>	<b>27.93</b>	<b>188.73</b>	<b>17.84</b>	<b>6.83</b>	<b>98.93</b>	<b>55.59</b>	<b>18.21</b>
<b>Grand Total</b>	<b>1461.93</b>	<b>1377.62</b>	<b>1300.33</b>	<b>1648.40</b>	<b>1468.50</b>	<b>1368.74</b>	<b>1714.82</b>	<b>1632.70</b>	<b>1128.68</b>
Recoveries	0.60	0.60	0.45	0.50	1.50	0.98	5.73	2.70	–
Net	1461.33	1377.02	1299.88	1647.90	1467.00	1367.76	1709.09	1630.00	1128.68

## 6.2 ANALYSIS OF OVERALL TRENDS IN EXPENDITURE IN GRANT NO.43-INDIRECT TAXES

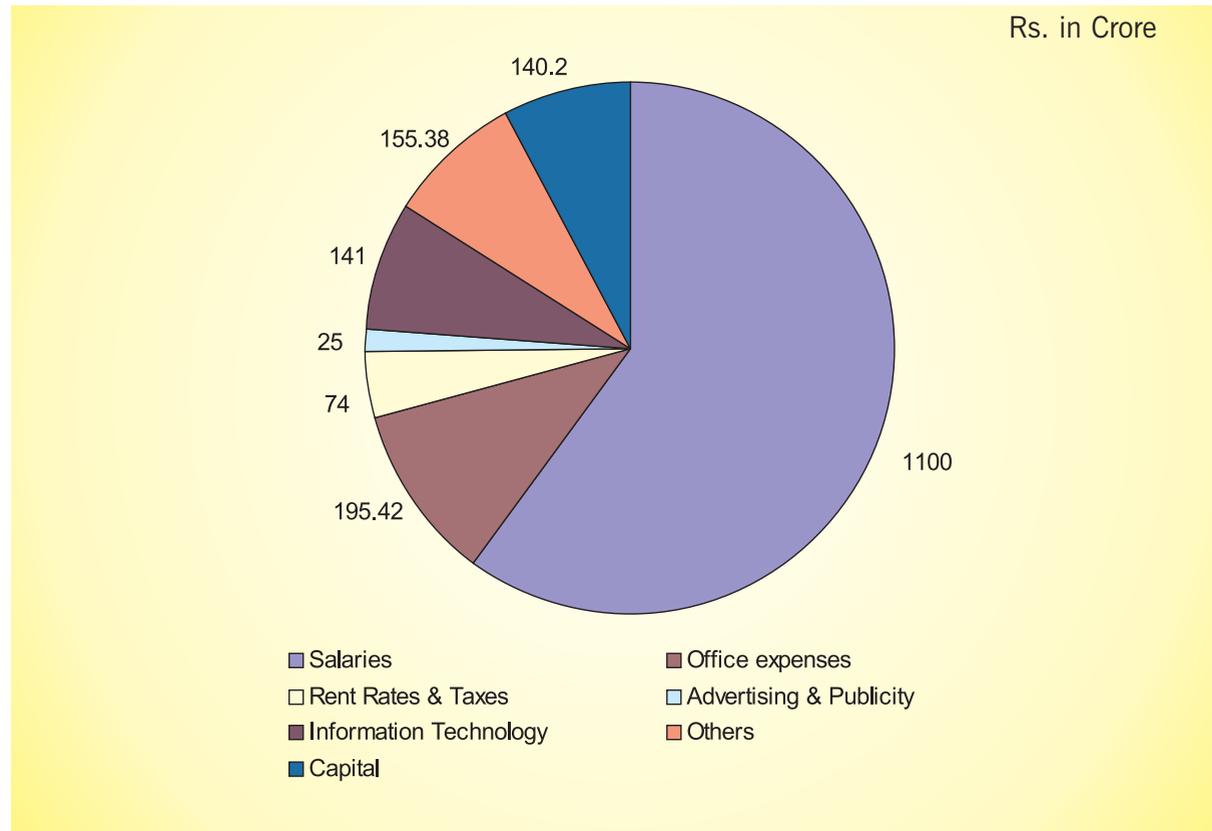
1. During 2005-06, total expenditure of Rs.1368.74 crore was 5.26% more than the expenditure of Rs.1300.33 crore incurred in 2004-05. In Revenue Section, the increase is 7.03% which is mainly due to enhancement of pay and allowances, more expenditure on reimbursement of medical expenses and publicity campaign about Service Tax.
2. Under Capital Section, there is decrease of 75.54% in 2005-06 vis-à-vis expenditure in 2004-05. This is because of non-finalisation of an office accommodation proposal and non-materialization of purchase of marine vessels and container scanners during the year.
3. In 2006-07, total estimated expenditure of Rs.1632.70 crore is 19.28% more than the expenditure of Rs.1368.74 crore incurred in 2005-06. In Revenue Section, the anticipated increase is 15.80% which is mainly due to enhancement of pay and allowances, more cases of reward sanctioned for employees and informers, publicity campaign about Service Tax, more expenditure on hired accommodation and computerization of the Department.
4. In Capital Section, there is expected increase of 713.91% in 2006-07 as compared to expenditure of 2005-06. This is because of finalization of proposal for purchase of office accommodation at Mumbai, expenditure on other on going schemes for acquisition of office/residential accommodation and likely expenditure as advance payment for construction of marine vessels and development of site for installation of container scanners.
5. Under 'Information Technology', expenditure during 2005-06 was Rs.32.63 crore which is 6.45% less than the expenditure of Rs.34.88 crore incurred in 2004-05 because of delay in finalization of process for implementation of consolidation project. However, for 2006-07 estimated expenditure of Rs.110.00 crore is 237.13% more than the expenditure incurred in 2005-06 because implementation of some of the components of consolidation project are likely to start during 2006-07.
6. For procurement of marine vessels, no expenditure has been incurred upto January, 2007. Some advance payment is likely to be made by March, 2007 at the time of placing order for construction of 87 vessels of Category I, III A and III B.
7. For procurement of container scanners, expenditure during 2005-06 was Rs.1.05 crore which is 94.66% less than the expenditure of Rs.19.68 crore incurred in 2004-05 because proposal for procurement of 3 mobile scanners and 4 fixed scanners in the second phase was approved by CNE on 14.02.2006 and by the CCEA on 27.10.2006 i.e. after the close of the financial year 2005-06. For 2006-07, estimated expenditure of Rs.6.00 crore is 471.37% more than the expenditure incurred on 2005-06 because balance payment pertaining to installation of 2 scanners in first phase and some payments for Geo-Technical investigations and other preparatory work are also to be incurred.
8. For acquisition of office accommodation, expenditure during 2005-06 was negligible as no proposal could materialize. For 2006-07, estimated expenditure is Rs.17.34 crore because of part payment made in respect of purchase of building from UTI at Mumbai.
9. For acquisition of residential accommodation, expenditure during 2005-06 was Rs.5.77 crore which is 19.46% more than the expenditure of Rs.4.83 crore incurred in 2004-05 because of balance payment made in respect of ongoing projects. For 2006-07, estimated expenditure of Rs.12.00 crore is 107.99% more than the expenditure

incurred in 2005-06 because of scheduled part payment in respect of ongoing projects.

- Expenditure under 'Advertising and Publicity' was Rs.4.79 crore in 2003-04, Rs.11.97 crore in 2004-05, Rs.18.55 crore in 2005-06 and provision of Rs.27.00 crore has been made in RE 2006-07 which is

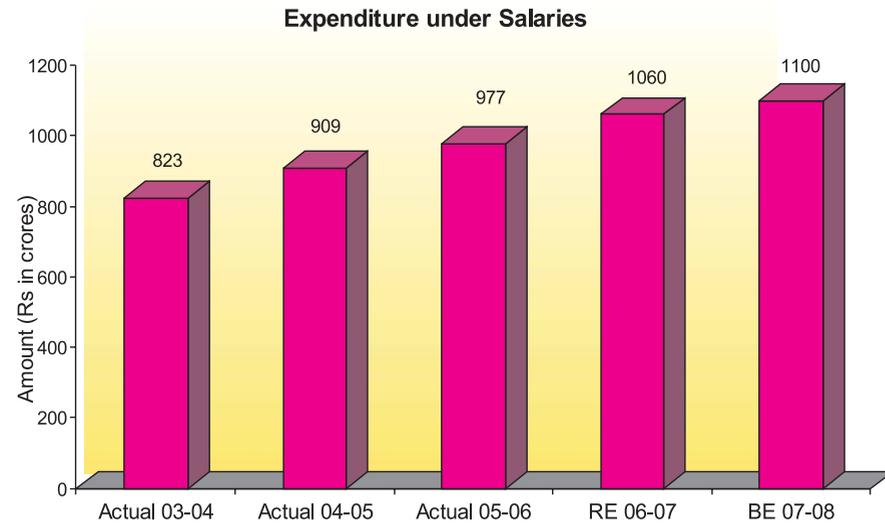
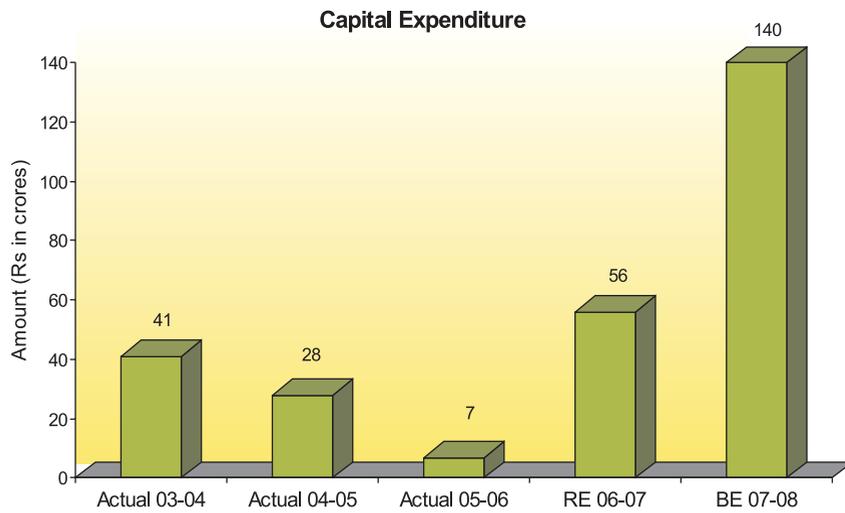
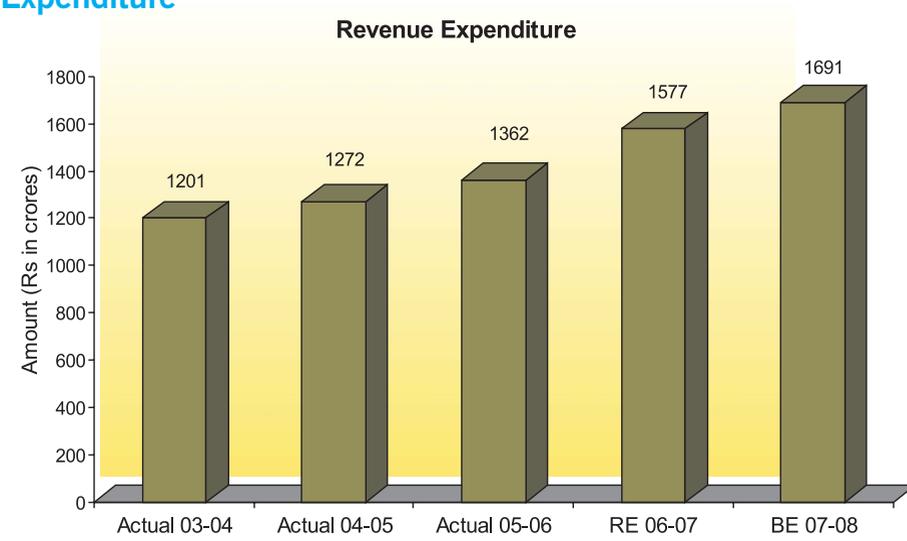
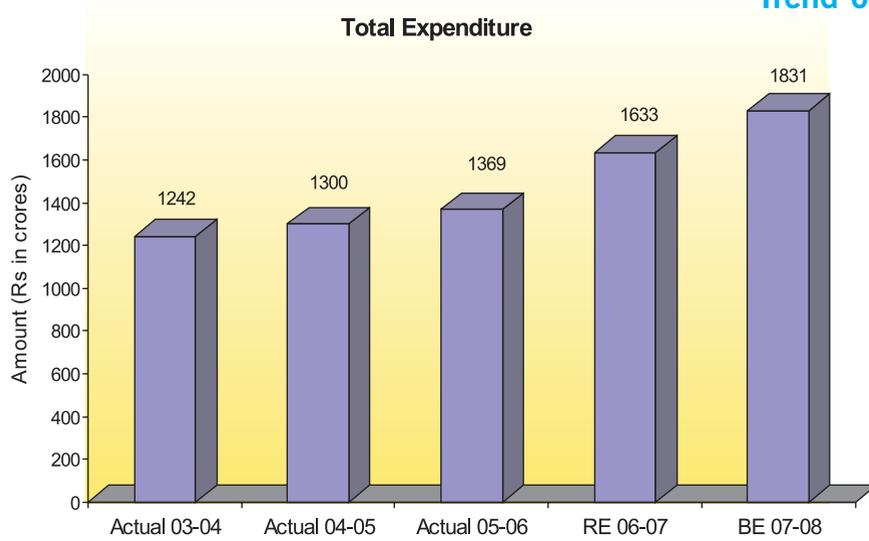
463.67% more than the expenditure incurred in 2003-04. Expenditure under 'Advertising and Publicity' has increased from 0.39% of cost of collection in 2003-04 to 1.36% of cost of collection in 2005-06. The publicity campaigns have facilitated the tax payers awareness and increased revenues especially of Service Tax.

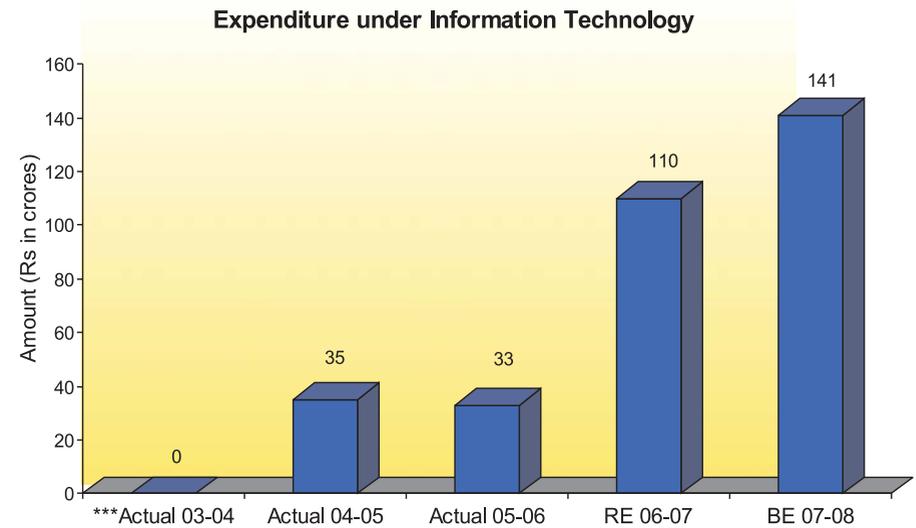
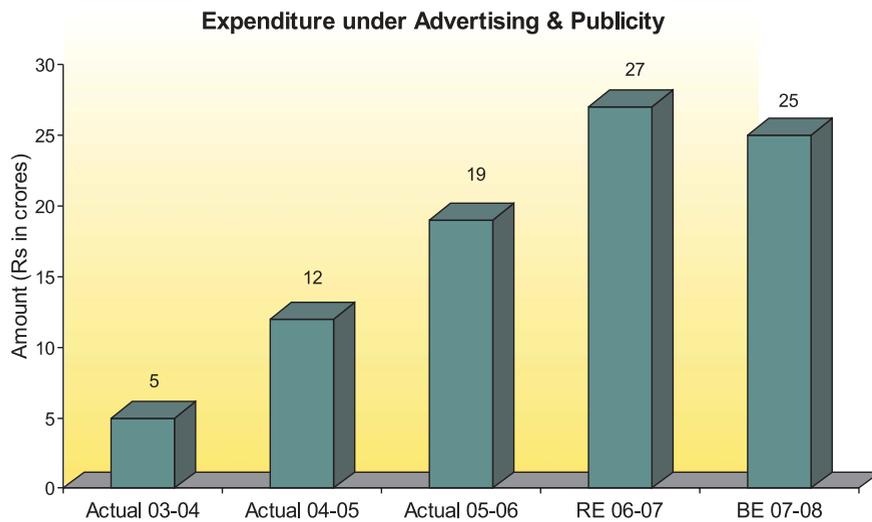
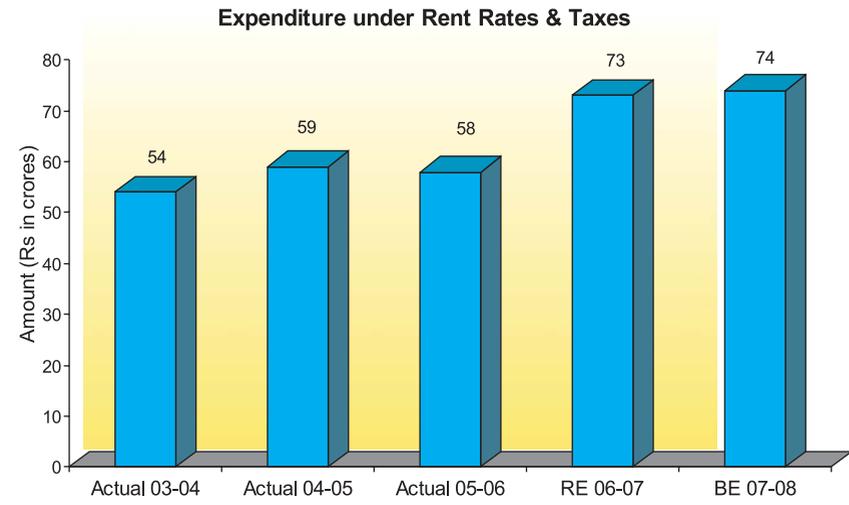
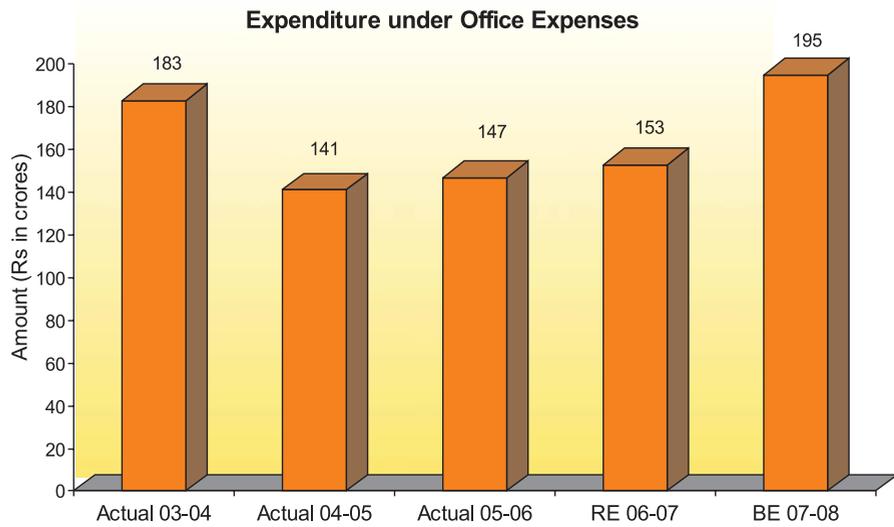
### 6.3 Major Constituents of Expenditure under the Grant of Indirect Taxes in BE 2007-08



## 6.4 Grant No. 43-Indirect Taxes

### Trend of Expenditure





\*\*\* Till 2003-04, Expenditure on Information Technology was met from the Head 'Office Expenses'

## 7. Grant No. 44 – Department of Disinvestment

(Rupees in Crore)

S. No.	Object Head	2004-05			2005-06			2006-07		
		B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual 31.12.06
	<b>Revenue Section</b>									
1	Salaries	1.22	1.08	1.03	1.00	1.12	1.06	1.35	1.30	1.05
2	Wages	0.01	0.01	–	0.01	–	–	0.01	–	–
3	Overtime Allowance	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
4	Medical Treatment	-	0.04	0.02	0.04	0.05	0.06	0.05	0.02	0.01
5	Domestic Travel Expense	0.17	0.09	0.05	0.09	0.04	0.03	0.06	0.02	0.01
6	Foreign Travel Expenses	0.23	0.15	0.13	0.10	0.03	–	0.06	0.02	–
7	Office Expenses	0.66	0.42	0.38	0.39	0.33	0.32	0.45	0.37	0.36
8	Publication	0.13	0.02	0.02	0.01	0.01	0.02	–	–	–
9	Other Administrative Expenses	–	–	–	0.01	–	–	0.01	0.01	–
10	Professional Services	52.49	46.71	27.35	5.00	4.50	4.49	8.00	2.15	1.54
11	Information Technology	0.07	0.06	–	0.05	0.04	0.04	0.05	0.10	–
	<b>Total Revenue Section</b>	<b>55.00</b>	<b>48.60</b>	<b>28.99</b>	<b>6.70</b>	<b>6.13</b>	<b>6.03</b>	<b>10.05</b>	<b>4.00</b>	<b>2.98</b>
	<b>Capital Section</b>	–	–	–	–	–	–	<b>7680.00</b>	<b>0.01</b>	-

### 7.1 Analysis of Overall Trends in Expenditure

The overall Revenue expenditure under this Grant was Rs. 28.99 crore in 2004-05, Rs. 6.03 crore in 2005-06 and is estimated at Rs. 4.00 crore in Revised Estimates 2006-07. The substantial reduction in expenditure under this Grant is on account of lesser number of cases

taken up for disinvestment. The provision under this Grant is mainly to meet the requirements of the Secretariat of the Department. Expenditure incurred under the Object head 'Professional Services' is to meet the pending liabilities on account of earlier disinvestment cases.

## 1. DEPARTMENT OF ECONOMIC AFFAIRS

Securities and Exchange Board of India (SEBI) and Pension Fund Regularity Development Authority (PERDA) are two Autonomous Bodies under the administrative control of the Department. Out of the two, Government grant is given only to PERDA. There is one 'Security Printing And Minting Corporation Of India Limited (SPMCIL) (Government owned Corporation), one Investment Commission funded by the Government and India Infrastructure Finance Company Ltd (IIFC Ltd.) under the administrative control of the Department of Economic Affairs. The details about these organizations are as under:-

### 1.1 Pension Fund Development Regulatory Authority

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

pension system to be launched after the PFRDA Bill, 2005, is passed by Parliament

- Pending passage of the PFRDA Bill, the Authority was actively involved in creation of awareness and building consensus about the pension reforms. PFRDA was also engaged in completing the ground work which will enable it to roll out the system envisaged under the PFRDA Bill in the shortest possible time once the Bill is approved by Parliament. PFRDA has also been interacting constantly with the Government, Comptroller and Auditor General of India, etc. and rendering assistance, wherever possible, in efficient implementation of NPS for new recruits in Government.
- In order to create awareness about the New Pension System (NPS), a draft discussion paper was prepared by PFRDA and circulated through the website of Ministry of Finance. The discussion paper explained the rationale behind pension reforms in India and sought comments and suggestions from stakeholders and public. Based on a paper prepared by the Authority, the PFRDA Board worked out the broad outline of the strategy for creation of public awareness and education in pension sector once the PFRDA Bill is enacted.
- In compliance with one of the recommendations of the Standing Committee of Parliament, preliminary draft Regulations relating to

registration of intermediaries under the New Pension System were formulated by PFRDA. The preliminary draft Regulations were posted on the website of Ministry of Finance for soliciting comments from all stakeholders. A number of responses were received from the public and stakeholders and the same would be taken into consideration while finalizing the Regulations after the passage of the PFRDA Bill.

- PFRDA took up the matter of accounting of pension contributions of new recruits in the sixteen states which have adopted the NPS with the Comptroller and Auditor General of India (C&AG) and actively participated in a workshop organized by the C&AG to help the State Governments strengthen their NPS accounting procedure. State Accountants General and Senior Officers from Finance Departments of State Governments attended this one day workshop.
- The Authority has been pro-actively taking up the following issues with the Government of India to further strengthen the recordkeeping and other functions associated with the implementation of the New Pension System:
  - (i) Periodic review of the function of recordkeeping which has been entrusted by the Government to the Central Pension Accounting Office (CPAO).
  - (ii) Constitution of an apex committee to oversee the implementation of the New Pension System for the Central Government employees.
  - (iii) Investment of funds accrued under the New Pension System under a restructured recordkeeping arrangement.
  - (iv) Other retirement benefits to the central Government employees and changes in All India Service pension provision.

(v) Regulations for autonomous bodies under the New Pension System.

- PFRDA co-hosted with Organization for Economic Cooperation and Development (OECD) an 'International Conference on Financial Education' on 21st & 22nd September 2006, at New Delhi, India. The main objective of the conference was to assist policymakers and providers of financial education on how to efficiently address the problem of raising awareness about the importance of financial education and to provide guidance in designing and implementing effective and targeted programmes for improving the financial literacy of individuals.
- The Authority has also taken all necessary steps including appointment of Central Public Information Officer (CPIO) and the Appellate Authority under the RTI Act to provide the information. A fully functional web-site of PFRDA has also been made operational where all necessary information about the NPS and PFRDA are available.
- In order to address the issue of investment of pension contributions under the NPS through a mechanism of consensus, a Conference of Chief Ministers' on Pension reform was held on 22<sup>nd</sup> January 2007, which was chaired by the Prime Minister. All the State Governments, except West Bengal, Tripura and Kerala, were in favour of the proposal to adopt the guidelines applicable to the non-Government provident fund prescribed by Ministry of Finance for investing the accumulations under NPS till the Bill is passed by Parliament.
- Based upon the consensus arrived at the Chief Ministers' Conference, PFRDA is taking urgent steps to appoint a central record keeping agency (CRA) and PSU Fund managers to invest the pension contributions of the Government employees.

- There was a provision of Rs.5.00 crore in BE 2006-07 of which Rs.2.00 crore was released and upto 31st December 2006 an expenditure of Rs.16,182,581/- was incurred.

## 1.2 Security Printing and Minting Corporation of India Limited (SPMCIL)

- 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. 6<sup>th</sup> 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 proposed to be 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, Govt. 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

- A decision was taken by the Govt. to transfer all the assets and liabilities of these nine units w.e.f 10.02.2006. Provisionally, the company has assets and equivalent liability amounting to Rs. 3700 crore. The employee strength of all the nine units of SPMCIL is about 18000. 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.
- Soon after corporatisation, SPMCIL had to manage creation of an organisation, working in accordance with the provisions of Companies Act and stipulations prescribed by Government of India. It has managed to create infrastructure and appoint personnel for the Corporate Office which is functional at Jawahar Vyapar Bhawan, Janpath, New Delhi. Transition from Government departmental set up to corporatisation is being handled very smoothly and reconciliation meetings with representatives of workers and affected groups are going on. It has successfully completed the compilation of accounts for the period starting from 13<sup>th</sup> January, 2006 (i.e. date of incorporation of the company) to 31<sup>st</sup> March, 2006. This has been done in accordance with the provisions of Companies Act and Accounting Standards prescribed for maintenance of the accounts. These accounts, prepared on commercial lines have been audited by the C&AG of India and duly approved in the AGM of the company. As on 31-3-2006, SPMCIL has an asset base of Rs.4002.30 crore and profit after tax for the above period is Rs.32.32 crore. In addition

to above, other statutory requirements of registration with different agencies have also been completed. Payment of due taxes has been made in time as and when it has become due.

- 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 done record production of passport and visa stickers for Ministry of External Affairs, 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. During the year it has got order for minting of 1 Baht coins for Thailand. Production of the same is going on as per schedule.

- Keeping in view the national security perspective, all these units have been advised CISF security. IB has also posted their intelligence team as per the security requirements. Notwithstanding their importance from security perspective, yet these arrangements are very expensive leading to extra expenditure on security overheads.
- It has envisaged modernisation of security paper mill, capacity enhancement of security paper production, modernisation of currency printing unit and automation of various activities being carried out in a traditional manner. This organisation is currently a profit making organisation. However, in order to be competitive it needs budgetary support to meet the social expenses and other commitments not directly related to business being carried out.

### Budget Estimates of SPMCIL for the year 2006-07 and 2007-08

(Rs. in Crore)				
	RE 05-06	Actuals 05-06*	RE 06-07	BE 07-08**
Revenue Expenditure	1040.80	153.17	1096.52	1091.86
Capital Expenditure	72.11	886.18	182.84	450.00

\* For the period from 10.02.2006 to 31.03.2006

\*\* Provisional Figures as budget is at draft stage and has not been approved.

- 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 01.04.2006 to 31.12.2006		
Sl. No.	Products	Production
1	Bank Notes	3399 Million Pieces
2	Coins & Medals	525 Million Pieces
3	Security Paper	2250 Metric Ton
4	Post Cards	2.01 (in Crore)
5	Envelopes	0.48 (in Crore)
6	Regn. Envelopes	0.44 (in Crore)
7	Inland Letter Cards	0.05 (in Crore)
8	Aerogrammes	0.00 (in Crore)
9	Postage Stamps	1.18 (in Crore)
10	Commemorative Stamps	27 Nos
11	Adhesive Stamps	0.91 (in Crore)
12	N.J & Allied Stamps	15.36 (in Crore)
13	Saving Instruments	1.15 (in Crore)
14	Non MICR Cheques	0.44 (in Crore)
15	MICR Cheques	6.07 (in Crore)
16	Misc. Security Forms	1.50 (in Crore)
17	Passport & Allied Booklets	0.43 (in Crore)
18	Stickers/Labels/I.Card/Seals	0.23 (in Crore)
19	Passport & Allied Booklets	0.43 (in Crore)
20	Stickers/Labels/I.Card/Seals	0.23 (in Crore)

Details of Sales of major products for the period from 01.04.2006 to 31.12.2006		
Sl. No.	Main Products	Sales (Rs. In Crore)
1	Bank Notes	726.00
2	Coins and Medals	64.66
3	Paper	96.63
4	MICR Cheques	27.47
5	NJ & Allied Stamps	101.89
6	Passport	80.12
7	Adhesive Stamp	20.82
8	Other Security Items	44.00
	<b>TOTAL</b>	<b>1161.59</b>

### 1.2.1 Units

Security Printing and Minting Corporation of India Limited (SPMCIL), has following nine units:

#### India Government Mint, Mumbai (Maharashtra)

This Mint was established in the year 1829 which is one of the oldest mints of the Country. It has got the capacity of minting coins, medals & further, it also takes care of refining of Gold and Silver and other metals.

#### India Government Mint, Kolkata (West Bengal)

This mint was established in 1952 at Kolkata. Originally different minting facilities were created in and around Kolkata in the 18th Century. One of the mints was modernised in the year 1952 and it was then known

as Alipore Mint. Later-on Government of India renamed it as India Government Mint, Kolkata. The mint has facilities for making coins, medals and refining as well as melting

#### India Government Mint, Hyderabad (Andhra Pradesh)

India Government Mint, Hyderabad was originally started in the year 1903 in the Hyderabad city. However, after modernisation, it was re-located to a place - Cheralapalli, near Hyderabad in the year 1997. This is the most modern minting unit in the country having refining facility as well as facility to mint coins, medals and medallion.

#### India Government Mint, Noida (Uttar Pradesh)

This Mint was established in the year 1988. The Minting facility at Noida takes care of the requirement of Coins. This is one of the modern mints in the Country.

#### Currency Note Press, Nasik (Maharashtra)

Currency Note Press, Nashik Road, was established in the year 1928 with the objective of printing Currency notes of denominations as per the requirements and indents placed by Reserve Bank of India from time to time. It prints bank notes of Rs. 10, 50, 100, 500 & 1000 denominations.

#### Bank Note Press, Dewas (Madhya Pradesh)

Bank Note Press, Dewas, was established in 1973 and it was notified as commercial Undertaking under Ministry of Finance. It prints Bank Notes of Rs. 20/-, Rs. 50/-, Rs. 100/- and Rs. 500/- denominations. This Press also manufactures security ink for various security printing organizations.

#### India Security Press, Nashik Road (Maharashtra)

India Security Press, Nashik Road was established in the year 1925 and it was notified as commercial industrial unit under the administrative

control of Govt. of India, Ministry of Finance. It prints & supplies Judicial/ non-judicial stamp papers, all types of postal & non postal stamps & stationery, passports, visa & other travel documents, MICR & Non-MICR Cheques in continuous Stationery form, Identity Cards, Railway Warrants, Income Tax Return Order Forms, Saving Instruments (IPOs & KVP, IVP Certificates,) etc.

#### Security Printing Press, Hyderabad (Andhra Pradesh)

This organization was established in the year 1967 and it was notified as commercial industrial unit under the administrative control of Govt. of India, Ministry of Finance. It is responsible for printing & supply of low Denomination Judicial & Non-Judicial Stamp papers being supplied to Southern States, Postal Stamps & Postal Stationery to Dept. of Post.

#### Security Paper Mill, Hoshangabad (Madhya Pradesh)

Security Paper Mill, Hoshangabad was established in 1968 and it was notified as non-commercial undertaking under the administrative control of Govt. of India, Ministry of Finance. This unit is responsible for manufacturing of different types of Security Papers.

### 1.3 Investment Commission

- The Commission was set up in December 2004 with a view to making the environment in India attractive for investors. Members of the Commission are Shri Ratan Tata, (Chairman), Shri Deepak Parikh and Shri Ashok Ganguly as Members. The Commission has the broad authority of the Government to engage, discuss with and invite domestic and foreign businesses to invest in India.
- The Commission, in its report submitted in February 2006, has observed that for sustaining growth at over 8% per annum will require an increase in investment levels in the economy from

approximately 28% of GDP to about 32% of GDP. Over the next 5 years, this translates to a cumulative investment of about \$ 1.5 trillion. The Commission has set itself the goal to increase the level of FDI from the existing level of about \$ 5 billion to \$ 15 billion by 2007-08.

- The Commission studied 25 key sectors spanning Infrastructure, Manufacturing, Services, Natural Resources and the Knowledge Economy. They represent a significant part of the economy and would require an aggregate investment of US \$ 525 - \$ 550 billion over the next 5 years.
- The Commission has identified a few National Thrust Areas with defined national goals. The purpose of the defined Thrust Areas would be to elevate India's presence in these areas regionally or even globally. The Thrust Areas have been suggested to include Tourism, Power, Textiles and Agro-processing. These specific sectors have been recommended to create enormous job opportunities (both direct and indirect) resulting in a considerable boost to the economy.
- The recommendations of the Commission have been taken up with the concerned administrative Ministries/Departments.
- The Commission also visited Japan in July 2006 for meeting senior Government Officials/opinion makers and prospective investors as well as for presenting the Indian investment opportunities to wider audience. The Commission is also regularly interacting with prospective domestic and foreign investors.

#### 1.4 Performance of India Infrastructure Finance Company Ltd.

- IIFCL was incorporated on 05.01.2006 with an authorized capital of Rs. 1,000 crore and a paid up capital of Rs. 10.00 crore. IIFCL is a Special Purpose Vehicle created to lend funds, especially debt of

longer-term maturity, directly to the eligible projects to supplement other loans from banks and financial institutions. The company would fill the gap for long term infrastructure finance, which the banks are not in a position to address owing to concerns relating to mismatches in assets and liabilities. The company has since begun its operations and has sanctioned financial assistance of more than Rs. 7,000 crore to 40 eligible infrastructure projects.

- The paid up capital of IIFCL which has since been increased to Rs. 100.00 crore is proposed to be augmented further to Rs. 300 crore to enable IIFCL to perform its designated role of providing long term finance to infrastructure projects. IIFCL is expected to extend finance of Rs. 12,000 crore during 2007-08.

## 2. DEPARTMENT OF EXPENDITURE

### 2.1 National Institute of Financial Management

#### 2.1.1 Objectives

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

#### 2.1.2 Performance

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

### ■ Professional Training Course

So far, thirteen batches of probationers of various Accounts, Audit and Finance Services have been successfully trained for the 44 weeks training course. In the 12<sup>th</sup> course completed in November, 2005, 12 probationers completed the course. For the 13th Professional Training Course completed in November, 2006, 18 probationers joined the programme. Training of 14th batch of Probationers has commenced from 8th January, 2007 and 39 probationers have joined the course.

### ■ Management Development Programmes

The NIFM conducts Management Development Programmes of varying duration every year. Some of these programmes are sponsored by different Government Departments. Foreign Governments, World Bank etc. In addition, various Govt. Departments, PSUs etc. sponsor candidates for the specialized courses conducted by the Institute. In 2005, 40 programmes were conducted. In 2006, 38 programmes have been conducted. Currently, the focus of Management Development Programmes (MDPs) is in the following areas:

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

### 2.1.3 Financial Statement

The income & Expenditure Accounts as on 31<sup>st</sup> March, 2006 is as under:

(Amount in Rupees)

<b>INCOME</b>	<b>31.03.2006</b>	<b>31.03.2005</b>
Income from Services	3,04,86,204	2,89,05,971
Grants	1,40,00,000	1,40,00,000
Interest Earned	25,10,652	36,73,786
Other Income	13,84,858	3,58,635
<b>TOTAL (A)</b>	<b>4,83,81,714</b>	<b>4,69,38,392</b>
<b>EXPENDITURE</b>		
Establishment	1,73,94,499	1,65,71,990
Expenses	2,98,34,334	3,53,31,929
Other Administrative Expenses	69,98,373	67,14,199
Depreciation		
<b>TOTAL (B)</b>	<b>5,42,27,206</b>	<b>5,86,18,118</b>
Balance being Deficit/Surplus of Expenditure over Income (B-A)	(58,45,492)	(1,16,79,726)
Prior Period adjustments (Net)	(72,471)	(88,839)
	(59,17,963)	(1,17,68,565)
Less: Amount transferred from Capital Asset Fund representing depreciation (for the year) on assets acquired out of Govt. Grant.	27,94,969	30,71,524
Net Deficit/Surplus	(31,22,994)	(86,97,041)
<b>Balance being Deficit/Surplus carried over to Balance Sheet.</b>	<b>(31,22,994)</b>	<b>(86,97,041)</b>

- (i) TDS Rules and FBT Rules
- (j) Service Tax and Cenvat Credit Rules

■ **MBA (Finance)/Post Graduate Diploma in Business Management (Financial Management)**

The NIFM has been conducting MBA (Finance)/Post Graduate Diploma in Business Management (Financial Management) since year 2002. The new batch of PGDBM (FM) has commenced from 29th January, 2007.

■ **Consultancy Projects**

During 2005 four consultancy projects were completed whereas in 2006, three Consultancy Projects have been completed by NIFM. The consultancy projects awarded to NIFM during the year were as under:-

- Enhancing Institutional Capacity of Royal Institute of Management, Royal Govt. of Bhutan.
- Switchover to Accrual System of Accounting for Assam University, Silchar
- Switchover to Accrual System of Accounting for NEHU, Shillong.

■ **Seminar**

A seminar on 'Role Authority and Accountability of Financial Advisers' was conducted in May, 2005.

### 3. DEPARTMENT OF REVENUE

#### 3.1 National Institute of Public Finance & Policy

The National Institute of Public Finance & Policy was established in 1976 at joint initiative of Ministry of Finance, Planning Commission, several major State Governments, distinguished academicians and eminent persons

as an independent, non-profit organisation and was registered as a Society under the Societies Registration Act, 1860. It is an independent Research Training organisation.

The details of the Grant/Income of National Institute of Public Finance & Policy from various sources and expenditure incurred during the year 2005-06 are as under:-

(Rs. in crore)

	Grant/Income	Expenditure
Ministry of Finance	2.01	2.01
Other Sources	4.40	3.33
<b>Total</b>	<b>6.41</b>	<b>5.34</b>

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

(Rs. in crore)

Actual 2003-04	1.74
Actual 2004-05	1.79
Actual 2005-06	2.01
Budget Estimates 2006-07	2.41
Revised Estimates 2006-07	2.31
Actuals upto December, 2006	1.71

The constituents of grants and objectives thereof are as follows:

- (a) Core grant to enable the institute to meet a part of the recurring expenses. Currently, the core grant is given at the rate of Rs.20 lakh per annum.

- (b) Additional grant to meet the liability arising on account of salary/dearness allowance or pay revision of the core staff of the Institute following release of DA instalments and/or pay revision of Central Government employees and/or UGC scales of pay. The Institute follows the Central Government's rules regarding service conditions and also pay and allowances for its non-professional core staff. The scale of pay and allowances of the Institute's professional staff is based broadly on the pattern approved by the University Grants Commission for teaching staff in Universities and Colleges, as modified by the Governing Body from time to time. No revision in the scale of pay and allowances in respect of the core staff is carried out without the approval of the Ministry of Finance.
- (c) A Tax Research Cell (TRC) has been set up in the Institute with effect from June 9, 2005 with financial assistance of Rs.20.00 lakh per annum from Ministry of Finance which is still continuing. This TRC is subject to a review after two years i.e. review will become due in June, 2007.
- (d) The Tax Research Cell is planning to produce a series of working papers addressing issues that emerge as of current and imminent interest, with the field of taxation in India. During the second and third quarters of the financial year, the Cell has prepared two working papers viz. (a) Tax Trends and issues in Tax Policy and Reform in India, and (b) Raising the Tax ratio by reining in the "Tax Breaks" and "Agenda for Action".
- (e) The ongoing work includes papers on issues and options in taxation of small scale industries, fixation of agricultural income and treatment of charitable institutions within the tax status.
- (f) A provision of Rs.2.00 crore has been made in B.E. 2007-08 as grant-in-aid to National Institute of Public Finance & Policy towards

Central Government's share for construction of a new building to be utilized as the Training Programme Centre of the Institute.

### 3.2 Training programmes/workshops/seminars conducted by NIPFP

- (a) The Institute has conducted various training programmes/workshops/seminars during the current financial year (upto January, 2007). The highlights are as under:
- (i) Practical issues in Tax Policy and Tax Administration.
  - (ii) Training programme on Public Finance for Indian Audit and Accounts Service.
  - (iii) Fiscal Policy in India for IES probationers.
  - (iv) Refresher Course in Public Economics for College and University Teachers.
  - (v) Advanced Training in VAT Administration
  - (vi) Grassroots Level Workshop on Panchyatiraj.
  - (vii) Various Training programmes for Sri Lankan delegates.
  - (viii) Training Programme on Fiscal Policy for Bhutan officials.
  - (ix) Training Programme on Fiscal Policy for Afghanistan officials.
- (b) The Institute has so far conducted seven seminars during the current year on Public Finance and Fiscal Policy.
4. A peer review was conducted by Committee headed by Prof. Deepak Nayyar in 2006. The Report submitted by the Committee is under active consideration.

## Demand No. 32 - Department of Economic Affairs (Sl. No. 2 of Para 3.2.1 Chapter-II)

### MH 5475-Assistance for Infrastructure Development Public Partnership (PPP) in Infrastructure

1. The Viability Gap Funding (VGF) Scheme would provide financial support in the form of capital grant for Public Private Partnership (PPP) Projects from one of the following sectors:
  - (i) Roads and bridges, railways, seaports, airports, inland waterways;
  - (ii) Power;
  - (iii) Urban transport, water supply, sewerage, solid waste management and other physical infrastructure in urban areas;
  - (iv) Infrastructure projects in Special Economic Zones; and
  - (v) International convention centres and other tourism infrastructure projects;
2. Sectors/sub-sectors could be added or deleted from the aforesaid list through competent approval.
3. The total VGF under this scheme shall not exceed 20% of the Total Project Cost; provided that the Government or statutory entity that owns the project may, if it so decides, provide additional grants out of its budget, but not exceeding a further 20% of the Total Project Cost. While 20% is the cap provided for in the scheme, the actual VGF required for any project will be determined through competitive bidding.
4. Thus the VGF Scheme would enable leveraging of funds upto five times in the focus area of infrastructure. By meeting the concerns of commercial viability that often plagues such projects it would promote inflow of private capital flow in the infrastructure sectors.
5. The Scheme was first introduced in the Budget of 2004-05 when a provision of Rs 1500 crore in the Budget was made. However, no funds could be disbursed. The Scheme was subsequently revised in August, 2006 and a sum of Rs 1500 crore was provided in the Budget of 2005-06. Since the guidelines for making proposals could be finalised only in January, 2006 no funds could be disbursed 2005-06. A sum of Rs 500 crore has been provided in the budget of 2006-07 but disbursement of fund is also not for seen during the Current Financial year and as such the allocated fund of Rs 500 crore in the Budget Estimates 2006-07 has been restricted to Nil in Revised Estimates 2006-07.
6. Under the revised scheme 37 proposals have been received, of which

- “ In Principle “ approval has been granted to 21 proposals related to different highway projects in the State of Gujarat, Maharashtra, Madhya Pradesh and Rajasthan and Mumbai Metro Rail Project. One Metro Rail Project of Hyderabad and one Freeway Sea Link Project from Govt. of Maharashtra are under active consideration.
7. The total approvals for VGF grant till now is of the order of Rs 2530 crores for the 21 proposals granted “ In Principle “ approval. However the actual level of VGF amount of these proposals will be know once the bidding takes place. It may be stated here that pre-qualification of bidders / bidding process have been started in some of the projects and normely it will take 6 month to 1 year for the bidding process to be completed and VGF sanction issued. In 5 projects from Madhya Pradesh, bidding process has been completed and likely to be considered for final approval in the next month. Therefore, the first disbursement of VGF are likely to commence sometimes towards the middle of the year.
  8. The highway projects envisage four laning of State Highways in the state of Gujarat, Maharashtra, Madhya Pradesh and Rajasthan by the private sector on BOT basis with imposition of toll. There are also Metro Rail Projects in the state of Maharashtra and Andhra Pradesh seeking VGF for making the project viable. Without the Viability Gap Funding the projects were not commercially viable to be implemented by private sector and the only alternative was to implement it through government funding. Thus the VGF has enable additionality of resources, development of infrastructure and commercialisation of highway development and Urban Infrastructure development in the states of Gujarat, Maharashtra, Madhya Pradesh, Rajasthan and Andhra Pradesh. Similar benefits are expected to occur in other infrastructure sectors through the VGF scheme. However, as the Scheme is new and there is a lag in project implementation in such PPP projects it will take some time for the proposals to be developed.
  9. A sum of Rs 1000 crores has been proposed for the VGF Scheme in the Budget Estimates of 2007-08. Planning Commission has allocated Rs. 100.00 crore against this. Allocation of additional fund would be demanded in R.E 2007-08. Since the VGF Scheme is new necessary dissemination of information is required amongst the concerned entities. Department of Economic Affairs has developed their own website *pppinindia.com* giving information in this regard. Once the awareness for the proposal is widespread the number of proposals received would increase. In case better prepared projects are received where the bidding can be expedited the rate of disbursement could get accelerated.
  10. The disbursement under the scheme is dependent on a number of issues including the project authorities completing the competitive bidding process in a time bound manner for a project that has been given “In Principle” approval and the actual VGF to be disbursed would be determined only after the completion of the bidding process.
  11. At this stage 5 projects of Madhya Pradesh Road Development Corporation (MPRDC) where “In Principle” approval have been given, bidding process have been completed and VGF to the tune of Rs. 154 crore has been sought from Govt. of India under the scheme for the four projects only. No VGF has been sought for one of the 5 projects. The financial closure for these projects would take another 3-4 months, after which the construction to take place during 2007-08 provided that other steps are taken in due course. The expected fund required at this stage would be Rs. 154 crore during the Financial Year 2007-08 as per present estimates.

## Demand No.32 Department of Economic Affairs-S.No.3, para 3.2.1-Chapter –II)

### Indian Development and Economic Assistance Scheme (IDEAS)

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

### Indian Development and Economic Assistance Scheme (IDEAS)

2. The IDEAS attempts to promote India's strategic economic interests abroad by positioning India as an:-
  - i) Emerging economic power;
  - ii) Investor country;
  - iii) Donor for developing countries; and
  - iv) Investment destination for Foreign Direct Investment (FDI)
3. Based on the objectives listed in para 2 above, the following interventions will form the core of the activities under IDEAS:
  - i) **Writing off past debts of HIPC countries:** Under the Multilateral Financial Institutions (MFI) sponsored debt relief programmes, certain countries have been designated as Heavily

Indebted Poor Country (HIPC) . India has written off debts worth Rs. 120 crore of seven African countries that are HIPC and have crossed the 'Decision Point'. Some more countries are approaching the 'Decision Point' and India may wish to write off debts in respect of those countries as well. This activity is proposed to be brought under the umbrella of the IDEAS.

- ii) **Provide concessional Lines of Credit through Lending Agencies:** The system of providing Government to Government (G2G) loans borne on the budget of Government of India will be discontinued. The proposed scheme will mobilize credit from the international debt markets. Lending Agencies such as Export-Import Bank of India will be asked to raise resources from the market and lend to countries/projects/programmes identified by Government of India, through Lines of Credit. Repayment of the dues of the Lending Agency will be backed up by a sovereign guarantee from the recipient Government.

Government of India will back these efforts in two ways:

- a) Government of India may, when necessary, counter guarantee repayment of principal, interest and penalties to the Lending Agency. The Lending Agency shall also explore possibilities like obtaining re-insurance, securitising the loans, finding

third party guarantees/escrow accounts etc. which add to lending comfort.

- b) Government of India will provide an interest subsidy, which may be negotiated with the Lending Agency on a case-by-case basis. Government of India may also subsidise the cost of re-insurance or other securitisation costs, when a guarantee is not provided.

**iii) Working with other Donors, Governments and Multilateral Funding Institutions (MFIs) :** Credit lines from India will be in harmony with the national goals and aspirations of the recipient country. To ensure this, India could also use the expertise of other donors in creating country specific strategy papers or use existing Poverty Reduction Strategy Papers (PRSP). The services of such agencies can also be availed for preparation of country strategies, project preparations, appraisal and other operations.

**iv) Creation of Regional & Country Strategies:** It will be necessary to develop a regional and a country strategy and an assistance plan for a time horizon of 3-5 years for each region/sub-region (e.g. sub-Saharan Africa, Central Asia Republics, South Asia etc.).

While the guiding principle would be to select countries with long term high economic cooperation prospects, the identification of the countries/regions to be taken up for study would be done in consultation with the Ministry of External Affairs, Ministry of Commerce, other concerned ministries as well as business associations. Various steps through which such strategy/assistance plan may be formulated are:

- a. Identification of group of countries with sufficient geographic proximity and commonality of economic, political and resources features;
- b. Identify salient objectives and goals for each region and work

out the resources to be allocated for each goal within region;

- c. Within each region, for each target/host country develop a detailed implementation plan to accomplish the objectives and goals for that country;
- d. For each region and country, review the implementation and, if needed, review the country strategy/assistance plan every year.

v) Providing assistance for project preparation : Apart from creation of country strategies, Government of India may provide funds for project identification, preparation and appraisal. This may include consultancy charges to be paid to professionals/organizations. Project preparation assistance may cover all types of projects envisaged under IDEAS including, but not limited to, project exports, disaster relief works, co-financing of projects with multilateral funding institutions, technical assistance etc.

vi) **Project Training :** Training of personnel is very much essential for successful running of the projects. Therefore, Technical assistance would form an integral part of the projects taken up under the Credit Lines offered by India. The project training needs for execution and operation of the project shall be determined in consultation with the recipient countries and Indian entity at the time of granting of the credit line by the Government of India.

4. It is with this view, the concessional lines of credit are extended to foreign countries at the behest of GOI and are now routed through Exim Bank of India. This scheme was started in 2003-04. These lines of credit are approved by this Department on the proposal and recommendation of Ministry of External Affairs. During a short span of 3 years and a half, 51 GOI supported lines of credit through Exim Bank of India involving a collective amount of credit of US\$ 2165

**Statement showing disbursement of amounts under various GOI (Government to Government) lines of credit to foreign countries during 2004-05, 2005-06 and 2006-07 (upto December, 2006)**

(Rupees in Crores)

Name of the country	2004-05			2005-06			2006-07		
	BE	RE	Actual utilization	BE	RE	Actual utilization	BE	RE	Actual utilization (upto December, 2006)
Laos	10.00	12.00	12.90	21.00	31.00	30.41	5.00	0.6	0.51
Mauritius	40.00	35.00	27.53	32.00	32.00	15.89	18.00	8.00	Nil
Myanmar	8.62	82.00	84.88	37.00	27.00	24.66	5.00	1.00	Nil
Sri Lanka	50.00	100.00	101.38	140.00	70.00	49.26	108.00	100.00	70.62
Cambodia	9.00	2.70	2.68	14.00	2.20	0.69	21.00	15.00	1.90
Suriname	14.13	40.00	34.77	11.00	11.00	7.38	1.00	1.00	0.48
<b>TOTAL</b>	<b>131.75</b>	<b>271.70</b>	<b>264.14</b>	<b>255.00</b>	<b>173.20</b>	<b>128.29</b>	<b>158.00</b>	<b>125.60</b>	<b>73.51</b>

million (approx.) have been approved by this Department. These lines of credit have been extended to developing countries situated in different continents of the world – mostly in Africa but also in other continents e.g. Latin America Asia and CIS region. The countries which have benefited are – Afghanistan, Angola, Djibouti, Burkina Faso, Chad, Congo, Cote d' loire, Ethiopia, Equatorial Guinea, Fiji, Gambia, Ghana, Guyana, Guinea Bissau, Honduras, Jamaica, Mali, Mozambique, Myanmar, Niger, Senegal, Sri Lanka, Sudan, Suriname, Vietnam and Zambia. Apart from these countries, one line of credit has been approved for ECOWAS Bank for Investment & Development (EBID) which comprises of 15 African countries as its members.

5. These lines of credit have been approved under the general initiative of GOI as well as some special initiatives e.g. TEAM-9 initiative of

India and New Partnership of African Development (NEPAD) of Africa. The general objective of these lines of credit has been the same viz. to promote the export of major goods of Indian manufacture to these countries, and secondly, to achieve the political objective i.e. goodwill of beneficiary countries. By way of these lines of credit, the Indian companies are not only exporting machinery, equipment and goods for various sectors of these countries, but more importantly participating in executing many projects e.g. those in railways, Information Technology, Power generation and transmission, sugar mills and also agricultural projects. Thus India is fast emerging as the promoter of economic growth of many developing countries. Since some of these projects are in the process of commissioning,

**Demand No. 32 Department of Economic Affairs-S. No. 3, para 3.2.1-Chapter-II)**  
**Operational GOI Supported Exim Bank of India Lines of Credit (LOCs) to Foreign Countries**

Sl. No.	Borrower	Amount of LOC (in millions of US Dollars)	Rate of Interest	Repay-ment period (inclusive of grace period)	Interest Equalisation support to Exim Bank	Purpose of credit
1	Govt. of Zambia	10	LIBOR+ 1% p.a.	5 yrs.	1.5% p.a.	Purchase of various equipment from India
2	Govt. of Djibouti	10	1.5% p.a.	10 yrs. Grace – 2 yrs.	LIBOR+ 1.5% p.a.	Purchase of various goods from India
3	Govt. of Mozambique	20	1.75% p.a.	20 yrs. Grace	LIBOR+ 1.25% p.a. – 5 yrs.	Financing of exports of various goods from India
4	Govt. of Ghana	15	LIBOR+ 0.5% p.a.	7 yrs.	2% p.a.	Purchase of various goods from India
5	Govt. of Vietnam	27	1.5% p.a.	25 yrs. Grace	LIBOR+ 0.5% p.a. – 5 yrs.	Export of various Indian equipment, goods and services
6	Govt. of Myanmar	56.358	LIBOR+ 0.5% p.a.	10 yrs. Grace – 2 yrs.	2.5% p.a.	Upgradation of Yangon-Mandalay Railways System
7	Govt. of Sudan	50	LIBOR+ 0.5% p.a.	11 yrs.	2% p.a.	Purchase of various goods from India
8	Govt. of Lesotho	5	LIBOR+ 0.5% p.a.	8 yrs.	2.5% p.a.	Purchase of various goods from India
9	Govt. of Myanmar	7	LIBOR+ 0.5% p.a.	8 yrs. Grace – 1 yr.	2% p.a.	Development of information and communication technology
10	Govt. of Suriname	16	LIBOR+ 0.5% p.a.	15 yrs. Grace – 5 yrs.	2.5% p.a.	Power transmission line project (to be executed by PEC/L&T Ltd.)
11	Govt. of Senegal	15	1.75% p.a.	20 yrs. Grace	LIBOR+	Development of rural SMEs and purchase

Sl. No.	Borrower	Amount of LOC (in millions of US Dollars)	Rate of Interest	Repay-ent period (inclusive of grace period)	Interest Equalisation support to Exim Bank	Purpose of credit
12	Govt. of Angola	40	1.75% p.a.	– 5 yrs. 20 yrs. Grace	1.25% p.a. LIBOR+ 1.25% p.a.	of agricultural machinery and equipment Railway rehabilitation project by M/s RITES Ltd.
13	Govt. of Sri Lanka	150	LIBOR+ 0.5% p.a.	– 5 yrs. 7 yrs. Grace – 1 yr.	2.25% p.a.	Purchase of petroleum products from Indian PSUs.
14	Govt. of Guyana	19	1.75% p.a. (fixed)	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Construction of a cricket stadium in Georgetown (Guyana)
15	Govt. of Senegal	17.87	1.75% p.a. (fixed)	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Supply of 350 buses by M/s. TATA Motors
16	Govt. of Mauritius	10	LIBOR+ 0.5% p.a.	10 yrs. Grace – 2 yrs.	2.5% p.a.	Construction of Baie du Tombeau sewerage project in Mauritius
17	Govt. of Ghana	27	1.75% p.a. (fixed)	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Financing for rural electrification, agriculture, transportation and communication equipment/ projects.
18	Govt. of Fiji	50.40	LIBOR+ 0.5% p.a.	8-10 years Grace – 2-3 years	1.5% p.a.	Revival and restructuring of sugar industry
19	Govt. of Burkina Faso	30.97	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Agricultural materials, Modernising post office and foreign exchange bureau.
20	Govt. of Chad	50	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Bicycle Plant, Agricultural Plant, Steel Billet Pant & Rolling Mill and Cotton Yarn Plant
21	Govt. of Ghana	60	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Rural electrification, construction of President's office
22	Govt. of Mali	27	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Rural electrification, Agricultural machinery
23	Govt. of Equatorial Guinea	15	LIBOR + 0.5% p.a.	15 yearsGrace – 5 years	1.5% p.a.	Potable drinking water project

Sl. No.	Borrower	Amount of LOC (in millions of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation support to Exim Bank	Purpose of credit
24	Govt. of Senegal	27	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Irrigation project
25	Govt. of Cote d' Ivoire	26.8	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Renewal of urban transport system in Abidjan, Agricultural projects
26	Govt. of Mali and Govt. of Senegal (combined)	20.62 (to Mali) + 7.08 (to Senegal)	1.75% p.a. (both)	20 yearsGrace – 5 years (both)	LIBOR+0.75% p.a. (both)	Acquisition of railway coaches and locomotives from India
27	Govt. of Myanmar	20	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Renovation of Thanlyin Refinery.
28	Govt. of Niger	17	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Procurement of buses and automobiles.
29	Govt. of Gambia	6.7	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Assembly Plant for tractors.
30	Govt. of Congo	33.5	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Cement factory, acquisition of buses.
31	Govt. of Guinea Bissau	25	1.75% p.a.	20 yearsGrace – 5 years	LIBOR+0.75% p.a.	Rehabilitation of electricity network in Guinea Bissau.
32	Govt. of Sudan/ NEC, Sudan	350	4% p.a.	12 yearsGrace – 3 years	LIBOR-2% p.a.	Setting up Power Plant by M/s, BHEL
33	Govt. of Sudan	41.9	4% p.a.	13 yearsGrace – 3 years	LIBOR-2% p.a.	Singa-Gedarif Transmission line and Sub-station project
34	Govt. of Mozambique	20	1.75% p.a.	20 yearsGrace – 5 years	LIBOR-0.75% p.a.	Electrification of Gaza Province in Mozambique
35	Govt. of Ethiopia	65	1.75% p.a. – 5 years	20 yearsGrace	LIBOR + 0.75% p.a.	Energy transmission and distribution project in Ethiopia.
36	ECOWAS Bank for Investment and	250	1.75% p.a.	20 years, Grace – 5 years	LIBOR + 0.75% p.a.	Public Sector Projects

Sl. No.	Borrower	Amount of LOC (in millions of US Dollars)	Rate of Interest	Repay-ent period (inclusive of grace period)	Interest Equalisation support to Exim Bank	Purpose of credit
37	Development Govt. of Seychelles	8	LIBOR + 0.5% p.a.	8-10 years, Grace – 2-3 years	1.5% p.a.	Purchase of essential commodities from India
38	Govt. of Honduras	30	1.75% p.a.	20 years, Grace – 5 years	LIBOR + 0.75% p.a.	Export of communication, medical and transportation equipment.
39	Govt. of Jamaica	7.5	LIBOR+0.5% p.a.	12 years, Grace - 4 years	1.5% p.a.	Purchase of water pumps
40	Govt. of Senegal	11	1.75% p.a.	20 years Grace – 5 years	LIBOR+0.75% p.a.	Supply of oil presses, mini bakeries, cereal and fruit processing units and pick vehicles and station wagons.
41	Govt. of Guyana	2.1	1.75% p.a. (fixed)	20 yrs. Grace – 5 yrs.	LIBOR+ 1.25% p.a.	Traffic signaling system project.

## Demand No. 32 Department of Economic Affairs-S.No. 5, para 3.2.1-Chapter-II)

### Technical Aid to South and South East Asia Under the Colombo Plan

Under the Technical Assistance Scheme, the Colombo Plan gives comprehensive integrated training to the participants from neighbouring Colombo Plan Member countries. Under this Scheme, 410 scholars from 18 countries have been receiving technical training in different Institutes in India. Training courses range from two weeks to a maximum period of three years. Most participants come for training courses of duration of three – four months. These courses are mainly technical in nature. The

trainings of longer duration pertain to Bachelor of Computer Application, Master of Computer Application and Master of Business Administration. Maximum number of participants are from countries like Indonesia, Bangladesh, Myanmar, Nepal, Philippines, Thailand, Iran and Laos. Government representatives who have rendered less than ten years of service are nominated for the same.

## Annex - II

## Grant No. 33 – Payments to Financial Institutions (Para No. 4.2.1, Chapter II)

### 1. Water Harvesting Scheme for SC/ST Farmers

The Hon'ble Finance Minister had announced, in the Budget of 2004-05, launching of a nationwide water harvesting scheme to help SC/ST farmers with 50% capital subsidy to be provided by the Government through NABARD for covering irrigation units. 50% of the cost will be given as loan by lending agency, whereas the remaining 50% will be disbursed as back ended subsidy to the borrowers through NABARD. Government of India will give this subsidy component. The budget allocation in BE-2005-06 was Rs. 3.81 crores. However, in RE it was scaled to Rs. 8.50 crores and Rs. 16 crores in BE-2006-07.

The scheme was launched by NABARD in August, 2004 through Public Sector Banks, Cooperative Banks and Regional Rural Banks. During 2004-05, 293 units were financed and during 2005-06, 6983 units have been financed. An amount of Rs. 8.50 crore was released to NABARD during 2005-06 and Rs.3 crores has been released during 2006-07. It has been decided to discontinue the scheme from the XIth Plan period.

### 2. Small Industries Development Bank of India (SIDBI) (National Equity Fund)

The National Equity Fund (NEF) Scheme launched in 1987, is jointly funded by SIDBI and GoI. The fund has been set up with equal contributions from SIDBI and GoI. The objective of NEF is to provide equity type support to small and tiny entrepreneurs for setting up of new projects in tiny/small scale sector, for undertaking expansion, modernization, technology

up-gradation and diversification of existing tiny, SSI and service enterprises and for rehabilitation of viable sick units in the SSI sector, which fulfill the specified eligibility criteria, irrespective of location.

An amount of Rs. 20.00 crore was provided in BE 2006-07, which was reduced to Rs. 5.00 crore at RE stage, which has been released to SIDBI during 2006-07. The scheme has been discontinued from the XIth Plan period.

### 3. Universal Health Insurance Scheme (UHIS)

UHIS was redesigned from July 2004, restricting it to BPL families only, with an increase in subsidy of Rs. 200 for an individual, Rs. 300 for a family of five and Rs. 400 for a family of seven. The premium to be contributed by the policy holder is Rs. 165/- for individuals, Rs. 248/- for a family of five and Rs. 330/- for a family of seven. The scheme provides for reimbursement of medical expenses up to Rs. 30,000/- towards hospitalization floated amongst the entire family, death cover due to an accident of Rs. 25,000/- to the earning head of the family and compensation due to loss of earning of the earning member @ Rs. 50/- per day up to a maximum of 15 days.

The performance in terms of coverage under UHIS has picked up during the year 2006-07. Accordingly, the budgetary provision of Rs. 3.00 crore was enhanced to Rs. 25.00 crore at RE stage. The scheme has further been extended to BPL families of Tsunami affected areas in Tamil Nadu, Andhra Pradesh, Kerala and Puducherry with a subsidy of Rs. 500/- by PMO and Rs. 300/- by Government of India. As on 31<sup>st</sup> December, 2006,

1,55,414 families in Tamil Nadu, 1,21,795 in Andhra Pradesh, 1,54,363 in Kerala and 22,376 in Puducherry have been covered. Eight lakh families are expected to be covered under the scheme in 2006-07. Taking into consideration the better performance of the scheme, an amount of Rs. 45.00 crore has been provided in BE 2007-08 with a view to covering 15 lakh BPL families.

#### 4. Varishtha Pension Bima Yojana

Government of India, in the Union Budget 2003-04 announced the Varishtha Pension Bima Yojana for citizens aged 55 years and above. This was a Government subsidized scheme and LIC was given the privilege to

administer the same. The Scheme was launched with effect from 14.07.03 and was withdrawn on 09.07.2004.

Persons aged 55 years and above were eligible to purchase the policy. The benefits of the scheme were framed in such a manner that the pensioner get an effective yield of 9% p.a. on the investment. It was immediate pension plan under annuity payments commencing immediately after the purchase of the policy. In the event of unfortunate death of the pensioner, purchase price is payable to nominee.

(Rs. in crores)

Varishtha Pension Bima Yojana	2004-05	2005-06	2006-07	2007-08
Budget Estimates	150.00	269.19	269.00	249.77
Revised Estimates	263.16	244.59	226.33	-
Actuals	263.16	244.59	226.33	-

#### 5. Revitalization of Cooperative Credit Structure:

The Task Force set up under Prof. A. Vaidyanathan to revitalize the cooperative credit structure has submitted its report with regard to short-term credit structure and the report has been accepted. A financial package of Rs. 13,596.00 crore, along with other recommendations, has been approved by the Cabinet for implementation. The expenditure is to be shared by Government of India, concerned State Governments and Cooperative Credit Societies in the ratio of 68:28:4. The assistance will be available for (a) wiping out accumulated losses, (b) covering invoked but unpaid guarantees given by State Governments, (c) increasing the capital to a minimum level of 7% and (d) technical assistance (including cost of special audit, training, computerization etc.). Though, a provision of Rs.

400 crore was made in the financial year 2005-06. The same could not be utilized due to delay in arriving at an agreement with the participating States. A provision of Rs. 1500 crore has been made for 2006-07 and an amount of Rs. 400 crore has been released to NABARD in October, 2006. Proposal for release of another Rs. 1,100 crore is being processed during the year 2006-07.

The States willing to implement the package are required to sign an MoU with Central Government and NABARD. Eight States viz. Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Orissa, Rajasthan, Uttarakhand and Uttar Pradesh have executed MoUs with NABARD and Government of India for implementing the package.

## 6. Interest Subvention to farmers

The Budget 2006-07 envisages interest relief of 2% point in the interest rate on the principal amount up to Rs. 1,00,000/- on crop loans availed by the farmers for Kharif and Rabi 2005-06. An amount equal to two percentage points of the borrower's interest liability on the principal amount up to Rs. 1,00,000/-, has been credited to borrower's account before March 31, 2006.

Further, for the year 2006-07, Government has decided to ensure that the farmer receives short-term credit at 7 percent, with an upper limit of Rs. 3,00,000/- on the principal amount. For the implementation of the scheme, it has been decided to provide 2% per annum interest subvention to Public Sector Banks, Regional Rural Banks and Cooperative Banks on their own funds and concessional refinance to Cooperative Banks at 2.5% p.a. and Regional Rural Banks at 4.5% p.a. for the year 2006-07.

The amount of subsidy on the part of the Government for the implementation of the scheme has been estimated at around Rs. 1100.00 crore for the year 2006-07. Action to release the amount has been initiated.

## 7. Interest Subvention for liquidity support:

Government decided to extend interest subvention on an amount of Rs. 2,500 crores @ 1.5% i.e., Rs. 37.50 crore for three years starting from 2004-05. This amount of interest subvention will be available to NABARD for the purpose of refinance for cooperative banks and regional rural banks for the debt-restructuring package announced by the Government. An amount of Rs. 37.50 crore each has been released for the years 2004-05 and 2005-06 and an amount of Rs. 37.26 crore has been released on 29.01.2007.

## 8. IDBI – Stressed Assets Stabilization Fund

Stressed Assets Stabilization Fund (SASF) has been created to address the problem of stressed assets of IDBI. SASF was created by Government providing Rs. 9,000.00 crore, which was reinvested by SASF in Government of India 20 year zero interest bonds. IDBI transferred stressed assets of Rs. 9,000.00 crore to SASF was paid for the assets by GoI bonds. This enabled IDBI Ltd. to start banking with zero net NPAs. SASF is managed by a Trust constituted under Indian Trusts Act, 1882. A provision of Rs. 500.00 crore has been made for SASF in the BE 2007-08. In terms of SASF Trust Deed, the SASF shall pay the amount realized or recovered from the stressed assets of IDBI to Government of India each year and GoI shall pay to IDBI an equivalent amount.

## 9. Export Import Bank of India

EXIM Bank is the apex financial institution in the country for promoting, facilitating and financing India's international trade and coordinating working of all institutions engaged in financing and promoting the country's exports. EXIM Bank provides export credit for specific export transactions through pre-shipment credit, post-shipment credit, suppliers credit, buyers credit and lines of credit. In addition, the Bank extends term loan assistance to export oriented companies for supply-side up-gradation, expansion and modernization of production facilities, R&D activities, export product and market development activities and setting up or acquisition of overseas ventures. The Bank also takes equity share in export oriented companies in India and in joint ventures overseas.

- (i) By FY 2008-09, EXIM Bank is projected to cover (financing and catalyzing) 25% of India's exports. In the financial year 2005-06, the Bank had covered 13% of India's exports and it is expected that the Bank would catalyse 15% of India's exports in the financial year 2006-07.

- (ii) As on March 31, 2006, EXIM Bank's assistance to SMEs aggregated to Rs. 5387.00 crore constituting 30% of the Bank's total loan portfolio. As on March 31, 2007, the SME loan portfolio is expected to constitute 33% of the Bank's loan portfolio. For 2007-08, the outcome budget for the loan portfolio of SMEs is estimated at 35% of the Bank's loan portfolio.

### 10. India Infrastructure Finance Company Ltd. (IIFCL).

IIFCL was incorporated on 05.01.2006 with an authorized capital of Rs. 1,000.00 crore and a paid up capital of Rs. 10.00 crore. IIFCL is a Special Purpose Vehicle created to lend funds, especially debt of long term maturity, directly to the eligible projects to supplement other loans from banks and financial institutions. The company would fill the gap for long term infrastructure finance, which the banks are not in a position to address owing to concerns relating to mismatches in assets and liabilities. The company has since begun its operations and has sanctioned financial assistance of more than Rs. 7,000 crores to 40 eligible infrastructure projects.

The paid up capital of IIFCL, which has since been increased to Rs. 100.00 crore is proposed to be augmented further to Rs. 300.00 crore to enable IIFCL to perform its designated role of providing long term finance to infrastructure projects. IIFCL is expected to extend finance of Rs. 12,000 crores during 2007-08.

### 11. Interest waiver to farmers in 31 debt stressed Districts of Andhra Pradesh, Karnataka, Kerala and Maharashtra

Keeping in view the extreme conditions of the farmers, 31 districts have been identified in the States of Maharashtra (06), Andhra Pradesh (16), Karnataka (06) and Kerala (03) for special package of Debt Waiver.

It has been decided to provide a comprehensive Debt Relief Package for farmers in these 31 districts which would be premised on the package announced on 18.06.2004 but also specifically addressing the deep debt and distress of the farmers of the Region. The main features of the package are as under:-

- (i) The entire interest on overdue loans as on 01.07.2006 will be waived in the affected districts such that no farmer will have any past interest burden as on that date. This would immediately make them eligible for fresh loans from the banking system.
- (ii) The estimated amount of interest on overdue loans in these 31 districts as on 01.07.2006 is estimated at Rs. 3090.00 crore.
- (iii) The overdue loans of the farmers as on 01.07.2006 will be rescheduled over a period of 3-5 years with a one-year moratorium.
- (iv) An additional credit flow of Rs. 21,422.00 crore will be ensured in these 31 districts in 2006-07.

The burden of waiver of overdue interest will be shared equally by the State Government (50%) and by the Central Government (50%). The achievement under the scheme as on 31<sup>st</sup> December, 2006 is as under:-

(Rs. in Crore)  
(Provisional figures)

State	Total Loans to be rescheduled	Total loans rescheduled	Total overdue interest to be waived	Total overdue interest waived	Credit Allocation	Disbursement as on 29.12.06
Andhra Pradesh	5745.76	6965.80	1436.44	181091	13817.78	9568.54
Karnataka	1194.52	355.15	209.81	200.84	3076.20	1474.31
Kerala	815.53	346.10	360.00	273.00	1945.07	1522.47
Maharashtra	1296.00	1384.38	712.68	784.23	2583.39	1822.77
Total	9051.81	9051.43	2718.93	3068.98	8686.44	14388.09



### Grant No. 43 - Indirect Taxes

#### Original Cost and Revised Cost of various components under consolidation project of computerization

(Rs. in crore)

Sl.No.	Component	Original sanctioned amount	Revised component	Revised amount (Approx.)
1.	Hardware/software + Oracle	49.00	System Integration + Hardware/software + Oracle	298.00
2.	(a) Network (Customs + Excise) (b) Cost of Site	40.00 5.00	Network (Customs + Excise) + Data Centre Site + Bandwidth	77.00
3.	(a) Hardware for Excise locations (b) Hardware for 35 Customs locations	49.20 5.00	Hardware for Excise and 35 Customs locations	308.00
4.	Cost of Customs Version 2	5.00	Cost of Customs Version 2	Plan to de-link from CCEA
5.	Data Warehouse	5.00	Data Warehouse	15.00
6.	Intranet Project	3.00	Intranet Project	Plan to de-link from CCEA
7.	Excise software development	4.85	Excise software development	6.00
8.	Consulting	1.00	Consulting	1.00
<b>Total</b>		<b>167.05</b>		<b>705.00</b>

## Annex - IV

## Demand No.31 Department of Economic Affairs – Sl. No. 4, para 3.1 - Chapter-IV)

Statement showing Interest Equalisation Support given to Exim Bank of India for various GOI supported Exim Bank of India Lines of Credit (LOC) during 2006-07		
Sl. No.	Period of interest equalisation support and relevant LOC	Amount (in Indian Rupees)
1.	From 11.10.2005 to 10.4.2006 in r/o US\$ 10 mn LOC to Govt. of Zambia vide credit agreement dated 20.12.2003	19,78,568
2.	From 11.10.2005 to 10.4.2006 in r/o US\$ 15 mn to Govt. of Ghana vide credit agreement dated 24.10.2003	66,96,033
3.	From 15.12.2005 to 15.6.2006 in r/o US\$ 50 mn LOC to Govt. of Chad vide credit agreement dated 24.8.2005	1,24,12,884
4.	From 15.12.2005 to 15.6.2006 in r/o US\$ 56.358 mn LOC to Govt. of Myanmar vide credit agreement dated 27.7.2004	1,00,94,981
5.	From 15.12.2005 to 15.6.2006 in r/o US\$ 50 mn LOC to Govt. of Sudan vide credit agreement dated 15.1.2006	1,90,64,416
6.	From 17.1.2006 to 14.7.2006 in r/o US\$ 150 mn LOC to Ceylon petroleum Corporation on behalf of Sri Lanka vide credit agreement dated 15.10.2004	7,27,02,276
7.	From 17.1.2006 to 14.7.2006 in r/o US\$ 5 mn LOC to Govt. of Lestho vide credit agreement dated 12.10.2004	22,97,515
8.	From 17.1.2006 to 14.7.2006 in r/o US\$ 15 mn LOC to Govt. of Senegal vide credit agreement dated 10.12.2004	1,42,98,982
9.	From 17.1.2006 to 14.7.2006 in r/o US\$ 17.87 mn LOC to Govt. of Senegal vide credit agreement dated 14.1.2005	2,33,77,969
10.	From 17.1.2006 to 14.7.2006 in r/o US\$ 10 mn LOC to Govt. of Djibouti vide credit agreement idated 24.7.2003	70,73,229
11.	From 17.1.2006 to 14.7.2006 in r/o US\$ 19 mn LOC to Govt. of Guyana vide credit agreement dated 11.11.2004	2,14,51,361
12.	From 17.1.2006 to 14.7.2006 in r/o US\$ 27 mn LOC to Govt. of Vietnam vide credit agreement dated 12.8.2004	59,42,592
13.	From 10.1.2006 to 10.7.2006 in r/o US\$ 26.80 mn LOC to Govt. of Cote d' Ivoire vide credit agreement dated 3.8.2005	1,04,47,546
14.	From 28.2.2006 to 21.8.2006 in r/o US\$ 50.40 mn LOC to Govt. of Fiji Sugar Corporation Ltd. vide credit agreement dated 7.11.2005	16,28,009

Sl. No.	Period of interest equalisation support and relevant LOC	Amount (in Indian Rupees)
15.	From 17.1.2006 to 14.7.2006 in r/o US\$ 40 mn LOC to Govt. of Angola vide credit agreement dated 11.8.2004	1,69,45,136
16.	From 20.3.2006 to 21.8.2006 in r/o US\$ 20 mn LOC to Govt. of Mozambique vide credit agreement dated 10.9.2004	26,25,960
17.	From 28.6.2006 to 21.8.2006 in r/o US\$ 27.70 mn LOC to Govt. of Senegal and Mali	43,57,039
18.	From 3.3.2006 to 21.8.2006 in r/o US\$ 27 mn LOC to Govt. of Mali vide credit agreement dated 8.8.2005	1,05,45,896
19.	From 17.1.2006 to 14.7.2006 in r/o US\$ 27 mn LOC to Govt. of Senegal vide credit agreement dated 8.2.2006	62,22,996
20.	From 22.5.2006 to 21.8.2006 in r/o US\$ 33.5 mn LOC to D.R. Congo vide credit agreement dated 24.8.2005	75,18,321
21.	From 29.3.2006 to 21.8.2006 in r/o US\$ 60 mn LOC to Govt. of Ghana vide credit agreement dated 24.8.2005	1,18,63,525
22.	From 17.1.2006 to 14.7.2006 in r/o US\$ 16 mn LOC to Govt. of Surinam vide credit agreement dated 14.8.2004	84,25,238
23.	From 10.4.2006 to 10.10.2006 in r/o US\$ 10 mn LOC to Govt. of Zambia vide credit agreement dated 20.12.2003	21,73,119
24.	From 10.4.2006 to 10.10.2006 in r/o US\$ 15 mn LOC to Govt. of Ghana vide credit agreement dated 24.10.2003	69,75,279
<b>TOTAL</b>		<b>28,71,18,870</b>