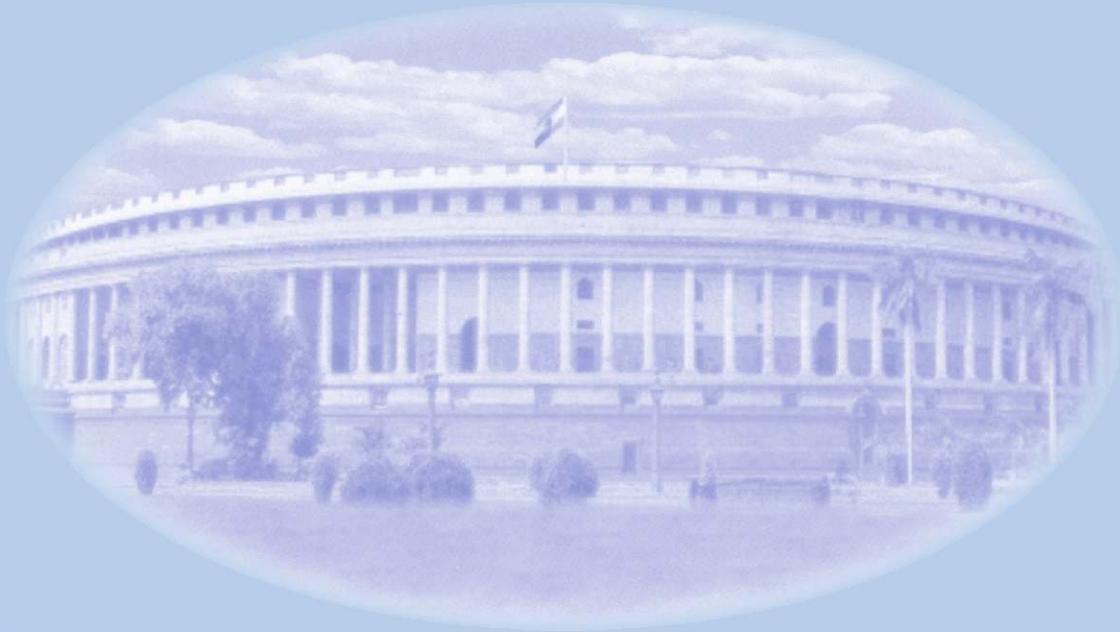
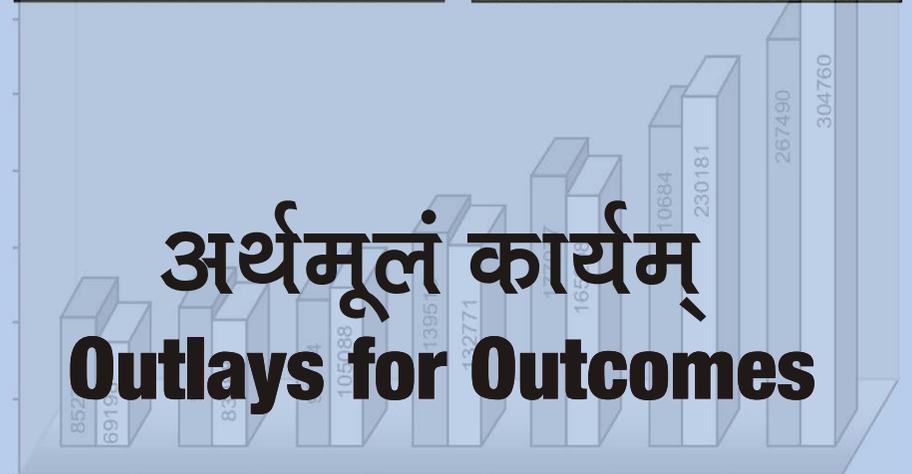
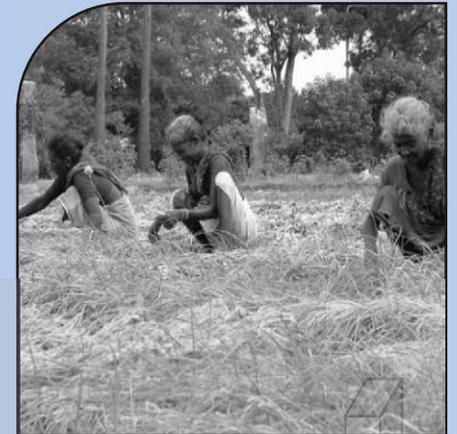




# Ministry of Finance Government of India



## Outcome Budget 2008-09



अर्थमूलं कार्यम्  
Outlays for Outcomes

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## Preface

The "Outcome Budget" is an endeavour of the Government to convert the "outlays" into "outcome" by planning the expenditure, fixing appropriate targets, quantifying the deliverables in each scheme and 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.

The "Outcome Budget 2008-09" 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 as at 31st December, 2007 with reference to the "Outcome-Budget 2007-08"; **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.



## OVERVIEW

- The Ministry of Finance administers total 14 Grants (One new Grant No. 33-Department of Financial Services) of which 6 have been exempted from the purview of 'Outcome Budget'.
- The total provision (gross) for the 13 Grants during 2007-08 was Rs. 19,19,250.99 crore (Revenue Rs. 2,58,693.36 crore, Capital Rs. 16,60,557.63 crore). The Plan and Non- Plan provision was Rs. 38,358.58 crore and Rs. 18,80,892.41 crore, respectively.
- This was revised to Rs. 20,26,194.19 crore at RE stage (Revenue Rs. 286391.09 crore, Capital Rs. 17,39,803.10 crore), Plan provision to Rs. 47,108.95 crore and Non-Plan Rs. 19,79,085.24 crore.
- The Budget provisions for the FY 2008-09 for the 14 Grants has been kept at Rs. 20,81,541.87 crore (Revenue Rs. 3,24,473.59 crore and Capital Rs. 17,57,068.28 crore) comprising of Rs. 49,963.24 crore Plan and Rs. 20,31,578.63 crore Non-Plan provision.
- The 8 Grants which have been covered in Outcome Budget 2008-09 have total outlay of Rs. 27,549.51 crore (Revenue Rs. 21,286.12 crore and Capital Rs. 6,263.39 crore) comprising of Rs. 3,549.90 crore Plan and Rs. 23,999.61 crore Non Plan, out of which an outlay of Rs. 15,008.83 crore (Plan Rs. 876.00 crore, Non-Plan Rs. 14,132.83 crore have been included in the Outcome Budget.

## DEMAND NO. 31- DEPARTMENT OF ECONOMIC AFFAIRS

- Contribution for Railway Safety Works (Rs. 773.92 crore) against additional levies on Motor Spirit & High Speed Diesel

(Plan)- Under this scheme during 2008-09, the Ministry of Railways have targeted to strengthen the safety at level crossings by providing manning at 450 locations, lifting 300 barriers, basic infrastructure at 700 locations, interlocking at 300 locations and telephones at 300 locations. Railways have projected a requirement of Rs. 10,000.00 crore for the XIth Plan.

- To promote Public Private Partnership (PPP) in Infrastructure Sector Rs. 92.10 crore (Plan) have been provided for 2008-09. The total approvals for VGF grant till now is of the order of Rs. 2690.00 crore for the 23 proposals granted 'in principle' approval. The actual level of VGF amount of these proposals will be known once the bidding process is completed. In 6 projects from Madhya Pradesh, financial closure has been reached. Rs. 23.00 crore likely to be disbursed during 2007-08 and the total outlay for the XIth Plan provision (2007-12) has been estimated at Rs. 6,973.00 crore.
- A provision of Rs. 232.00 crore has been made for interest equalisation 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 5 years, 82 Government of India supported line of credit through Exim Bank of India involving collective amount of credit of US\$ 3451 billion (Approx) have been approved. These line of credit have been extended to developing countries situated in different continents of the world.

## DEMAND NO. 32 - PAYMENTS TO FINANCIAL INSTITUTIONS

- **Debt relief in interest on overdue loans of farmers** was announced by the Prime Minister to mitigate the extreme financial constraints faced by farmers of 31 debt stressed districts in Andhra Pradesh (16), Karnataka (6), Kerala (3) and Maharashtra (6). The scheme envisages to share the interest waived on overdue loans in the ratio of 50:50 by the Government of India and the State Governments. Under the scheme, the entire interest on overdue loans as on 01.07.2006 to be waived off and the overdue loans as on that date to be rescheduled over a period of three to five years with a one year moratorium. The total interest on overdue loans is estimated at Rs. 3,728.37 crore and the Government of India's share is Rs. 1,864.19 crore. An amount of Rs. 1,359.13 crore has been released during 2006-07. A provision of Rs. 640.00 crore has been made in BE 2008-09. The amount is released to the Reserve Bank of India for reimbursing the share of interest waiver provided by the Scheduled Banks, the Regional Rural Banks and the Cooperative Banks.
- **The Universal Health Insurance Scheme (UHS)** intended for providing health care to families belonging to 'below poverty line (BPL)' was later extended to BPL families of Tsunami affected areas in Andhra Pradesh, Kerala, Tamil Nadu and Puducherry with a subsidy of Rs. 500.00 from the Prime Minister's Relief Fund and Rs. 300.00 by Government of India. The scheme is implemented through Public Sector General Insurance Companies by providing subsidy. Coverage of 1 lakh families was initially planned and raised to 15 lakh families during the year 2007-08. A total of 69,745 policies have been issued till 31.12.2007 and an amount of Rs. 1.00 crore has been released till that date. A provision of Rs. 20.00 crore has been made in RE 2007-08 and Rs. 25.00 crore in BE 2008-09.
- **The Varishtha Pension Bima Yojana (VPBY)** meant for senior citizens aged 55 years and above was launched on 14.07.2003 and withdrawn on 09.07.2004. Under the scheme, pensioners get an effective yield of 9% per annum on the investment. Difference in yield is being compensated to the LIC by the Government. A provision of Rs. 242.68 crore has been made in RE 2007-08 and Rs. 200.00 crore in BE 2008-09.
- **Revitalization of Short Term Cooperative Credit Structure** in the States, which agree to implement the package of Rs. 13,596.00 crore approved by the Cabinet on the basis of the recommendations of the Task Force headed by Prof. A. Vaidyanathan, has gained momentum with the signing of MoUs by 17 States, viz., Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal with NABARD and the Government of India for implementing the package. Under the scheme, the expenditure is to be shared by the Government of India, the State Governments and the Cooperative Credit Societies in the ratio of 68:28:4. A provision of Rs. 2,045.37 crore has been made in RE 2007-08 and Rs. 3,542.00 crore in BE 2008-09.
- **Revival of Long Term Cooperative Credit Structure (LTCCS)** is aimed at strengthening the Long Term Cooperative Credit Structure in the country by providing revival assistance. The Task Force appointed for studying revival of LTCCS has submitted its report. A draft package for revitalization of LTCCS, based on the recommendations of the Task Force, is under consideration of the Government. A financial implication of Rs. 4,396.00 crore has been estimated for implementation

of the package. A provision of Rs.600.00 crore has been made in BE 2008-09 for implementation of the scheme.

- **Interest Subvention for providing short term credit to farmers** envisages to give short term production credit at 7% to farmers up to an amount of Rs. 3.00 lakh. Reimbursement of interest subvention is given to Public Sector Banks, NABARD, Regional Rural Banks and Cooperative Banks for loans disbursed by them in Kharif 2007 and Rabi 2007-08 out of their own resources and NABARD for providing refinance to RRBs and Cooperative Banks at concessional rate of interest. A provision of Rs. 1,700.00 crore has been made in RE 2007-08 and Rs. 1,600.00 crore in BE 2008-09.
- **Recapitalization of 27 Regional Rural Banks having negative net worth** at a total cost of Rs. 1,795.97 crore has been approved by the Cabinet, with a view to improving their viability. The expenditure is to be shared in the ratio of 50:15:35 by the Government of India, State Government concerned and sponsoring Bank. The share of Government of India comes to Rs. 897.98 crore. A provision of Rs. 303.11 crore has been made in RE 2007-08 and Rs. 594.87 crore in BE 2008-09.
- **The Financial Inclusion Fund (FIF) and the Financial Inclusion Technology Fund (FITF)**, to be operated by NABARD, are being constituted with a view to ensuring access to timely and adequate credit and financial services to vulnerable groups, such as weaker sections and low income groups, at an affordable cost. The objective of FIF is to support promotional and developmental activities with a view to securing greater financial inclusion, particularly among weaker sections, low income groups and in backward regions/ hitherto unbanked areas. The FITF aims at promoting

financial inclusion, stimulating the transfer of research and technology in financial inclusion, increasing the technological absorption capacity of financial service providers/users and encouraging an environment of innovation and cooperation among stakeholders. Both the Funds shall consist of an overall corpus of Rs. 500.00 crore each to be contributed by the Government of India, the Reserve Bank of India and NABARD in the ratio of 40:40:20. As part of contribution of the Government of India, a provision of Rs. 10.00 crore each has been made in RE 2007-08 and Rs. 25.00 crore each in BE 2008-09.

- **Aam Aadmi Bima Yojana (AABY)** was launched on 02.10.2007 with a view to provide insurance cover to the head of family or one earning member of rural landless household. Under the scheme, the head of the family or an earning member of the family is eligible to receive the benefit of Rs. 30,000.00 in case of natural death, Rs. 75,000.00 for accidental death, Rs.75,000.00 for total permanent disability (loss of two eyes or two limbs or loss of one eye and one limb in accident) and Rs. 37,500.00 for partial permanent disability (loss of one eye or one limb in an accident). The expenditure is to be shared by the Government of India and the State Government concerned in the ratio of 50:50. 1.5 crore rural landless households are expected to be covered under the scheme. A Social Security Fund of Rs. 1,000.00 crore towards Government's share of contribution for payment of premium, is being placed at the disposal of LIC during 2007-08.
- **Grant of Scholarships to the children of the beneficiaries of Aam Aadmi Bima Yojana (AABY)** was launched on 02.10.2007 with a view to provide scholarships of Rs. 300.00 per quarter per child up to two children studying between 9th and 12th standard of the beneficiaries of Aam Aadmi Bima Yojana. One crore rural landless households are

expected to be covered under the scheme by 13.09.2009. A Fund of Rs. 500.00 crore is being created from the Central Government's share of valuation surplus of LIC for meeting the expenditure during 2007-08.

## DEMAND NO. 38 - DEPARTMENT OF EXPENDITURE

- The Department of Expenditure, being the nodal department in respect of Public Expenditure Management System in the Central Government and matters connected with State finances, oversees the expenditure management in the Central Ministries/Departments through the interface with the Financial Advisers. Monitoring of implementation of recommendations of the Expenditure Reforms Commission, overall coordination of Outcome Budget of different Ministries/Departments, release of funds to State Governments for implementing developmental work and matters relating to the Central Plan are the important activities of the Department which provide the entire canvas of development activity of the Central Government.
- An outlay of Rs. 10.00 crore has been provided for Central Plan Scheme for enhancing the training capacity of the National Institute of Financial Management (NIFM) so that finance and accounting officers of all States could be given good professional training. The training capacity will be increased from 15 to at least 100 (80 for States and 20 for Centre). Under this scheme, 15 officers in 2006-07 and 12 officers in 2007-08 have been funded for high level professional course covering basis elements of MBA (Finance) in the NIFM.
- 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). Status of the schemes will now also be reported on the website of the Department.

## DEMAND NO. 41 - DEPARTMENT OF REVENUE

- Under Demand No.41 - Department of Revenue, major expenditure is towards Compensation to States/Union Territory Governments on account of revenue loss due to implementation of Value Added Tax (VAT) and VAT related expenditure which is budgeted at Rs.3,292.50 crore for 2008-09. A provision of Rs.2,500.00 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 is the expenditure related to implementation of VAT scheme, setting up of Tax Information Exchange System (TINXSYS) and expenditure on Government Opium & Alkaloid Works.
- The successful implementation of VAT in all States has been an achievement. VAT compensation amounting to Rs.6,563.40 crore has been released during 2005-06 and 2006-07 and Rs.1,338.12 crore has been released up to 31.12.2007. Total VAT compensation released up to 31.12.2007 amounts to Rs.7,901.52 crore. Total pending claims amounted to Rs.6,048.04 crore as at the end of December, 2007.
- CST rate has been reduced from 4% to 3% w.e.f. 1st April, 2007. Compensation amounting to Rs.237.26 crore has been released during the current year up to December, 2007 and claims amounting to Rs.1,912.98 crore were pending at the end of December, 2007.
- A total of Rs.5,814.00 crore has been provided in BE 2008-09 for compensation of losses on account of VAT & CST, VAT

implementation related expenditure and for modernization of State Tax Administration including setting up/upgradation of two institutes for taxation studies in States/UTs. The compensation to States/UTs towards implementation of VAT/CST Scheme and VAT related expenditure are constituting about 94% of the total expenditure under the grant at RE 2007-08 stage as well as BE 2008-09.

- Government Opium & Alkaloid Works at Ghazipur and Neemuch are processing raw opium for exports, manufacturing of opium alkaloids and other related functions. They are expected to realize a revenue of Rs.300.52 crore in 2008-09. The proposal for conversion of both the departmental factories into a corporate entity is under consideration. The Consultant appointed to advise in the matter has since submitted its report.
- The Smart Card Project for Poppy Cultivators has been expanded in 2007-08 to cover all 17 Opium Divisions. The project once fully and successfully implemented will enable monitoring of various cultivation activities and would also be useful for policy level decisions.
- The process for setting up a common Authority for Advance Rulings on Central Taxes is currently underway.
- A system of monthly report by Administrative and Coordinating Units of respective items under Outcome Budget has been introduced. Monthly and Quarterly review of trends of expenditure and progress under Outcome Budget is done at the Department/Ministry level. Project Monitoring/ Implementation Committee have been established to review the implementation of major project items. For coordinated efforts and faster decision making in massive computerization endeavours of CBDT and CBEC, an Empowered Committee is also functional where eminent experts from private sector are also members.

- The Delegation of Financial Powers to the Heads of Departments in the Department of Revenue were reviewed and revised powers were delegated to HODs in April, 2006 and further powers on some other items were subsequently delegated. Another review of Delegation of Financial Powers is underway. To bring uniformity in submission of infrastructure/housing proposals in both the Boards and to cut delay in processing and approval, a demarcation of functions of Directorates of Housing/Infrastructure has been done and now all such proposals up to Rs.5 crore are submitted by Directorates of Housing/Infrastructure through Member (P&A)/ Chairman to IFU.

## 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. 225.00 crore has been provided in Budget Estimates (BE) 2008-09 under 'Information Technology' to be spent on following major programmes/schemes:
  - Perspective Plan for Phase-III of Comprehensive Computerization in the Income Tax Department.
  - Tax Information Network (TIN)
  - Taxpayers friendly services

- The Directorate for Business Process Re-engineering, in collaboration with a professional consultant, undertook a study towards complete revamping of existing processes to meet the needs of stakeholders. The report submitted by the Consultant is under examination.
- An outlay of Rs. 203.00 crore has been provided under capital section in BE 2008-09 for purchase of ready built office accommodation which includes setting up Large Taxpayers Units (LTU) at Mumbai and Delhi respectively to provide single window interaction platform for participating Large Taxpayers.
- The initiatives and measures undertaken by the Department have focused 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, Scheme of Refund Banker on a Pilot - project basis and Tax Return Preparer Scheme. Income Tax Ombudsmen have been posted in eight cities to look into taxpayers` grievances.
- 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. 2.00 lakh each. The value of such assets as on 31.03.2007 is Rs. 1,774.85 crore.
- An incentive scheme for utilizing 1% of incremental revenue collection over and above the budgetary targets has been sanctioned to strengthen the infrastructure and wherewithal in the Income Tax Department. An amount of Rs. 195.00 crore has been sanctioned for various items under this scheme during 2007-08 which will be provided through normal budgetary process in three years.
- 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. The progress made by the Department in respect of Outcome Budget related items will now also be displayed on the official website.

## DEMAND NO. 43 - INDIRECT TAXES

- The revised cost of Rs. 598.97 crore for the Information Technology Infrastructure Consolidation Project of CBEC has been approved by the CCEA and is now under implementation.
- The Risk Management Software (RMS-Import) has been rolled out at all 23 locations in 13 cities. The RMS Export is under trial at ICD, Dadri and a Pilot Project for RMS for container selection is planned for Nhava Sheva.
- Procurement of 7 more electronic Container Scanners for facilitating Cargo clearance is underway. Marine vessels for strengthening anti-smuggling operations in the territorial waters are also being procured and a few vessels have already been received. A total provision of Rs.150.00 crores has been made for the year 2008-09 for Scanners and Marine vessels.
- Single Window Service for Large Taxpayers has been set up at Bengaluru and Chennai. Such Large Taxpayers Units are planned to be set up in Mumbai, Delhi and Kolkata in 2008.
- The publicity campaign for assessee awareness launched for Service Tax continued in the year 2007-08. Information booklet on FAQs on Service Tax has been released by Finance Minister at Mumbai as a means of educating and assisting the tax payers. Other areas of importance like Intellectual Property Rights (IPR), Duty Drawback provision etc. have also been focused in the campaign during 2007-08. A provision of Rs.22.00 crore has been made for advertising and publicity during 2008-09.

- Capacity building and improvement in infrastructure of various field units have been taken up by utilizing the 1% incremental revenue incentive provision made in 2007-08. More schemes will be undertaken in 2008-09 for which a provision of Rs.40.00 crore has been included under the appropriate Object Heads.

## **DEMAND NO. 44 - DEPARTMENT OF DISINVESTMENT**

- The Department of Disinvestment, which came into being on 27th May, 2004 by conversion of the Ministry of Disinvestment into a Department, deals with all matters relating to disinvestment of Central Government equity from Central Public Sector Undertakings. The Government has in November, 2005 constituted a 'National Investment Fund' (NIF), to be maintained outside the Consolidated Fund of India into which the proceeds from disinvestment of Central Public Sector Enterprises would be channelized.
- On 6th July, 2006, the Government decided to keep all disinvestment decisions and proposals on hold, pending further review.
- Subsequently, the Government approved the proposals of fresh issue of part of paid up equity capital in Rural Electrification Corporation Limited (REC), Power Grid Corporation of India Limited (PGCIL) and National Hydro-Electric Power Corporation Limited (NHPC). The Government also decided (February, 2007) to piggy back with an 'Offer for Sale' of 10%, 5% and 5% of the pre-issue paid up equity of REC, PGCIL and NHPC, respectively.
- In August 2007, the Government approved the proposal for an Initial Public Offering of 11% of Oil India Limited's (OIL) post issue paid up equity capital and simultaneous disinvestment equal to 10% of OIL pre-issue paid up capital in favour of Oil India Corporation, Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited in the ratio of 2:1:1 respectively.
- In May 2007, Government sold its residual shareholding of 10.27% in Maruti Udyog Limited to Public Sector Banks, public sector financial institutions and Indian Mutual Funds. A sum of Rs.2,366.94 crore was realized and credited to the Consolidated Fund of India.
- In September, 2007, PGCIL's Initial Public Offering opened for subscription and the transaction completed in the first week of October, 2007. The Government realized a sum of Rs. 994.82 crore, being receipts from the sale of 5% equity in Power Grid Corporation of India Limited, out of Government of India holding, and this amount has been channelized into National Investment Fund in October, 2007 and the funds have been provided to the fund managers.
- In February, 2008, REC's Initial Public Offering opened for subscription. The Government is expected to realize a sum of Rs.819.63 crore on account of the sale of 10% equity, out of Government's holding, of REC



## 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 emphasis 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, Planning Commission, Reserve Bank of India, State/Union Territory Governments and the Public Financial Institutions and also strategically associates with multilateral agencies and foreign Governments.

## 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 and their access to citizens/entrepreneurs at a reasonable cost and (d) apply available resources to optimize quality of life and employment opportunities for all citizens whether in India or the Indian entities operating within the country and abroad.

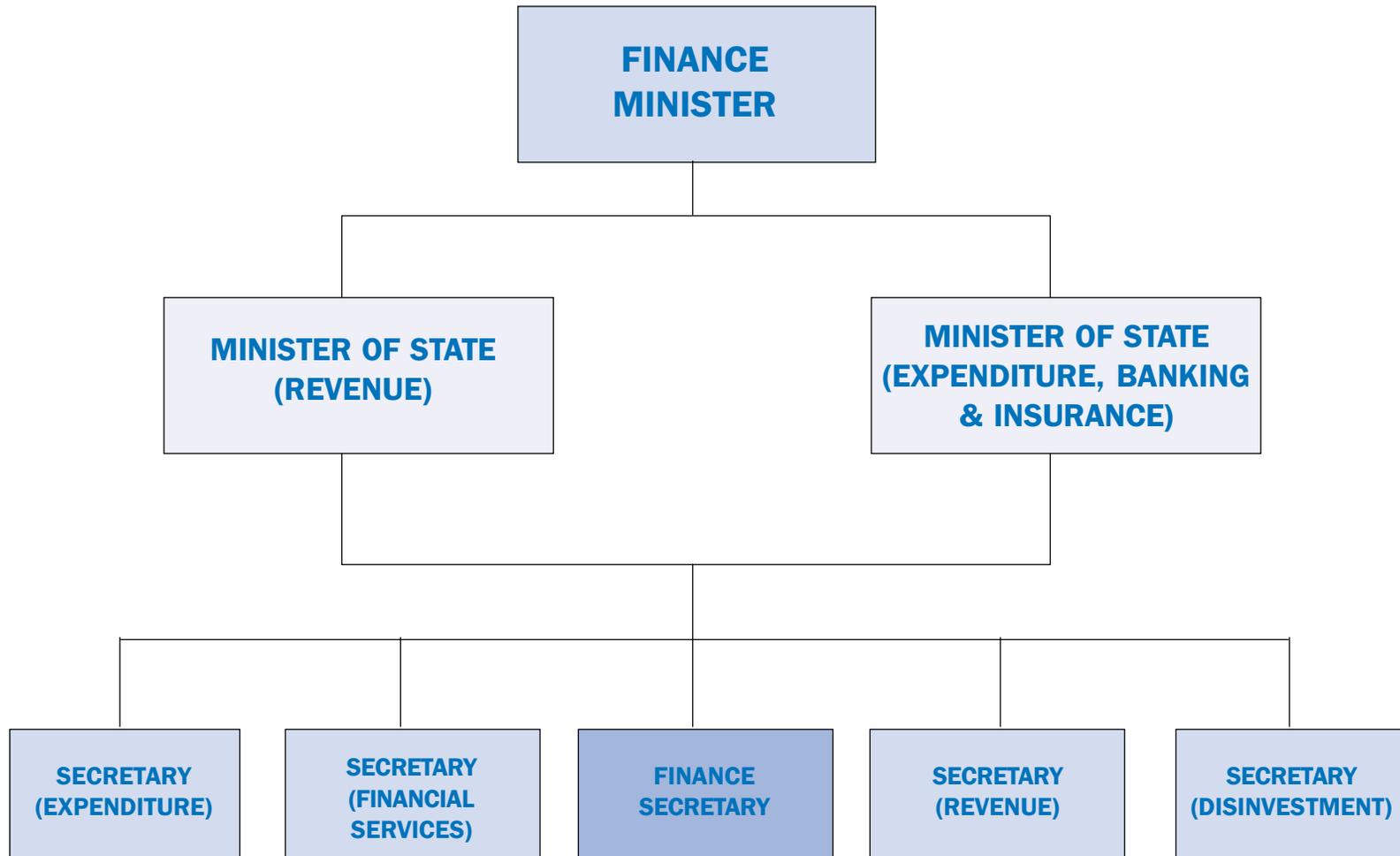
## 3. ORGANIZATION AND FUNCTIONS OF THE MINISTRY

The Ministry implements its policy objectives, through its five Departments viz., Department of Economic Affairs, Department of Financial Services, Department of Expenditure, Department of Revenue, and Department of Disinvestment. The key functions include preparation of Union Budget, 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 Cabinet/Parliament, raising tax and non-tax resources for Government operations, improving fiscal management by engaging multilateral agencies viz., International Monetary Fund (IMF), Asian Development Bank (ADB) and the International Bank for Reconstruction and Development (IBRD) etc., as development partners; developing and regulating Banking, Insurance, Pension and Capital Market through regulatory agencies (SEBI, IRDA, PFRDA, NHB, UTI, NSS) and in close co-ordination with the Reserve Bank of India (RBI); enhancing bilateral cooperation 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 SET UP

The Ministry consists of five Departments, viz., Department of Economic Affairs, Department of Financial Services, Department of Expenditure, Department of Revenue and Department of Disinvestment.

## Ministry of Finance Organisational Set up



## 5. DEPARTMENT OF ECONOMIC AFFAIRS

### 5.1 Mandate

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 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 Economics Service (IES).

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

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

#### 5.1.1 Administration and Fund Bank Division

- Responsible for the day to day administration of the Department.

- Matters relating to International Monetary Fund (IMF), 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 in this Division.
- Maintenance of statistics relating to utilization/repayments of foreign assistance by IMF.

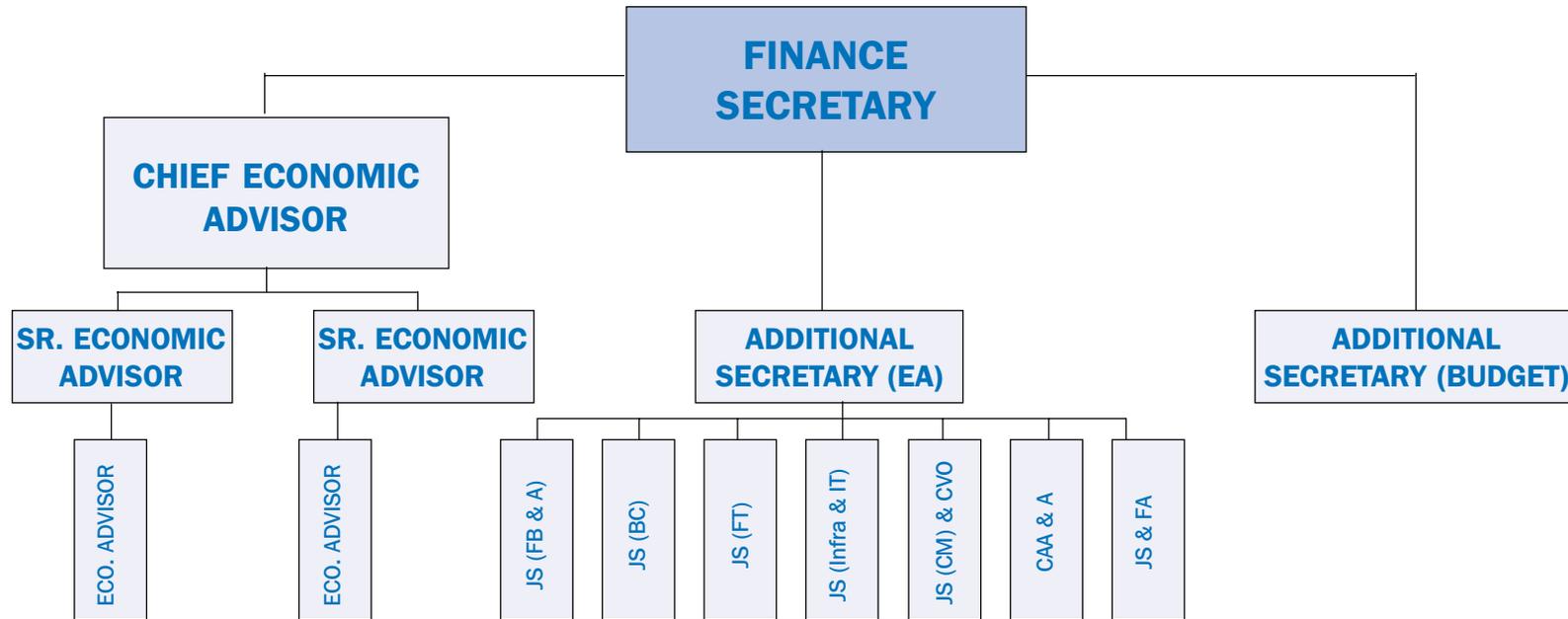
#### 5.1.2 Aid Accounts & Audit Division

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

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

- This Division is primarily responsible for processing of Official Development Assistance from European Economic Community and other European countries (other than CIS).

## Department of Economic Affairs Organisational Set Up



### LEGEND

Eco. Advisor	Economic Advisor
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 and Information Technology)
JS (CM) & CVO	Joint Secretary (Capital Market) & Chief Vigilance Officer
CAA&A	Controller of Aid, Accounts & Audit
JS&FA	Joint Secretary & Financial Advisor

#### 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 through the National Savings Organization (NSO).

#### 5.1.5 Capital Market, 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 Supplier's as well as Commercial Credit, both in Public and Private Sector.
- Monitoring of debt related data.
- Liability management in respect of Foreign Currency Loans.
- 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 there under, thus guiding and supervising the activities of the recognized Stock Exchanges in the country.
- Right to Information Act.
- Vigilance matters of 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 promotions of Indian investments abroad and negotiating and concluding Bilateral Investment Promotion & Protection Agreement (BIPA) with other countries;

- Administration of the Colombo Plan and training there under;
- 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 and 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

- Examination of financial proposals and tendering of advice thereon in respect of Grants No. 31-Department of Economic Affairs, 32-Payments to Financial Institutions and 33-Department of Financial Services.

- Preparation of Budget and co-ordination with Budget Division on all budget matters relating to the above Grants.
- Preparation of Appropriation Accounts relating to the Grants controlled by the Department.
- Preparation/compilation/printing of Detailed Demands for Grants and Outcome Budget of the Ministry of Finance.
- Matters relating to the Standing Committee of Parliament on Finance.

#### 5.1.8 Infrastructure & ADB Division

- Matters relating to ADB and ADB financed projects.
- Infrastructure policy concerning to roads, ports, shipping, inland water transport, Railways, and telecommunication sector.
- Schemes 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 Main Programmes/Schemes

(Details of the Schemes are in Chapter-II)

#### 5.2.1 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 Railways 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.

#### 5.2.2 Non-Plan

- **Indian Development and Economic Assistance Scheme (IDEAS)**

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

- Writing off of past debts of HIPCs (Heavily Indebted Poor Countries);
- Provide concessional Lines of Credit (LOCs) through Lending Agencies;
- Working with other Donors, Governments and Multilateral Funding Institutions (MFIs);
- Creation of Regional & Country Strategies;
- Providing assistance for Project Preparation;
- Project Training.

- **Interest equalization support to EXIM Bank for GOI supported lines of Credit**

Under the Indian Development and Economic Assistance Scheme (IDEAS), the part relating to extension of concessional lines of credit through Exim Bank of India is operational. Under this, GOI

provides interest equalization support (i.e., the difference between Exim Bank's rate of interest and the concessional rate of interest on which LOC is extended).

- **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.

## **6. DEPARTMENT OF FINANCIAL SERVICES**

### **6.1 Mandate**

The Department of Financial Services was created vide Cabinet Secretariat Notification dated 28.6.2007 with the mandate of administering Government policies relating to Banking, Insurance and Pension Reforms.

### **6.2 Functions**

#### **6.2.1 Banking Division**

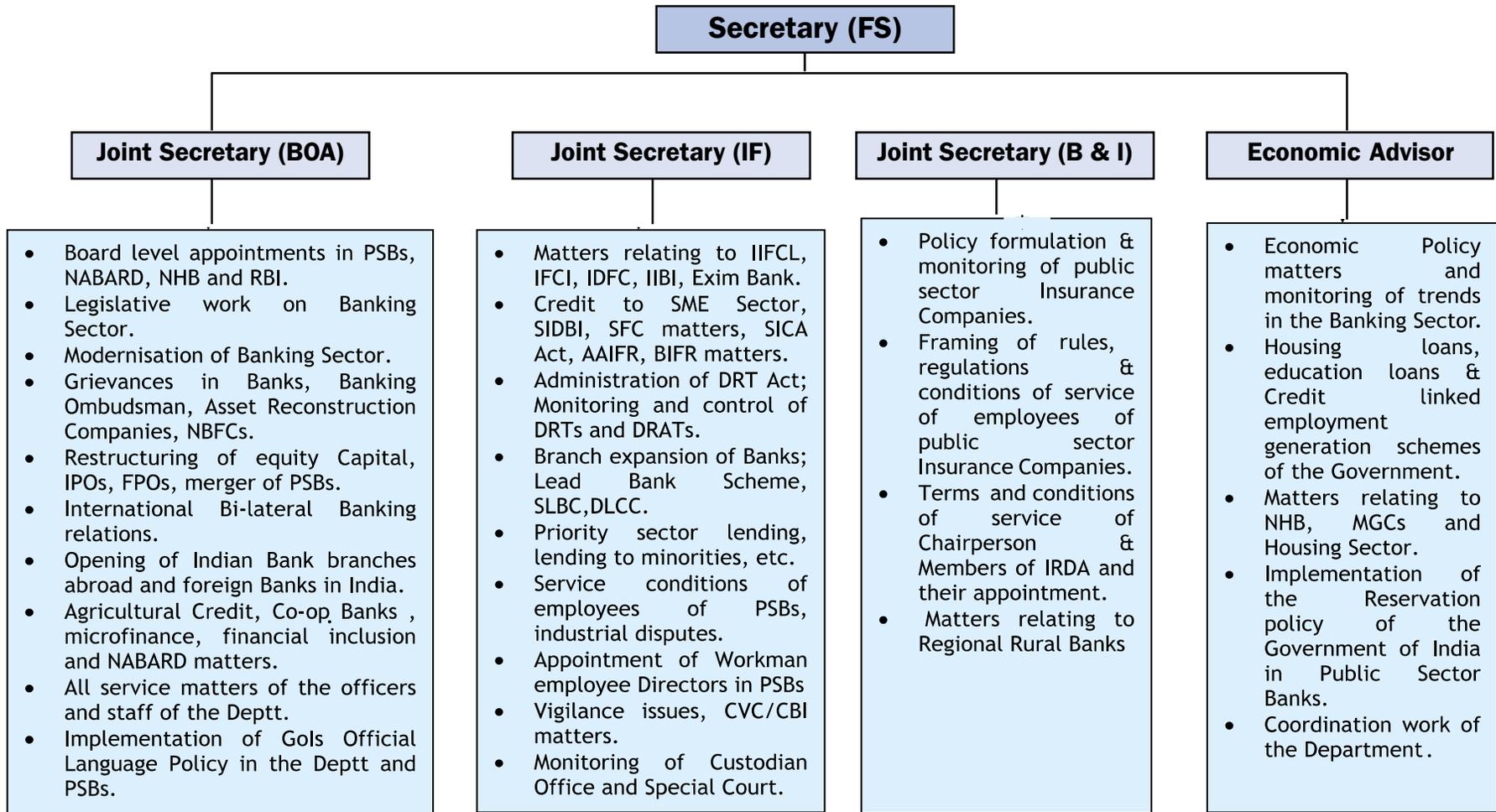
The Banking Division looks after issues relating to Public Sector Banks and administers policies having a bearing on the working of Banks and term lending Financial Institutions such as the National

Bank for Agriculture and Development (NABARD), the Small Industries Development Bank of India (SIDBI), the National Housing Bank (NHB), the India Infrastructure Finance Company Limited (IIFCL), the Export-Import Bank (EXIM Bank), the Industrial Finance Corporation of India (IFCI), the Infrastructure Development Finance Company Limited (IDFC), the Industrial Investment Bank of India (IIBI), etc.

#### **6.2.2. The Main functions of the Banking Division include:**

- 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 nominee Directors/non-official Directors on the Boards of Public Sector Banks;
- policy matters relating to private Banks, foreign Banks and Non-Banking financing companies, improvement of customers' service in Banks and redressal of customers' grievances;
- flow of credit;
- appointment of Chief Vigilance Officers (CVOs) in Public Sector Banks and other related matters;
- 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;
- establishment of Debt Recovery Tribunals (DRTs)/Debt Recovery Appellate Tribunals (DRATs);

## Department of Financial Services Organisational Set up



BOA: Banking Operations & Administration

IF: Institutional Finance

B&I: Banking and Insurance

- all policy matters relating to credit linked self employment programmes implemented by Ministries/Departments of Central Government, operations and coordination with the RBI on the above matters;
- credit Policy matters relating to priority sector lending including village and cottage industries, handloom, handicrafts, transport, education, small business, retail trade, etc.;
- matters relating to selective credit control and administration of the Regional Rural Banks Act, 1976, wage settlement in Banking industry, processing of proposals for appointment of Workmen Employee Directors, implementation of reservation policy for Scheduled Castes/Scheduled Tribes and the other specified categories.

### 6.2.3 The following Acts are administered by the Banking Division:-

- (i) The Regional Rural Banks Act, 1976
- (ii) The Recovery of Debts Due to Banks and Financial Institutions Act, 1993
- (iii) The State Financial Corporation Act, 1951
- (iv) The Sick Industrial Companies (Special Provisions) Act, 1985
- (v) The Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992
- (vi) The Banking Regulation Act, 1949
- (vii) The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
- (viii) The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980
- (ix) The Bankers Books Evidence Act, 1891

- (x) The Banking Service Commission Act, 1984
- (xi) The State Bank of India Act, 1955
- (xii) The State Bank of India (Subsidiary Banks) Act, 1959
- (xiii) The Reserve Bank of India (Amendment and Miscellaneous Provisions) Act, 1953
- (xiv) The State Agricultural Credit Corporation Act, 1968
- (xv) The Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983
- (xvi) The Deposit Insurance and Credit Guarantee Corporation Act, 1961
- (xvii) The Negotiable Instruments Act, 1881
- (xviii) The Shipping Development Fund Committee (Abolition) Act, 1986.

### 6.2.4 Insurance Division

#### 6.2.5 The functions of the Insurance 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 service of the Chairperson and Members of Insurance Regulatory and Development Authority (IRDA);
- appointment of Chief Executives and Directors on the Boards of nationalised Insurance Companies;

- framing of rules under IRDA Act, 1999 and;
- appointment of Chairperson and Members of the IRDA.

**6.2.6 The following Acts are administered by the Insurance Division:**

- The Insurance Act, 1938;
- The Life Insurance Corporation Act, 1956;
- The General Insurance Business (Nationalisation) Act, 1972;
- The Insurance Regulatory and Development Authority (IRDA) Act, 1999; and
- The Actuaries Act, 2006.

6.2.7 In addition to the above, the Insurance Division administers special social oriented schemes announced from time to time such as the Universal Health Insurance Scheme (UHIS), Varishta Pension Bima Yojana (VPBY) and Aam Aadmi Bima Yojana (AABY).

**6.2.8 Pension Reforms**

This Department of Financial Services deals with various issues and policy matters relating to pension, including the New Pension System (NPS), which was introduced with effect from 1st January, 2004 for the newly recruited Central Government employees. Legislative proposals / amendments concerning the Pension Fund Regulatory and Development Authority (PFRDA), the Central Recordkeeping Agency (CRA) and pension funds are also dealt in this Department.

**6.3 Main Programmes and Schemes**

6.3.1 Some of the important programmes and schemes of the Department (details at Annex - II) during 2007-08 were:

- Restructuring of the Regional Rural Banks (RRBs)

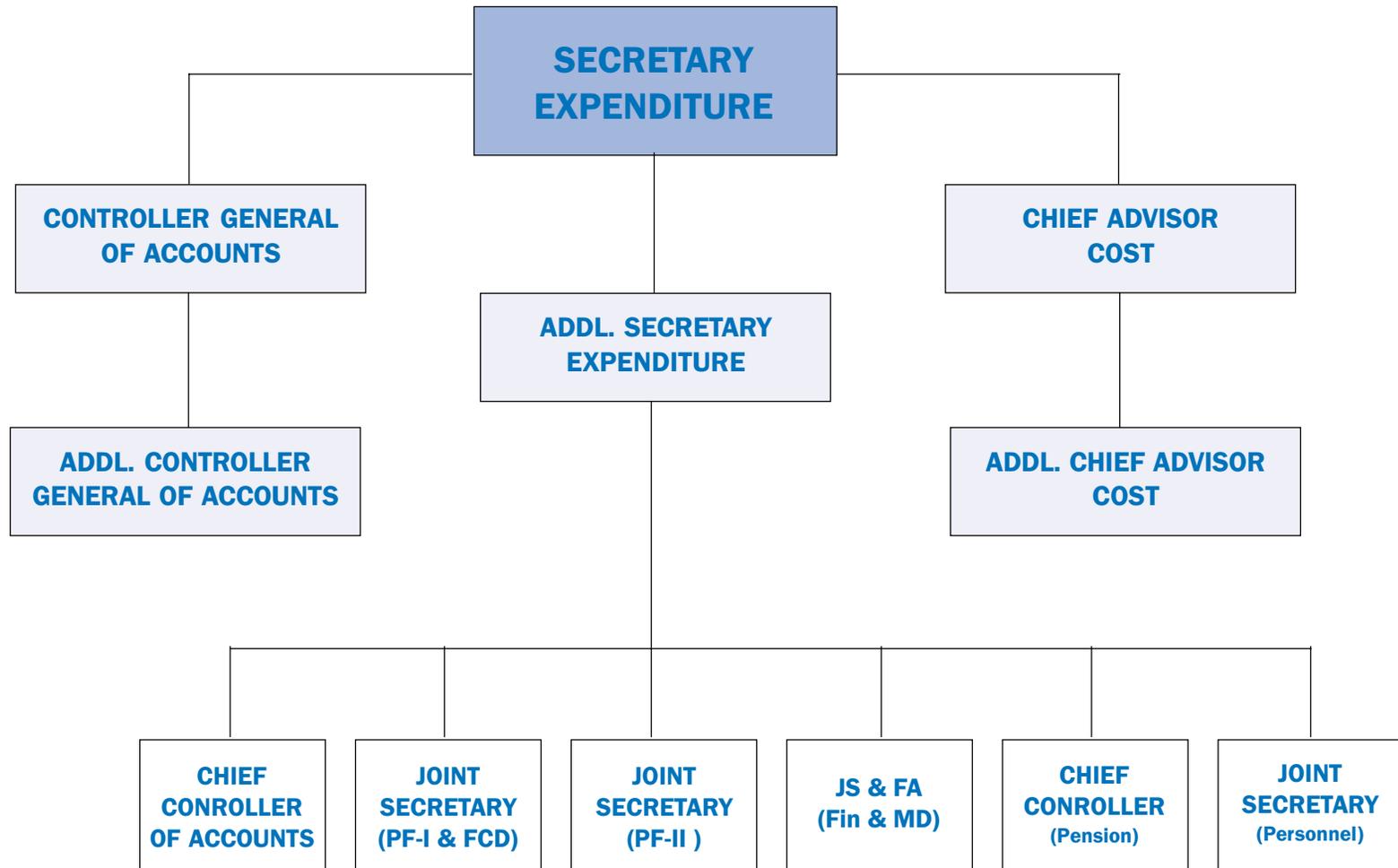
- Revitalisation of the Short Term Cooperative Credit Structure
- Interest Subvention Scheme for interest relief to farmers on short term production credit
- Universal Health Insurance Scheme (UHIS) for BPL families
- Varishta Pension Bima Yojana (VPBY)
- Aam Aadmi Bima Yojana (AABY)
- Constitution of Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF)

6.3.2 With the creation of the Department of Financial Services, a new Grant (No. 33 - Department of Financial Services) has been opened for catering to the expenditure relating to salary and establishment of (i) Department of Financial Services (Main), (ii) Special Courts established under the Special Courts (Trial of offences relating to transaction of securities) Act, 1992, (iii) Office of the Custodian, (iv) Appellate Authority for Industrial and Financial Reconstruction, (v) Board for Industrial and Financial Reconstruction and (vi) Debts Recovery Tribunals as also Grants-in-aid to Pension Fund Regulatory and Development Authority, creating institution capacity for reforming India's Pension Systems, etc. Budgetary provisions for meeting the above expenditure upto RE 2007-08 have been included in Grant No. 31- Department of Economic Affairs.

**7. DEPARTMENT OF EXPENDITURE**

7.1 The Department of Expenditure is the nodal Department for overseeing the public expenditure management system in the Central Government and matters connected with State finances. Principal activities of the Department include pre-sanction appraisal of all major schemes/projects (both Plan and non-Plan expenditure); handling Central budgetary resources transferred to States; implementing the recommendations of the Finance Commission; overseeing the expenditure management in the Central Ministries/Departments

## Department of Expenditure Organisational Set up



through the interface with the Financial Advisors, modifications and issue of guidelines on Financial Rules, Regulations and monitoring of Audit comments / observations; preparation of Central Government Accounts; managing the financial aspects of personnel management in the Central Government; assisting Central Ministries/Departments in controlling the costs and prices of public services and organizational re-engineering by reviewing systems and procedures to optimize outputs and outcomes of public expenditure. The Department also coordinates matters concerning the Ministry of Finance including Parliament-related work of the Ministry. The Department has under its administrative control the National Institute of Financial Management (NIFM), Faridabad.

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

#### 7.2.1 Administration Division

- Looks after the secretariat work of the Department and comprises of Finance Minister's Office, Cadre Administration Section, Accounts and Budget, General and Personnel Administration, the Official Language Section, Internal Work Study Unit.

#### 7.2.2 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.

#### 7.2.3 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.

#### 7.2.4 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-States and Inter-State financial relations.

#### 7.2.5 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.

### 7.2.6 Finance Commission Division

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

### 7.2.7 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.

### 7.2.8 Miscellaneous Departments Division

- Functions under FA (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.

### 7.2.9 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.

### 7.2.10 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 the Government.

### 7.2.11 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 overseeing control over expenditure of the Department and implementing the economy instructions for compliance by various organizations of the Department.

### 7.2.12 Controller General of Accounts

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

### 7.2.13 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 the reports of the Public Accounts Committee (PAC).

#### 7.2.14 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 Recordkeeping Agency for the New Pension Scheme.

#### 7.2.15 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.

#### 7.2.16 Institute of Government Accounts and Finance

- Headquarters at New Delhi and its 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 Government Accounts and Finance. Since 1995 it has started Public Financial Management programmes for officials from other countries.

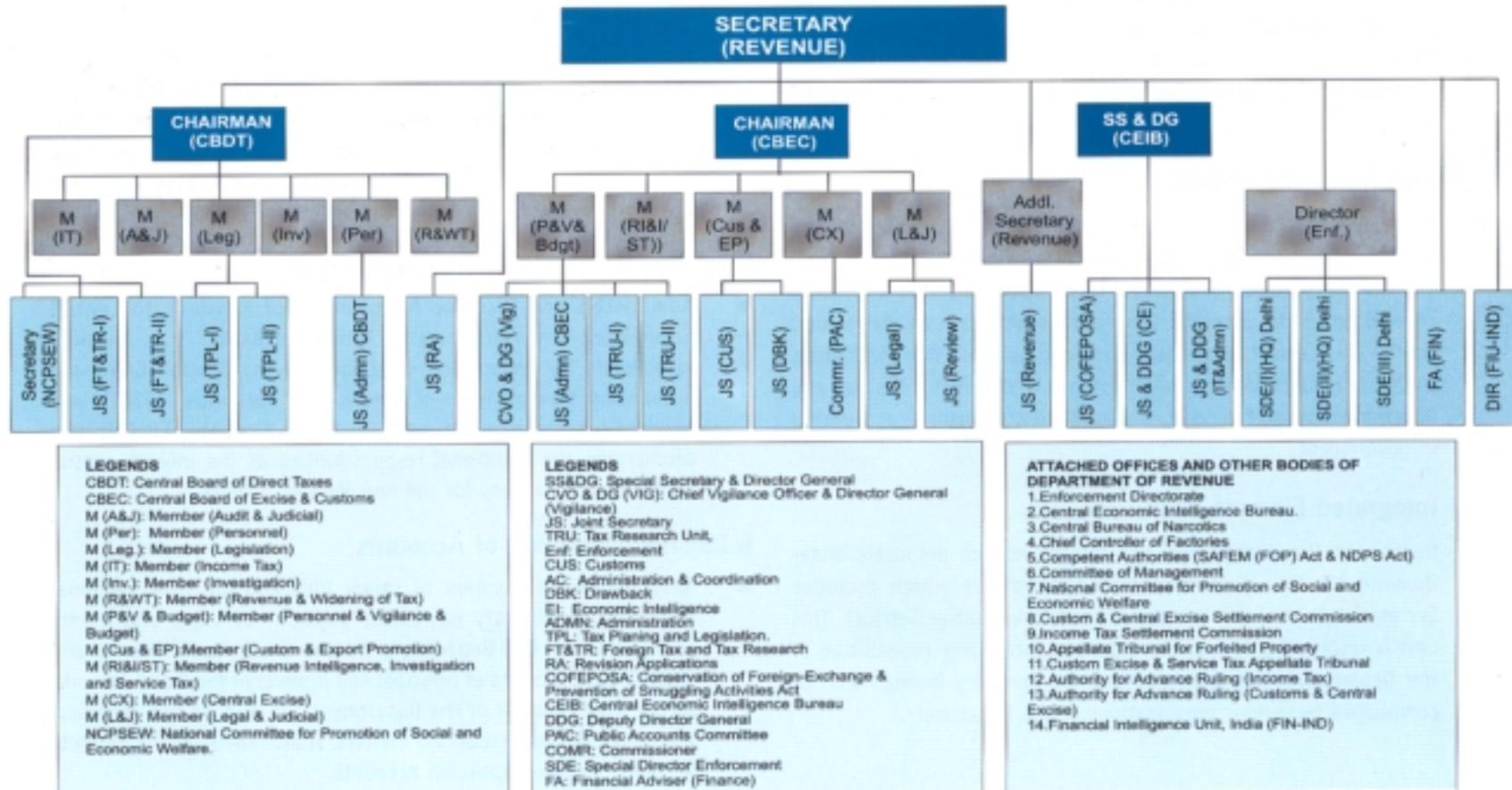
## 8. DEPARTMENT OF REVENUE

8.1 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.

8.2 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.

## Department of Revenue Organisational Set up



**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)

- 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 the Indian Stamp Act, 1899.
- Residual work of Gold Control.

8.3 The Department of Revenue administers the following Acts: -

- Income Tax Act, 1961;
- Wealth Tax Act, 1958;
- Expenditure Tax Act, 1987; \*
- Benami Transactions (Prohibition) Act, 1988;
- Super Profits Act, 1963;\*
- Companies (Profits) Sur-tax Act, 1964;\*
- Compulsory Deposit (Income Tax Payers) Scheme Act, 1974;\*
- Chapter VII of Finance (No.2) Act, 2004 (Relating to Levy of Securities Transactions Tax);
- Chapter VII of Finance Act 2005 (Relating to Banking Cash Transaction Tax);
- Chapter V of Finance Act, 1994 (Relating to Service Tax);
- Central Excise Act, 1944 and related matters;
- Customs Act, 1962 and related matters;
- Medicinal and Toilet Preparations (Excise Duties) Act, 1955;
- Central Sales Tax Act, 1956;

- Narcotic Drugs and Psychotropic Substances Act, 1985;
- Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988;
- Smugglers and Foreign Exchange Manipulators (SAFEM) (Forfeiture of Property) Act, 1976;
- Indian Stamp Act, 1899 (to the extent falling within the jurisdiction of the Union);
- Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974;
- Foreign Exchange Management Act, 1999; and
- Prevention of Money Laundering Act, 2002.

\* The administration of these Acts are limited to the cases pertaining to the period when these laws were in force.

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

- **Central Board of Direct Taxes**  
All matters relating to levy and collection of direct taxes.
- **Central Board of Excise and Customs**  
All matters relating to levy and collection of indirect taxes.
- **States Taxes Wing**  
Administration of Sales Tax Laws (Validation) Act, 1956, Central Sales Tax, State-level Value Added Tax (VAT), Indian Stamp Act, 1989, etc.
- **Narcotics Control Division**  
Framing of licensing policy for cultivation of Opium poppy, production of opium and export and pricing of opium and

alkaloids. Coordination of the working of Committee of Management and issues relating of UN and International Organizations.

- **Committee of Management**

Administering the departmental undertakings viz., Government Opium and Alkaloid Works, Neemuch (M.P.) and Ghazipur (U.P.) which are engaged in processing of raw opium for export purposes and also for extraction of alkaloids from opium, which are used by the Pharmaceutical industry.

- **Administration Division**

All administrative matters of Department of Revenue. Maintenance of CR Dossiers of the staff and officers of the Secretariat proper of the Department IRS (Group-A) & IRS (Customs & Central Excise) (Group-A). Coordination work and work relating to Official Language.

- **Revision Application Unit**

Work relating to revision applications filed against the orders of Commissioners of Customs (Appeals) and Commissioners of Central Excise (Appeals) and the cases filed before 11.10.1982 against CBEC.

- **Integrated Finance Unit**

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

- **Competent Authorities**

Work relating to forfeiture of property under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 and Chapter V-A of Narcotics Drugs and Psychotropic Substances Act, 1985.

- **Appellate Tribunal for Forfeited Property**

Adjudication of appeals filed by persons against orders of forfeiture of properties passed by Competent Authorities under the SAFEM (FOP) Act, 1976 and Chapter V A of NDPS Act, 1985. Another Appellate Tribunal under section 25 of the Prevention of Money Laundering Act (PMLA) has also been notified with effect from 1st July, 2005 to hear appeals against the orders of Adjudicating Authority and the Authorities under the said Act.

- **Customs, Excise, Service Tax Appellate Tribunal**

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

- **National Committee for Promotion of Social and Economic Welfare**

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

- **Authority for Advance Rulings**

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

- **Customs and Central Excise Settlement Commission**

Settlement of applications filed by the assesseees under the Customs Act, 1962 and Central Excise Act, 1944.

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

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

- **Central Economic Intelligence Bureau**

Coordinating and strengthening of the intelligence gathering activities, the investigative efforts and enforcement action

by various agencies concerned with investigation into economic offences and enforcement of economic laws.

- **Enforcement Directorate**

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

- **Financial Intelligence Unit**

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

- **Income Tax Ombudsman**

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

## 9. DIRECT TAXES

9.1 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 controlling authority for the Income Tax

Department. In its functioning, the CBDT is also assisted by the following attached offices in Delhi:

- (i) Directorate General of Income Tax (Administration)
  - (a) Directorate of Income Tax (Public Relations, Printing, Publication and Official Languages)
  - (b) Directorate of Income Tax (Recovery)
  - (c) Directorate of Income Tax (Income Tax & Audit)
- (ii) Directorate General of Income Tax (Systems)
- (iii) Directorate General of Income Tax (Legal & Research)
- (iv) Directorate of Income Tax (Organization & Management Services)
- (v) Directorate of Income Tax (Infrastructure)
- (vi) Directorate of Income Tax (Business Process Re-engineering)
- (vii) Directorate of Income Tax (Human Resource Development)

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

## 10. INDIRECT TAXES

10.1 The Central Board of Excise and Customs is the apex body in the Indirect Taxes set up. The Board discharges its various functions through its field organizations, which include 23 Chief Commissioners' Zones for Central Excise and Service Tax, 11 Chief Commissioners' Zones for Customs, 11 Directorates General, 7 Directorates and a Chief Departmental Representative's set up for Customs, Excise and Service Tax Appellate Tribunal. The Chief Commissioners are assisted by Commissioners and the 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.

### 10.2 Department of Revenue has three Demands for Grants:

Demand No. 41 - Department of Revenue

Demand No. 42 - Direct Taxes and

Demand No. 43 - Indirect Taxes.

10.3 Under Demand No.41 - Department of Revenue, the 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.3,292.50 crore for 2008-09 and included in the 'Outcome Budget'. A provision of Rs.2500.00 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 is expenditure related to implementation of VAT scheme, setting

up of Tax Information Exchange System (TINXSYS) and expenditure on Government Opium & Alkaloid Works.

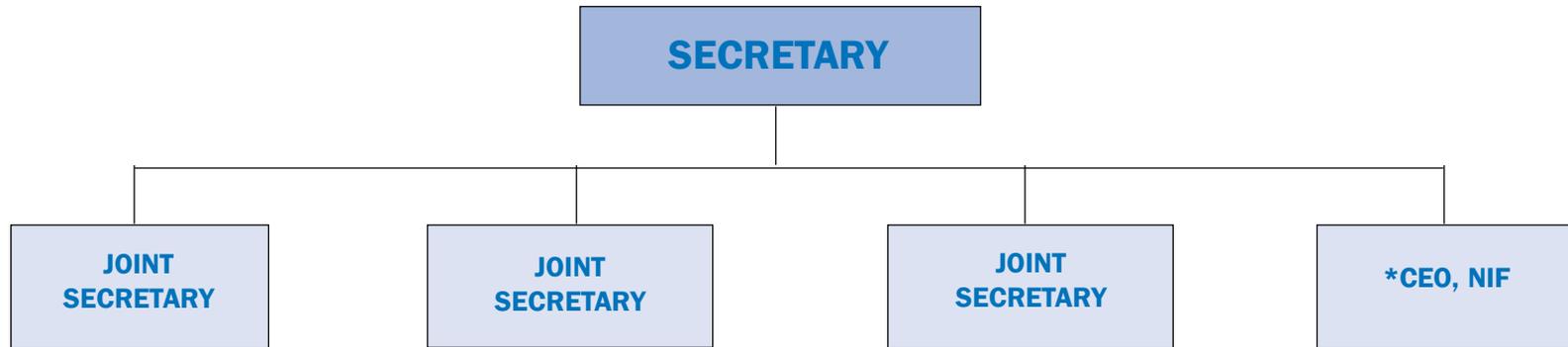
10.4 Under Demand No. 42 - Direct Taxes and 43 - Indirect Taxes, only specific schemes under 'Information Technology', involving extensive computerization in the Tax Administration and Capital expenditure meant for acquisition of office/residential accommodation, acquisition of marine fleet and anti-smuggling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

## 11. DEPARTMENT OF DISINVESTMENT

11.1 The Ministry of Disinvestment was converted into a Department under the Ministry of Finance with effect from 27th 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) All matters relating to sale of Central Government equity through offer for sale or private placement in the erstwhile Central Public Sector Undertakings.
- (c) Decisions on the recommendations of Disinvestment Commission on the modalities of disinvestment, including restructuring.
- (d) Implementation of disinvestment decisions, including appointment of Advisors, pricing of Shares, and other terms and conditions of disinvestment.
- (e) Central Public Sector Undertakings for purposes of disinvestment of Government equity only.
- (f) Financial policy in regard to the utilization of the proceeds of disinvestment channelised into the National Investment Fund.

## Department of Disinvestment Organisational Set up



\* Chief Executive Officer, National Investment Fund

11.2 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).

11.3 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. As on date, from disinvestment of 5% Government equity in Power Grid Corporation of India Ltd., a sum of Rs 994.82 crore has been received by Government of India and receipts have been channelised into National Investment Fund in October, 2007 and funds have been provided to the fund managers.

1. The Demands for Grants of the Ministry of Finance consists of 'fourteen' Demands as under:-

1.	Demand No.31-Department of Economic Affairs
2.	Demand No.32- Payments to Financial Institutions
3.	Demand No 33- Department of Financial Services
4.	Appropriation No.34 -Interest Payments *
5.	Demand No.35- Transfer to States and Union Territory Governments *
6.	Demand No.36- Loans to Government Servants etc. *
7.	Appropriation No.37- Repayment of Debt *
8.	Demand No.38- Department of Expenditure
9.	Demand No.39- Pensions *
10.	Demand No.40- Indian Audit and Accounts Department *
11.	Demand No.41- Department of Revenue
12.	Demand No.42-Direct Taxes
13.	Demand No.43- Indirect Taxes
14.	Demand No.44- Department of Disinvestment.

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

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

(Rs. in crore)

Description	Actuals 06-07			Budget Estimates 07-08			Revised Estimates 07-08			Budget Estimates 08-09		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 31 Department of Economic Affairs</b>												
Total-Revenue Section	1423.91	1777.17	2873.29	1449.38	2036.85	3486.23	1449.38	2485.68	3935.06	1547.80	2577.04	4124.84
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	1423.91	1777.17	2873.29	1449.38	2036.85	3486.23	1449.38	2485.68	3935.06	1547.80	2577.04	4124.84
Total-Capital Section	0.00	6610.04	100.00	100.00	355.20	455.20	23.00	6671.90	6694.90	92.10	507.02	599.12
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	6610.04	100.00	100.00	355.20	455.20	23.00	6671.90	6694.90	92.10	507.02	599.12
Total (Revenue&Capital)	1423.91	8387.21	2973.29	1549.38	2392.05	3941.43	1472.38	9157.58	10629.96	1639.90	3084.06	4723.96
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	1423.91	8387.21	2973.29	1549.38	2392.05	3941.43	1472.38	9157.58	10629.96	1639.90	3084.06	4723.96
<b>Demand No. 32 Payments To Financial Institutions</b>												
Total-Revenue Section	0.00	9049.22	9049.22	0.00	5723.81	5723.81	0.00	4620.41	4620.41	0.00	7263.64	7263.64
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	9049.22	9049.22	0.00	5723.81	5723.81	0.00	4620.41	4620.41	0.00	7263.64	7263.64
Total-Capital Section	0.00	196.51	196.51	0.00	40353.76	40353.76	0.00	48148.59	48148.59	1900.00	909.23	2809.23
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	196.51	196.51	0.00	40353.76	40353.76	0.00	48148.59	48148.59	1900.00	909.23	2809.23
Total (Revenue & Capital)	0.00	9245.73	9245.73	0.00	46077.57	46077.57	0.00	52769.00	52769.00	1900.00	8172.87	10072.87
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	9245.73	9245.73	0.00	46077.57	46077.57	0.00	52769.00	52769.00	1900.00	8172.87	10072.87

**Ministry of Finance - Outcome Budget 2008-09**

(Rs. in crore)

Description	Actuals 06-07			Budget Estimates 07-08			Revised Estimates 07-08			Budget Estimates 08-09		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 33 Department of Financial Services</b>												
Total-Revenue Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.98	59.98
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.98	59.98
Total-Capital Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.02
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.02
Total (Revenue & Capital)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00	60.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00	60.00
<b>Appropriation No. 34 Interest Payments</b>												
Total-Revenue Section	0.00	154279.74	154279.74	0.00	163994.93	163994.93	0.00	180802.18	180802.18	0.00	207465.02	207465.02
Charged	0.00	154279.74	154279.74	0.00	163994.93	163994.93	0.00	180802.18	180802.18	0.00	207465.02	207465.02
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total-Capital Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (Revenue & Capital)	0.00	154279.74	154279.74	0.00	163994.93	163994.93	0.00	180802.18	180802.18	0.00	207465.02	207465.02
Charged	0.00	154279.74	154279.74	0.00	163994.93	163994.93	0.00	180802.18	180802.18	0.00	207465.02	207465.02
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Demand No. 35 Transfer to State and Union Territory Governments</b>												
Total-Revenue Section	32837.91	45045.35	77883.26	33521.70	34140.00	67661.70	39649.82	38604.14	78253.96	42545.84	43929.92	86475.76
Charged	0.00	28440.42	28440.42	0.00	30087.50	30087.50	0.00	27059.88	27059.88	0.00	34392.42	34392.42
Voted	32837.91	16604.93	49442.84	33521.70	4052.50	37574.20	39649.82	11544.26	51194.08	42545.84	9537.50	52083.34
Total-Capital Section	4700.00	0.00	4700.00	3286.50	1000.00	4286.50	5986.00	1000.00	6986.00	3867.50	1000.00	4867.50
Charged	4700.00	0.00	4700.00	3286.50	1000.00	4286.50	5986.00	1000.00	6986.00	3867.50	1000.00	4867.50
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (Revenue & Capital)	37537.91	45045.35	82583.26	36808.20	35140.00	71948.20	45635.82	39604.14	85239.96	46413.34	44929.92	91343.26
Charged	4700.00	28440.42	33140.42	3286.50	31087.50	34374.00	5986.00	28059.88	34045.88	3867.50	35392.42	39259.92
Voted	32837.91	16604.93	49442.84	33521.70	4052.50	37574.20	39649.82	11544.26	51194.08	42545.84	9537.50	52083.34

Outlays and Outcomes

(Rs. in crore)												
Description	Actuals 06-07			Budget Estimates 07-08			Revised Estimates 07-08			Budget Estimates 08-09		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 36 Loans to Government Servants, etc.</b>												
Total-Revenue Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total-Capital Section	0.00	237.10	237.10	0.00	360.00	360.00	0.00	360.00	360.00	0.00	360.00	360.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	237.10	237.10	0.00	360.00	360.00	0.00	360.00	360.00	0.00	360.00	360.00
Total (Revenue & Capital)	0.00	237.10	237.10	0.00	360.00	360.00	0.00	360.00	360.00	0.00	360.00	360.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	237.10	237.10	0.00	360.00	360.00	0.00	360.00	360.00	0.00	360.00	360.00
<b>Appropriation No. 37 Repayment of Debt</b>												
Total-Revenue Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total-Capital Section	0.00	1480938.37	1480938.37	0.00	1611645.92	1611645.92	0.00	1674219.09	1674219.09	0.00	1745574.44	1745574.44
Charged	0.00	1480938.37	1480938.37	0.00	1611645.92	1611645.92	0.00	1674219.09	1674219.09	0.00	1745574.44	1745574.44
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (Revenue & Capital)	0.00	1480938.37	1480938.37	0.00	1611645.92	1611645.92	0.00	1674219.09	1674219.09	0.00	1745574.44	1745574.44
Charged	0.00	1480938.37	1480938.37	0.00	1611645.92	1611645.92	0.00	1674219.09	1674219.09	0.00	1745574.44	1745574.44
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Demand No. 38 Department of Expenditure</b>												
Total-Revenue Section	0.63	33.90	34.53	1.00	143.00	144.00	0.75	92.59	93.34	4.00	37.86	41.86
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.63	33.90	34.53	1.00	143.00	144.00	0.75	92.59	93.34	4.00	37.86	41.86
Total-Capital Section	0.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	0.00	6.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	0.00	6.00
Total (Revenue & Capital)	0.63	38.90	39.53	1.00	143.00	144.00	0.75	92.59	93.34	10.00	37.86	47.86
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.63	38.90	39.53	1.00	143.00	144.00	0.75	92.59	93.34	10.00	37.86	47.86

**Ministry of Finance - Outcome Budget 2008-09**

(Rs. in crore)												
Description	Actuals 06-07			Budget Estimates 07-08			Revised Estimates 07-08			Budget Estimates 08-09		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 39 Pensions</b>												
Total-Revenue Section	0.00	7005.30	7005.30	0.00	7333.50	7333.50	0.00	7447.10	7447.10	0.00	7966.14	7966.14
Charged	0.00	23.28	23.28	0.00	25.96	25.96	0.00	29.56	29.56	0.00	35.38	35.38
Voted	0.00	6982.02	6982.02	0.00	7307.54	7307.54	0.00	7417.54	7417.54	0.00	7930.76	7930.76
Total-Capital Section	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (Revenue & Capital)	0.00	7005.30	7005.30	0.00	7333.50	7333.50	0.00	7447.10	7447.10	0.00	7966.14	7966.14
Charged	0.00	23.28	23.28	0.00	25.96	25.96	0.00	29.56	29.56	0.00	35.38	35.38
Voted	0.00	6982.02	6982.02	0.00	7307.54	7307.54	0.00	7417.54	7417.54	0.00	7930.76	7930.76
<b>Demand No. 40 Indian Audit &amp; Accounts Department</b>												
Total-Revenue Section	0.00	1212.33	1212.33	0.00	1258.47	1258.47	0.00	1265.45	1265.45	0.00	1280.55	1280.55
Charged	0.00	37.07	37.07	0.00	39.98	39.98	0.00	39.98	39.98	0.00	36.85	36.85
Voted	0.00	1175.26	1175.26	0.00	1218.49	1218.49	0.00	1225.47	1225.47	0.00	1243.70	1243.70
Total-Capital Section	0.00	4.86	4.86	0.00	2.11	2.11	0.00	2.11	2.11	0.00	2.95	2.95
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	4.86	4.86	0.00	2.11	2.11	0.00	2.11	2.11	0.00	2.95	2.95
Total (Revenue & Capital)	0.00	1217.19	1217.19	0.00	1260.58	1260.58	0.00	1267.56	1267.56	0.00	1283.50	1283.50
Charged	0.00	37.07	37.07	0.00	39.98	39.98	0.00	39.98	39.98	0.00	36.85	36.85
Voted	0.00	1180.12	1180.12	0.00	1220.60	1220.60	0.00	1227.58	1227.58	0.00	1246.65	1246.65
<b>Demand No. 41 Department of Revenue</b>												
Total-Revenue Section	0.00	4432.51	4432.51	0.00	5874.39	5874.39	0.00	6412.88	6412.88	0.00	6197.00	6197.00
Charged	0.00	20.92	20.92	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	4411.59	4411.59	0.00	5874.37	5874.37	0.00	6412.86	6412.86	0.00	6196.98	6196.98
Total-Capital Section	0.00	0.54	0.54	0.00	1.47	1.47	0.00	1.02	1.02	0.00	0.82	0.82
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.54	0.54	0.00	1.47	1.47	0.00	1.02	1.02	0.00	0.82	0.82
Total (Revenue & Capital)	0.00	4433.05	4433.05	0.00	5875.86	5875.86	0.00	6413.90	6413.90	0.00	6197.82	6197.82
Charged	0.00	20.92	20.92	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	4412.13	4412.13	0.00	5875.84	5875.84	0.00	6413.88	6413.88	0.00	6197.80	6197.80

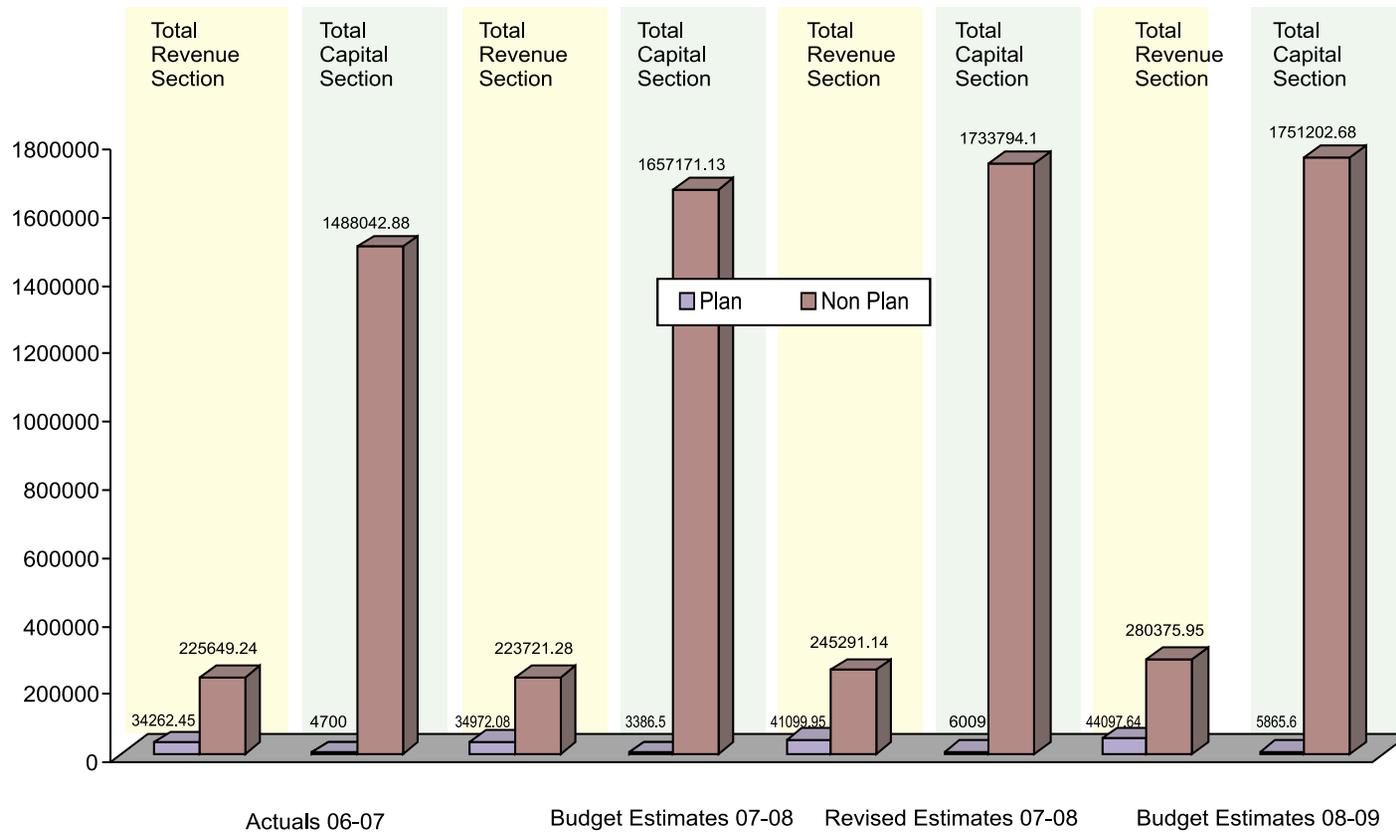
**Outlays and Outcomes**

(Rs. in crore)												
Description	Actuals 06-07			Budget Estimates 07-08			Revised Estimates 07-08			Budget Estimates 08-09		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>Demand No. 42 Direct Taxes</b>												
<b>Total-Revenue Section</b>	0.00	1348.47	1348.47	0.00	1521.53	1521.53	0.00	1742.23	1742.23	0.00	1772.00	1772.00
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	1348.47	1348.47	0.00	1521.51	1521.51	0.00	1742.21	1742.21	0.00	1771.98	1771.98
<b>Total-Capital Section</b>	0.00	4.90	4.90	0.00	10.47	10.47	0.00	10.19	10.19	0.00	203.00	203.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	4.90	4.90	0.00	10.47	10.47	0.00	10.19	10.19	0.00	203.00	203.00
<b>Total (Revenue &amp; Capital)</b>	0.00	1353.37	1353.37	0.00	1532.00	1532.00	0.00	1752.42	1752.42	0.00	1975.00	1975.00
Charged	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02
Voted	0.00	1353.37	1353.37	0.00	1531.98	1531.98	0.00	1752.40	1752.40	0.00	1974.98	1974.98
<b>Demand No. 43 Indirect Taxes</b>												
<b>Total-Revenue Section</b>	0.00	1461.86	1461.86	0.00	1690.80	1690.80	0.00	1750.50	1750.50	0.00	1805.80	1805.80
Charged	0.00	0.76	0.76	0.00	1.00	1.00	0.00	1.00	1.00	0.00	1.20	1.20
Voted	0.00	1461.10	1461.10	0.00	1689.80	1689.80	0.00	1749.50	1749.50	0.00	1804.60	1804.60
<b>Total-Capital Section</b>	0.00	45.56	45.56	0.00	140.20	140.20	0.00	79.20	79.20	0.00	315.20	315.20
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	45.56	45.56	0.00	140.20	140.20	0.00	79.20	79.20	0.00	315.20	315.20
<b>Total (Revenue &amp; Capital)</b>	0.00	1507.42	1507.42	0.00	1831.00	1831.00	0.00	1829.70	1829.70	0.00	2121.00	2121.00
Charged	0.00	0.76	0.76	0.00	1.00	1.00	0.00	1.00	1.00	0.00	1.20	1.20
Voted	0.00	1506.66	1506.66	0.00	1830.00	1830.00	0.00	1828.70	1828.70	0.00	2119.80	2119.80
<b>Demand No. 44 Department of Disinvestment</b>												
<b>Total-Revenue Section</b>	0.00	3.39	3.39	0.00	4.00	4.00	0.00	8.00	8.00	0.00	21.00	21.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	3.39	3.39	0.00	4.00	4.00	0.00	8.00	8.00	0.00	21.00	21.00
<b>Total-Capital Section</b>	0.00	0.00	0.00	0.00	3302.00	3302.00	0.00	3302.00	3302.00	0.00	2330.00	2330.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	0.00	0.00	0.00	3302.00	3302.00	0.00	3302.00	3302.00	0.00	2330.00	2330.00
<b>Total (Revenue &amp; Capital)</b>	0.00	3.39	3.39	0.00	3306.00	3306.00	0.00	3310.00	3310.00	0.00	2351.00	2351.00
Charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Voted	0.00	3.39	3.39	0.00	3306.00	3306.00	0.00	3310.00	3310.00	0.00	2351.00	2351.00

**Ministry of Finance - Outcome Budget 2008-09**

(Rs. in crore)												
Description	Actuals 06-07			Budget Estimates 07-08			Revised Estimates 07-08			Budget Estimates 08-09		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>GRAND TOTAL</b>												
<b>Total-Revenue Section</b>	<b>34262.45</b>	<b>225649.24</b>	<b>259911.69</b>	<b>34972.08</b>	<b>223721.28</b>	<b>258693.36</b>	<b>41099.95</b>	<b>245291.14</b>	<b>286391.09</b>	<b>44097.64</b>	<b>280375.95</b>	<b>324473.59</b>
Charged	0.00	182802.19	182802.19	0.00	194149.41	194149.41	0.00	207932.64	207932.64	0.00	241930.91	241930.91
Voted	34262.45	42847.05	77109.50	34972.08	29571.87	64543.95	41099.95	37358.50	78458.45	44097.64	38445.04	82542.68
<b>Total-Capital Section</b>	<b>4700.00</b>	<b>1488042.88</b>	<b>1492742.88</b>	<b>3386.50</b>	<b>1657171.13</b>	<b>1660557.63</b>	<b>6009.00</b>	<b>1733794.10</b>	<b>1739803.10</b>	<b>5865.60</b>	<b>1751202.68</b>	<b>1757068.28</b>
Charged	4700.00	1480938.37	1485638.37	3286.50	1612645.92	1615932.42	5986.00	1675219.09	1681205.09	3867.50	1746574.44	1750441.94
Voted	0.00	7104.51	7104.51	100.00	44525.21	44625.21	23.00	58575.01	58598.01	1998.10	4628.24	6626.34
<b>Total (Revenue &amp; Capital)</b>	<b>38962.45</b>	<b>1713692.12</b>	<b>1752654.57</b>	<b>38358.58</b>	<b>1880892.41</b>	<b>1919250.99</b>	<b>47108.95</b>	<b>1979085.24</b>	<b>2026194.19</b>	<b>49963.24</b>	<b>2031578.63</b>	<b>2081541.87</b>
Charged	4700.00	1663740.56	1668440.56	3286.50	1806795.33	1810081.83	5986.00	1883151.73	1889137.73	3867.50	1988505.35	1992372.85
Voted	34262.45	49951.56	84214.01	35072.08	74097.08	109169.16	41122.95	95933.51	137056.46	46095.74	43073.28	89169.02

**Outlays and Outcomes**



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

**3. DEMAND NO. 31-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), Thirteenth Finance Commission and contribution towards International Bodies. Therefore, there are very few activities/outlays in this demand, 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.31 Department of Economic Affairs

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
1	<b>MH 3054 Contribution for Railway Safety Works against additional levies on Motor Spirit and High Speed Diesel (Plan Scheme)</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	-	773.90	<ul style="list-style-type: none"> <li>- Manning at 450 locations.</li> <li>- Lifting Barrier at 300 locations.</li> <li>- Basic Infrastructure at 700 locations.</li> <li>- Interlocking at 300 locations.</li> <li>- Telephones at 300 locations.</li> </ul>	Ensure safety at unmanned level crossing and provide smooth passage for traffic.	<ul style="list-style-type: none"> <li>- One year upto 31.3.2009</li> <li>- For manning of unmanned level crossings, 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> </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's 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</li> </ul>

Outlays and Outcomes

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
		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. Based on firm proposal from State Govt./ local bodies, work is sanctioned.					<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 system.</li> </ul>	which long distance provisions are to be made.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
2	<b>MH 5475 - Assistance for Infrastructure Development Public Private Partnership (PPP) in Infrastructure</b>  (Ref. Annex-I Appendix-A) (Plan Scheme)	To promote Public Private Partnership (PPP) in the infrastructure sector through provision of Viability Gap Funding (VGF).	-	92.10	The total approvals for VGF grant till now is of the order of Rs. 2690 .00 crore for the 23 proposals granted 'in principle' approval. The actual level of VGF amount of these proposals will be known once the bidding process is completed. In 6 projects from Madhya Pradesh, financial closure has been reached and disbursal of VGF amounting to Rs. 23.00 crore is expected during 2007-08 for which provision is	Development of Infrastructure through Public Private Partnership mode.	There is time lag between grant of 'in principle' approval and the final disbursement	Disbursement of fund takes place after commencement of construction work of the project and only after the private party selected through competitive bidding invests its share of equity.

Outlays and Outcomes

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
					available in 2007-08.			
3	<b>Major Head 3475 - Interest equalisation support to Exim Bank of India</b> (Ref. Annex-I Appendix-B and C)	Indian Development and Economic Assistance Scheme (IDEAS). The objective is to project India's strategic economic interests abroad and to develop long standing economic relationship. The scheme inter-alia provides interest equalisation support to EXIM Bank of	232.00	-	Projects, Exports of Indian goods and services to foreign countries	Interest equalization support to EXIM Bank of India has to be given by GOI in respect of the GOI supported EXIM Bank of India Lines of Credit extended for growth of Indian exports, development of strategic and economic relationship to the countries like Angola,	The provision is to be utilised upto 31st March, 2009.	If the repayment is defaulted by the recipient country, GOI will have to repay the amount to EXIM Bank as counter-guarantee of GOI has been given to EXIM Bank for the lines of credit.

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
		India for GOI supported lines of credit.				Burkina Faso, Cambodia, Chad, Congo, Cote d' Ivoire, Djibouti, Ecuador Ethiopia, Equatorial Guinea, Fiji, Gambia, Ghana, Guinea Bissau, Guyana, Honduras, Jamaica, Lao PDR, Lesotho, Mali, Malawi, Mozambique, Myanmar, Niger, Senegal, Sri Lanka, Sudan, Surinam, Tanzania, Vietnam and Zambia		

Outlays and Outcomes

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
4	<b>Major Head 3605 - Technical and Economic Cooperation with other countries, Development Assistance Grants-in-aid.</b> (Ref. Annex-I Appendix-B)	<ul style="list-style-type: none"> <li>● Providing assistance for project preparations.</li> <li>● Creation of regional and Country strategies</li> </ul>	5.00	-	<ul style="list-style-type: none"> <li>● Release of grants to professionals/ organisations 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>● Develop long standing economic relationship.</li> <li>● Identification of Projects.</li> <li>● This initiative would deliver maximum economic and strategic value to country.</li> </ul>	<ul style="list-style-type: none"> <li>● The scheme will initially run for 5 years.</li> <li>● The provision is to be utilised upto 31st March, 2009</li> </ul>	-

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
5	<b>MH-3605: Technical and Economic Cooperation with other countries, 07: Technical and South East Asia under the Colombo Plan; 07.01.32 and 07.02.32: Contribution (Ref. Annex-I Appendix-D)</b>	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	5.96	-	Human Resource Development through technical education to 410 students every year from Colombo Plan countries.	Development of long standing economic relationship through continued technical assistance to Colombo Plan countries.	The trainees are provided with airfare, tuition fee, accommodation and living allowance, for undergoing training in approved Institutes.	There is no risk factor involved as the funds are being utilized for the objective mentioned in Col.3.
6	<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	4.00	-	Export of various equipment and goods and consultancy services for rehabilitation of an irrigation project in Cambodia.	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% p.a., and 5 years moratorium, US\$ 5.51 million

Outlays and Outcomes

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
	relationship with the recipient country.				Export of pump sets.			disbursed till 16th January, 2007. Utilisation of US\$ 1 million is expected in the financial year 2008-09.

## 4. DEMAND NO. 32 - PAYMENTS TO FINANCIAL INSTITUTIONS

4.1 This Demand deals with Financial Institutions - both national and international. The provisions are for carrying out reforms in financial sector and making contributions/subscriptions to international organizations like International Monetary Fund, International Fund for Agricultural Development, Afghanistan Reconstruction Trust Fund, African Development Fund, African Development Bank, etc.

The investment boom in infrastructure industry, including housing and services, are nurtured through further reforms in the financial sector. Grants-in-aid are given to International Financial Institutions, Agricultural Financial Institutions and General Financing and Trading Institutions for Implementation of various schemes for the benefit of the people at large, particularly for those who belong to below poverty line, low income group, etc.

Acquisition cost of Reserve Bank of India stake in NABARD and NHB (Rs.1450.00 crore and Rs.450.00 crore, respectively) has been included under Plan provisions. Major non-Plan activities projecting "outcomes" are given in the following statement:



Launching of Aam Aadmi Bima Yojna by Finance Minister on 2nd October, 2007

## 4.2 Statement of Outlays and Outcomes

### 4.2.1 Demand No.32 Payments to Financial Institutions

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
1	<b>MH 2235 - Debt Relief in interest to farmers on overdue loans</b> (Ref. Para 1 of Annex-II)	To share interest waived on overdue loans payable by farmers in debt stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra	640.00	--	50% share of Government of India is estimated at Rs.1,889.19 crore (total being Rs.3778.37 crore)	The farmers will be benefited of the much needed debt relief. It will also make them eligible to avail fresh loans from banking system.	The implementation of the scheme is near completion. The accounts of farmers would be reimbursed as soon as the funds are allocated in the Budget.	This is grant to farmers. No risk factor is involved.
2	<b>MH 2235 - Payment to Public Sector General Insurance Companies for Community Based Universal Health</b>	The four public sector general insurance companies have been implementing Universal	25.00	--	To cover 8.3 lakh families	Subsidized health insurance for people below poverty line (BPL)	1 year	No risk factor is involved

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
	Insurance Scheme. (Ref. Para 2 of Annex-II)	Health Insurance Scheme for improving the access of health care to BPL families						
3	MH 2235 - Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens (Ref. Para 3 of Annex-II)	Subsidising Pension Plan for Senior Citizens	200.00	--	Under the scheme, pensioners get an effective yield of 9% p.a.	Approximately 3.5 lakh senior citizens, who had enrolled during the currency of the scheme, are being provided benefits.	1 year	Scheme has been discontinued w.e.f 09.07.2004

Outlays and Outcomes

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
4	<b>MH 2416 - Grants-in-aid for revitalization of Cooperative Credit Structure (Short Term)</b> (Ref. Para 4 of Annex-II)	Revitalization of Cooperative Credit Structure in the country (Short Term)	3542.00	-	17 States have executed MoU with NABARD and Govt. of India for implementing the package	Short Term 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 to accept the package.	This is a revitalization package for cooperative credit structure. No risk factor is involved as this is a grant.
5	<b>MH 2416 - Grants in aid for revitalization of Cooperative Credit Structure (Long Term)</b> (Ref. Para 5 of Annex-II)	Revitalization of Cooperative Credit Structure in the country (Long Term)	600.00	-	To provide a revival assistance for revitalization of Cooperative Credit Structure (Long Term)	Long Term Cooperative Credit Structure in the country shall be strengthened	A draft package for revitalization of Cooperative Credit Structure (Long Term) is under consideration of the Government.	This is a revitalization package for cooperative credit structure. No risk factor is involved as this is a grant.

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
6	<b>MH 2416 - Grants-in-aid - Interest subvention for providing short term credit to farmers.</b> (Ref. Para 6 of Annex-II)	Interest relief to farmers on short term production credit	1600.00	-	To provide short term production credit at 7% to the farmers upto an amount of Rs.3.00 lakh.	Farmers will benefit of the much needed interest relief on short term loans.	1 year	This is a subsidy to farmers. No risk factor is involved.
7	<b>MH 2416 - Recapitalisation of 27 Regional Rural Banks which have negative net worth</b> (Ref. Para 7 of Annex-II)	Improve viability of Regional Rural Banks	594.87	-	Recapitalisation of Regional Rural Banks in a phased programme	The programme will improve the viability of the Regional Rural Banks	2 years	The contribution is as per section 6(2) of the RRB Act, 1976.
8	<b>MH 2416 Government's Contribution towards constitution of Financial Inclusion Fund (FIF)</b> (Ref. Para 8 of Annex-II)	Support promotional and developmental activities with a view to securing greater financial inclusion,	25.00	-	Ensure access to financial services and timely and adequate credit facility to 649.54 lakh farmer households.	649.54 lakh farmer households will be provided with financial services and credit facility at an	5 years	A Fund, to be maintained by NABARD, is being constituted with shares in the ratio of 40:40:20 by GOI, RBI and NABARD. Rs. 10.00 crore

Outlays and Outcomes

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
		particularly among weaker sections, low income groups and in backward regions/hitherto unbanked areas.				affordable cost.		being released by 31.03.2008
9	<b>MH 2416 - Government's Contribution towards constitution of Financial Inclusion Technology Fund (FITF).</b> (Ref. Para 9 of Annex-II)	Enhance investments in information communication technology aimed at promoting financial inclusion, stimulating transfer of research and technology in financial	25.00	-	Extend facility under technological development to 649.54 lakh farmer households, who were hitherto excluded from the facility.	649.54 lakh farmer households will be covered under the scheme.	5 years	A Fund, to be maintained by NABARD, is being constituted with shares in the ratio of 40:40:20 by GOI, RBI and NABARD. Rs. 10.00 crore being released by 31.03.2008

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
		inclusion, increasing technological absorption capacity of financial service providers/ users.						
10	<b>MH 4885 - Exim Bank- Subscription to Share Capital</b> (Ref. Para 10 of Annex-II)	Strengthening of equity base of Exim Bank.	100.00	-	The Bank will have a standing in coordinating the working of Institutions engaged in financial exports and imports.	To increase the paid up capital by Rs. 100.00 crore. This will raise the equity base of Exim Bank to Rs.1,250.00 crore.	1 year	-
11	<b>MH 4885 - Subscription to Share Capital of India</b>	Enabling the programme of long-term infrastructure finance.	200.00	-	The Company would fill the gap for long term infrastructure finance which	To increase the paid up capital by Rs. 200.00 crore. This	1 year	-

Outlays and Outcomes

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
	<b>Infrastructure Finance Company Limited (IIFCL)</b> (Ref. Para 11 of Annex-II)				Banks are not in a position to provide owing to concerns relating to mismatches in assets and liabilities.	will raise the paid up share capital of IIFCL to Rs.1,000.00 crore.		
12	<b>MH 7465 - Government's contribution towards payment of premium to a Fund to be maintained by LIC for Aam Aadmi Bima Yojana.</b> (Ref. Para 12 of Annex-II)	Insurance cover to head of family or one earning member of rural landless household.	0.00	0.00	Estimated 1.5 crore rural landless households to be covered under the Scheme.	Provide insurance cover to the rural poor population.	30 lakh households by 31.03.2008 and 1 crore households by 30.09.2008.	A Social Security Fund of Rs.1000.00 crore placed at the disposal of the LIC during 2007-08. This will take care of the share of premium to be paid by Govt. of India during 2008-09.

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
13	<b>MH 7465 - Government's Contribution to a Fund to be maintained by LIC for granting scholarships to the children of the beneficiaries of Aam Aadmi Bima Yojana.</b> (Ref. Para 13 of Annex-II)	To provide scholarship of Rs.300.00 per quarter per child to up to two children studying between 9th & 12th Std., of the beneficiaries of Aam Aadmi Bima Yojana.	0.00	0.00	Scholarship benefit is available to the children of beneficiaries covered under Aam Aadmi Bima Yojana.	Scholarships are being provided to encourage children of the beneficiaries to study at least up to Senior Secondary level.	Under Aam Aadmi Bima Yojana 1.5 crore rural landless households are expected to be covered by the end of 2008-09.	A Fund of Rs.500 crore created from Central Government's share of valuation surplus of LIC for meeting the expenditure has been placed at the disposal of LIC in 2007-08

**5. Statement of Outlays and Outcomes**  
**5.1 Demand No. 38 - Department of Expenditure**

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
1	<b>Major Head 2070 - Other Administrative Services. Central Plan Scheme for enhancing training capacity of National Institute of Financial Management.</b>	High Level Professional Course covering basic elements of MBA (Finance) for the officers dealing with Accounts & Finance matters to be offered by the National Institute of Financial Management Society.	-	10.00	Training to 100 Officers of Central/ State/ UTs. The programme consists of six trimesters having 12-14 weeks duration each. This is a combination of class room teaching & project work.	Capacity building in financial managerial skill and in areas such as Commercial and Govt. Accounting, Public Finance, Budgeting, Financial Policy Formulation/ Decision Making and Project Management	2 years	1. Provision of Rs. 4.00 crore is under revenue section which will cover the programme fee component and Rs. 6.00 crore is under Capital section to create additional infrastructure as the intake is being increased from 15 to 100 seats.

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
								<p>2. The training scheme would target officers of all States/UTs and Central Government.</p> <p>3. Training capacity to be increased from 15 to 100 ( 80 for States and 20 for Centre)</p>

## 6. Statement of Outlays and Outcomes

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

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
1	<b>Major Head - 2052 Implementation of VAT Scheme (The Budget provision is for VAT related computerization in NE States and Sikkim and for other VAT related expenditure)</b>	Setting up of Modern VAT Administration System in NE States & Sikkim as also facilitating similar action in other States.	6.50	--	Computerization of VAT administration in NE States and Sikkim. NE States and Sikkim have made available Office space and other infrastructure for the project.	Effective implementation and administration of VAT	The initial phase of implementation of the Project on Turnkey basis has been completed. The task during 2008-09 is to effectively utilize the systems already put in place and to add new need-based software applications and remove bottlenecks, if any.	

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
2	<b>Major Head - 2052 Setting up of Tax Information Exchange System etc. (The Budget provision is for grant-in-aid to Empowered Committee (EC) for implementing TINXSYS Project, VAT Computerization of J&amp;K &amp; HP and for EC's administrative expenditure)</b>	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the EC.	15.00	--	--Implementation of TINXSYS Project. --Smooth functioning of EC. --VAT Computerization in J&K and HP.	--Effective tracking of inter-State transactions, which will set the stage of CST reforms. --Modern VAT Administration in J&K and HP	--The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation will be completed during 2007-08. Thereafter, it will be run by the Service Provider for another about 2 years, before transfer to EC. ---J&K and HP VAT Computerization Project: Initial phase expected to be completed during 2008-09.	

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
3	Major Head - 3601/ 3602 Compensation to States/UTs for revenue losses due to implementation of VAT and other VAT related expenditure (The Budget Provision is for providing grant-in-aid to States/UTs for (i) VAT compensation, and (ii) other VAT related expenditure and setting up/ upgradation of two Institutes for taxation studies in States/UTs)	-- Smooth and effective implementation of State VAT.	3292.50	--	--VAT Implementation by all States/ UTs. --Modernization of State Tax Administration including setting up/upgradation of two Institutes for taxation studies in States/UTs	Smooth and effective implementation of State VAT - considered to be the most significant tax reform measure at State level.	--As per agreed formula, VAT compensation is to be provided for 2005-06 (100% of revenue loss), 2006-07 (75% of revenue loss) and 2007-08 (50% of revenue loss). Pending claims and claims for the last part of 2007-08 would need to be settled during 2008-09. --Support for modernization of State VAT administration up to 2009-2010.	

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
4	<b>Major Head - 3601/ 3602 Compensation to States/UTs for revenue losses due to phasing out of Central Sales Tax (CST). (The Budget provision is for providing grant-in-aid to States/UTs for CST compensation.)</b>	-- Smooth and effective implementation of phasing out of CST.	2500.00	--	- Implementation by all States/ UTs. - phasing out of CST	Smooth and effective implementation of phasing out of CST - a corollary to the implementation of VAT.	CST is being phased out in three years time with effect from 1.4.2007. Rate of CST has been reduced from 4% to 3% in 2007-08 and now to 2% in 2008-09. As per agreed formula, CST compensation will need to be provided to the States till 2009-10.	
5	<b>Major Head 2875 Govt. Opium &amp; Alkaloid Works</b>	The Govt. Opium & Alkaloid Factories in Ghazipur and Neemuch are two	238.00	--	Export of Opium(500 MT) Sales of alkaloids (51.246 MT). This will result into revenue receipt of Rs.300.52 crore.	Revenue Realization of Rs.300.52 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

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
		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						demand of Indian opium in the international market, fluctuation in rate of foreign exchange, export price of Opium, quantity of opium for procurement, production and sale of alkaloids and selling price of alkaloids.

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
		and is utilised for captive consumption. The Alkaloid plants are responsible to cater to the demand and supply of Opite bulk drugs to the domestice pharma companies/ industry.						

## 7 Statement of Outlays and Outcomes

### 7.1 Demand No. 42 - Direct Taxes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
1	Major Head 2020-Collection of Income Tax; Information Technology		225.00	-				
	I. Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement			<ul style="list-style-type: none"> <li>• Computing capacity to handle the projected workload up to 2010-11</li> <li>• Single National Database to handle all Direct Taxes related transactions</li> </ul>	Setting up of National Data Center, Consolidation of regional data bases into single national database.	30.11.2008	<p>Work is in progress.</p> <p>Delays may occur on account of technical difficulties during consolidation process.</p>

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
					<ul style="list-style-type: none"> <li>Facilities management in the offices of Income Tax Department</li> </ul>			The timeline is dependent on successful execution of contract.
		B) Modification of Aayakar Bhawan, Vaishali into a secure Information Technology Hub and its maintenance			After modification of the Vaishali Building, National Computer Center will be established.	The IT hub of the Department viz., National Computer Center will enable the Directorate, Application Management Team, System Integrator, Network Service Provider, Project consultants and Business Process Re-engineering team to work in close co-ordination and	31.08.2008	Work is in progress.  The timeline is dependent on successful execution of contract.

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
						resolve issues relating to IT services for the Income Tax Department in a secure and technology friendly environment.		
		C) Establishment, Monitoring and Implementation of All India Tax Network			Network of Income Tax offices across the country	Officers and staff in 510 cities would be able to access the Central Data Center over the "Taxnet" to perform their functions. Faster and reliable transfer of data would ensure timely delivery	30.11.2008	The work of LAN/WAN connectivity in all buildings has been completed in the Financial Year 2007-08. However, the actual connectivity to the National Data Center would take place once the

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
						of services to the taxpayers.		Systems Integration (SI) project is completed.
		D) Hiring of Data Centers for Primary, Business Continuity Planning (BCP) and Disaster Recovery (DR) sites			<ul style="list-style-type: none"> <li>Co-location of hardware equipments in Data Centers meeting industry standards</li> <li>Security certification of BS 7799 for ensuring security of the equipment and data</li> </ul>	Secured data will be available at national level for various management controls.	Ongoing activity	-

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
	II. Tax Information Network (TIN)	<p>Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to :</p> <ul style="list-style-type: none"> <li>• Online Tax Account System (OLTAS),</li> <li>• Tax deductions coming from TDS returns</li> <li>• High value financial transactions coming through annual Information Returns and facility for generation of electronic TDS accounts</li> </ul>			<ul style="list-style-type: none"> <li>• Identification of potential high risk tax evasion cases</li> <li>• Accurate and quick credit of TDS deductions, identification of non-filers/ stop-filers and cases of short deductions</li> <li>• Facilities to view tax payments made by the tax payers or by tax deductors on their behalf</li> </ul>	Taxpayers will get details of tax deducted on their behalf on an ongoing basis during the financial year itself.	On-going activity	-

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
	IV. Tax payers` services	To have simple, transparent, direct & user friendly interaction with taxpayers for dissemination of information by means of Help line (Aayakar Sampark Kendra), Web-site of Income-Tax Department and e-friendly services			<ul style="list-style-type: none"> <li>● Deliverables from Aayakar Sampark Kendra (ASK) are                             <ul style="list-style-type: none"> <li>➢ Provision of PAN, Challan, Return Forms and related information</li> <li>➢ Facility to send forms by e-mail</li> <li>➢ Handling of PAN grievances</li> </ul> </li> <li>● Provision of tax related information facility for downloading of various forms/ challans and</li> </ul>	<ul style="list-style-type: none"> <li>● Easy and convenient dissemination of information</li> <li>● Enhanced convenience reducing manual interface and increased tax-payers` satisfaction</li> </ul>	On-going activity	

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
					return preparation software <ul style="list-style-type: none"> <li>● Countrywide facilities for e-filing of income tax returns</li> <li>● Centralized issue of refunds through designated refund banker</li> <li>● Facilities for e-payment of direct taxes</li> </ul>			During 2007-08, around 14.66 lakh e-returns were filed till 31.1.2008 out of which 7.86 lakh returns (55%) were filed voluntarily by taxpayers.

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
2	<p><b>MH 4059 - Acquisition of Office Accommodation</b></p> <p>Purchase of ready built office accommodation at Delhi and Mumbai</p>	Setting up of Large Taxpayers Unit (LTU)	203.00	-	<ul style="list-style-type: none"> <li>Office building from UTI at Cuffe parade, Mumbai</li> <li>Office building at NBCC Plaza, Saket New Delhi</li> </ul>	These units will provide single window interaction platform for participating Large Taxpayers.	<ul style="list-style-type: none"> <li>March, 2008</li> <li>April, 2008</li> </ul>	These two LTUs will be opened by the period specified under col.7. Full utilisation of funds for this purpose will be made during the course of the year.

## 8 Statement of Outlays and Outcomes

### 8.1 Demand No. 43 - Indirect Taxes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
1	<b>Major Head 2037 and 2038 - Information Technology</b>	Strengthening of IT capability for e-governance	141.00	-	<p>- Setting up of an All-India Wide Area Network.</p> <p>- Installation of Central servers (hardware, storage and security infrastructure) i.e., Systems Integration</p>	<p>- Country-wide connectivity of all offices under CBEC to the National Data Centre, Business continuity and Disaster Recovery Sites.</p> <p>- The Department would be acquiring new generation of servers and storage to provide computing, data storage,</p>	<p>(i) Work on Phase-I likely to be completed by end of March, 2008.</p> <p>(ii) Work on Phase-II is likely to be completed by June, 2008.</p>	<p>Massive effort is required in change management</p> <p>CNE/CCEA approval for revised cost has been obtained. The details are given in Annex.</p>

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
						systems security infrastructure, Central Facilities Management and related functionalities to all departmental and external users accessing the CBEC /system. These would be located in national data centre, business continuity and disaster recovery sites. All the Department's applications		

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
					<p>- Provision of local area network to all departmental users</p>	<p>would be hosted centrally on this infrastructure.</p> <p>- All applications in Customs, Central Excise, Service Tax will be accessed by the departmental users using this network.</p>	<p>- Phase-I : 16 weeks from the date of signing of contract, which is expected to be finalised by the end of March, 2008.</p> <p>-Phase-II: 6 months from the date of contract i.e., by October, 2008.</p>	<p>CNE/CCEA approval for revised cost has been obtained.</p>

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
					- Establishment of Data warehouse	- CBEC would become a centralized repository of all Customs, Central Excise and Service Tax Data. This data would be available to all user groups over the web with a user friendly interface.	- Phase-I (Customs data) - January, 2009. Phase-II (Central Excise and Service Tax data) - October, 2009.  - Phase-II timelines are dependent upon the national rollout of the Automation of Central Excise & Service Tax (ACES) application.	The timelines would have to be revised in view of the fact that the development work can commence only when Central hardware becomes available. Hardware is to come from the System Integration and PC-LAN tenders.

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
					<ul style="list-style-type: none"> <li>- Automation of Central Excise &amp; Service Tax (ACES)</li> <li>- Gateway Project for Customs upgradation</li> </ul>	<ul style="list-style-type: none"> <li>- Ensuring a large degree of transparency and reduced interface with the Central Excise and Service Tax assessees through automated workflow of all business processes.</li> <li>- A system for Electronic Data Interchange for Customs was</li> </ul>	<ul style="list-style-type: none"> <li>- Testing commenced in January,07.</li> <li>ACES is a centralized application and will be launched as and when the hardware is installed. Hardware is to come from the System Integration Tender.</li> <li>Work is likely to be completed by June, 2008.</li> </ul>	<p>The timeline is dependent on installation of Central Hardware.</p>

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
						operational at local levels. With a view of linking the Customs community through a single network, Gateway Project was launched. E-filing of Customs document through this project has improved the on-line assessment, duty payment and clearance procedure. Forty five automated Customs locations are connected		

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
						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.		

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
			Non-Plan	Plan	- Setting up of Risk Management System (RMS)	- Transition from a consignment based control to 'intervention by exception' through identification of risk associated with imports. Facilitation of low risk, compliant trade and optimized use of resources for computer aided scrutiny of high risk consignments.  In addition to import RMS and Export RMS, the RMS will also select	- Rollout has been completed at all chosen 23 locations, in 13 cities. The Pilot site for implementation of the Export RMS is Dadri ICD and will be operational for other sites after central server comes. Pilot for RMS for container selection will be at Nhava Sheva, by March, 2008.	For Export RMS, the timeline is dependent on installation on Central Hardware which is contingent upon getting required approval and sanctions.

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
					<p>- Setting up of a portal for Large Taxpayer Units (LTU) to facilitate tax payers.</p>	<p>containers for scanning (NII Inspection) based on IGM Data at Nhava Sheva and 4 other Ports identified.</p> <p>- The portal will facilitate tax payers in their interaction with Central Excise &amp; Service Tax and Income Tax/ Corporate Tax.</p> <p>There will be single point interface between Tax Administration of CBEC/CBDT and Large Taxpayers</p>	<p>- An LTU specific website has been developed. The LTUs are already operational at Bangalore and Chennai. Other LTUs at Delhi, Mumbai and Kolkata are planned to be operationalised during 2008.</p>	

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors												
			Non-Plan	Plan																
1	2	3	4		5	6	7	8												
2	<b>Major Head 4047 - Preventive Functions - Acquisition of ships and fleets</b>	Strengthening anti-smuggling capability and improved coastal security	100.00	-	<p>Following vessels are expected to be delivered to the Department during 2008-09:-</p> <table border="1"> <thead> <tr> <th>Cate- gory</th> <th>No. of vessels</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>12</td> </tr> <tr> <td>II</td> <td>02</td> </tr> <tr> <td>III A</td> <td>24</td> </tr> <tr> <td>III B</td> <td>24</td> </tr> <tr> <td><b>Total</b></td> <td><b>62</b></td> </tr> </tbody> </table>	Cate- gory	No. of vessels	I	12	II	02	III A	24	III B	24	<b>Total</b>	<b>62</b>	Modern fast vessels will strengthen anti-smuggling capability of Customs Department. Improved coastal security will greatly help in curbing smuggling of dangerous/ prohibited goods, prevention of environment hazards and protection of endangered species.	The orders for procurement of Category I, III A and III B vessels numbering 87 have been placed to the Boat Builders in the month of March, 2007. Order for supply of Category II vessels numbering 22, which were retendered, is likely to be placed by March, 2008. The expected delivery schedule is as follows:-	
Cate- gory	No. of vessels																			
I	12																			
II	02																			
III A	24																			
III B	24																			
<b>Total</b>	<b>62</b>																			

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
							Cate- No. of gory vessels <b>2007-08</b> III A 6 III B 6 <hr/> <b>Total 12</b> <b>2008-09</b> I 12 II 02 III A 24 III B 24 <hr/> <b>Total 62</b> <b>2009-10</b> I 12 II 12 III B 03 <hr/> <b>Total 27</b> <b>2010-11</b> II 8 <hr/> <b>Total 8</b>	

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
3	<b>Major Head 4047 - Acquisition of anti-smuggling equipments</b>	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improved Customs control through non-intrusive examination.	50.00	-	Installation of 3 Mobile Gamma Ray Scanners, placement of order and start of civil construction for 4 Fixed X-Ray Scanners at a total project cost of Rs.172.94 crore (recurring) and Rs.18.61 crore per annum (non-recurring)	Non-intrusive scanning of containers would start at Tuticorin, Chennai and Kandla Ports. Fixed scanners would be installed at Tuticorin, Chennai, Kandla and Mumbai Ports.  The Scanning Systems will help in detection of large number of cases of irregularities. This will also result in	3 mobile scanners would be installed and commissioned by November, 2008. Tender for 4 fixed scanners would be floated and order would be placed during 2008-09. After installation, fixed scanners are expected to be commissioned in 2009-10.	Progress of the project depends on acquisition of land from the Port authorities, timely development of sites by Port authorities and timely approval from statutory authorities. The progress is being monitored by the Project Implementation Committee.

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
						increased revenue collection and fast clearance of cargo etc.		
4	<b>Major Head 4059 - Acquisition of Office Accommodation</b>	To meet shortfall in Office Accommodation	145.00	-	The purchase of office accommodation will bridge the shortfall in requirement of office space.	The availability of adequate own office space would increase the efficiency of the department.	<p>-Payment of balance amount of Rs.120.00 crore for acquisition of office space in NBCC building, Saket, New Delhi.</p> <p>-Payment of balance amount of Rs.16.00 crore to the Specified Undertaking of Unit Trust of India for building purchased in November, 2006 at Mumbai will be made after the</p>	Payment in such cases depends on various formalities involving consultation with different concerned authorities.

Ministry of Finance - Outcome Budget 2008-09

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
			Non-Plan	Plan				
							necessary requirements mentioned in the agreement are fulfilled by the Specified Undertaking of Unit Trust of India and Rs.3.76 crore is towards payment to local authorities. The balance amount of Rs.5.24 crore is towards purchase of office accommodation at Chennai from TNSCB and for other small proposals.	

Outlays and Outcomes

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2008-09 (Rs. in crore)		Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
			Non-Plan	Plan				
1	2	3	4		5	6	7	8
5	<b>Major Head 4216 - Acquisition of Residential Accommodation</b>	To meet shortfall in residential accommodation	20.00	-	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 Ranchi and other payments in respect of other ongoing projects are likely to be made.	The proposals involve obtaining clearance from CPWD, Ministry of Urban Development, SFC etc. after following the due procedure prescribed in GFRs.

## 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 (PPP) in Infrastructure sector for Viability Gap Support. The Government recognizes the need of significantly improving the availability and quality of critical infrastructure in the country in order to make the economy competitive and take it on to a high growth trajectory. It has been decided to encourage Public Private Partnership in infrastructure sectors in order to augment the pace of development of physical infrastructure through enhanced investment. Provision has been made for extending support for Viability Gap Funding (VGF), for public private partnerships projects in various infrastructure sectors such as roads, seaports, airports, railways, convention centres, power, water supply, sewerage and solid waste disposal in urban areas etc.

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

The Union Finance Minister in his Budget Speech for 2007-08 announced in the Parliament the setting up of a Revolving Fund with a corpus of Rs. 100.00 crore to quicken the process of project preparation. To fulfil the commitment, the Government of India has notified the Scheme and Guidelines for India Infrastructure Project Development Fund to operationalise financial support for quality project development activities to the States and the Central Ministries. The objective would be to fund potential Public Private Partnership

projects' project development expenses including cost of engaging consultants and transaction advisor, thus increasing the quality and quantity of successful PPPs and allowing informed decision making by the Government based on good quality feasibility reports. The IIPDF will assist projects that closely support the best practices in PPP project identification and preparation.

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

Under the Technical Assistance scheme, the Colombo Plan was started with a view to giving comprehensive integrated training to participants from neighboring Colombo Plan Member countries. Under this scheme, about 410 scholars from 18 neighbouring countries receive technical training in different institutes in India every year. The training courses are carefully selected so that trainees from abroad get exposure in reputed training institutes of our country and in the long run it will help our institutes to develop long-standing relationship with the participant countries.

### 1.4 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) [this is subject to final approval of Cabinet, which is to be taken by Ministry of External Affairs], 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.60,98,90,784.00 during 9 months of the financial year 2007-08. During the first three quarters of 2007-08 i.e., between 1.4.2007 - 31.12.2007, 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 Philippines	15.00	Supply of gems and jewellery, cutting and polishing machinery and other equipment.
2	Government of Mali	45.00	Electricity transmission and distribution project from Cote d'Ivoire to Mali.
3	Government of Surinam	10.40	Water Supply Project.
4	Government of Nepal	65.00	For various projects.
5	Government of Indonesia	60.00	Purchase of Dornier Aircrafts.
6	Government of Sudan	50.00	For Railway Project.
7	Government of Ethiopia	122.00	Development of Sugar Industries.

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

### 1.5 Advances to Foreign Governments

Formerly Government of India lines of credit (LOCs) 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 2007-08	RE 2007-08	Amount Disbursed upto 31.12.2007	Reasons for short fall
Sri Lanka	i) US\$ 25 million ii) US\$ 31 million	23.03.2004 03.07.2002	77.00	60.00	35.72	Claims for lesser amount were received from the Indian exporter than anticipated under the operational LOCs.
Myanmar	US\$ 25 million	24.10.2003	0.00	1.32	0.00	Reimbursement claims are expected to be received from the Indian exporter.
Mauritius	US\$ 100 million (Closed at US\$ 30.5 million)	04.05.2001	12.00	0.00	0.00	No claims for reimbursement has been received from the Indian exporter.
Cambodia	US\$ 10 million	06.11.2002	11.68	4.68	1.48	Claims for lesser amount were received from the Indian exporter than anticipated under the operational LOC
Surinam	US\$ 10 million	17.03.2003	1.00	0.82	0.82	-

## 2. DEPARTMENT OF FINANCIAL SERVICES

Financial sector reforms initiated by the Government have been directed towards enhancing efficiency and productivity of Banks, providing additional options for augmentation of capital for smooth transition to Basel - II norms, facilitating credit information, ensuring smooth and risk free functioning of payment and settlement systems, encouraging use of advance technology in banking operations with minimum risks and according priority to financial inclusion.

### 2.1 Banking Sector

#### 2.1.1 Measures to strengthen capital of banks

With a view to providing a wider choice of instruments to Indian Banks for raising Tier-I and Upper Tier-II capital, Banks were allowed in October 2007 to issue preference shares in Indian Rupees, subject to extant legal provisions through issuance of Perpetual Non-Cumulative Preference Shares (PNCPS) as Tier-I capital. The Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS) and Redeemable Cumulative Preference Shares (RCPS) were allowed as Upper Tier-II capital. The Perpetual Non-Cumulative Preference Shares will be treated on par with equity and, hence, the coupon payable on these instruments will be treated as dividend (an appropriation of profit and loss account). The Upper Tier-II preference shares will be treated as liabilities and the coupon payable thereon will be treated as interest (charged to profit and loss account). The total amount raised by the Bank by issue of PNCPS shall not be reckoned as liability for calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, will not attract CRR/SLR requirements. The total amount raised by a Bank through the issue of Upper Tier-II instruments shall be reckoned as liability for the calculation of net demand and time liabilities for the

purpose of reserve requirements and, as such, will attract CRR/SLR requirements.

The above measure should strengthen the balance sheet of Banks besides providing them with flexibility to raise capital at a competitive cost, facilitate adoption of Basel-II recommendations on capital requirement and help Banks meet their capital requirement for future growth.

#### 2.1.2 Legislation on Payment and Settlement Systems

The Payment and Settlement Systems Act, 2007 was passed in the Parliament in December, 2007 to provide for a legal basis to recognize clearing houses, give legal sanction to netting of payments with receipts, accord finality of settlement, give recognition to service providers and participants, facilitate electronic mode of payments and give explicit powers of supervision over securities clearing and settlement.

The Banking Regulation (Amendment) Bill, the State Bank of India Amendment Bill and the Micro Financial Sector (Development and Regulation) Bill are at various stages of obtaining Parliamentary approval.

#### 2.1.3 Measures for better supervision and regulation

During 2007, the Government of India took steps for transfer of ownership of Reserve Bank of India holding in the State Bank of India (SBI), the National Bank of Agriculture and Rural Development (NABARD) and the National Housing Bank (NHB).

This initiative of the Government originated from the recommendations of the Committee on Banking Sector Reforms (Narasimhan Committee II) which observed that it is inconsistent with the principles of effective supervision that the regulator is also an

owner of a Bank. This required the RBI to divest its holding in Banks and financial institutions. Accordingly, the Government has, on 29th June, 2007, acquired the entire RBI shareholding in SBI consisting of 31,43,39,200 equity shares with face value of Rs. 10/- each @ Rs. 1130.35 per share at a total amount of Rs. 35,531,33,14,720.00. A similar transfer of RBI's shareholding in the NABARD and the NHB to the Government will be effected by 30th June, 2008.

#### 2.1.4 Amendment to Banking Ombudsman Scheme, 2006

The Banking Ombudsman Scheme is in operation since, 1995. The Scheme works under the control and supervision of the Reserve Bank of India (RBI). The Banking Ombudsman is an independent body with legal powers to settle disputes quickly and inexpensively. The RBI has appointed 15 Banking Ombudsmen all over the country. The system is designated to ensure, in normal course, satisfactory resolution of complaints as early as possible. Any customer whose grievance has not been resolved by Bank (s) to his satisfaction can approach Banking Ombudsman. The Scheme has been revised by RBI, in consultation with Government of India in 2006.

This amendment notified vide RBI's circular dated May 27, 2007 has enabled Bank customers to also appeal against the decision of the Banking Ombudsman.

The reform process was initially focused on commercial Banks. However, recognizing that RRBs and Cooperative Banks can play a major role in financial inclusion and deepening of financial sector reforms, particularly in rural areas, the following measures were taken:

#### 2.1.5 Revitalisation of Short Term Cooperative Credit Structure

The report of the task force under Prof. A Vaidyanathan on

Revitalisation of the Cooperative Credit Structure in the country with regard to short term credit structure has been accepted by the Government. Under the scheme, the expenditure is to be shared by the Government of India, State Governments and the Cooperative Credit Societies. The States willing to implement the package are required to sign MoU with the Central Government and NABARD. Seventeen States have so far executed such MoUs. A provision of Rs 1500.00 crore has been made in BE 2007-08, Rs 2,045.37 crore in RE 2007-08 and Rs 3,542.00 crore in BE 2008-09.

#### 2.1.6 Revitalisation of Long Term Cooperative Credit Structure

A revival package for Long Term Cooperative Credit Structure has also been under consideration of the Government. A provision of Rs 600.00 crore has been made in BE 2008-09 for the same.

#### 2.1.7 Revitalisation of Regional Rural Banks (RRBs)

With a view to strengthening the RRBs for playing a greater role in agriculture, rural lending and financial inclusion, the following measures were taken during the year:

- On the advice of the Central Government through NABARD, RRBs have undertaken an aggressive branch expansion programme to open at least one branch in the 80 uncovered districts of the country. So far, 321 branch licenses have been issued by the RBI as on 05.02.2008 and 122 branches have already been opened.
- A Regional Rural Bank, sponsored by the Indian Bank, is being established in Puducherry and the contribution of Rs.0.50 crore of Government of India is being released during 2007-08.
- Government has extended the Securitization and

Reconstructions of Financial Assets and Enforcement of Securitization of Interest (SARFAESI) Act to loans advanced by RRBs w.e.f. May, 2007.

- Government has permitted RRBs to accept FCNR (B) Deposits and the Reserve Bank of India (RBI) has issued a circular in this regard.
- As part of a phased programme to re-capitalize 27 RRBs which have a negative net worth, the total amount of recapitalization has been assessed as Rs.1,795.97 crore. In view of the stake of 50% of the Central Government, the latter has approved the proposal for contributing its share of Rs. 897.98 crore for recapitalization of RRBs.

2.1.8 **Interest Subvention for short term crop loans** was continued during 2007-08 with budget provision of Rs.1676.86 crore. Further provision of Rs.1700.00 crore in RE 2007-08 and Rs.1600.00 crore in BE 2008-09 have been made for implementation of the programme.

### 2.1.9 Special Plan for debt distressed districts

With regard to 31 specially distressed districts in four States of the country, a special plan has been implemented over a period of three years involving a total amount of Rs.16,979.00 crore. The package contains the following:

- i. The entire interest on overdue loans as on July1, 2006 will be waived in the affected districts such that all farmers will have no past interest burden as on that date. This should make them eligible for fresh loan from the banking system.
- ii. The overdue loans of the farmers as on July 1, 2006 will be rescheduled over a period of 3-5 years with one year moratorium.
- iii. An additional credit flow will be ensured in these 31 districts. The total overdue interest waived off amounts to Rs.3,728.37 crore and 50% share of Government of India comes to

Rs.1889.19 crore. Out of this, an amount of Rs.1359.13 crore has already been released and a provision of Rs.640.00 crore has been made in BE 2008-09 for making payment of the balance amount.

### 2.1.10 Rural Infrastructure Development Fund (RIDF)

Keeping in view the growing demand for strengthening rural infrastructure, the corpus for RIDF XIII was raised from Rs.10,000.00 crore in 2006-07 to Rs.12,000.00 crore in 2007-08. The State-wise allocation of RIDF XIII of Rs.12,000.00 crore has already been made by NABARD.

A separate fund for rural roads under RIDF was opened with Rs.4000.00 crore in 2006-07 which was continued in 2007-08.

## 2.2 The Insurance Sector

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

### 2.2.2 Universal Health Insurance Scheme (UHS)

The UHS provides for reimbursement of medical expenses up to Rs.30,000.00 towards hospitalization expenses floated amongst the entire family, death cover due to accident of Rs.25,000.00 to the earning head of the family and compensation due to loss of earning of the earning member @ Rs.50.00 per day up to a maximum of 15 days.

The scheme was extended to BPL families of Tsunami affected areas in Tamil Nadu, Andhra Pradesh, Kerala and Puducherry with a subsidy of Rs.500.00 from the Prime Minister's Relief Fund and Rs.300.00

by Government of India. As on 31st December, 2007, 1,50,000 families in Tamil Nadu (9 Districts), 34,812 in Andhra Pradesh, 46,000 in Kerala and 11,928 in Puducherry have been covered.

A provision of Rs. 20.00 crore in RE 2007-08 and Rs. 25.00 crore in BE 2008-09 has been made for implementation of the scheme.

### 2.2.3 Varishtha Pension Bima Yojana (VPBY)

The VPBY, meant for senior citizens aged 55 years and above, was launched on 14.07.2003. Under the scheme, the pensioner gets an effective yield of 9% per annum on investment. The difference between the effective yield of 9% paid to the pensioner and that earned by the LIC is compensated as subsidy to the LIC by the Government of India. The scheme has been discontinued in July, 2004. However, the difference in yield for the senior citizens is provided for each year. The RE provision for 2007-08 and BE provision for 2008-09 are Rs.242.68 and Rs.200.00 crore, respectively.

### 2.2.4 Aam Aadmi Bima Yojana (AABY)

The AABY was launched on 2nd October, 2007 by the Hon'ble Finance Minister to provide insurance coverage to the head of the family of rural landless household against natural death as well as accidental death and partial/permanent disability. The Scheme also envisages an add-on benefit of providing scholarship upto a maximum of two children of the beneficiary studying between 9th to 12th Standard at the rate of Rs. 300.00- per quarter per child. The annual premium payable per member is Rs 200.00 of which 50% is paid by the Central Government and the remaining 50% by the State Government. Taking into account the annual cost to the Central Government, a sum of Rs. 1000.00 crore has been placed in a Fund that will be maintained by the LIC. This will take care of the premium share of the Government of India. A separate fund of Rs 500.00 crore has been created out of the Government of India's share of LIC valuation surplus for meeting

the expenditure on the add-on benefit of granting scholarships to the children of the beneficiaries. The scheme is being operated by the LIC of India.

## 2.3 Pension Reforms

- Pension reform is a major initiative undertaken by the Government to provide income security after retirement.
- The Government approved on 23rd 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 the Parliament. The PFRDA has appointed Fund Managers for investment of contributions lying in the Public Account. A supplementary has been moved to obtain approval of the Parliament to place the funds with the Fund Managers.

## 2.4 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 unorganized 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 programme could voluntarily choose to additionally participate in this scheme.

### **3. DEPARTMENT OF EXPENDITURE**

3.1 The Department of Expenditure has taken a number of measures to improve the systems and procedures of public financial management, thereby promoting the cause of good governance. The Prime Minister's Thrust Areas included five planks of Institutional reforms, viz., Decentralization, Simplification, Transparency, Accountability and e-governance. These were echoed in the Initiatives on Expenditure Management announced by the Finance Minister Fiscal Policy Strategy Statement (FPSS) prepared under the Fiscal Responsibility and Budget Management Act in Budget 2005-06 and became the guiding principles of setting the work plan.

#### **3.2 Revised Guidelines for Outcome Budget/ Performance Budget**

Guidelines were issued vide O.M. No. 2(1)Pers/E-Coord/OB/ 2005 12th December, 2006 for integration of OUTCOME BUDGET and PERFORMANCE BUDGET documents into a single document, stipulating specific mention of the monitoring mechanism and the public information system put in place by the Ministry to regularly monitor physical and

financial progress during the course of the year and inform general public about it as well. Latest guidelines in this respect were, issued on 12th December, 2007 wherein it was emphasized that the projected physical output should be disaggregated by sex, wherever possible and appropriate to segments where delivery is to individuals. Indicators of performance relating to individuals should also be sex disaggregated.

#### **3.3 Issue of New Manuals**

After the comprehensive revision of "General Financial Rules" from July 1, 2005 with a view to simplifying procedures and devolving necessary authority, responsibility and direct accountability on vital functionaries in the Government, Manuals on procurement of 'Goods', 'Works' and 'Consultancy' were issued.

#### **3.4 Charter for Financial Advisers**

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

#### **3.5 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.

### 3.6 State Finances

- All matters relating to finances of the States that include Plan releases in the State Sector, non-Plan releases on the recommendation of the Finance Commissions, assessment of borrowing requirements, fixing of borrowing ceiling, issue of permission for borrowings under Article 293(3), monitoring Ways and Means position in close coordination with the Reserve Bank of India, debt write offs recommended by the 12th Finance Commission were handled.
- For Plan schemes, funds to the tune of Rs.37,151.41 crore have been released till 28th February, 2008 against the sanctioned Grant of Rs.42,608.20 crore for the current fiscal including flagship schemes like Accelerated Irrigation Benefit Programme (AIBP), Accelerated Power Development and Reform Programme (APDRP), Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Externally Aided Projects, National Social Assistance Programme (NSAP), Backward Area District Fund, Tsunami Rehabilitation Programme, Brihan Mumbai Storm Water Drain (BRIMSTOWAD), Commonwealth Youth Games etc.
- Under Non-Plan, Rs.24,467.54 crore have been released till 28th February, 2008 towards Grants for Upgradation of Services, Calamity Relief, etc. This works out to 70.27% of the sanctioned Grant (Rs.34,815.00 crore) for the current fiscal.
- On the recommendation of the 12th Finance Commission, loans to the State Governments amounting to Rs. 4,811.00 crore were written off.

- The Ways and Means position of many of the State Governments has shown large surplus, possibly due to buoyancy in collection of Central/State taxes, enhanced transfers to States, loan write offs and containment of expenditure to a prudential limit on account of Fiscal Responsibility Legislation etc.
- State Governments have been allowed Open Market Borrowing to meet the short fall noticed in the collection of National Small Saving Funds (NSSF).
- Treasury computerization is being achieved in coordination with State Governments and the Comptroller and Auditor General of India.

### 3.7 Projects clearance by EFC & PIB

With the commencement of the XI Plan period, revised guidelines for formulation, appraisal and approval of the Government funded plan schemes/projects have been issued vide O.M.No. 1(3)/PF.II/2001 dated 15th November, 2007 so as to rationalize the scheme of delegation further, align it more closely with the rapidly changing economic environment, empower Ministries/Departments further for undertaking investment programmes and make the entire procedure more responsive and resilient in ensuring timely and well informed decision making. These Guidelines which will be applicable over the duration of XI Plan period are available at this Ministry's website [www.finmin.nic.in](http://www.finmin.nic.in). During the period 1.1.2007 to 31.12.2007, the Expenditure Finance Committee (EFC) and Public Investment Board (PIB) serviced by this Department held 89 meetings to clear projects/schemes estimated to cost Rs. 14,716.90 crore.

### 3.8 Austerity Measures - Expenditure Control

With a view to containing non-developmental expenditure, and thereby releasing additional resources for meeting the objectives

of priority schemes, particularly under the National Common Minimum Programme (NCMP), Ministry of Finance has been issuing guidelines on 'Austerity Measures' in the Government from time to time. Such measures are intended at promoting fiscal discipline, without restricting operational efficiency of the Government. Latest instructions on the subject have been issued vide OM No. 7(2)/E.(Coord)/2007 dated 17th September, 2007. These measures include 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 and 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.

### **3.9 Modernisation of Financial Management System**

Instructions were earlier issued on January 10, 2007 to all Ministries/Departments specifying a broad roadmap of moving towards mandatory e-procurement. Specifically, w.e.f. April, 2007, it became mandatory that in respect of all goods under the rate contracts concluded by the Director General (Supplies and Disposal), the Ministries should commence placing orders through the website of DGS&D. Further modernization of financial management system has been given a high priority and Financial Advisers would now be required to proactively review the status of e-banking and e-procurement in the respective Ministries/Departments.

### **3.10 Release of Funds - Check on unspent balances**

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

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

### **3.11 Computerization of State Loan Units**

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

### 3.12 Introduction of Electronic Inter Government Adjustment Advices

The State Loan Unit, Ministry of Finance has taken initiative to e-mail the digitally signed Inter Government Adjustment Advices to Central Account Section, Reserve Bank of India, Nagpur. These advices help in avoiding delays and manual errors and ensure the transfer of fund under various Plan and non-Plan Schemes to the State Governments as per sanction of Ministry of Finance, Government of India.

### 3.13 Implementation of E-lekha in Ministry of Finance

Consequent upon implementation of web based software called 'E-lekha', all PAOs of Ministry of Finance are now on-line and are daily uploading their expenditure etc. on 'E-lekha'. Further, they are also submitting their monthly account on-line through the above software. Principal Accounts Office is also submitting the monthly account to Controller General of Accounts (CGA) office on-line. With the help of the above web based software not only the expenditure can be watched, the state of work of the PAO can also be monitored.

## 4. DEPARTMENT OF REVENUE

### 4.1 Implementation of Value Added Tax (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. Under Entry 54 of List II (State List) in the Seventh Schedule to the Constitution of India, "tax on sale or purchase of goods within a State" is a State subject. The decision to implement State VAT was taken in the meeting of the Empowered Committee (EC) held on 18.06.2004, where a broad consensus was arrived at amongst the States to introduce VAT w.e.f. 01.04.2005. Accordingly,

VAT has been introduced by all States/UTs by now. Uttar Pradesh is the latest State which has introduced VAT w.e.f. 1.1.2008. The Union Territories of Andaman & Nicobar Islands and Lakshadweep do not have Sales Tax/ VAT.

4.1.2 Since Sales Tax/VAT is a State subject, the Central Government is playing the role of a facilitator for successful implementation of VAT. The Central Government has been providing all necessary support to the States, in their endeavour to implement State level VAT. Some of the steps taken are as follows:

- a) The Central Government announced a package for payment of compensation to States for any revenue loss on account of introduction of VAT during 2005-06, 2006-07 and 2007-08. Accordingly, VAT Compensation is being released.
- b) The Central Government had initially got a Model VAT Bill 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) The Central Government is arranging technical and financial support for North Eastern/Special-category States, as per their request, to enable them to take up VAT computerization and other necessary steps.
- d) Financial support is also being provided to the Empowered Committee as well as the States for undertaking publicity campaigns for VAT.
- e) 50% funding for the TINXSYS (Tax Information Exchange System) Project is also being provided by the Government of India.

Up to December 2007, total compensation of Rs.7,901.52 crore has been paid to the State Governments and claims amounting to Rs.6,048.04 crore have been under process.

## 4.2 Phasing Out of Central Sales Tax

4.2.1 This is a natural corollary of State VAT implementation. The Central Sales Tax, being a non-rebatable origin-based tax, is inconsistent with VAT and needs to be phased out. The phasing out of CST is also extremely important in the context of the plan to introduce a unified national level Goods and Service Tax (GST) w.e.f. 1.4.2010. The issue of phasing out of the CST was being discussed with States for last three years. The States have been insisting that they should be compensated for revenue loss on account of phasing of CST. A broad consensus has now been arrived at with the States for phasing out the CST over 3 years i.e. reducing it 1% every year so as to abolish it by 31.3.2010. As part of this, the CST rate has been reduced from 4% to 3% w.e.f 01.04.2007. It is proposed to be reduced further from 3% to 2% w.e.f. 1.4.2008.

4.2.2 It had also been agreed to compensate the States for revenue loss on account of phasing out of CST. Accordingly, necessary budget provision of Rs.2500 crore for this purpose was made in 2007-08. As the scheme guidelines could be approved in October 2007, the claims have been submitted by the States thereafter. Up to December, 2007, Rs.237.26 crore have been sanctioned and claims for further Rs.1912.98 crore are under process. For the financial year 2008-09, a budget provision of Rs.2500 crore has been proposed.

## 4.3 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.

## 4.4 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 computerization on their own) and another Project, through NIC, for VAT computerization in Sikkim has been implemented. Now, efforts are on to remove bottlenecks and for bringing about further improvement/upgradation. Interoperability module has also been made active for five States in the form of message exchange between the States tracking movement of vehicles and consignments across States with the aim of checking evasion. Interoperability interface has also been developed for Assam. A Central Data Centre has been established in Guwahati (Assam) and a Disaster Recovery Site (DRS) has been commissioned in September 2007 at Kolkata. Technical and Financial support for VAT computerization in Himachal Pradesh and J&K will also be provided during 2008-09.

## 4.5 Goods & Service Tax (GST)

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

Central Government and State Governments. The Working Group undertook a study of the various models of GST existing globally and other relevant material available on the subject, including through field visits. The Group also undertook identification of alternative models and assessment of their suitability for introduction of GST in India's fiscal federal context. The JWG presented its report to the EC in November, 2007. The report is under consideration.

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

The Central Government has made Budgetary provisions of Rs.51 crore in BE 2008-09 for modernization 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 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 Reorganization 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 Hdqrs. with Zonal and Sub-Zonal Offices. Software for monitoring PMLA has been developed and the same is being implemented in all the Zones/Sub-zones.

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

Financial Intelligence Unit - India (FIU-IND) has initiated Project FINnet - Financial Intelligence Network, with the objective to "adopt industry best practices and appropriate technology to collect, analyze and disseminate valuable financial information for combating money laundering and related crimes". The project consists of two phases i.e., Phase I-Preparation of the Consultancy Report and Phase II-Implementation of the Consultancy Report. The

Phase-I of project work has been completed and Consultants - M/s Ernst & Young have submitted their report. The whole project is of 27 months duration and is expected to be completed by June, 2009.

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

#### 4.9 Review of Delegation of Powers

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

#### 4.10 Monitoring Mechanism for Outcome Budget

A system of monthly report by Administrative and Coordinating Units of respective items under Outcome Budget has

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

#### **4.11 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, 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 process of involvement of private pharmaceutical companies of the country for production of alkaloids and active pharmaceutical ingredients has progressed and after the bidding process, two companies have been identified for issue of license.
- c) The proposal for conversion of both the departmental factories into a corporate entity is under consideration. M/s. IFCI, the Consultant appointed to advise in the matter,

has given its report on "Restructuring & Re-organization of Govt. Opium & Alkaloid Works".

- d) A Committee has been constituted to identify the roadmap for cultivation of opium poppy for production of CPS (Concentrate Poppy Straw).

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

4.12.1 A Smart Card Project to digitize the process of collection of data related to cultivation and transmission of the data for further compilation and generation of reports was tested for the crop year 2004-05 and 2005-06 in two Opium Divisions of Chittorgarh-I and Neemuch-I. The Project has been since expanded in 2007-08 to cover all the 17 Opium Divisions located in the State of Madhya Pradesh, Rajasthan and Uttar Pradesh, Unit Headquarters at the Deputy Narcotics Commissioners' Offices of Neemuch, Kota and Lucknow and Central Bureau of Narcotics Headquarters at Narcotics Commissioner's Office, Gwalior.

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

#### **4.13 Merger of Authorities for Advance Rulings**

The process for setting up a common Authority on Advance Rulings on Central Taxes is currently underway. For this purpose, a Bill titled "The Authority for Advance Rulings on Central Taxes Bill, 2007" has been introduced in the Lok Sabha on 7th December, 2007 and the Bill is presently under examination by the Standing Committee on Finance. Efforts will be made to get the Bill passed by both Houses of Parliament after receiving the recommendations of the Standing Committee.



*(Shri P. Chidambaram, Finance Minister with holders of merit certificate on successful completion of training under Tax Return Preparer Scheme (TRPS))*

## 5. CENTRAL BOARD OF DIRECT TAXES

### 5.1 Initiatives for Better Taxpayers Services

In recent years, a number of initiatives have been undertaken by the Income Tax Department to improve taxpayer services. These include simplification of tax laws and procedures, e-governance initiatives, consolidating old schemes and initiating new ones, thus

reducing human interface between the taxpayer and the officials. Some important measures are as under:

- **Outsourcing of PAN related services** for better services. Services are also available on electronic platform.
- **Electronic clearance (ECS) of refunds** implemented in 25 cities - 12 cities through the Reserve Bank of India and 13 cities through the State Bank of India.

- A scheme of 'Refund Banker' has been implemented on a pilot project basis at Delhi, Mumbai, Chennai, Kolkata, Bangalore and Patna for issue of refunds through banks.
- **Tax Return Preparer Scheme (TRPS)** has been started under which 3737 persons were certified after training for preparing income tax returns on behalf of the small taxpayers. These Tax Return Preparers submitted around 40000 returns in July 2007 on behalf of such taxpayers. The scheme is further being expanded.
- Setting up of **Large Taxpayers Units (LTU)** in partnership with Central Board of Excise and Customs as single- window interaction platform for participating large taxpayers. One such unit will be inaugurated in March 2008 at Mumbai while another has been planned to be opened at Delhi in the beginning of the financial year 2008-09.
- 'Sevottam' Scheme has been started for excellence in public service delivery through implementation and review of Citizens' Charter; creation of effective grievance redressal mechanism and capacity building.
- The newly created **Business Process Re-Engineering Directorate** undertook a study with a view to improve the functional efficiency and effectiveness of the Department in view of the induction of technology. The recommendations of the consultants in this regard are under examination.

## 5.2 E-Governance Initiatives

5.2.1 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).

### 5.2.2 Electronic delivery of taxpayer services

The initiative includes:

- Dissemination of tax information through the 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

### 5.2.3 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

#### 5.2.4 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 Returns (A.I.R.)
- Individual accounts of tax payments

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

- 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 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.

#### 5.4 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 each) owned by the Income Tax Department. The value of such assets as on 31.03.2007 is Rs. 1774.85 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.
- An incentive scheme for utilizing 1% of incremental revenue collection over and above the budgetary targets has been sanctioned to strengthen the infrastructure and wherewithal in the Income Tax Department. An amount of Rs. 195.00 crore has been sanctioned for various items under this scheme during 2007-08 which will be provided through normal budgetary process in three years.

## 6 CENTRAL BOARD OF EXCISE & CUSTOMS

### 6.1 Initiatives on Computerization & Automation

6.1.1 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 has been 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.

6.1.2 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 Nationalised banks with Core Banking Solution.
- (e) Electronic Credit of drawback into the bank.
- (f) Interactive voice response systems like tele-enquiry, touch screen kiosks, SMS etc.
- (g) Encouraging Voluntary Compliance.
- (h) Simplification of procedures.
- (i) Synergy between various tax systems.
- (j) Transparency.
- (k) Minimization of manual interface.

The consolidation project of computerisation at a cost of Rs.598.97 crores has been cleared by the Cabinet in November, 2007. The formalities relating to the finalisation of award of the contract have been initiated.

## 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 was operationalised in Bengaluru during 2006-07. Second LTU at Chennai has become operational during 2007-08. Other LTUs are planned to be opened at Delhi, Mumbai and Kolkata.

## 6.3 Help Centres

The opening of the Help Centres 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

With the successful completion of Pilot Project with the installation of one Mobile Gamma Ray Container Scanner and one Fixed X-Ray Container Scanner at Jawaharlal Nehru Port Trust (JNPT), Nhava Sheva, Mumbai, a major step was taken towards facilitation of Cargo Clearance, efficient handling of increased volume of container traffic and improved Customs Control through non-intrusive examination have been achieved. In view of encouraging results, the procurement process for 3 Mobile Gamma Ray Scanners and 4 Fixed X-Ray Scanners at other major ports at a cost of Rs.172.94 crores (non-recurring) and Rs.18.61 crore per annum (recurring) has started after obtaining Cabinet clearance in October, 2006. Tender has been floated for acquisition of 3 Mobile Scanners for installation at Kandla, Chennai and Tuticorin and Technical Evaluation of Tenders is expected to be completed by March, 2008. The Mobile Scanners are expected to be installed in 2008-09. Drafting of tender for procurement of 4 Fixed Scanners for Kandla, Chennai, Tuticorin and Mumbai is in progress and these Scanners are expected to be commissioned in 2009-10.

## 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 at a cost of Rs.277.27 crore has been cleared by the Cabinet in February, 2007. Under the plan, customs organization is getting 109 modern vessels of different categories with the following features and purposes:-

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

12 vessels are expected to be procured during 2007-08. Procurement of all vessels will complete by 2010-11 in a phased manner.

## 6.6 Utilization of 1% Incremental Revenue as Incentive Provision

6.6.1 In pursuance to Department of Expenditure's guidelines/ instructions on expenditure management permitting revenue generating departments to prepare scheme to utilize 1% of incremental revenue to encourage greater efforts at garnering revenue, enhancing organizational efficiency, infrastructure and wherewithal, Rs.40 crore were provided on this account in the expenditure budget of 2007-08 in the Grant of Indirect Taxes. Against the budget provision, proposals involving expenditure of Rs.39.35 crore have been sanctioned. In the expenditure budget of 2008-09 also, Rs.40.00 crore have been provided on this account.

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

1. Capacity building/improvement of infrastructure in Central Excise and Customs Ranges.
2. Capacity building towards training facilities at NACEN.
3. Capacity building for 56 PAOs.
4. Provision of Laptops to officers in the field formations towards improvement in monitoring of tax collection, investigation and intelligence work.
5. Hiring of vehicles for increasing organisational efficiency and outdoor preventive activities.

6. Reimbursement of Mobile Phone charges to officers working in the field so as to remain in touch with senior officers at Headquarters.

## 7. DEPARTMENT OF DISINVESTMENT

7.1 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). The Government has in November 2005 constituted a 'National Investment Fund' (NIF), to be maintained outside the Consolidated Fund of India into which the proceeds from disinvestment of Central Public Sector Enterprises would be channelised.

7.2 On 6th July, 2006, the Government decided to keep all disinvestment proposals on hold, pending further review. Subsequently, in November 2006, the Government had approved the proposal of fresh issue of 20% of the pre-issue paid-up equity capital in Rural Electrification Corporation Ltd (REC) and fresh issue not exceeding 24% of the paid-up equity capital, in tranches, first tranche being limited to 10%, of the Power Grid Corporation of India Ltd. (PGCIL). In December 2006, Government also approved the proposal for fresh

issue not exceeding 24% of the paid-up equity capital of National Hydro-electric Corporation Ltd. (NHPC) in one or more tranches. Subsequently in February 2007, Government decided to piggy back with an 'Offer for Sale' of 10%, 5% and 5% of the pre-issue paid up equity of REC, PGCIL and NHPC respectively. In August 2007, Government has approved the proposal for an Initial Public Offering of 11% of Oil India Limited's (OIL) post-issue paid-up equity capital and a simultaneous disinvestments by Government equal to 10% of OIL pre-issue paid-up capital in favour of Oil India Corporation, Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. in the ratio of 2:1:1 respectively.

7.3 PGCIL's Initial Public Offering opened in September 2007 and the transaction concluded in October, 2007. Government realized a sum of Rs. 994.82 crore, being receipts from the sale of 5% equity in Power Grid Corporation of India Limited, out of Government of India holding, and this amount has been channelised into National Investment Fund and thereafter have also been provided to the fund managers. The process of Initial Public Offerings and disinvestment of part of Government's equity in REC, NHPC and OIL is being taken by the respective Central Public Sector Enterprises in consultation with the administrative Ministry concerned.

## Chapter IV

# Review of Past Performance

1. The Outcome Budget was presented for the first time in 2005-06 only for Plan allocations for the entire Government of India together. For the financial year 2006-07 'Outcome Budget' was presented by the Ministry of Finance covering both Plan and selected

Non-Plan outlays. In this chapter, the scheme-wise performance for the year 2006-07 up to 31st March 2007 and for the year 2007-08 up to 31st December, 2007 is being depicted.



Women empowerment

## 2 Status of Outcome of the Outcome Budget 2006-07 (As on 31st March, 2007)

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

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
1	<b>Major Head 2075 Umbrella Support Project for 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,	4.00 <b>Plan</b>	3.00	3 projects are envisaged under this programme. <b>i. Coordination and Decision Support System (CDSS) on External Assistance</b> This aims at improving DEA's aid coordination function by developing a comprehensive web- based Coordination and Decision Support System on external	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 crores approx. @ 1 USD = Rs. 45/-). An amount of Rs. 1.54 crore has been incurred during the period April 2006 to March 2007. The pilot stage of the project has been launched in December, 2006, covering three pilot States and

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
		thus drawing optimal value from programme (CCF-II) activities.			assistance. A customised version of the Development Assistance Database (DAD) would be developed and installed within DEA. The pilot stage of the project 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			three pilot Ministries. Certain items of work, such as completion of data entry templates, information sharing protocols between different credit divisions and CDSS team, inputting of relevant fields in CDSS data entry template, training of the credit divisions of the DEA regarding the use of the website, have already been completed.

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
					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.			

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
					<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>	August, 2006		<p>The project has an outlay of US\$ 0.30 million (Rs. 1.35 crore approx. @ 1 USD = Rs.45/-) An amount of Rs. 0.57 crore has been incurred during the period April 2006 to March 2007.</p> <p>Capacity building initiatives in 10 states have been achieved. Specific agencies in 4 States (UP, Jharkhand, Bihar and Haryana)</p>

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
					iii. Capturing and Disseminating lessons from programme activities. It is a pilot	May, 2006		are in the process of preparing the CDM project design documents/ project concept notes. These activities are likely to be completed by September,2007 This includes preparation of 30 project design/ project concept notes for CDM.  The project has an outlay of US\$ 0.06 million (Rs. 0.27 crore approx. @ 1 USD = Rs.45/-). An

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
					<p>project for advocacy and 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 films of 13 minutes each on UNDP assisted projects completed.</p>			<p>amount of Rs.0.10 crore has been incurred during the period April 2006 to March 2007. Three films have been produced as a part of this sub-programme and distributed for dissemination to NGOs, CBOs, organisations and technical institutes. The component under the Umbrella Support Programme is now completed.</p>

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
2	<b>MH 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	710.86 <b>Plan</b>	710.86	<ul style="list-style-type: none"> <li>● Manning at 369 gates</li> <li>● Lifting Barrier at 486 location</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 of 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</li> </ul>	<ol style="list-style-type: none"> <li>1. Non-availability of medically fit &amp; suitable willing gate keepers</li> <li>2. Delay in receiving approval of CRS &amp; State Govts. consent.</li> </ol> <ul style="list-style-type: none"> <li>-Non availability of material and contractors at way side locations.</li> <li>-Shortage of contractors</li> </ul> <p>Most of the level crossings are in remote area for</p>	<p>94 LCs manned</p> <p>312 lifting barriers provided</p> <p>820 works of basic infrastructure completed</p> <p>366 Nos Interlocking</p> <p>222 Nos Telephone</p> <p>35 road over bridge (ROBs) constructed</p>

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
		cost sharing basis where traffic density is more than 1 lakh train.				<p>cabin for gateman, upgrading and maintaining of smooth roads and embankment, proper gradient, hexagonal block on track for smooth passage of road vehicles</p> <p>- Laying of cable from station to the level crossing location, connecting signalling system and telephones with level crossing location</p>	which long distance provisions are to be made	

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
						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. based on	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	

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
						firm proposal from State Govt/ local bodies work is sanctioned. General arrangement drwing and estimate is prepared before taking up the work.	work is delayed.	
3	<b>MH 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	There is a time lag between 'in-principle' approval and final disbursement and normally it will have 6	Disbursement can take place only when the Private Party is selected through competitive bidding and it has invested its share of equity.	No disbursement had taken place during 2006-07 since there is a time lag between initial approval and disbursement of fund and disbursement can only take

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
					principle approval. Four proposals already under submission. With the streamlining of the mechanism for review of proposals and dissemination of the information relating to the scheme it is expected that the number of proposals received would increase.	months to one year in the process of bidding etc after giving in principle approval to a proposal.		place once the private party is selected through competitive bidding and it has invested its share of equity. The total budget allocation of Rs. 500.00 crore in BE 2006-07 was restricted to nil in RE 2006-07.

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
4	<b>MH 3475 - Interest equalization support to Exim Bank of India</b>	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	--	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, Suriname, 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. EXIM Bank has stated that additional amount of Rs.59.27crores approx. will be required in respect of approved GOI supported lines of credit during the current	Rs.70.88 crore disbursed.

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
		support from DEA					financial year.	
5	<b>MH 3605 - Technical and Economic Cooperation with other countries, Minor Head - 00.101 - Cooperation with other countries, 30 Development Assistance, 30.00.31 Grants-in-aid.</b>	The provision was meant for activities under Indian Development and Economic Assistance Scheme (IDEAS). The objective is to project India's image abroad and to develop long standing economic relation. One of the activities is writing off past debt of HIPCs (Heavily Indebted Poor Countries).	214.17 Non-Plan	4.53	The amount projected in RE/ Final Requirement is required for waiver of penal interest of Rs. 4.53 crore (approx.) pertaining to GOI (Government to Government) Line of credit of US\$ 10 mn. extended to Govt. of Uzbekistan in 1993.	-	-	The dues pertaining to penal interest were in US Dollar denomination to the tune of US\$ 984,327.74. The sanction orders, in Rupee terms was, therefore, issued for Rs.4.53 crore (approx.) @ 1 US\$ = Rs.46/-.

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07 (Rs. in Crore)		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
6	<b>MH - 3605: Technical and Economic Cooperation with other countries, 07: Technical aid to South and South East Asia under the Colombo Plan; 07.01.32 and 07.02.32 : contribution</b>	Provide technical aid to countries under Colombo Plan, by providing support to Human resource development, through courses conducted by Indian Institutes.	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.	Rs. 4.06 crore have been incurred during the period April, 2006-March, 2007.  Approx. 260 students from various Colombo Plan Countries have undergone training.
7	<b>MH 7605 - Advances to Foreign Governments, 00.051- Loan to Govt. of Myanmar</b>	Promotion of export of goods and services from India and cultivating long term	5.00 Non-Plan	1.00	Export of various capital goods totally amounting to Rs. 5.00 crore.	Ongoing credit line since 2003 (US\$ 25 million). Exporters' claims are routed through SBI Overseas	Only marginal amount is required for small balance under the operational LOC of US\$ 25 mn.	No claims were received.

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07 (Rs. in Crore)		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
		economic relationship with the recipient country.				Branch, New Delhi for reimbursement.	extended to Myanmar in 2003. Therefore, the final requirement has been slightly reduced from the RE figure.	
8	MH 7605 - Advances to Foreign Governments, 00.061- Loan to Govt. of Cambodia	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. 21.00 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 mn. approx. (Rs.4.60 crore) of the balance unutilised amount of US\$ 4.5 mn. Approx is expected.	Rs.2.92 crore were disbursed.

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
							Therefore, the final requirement has been projected at Rs.6.00 crore.	
9	<b>MH 7605 - Advances to Foreign Governments, 00.064- Loan to Govt. of Surinam</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	1.00 Non-Plan	1.00	Export of capital goods amounting to Rs. 1.00 crore (approx.)	Ongoing credit line of US \$ 10 million since 2003. Exporters' claims are routed through SBI Overseas Branch, New Delhi for reimbursement.	An amount of US\$ 0.25 mn. approx. (Rs.1.10 crore approx.) is balance under the operational LOC of US\$ 10 mn. extended to Surinam in 2003. Seeing the pace of filing of claims for reimbursement by the exporters, the final requirement has been projected at the RE level.	Rs.0.48 crore were disbursed.

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
10	<b>MH 7605 - Advances to Foreign Governments, 00.099- 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. 108.00 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.	At the time of BE it was expected that the amount would be required for already approved contracts and for some contracts likely to be approved under the ongoing credit lines. However, Govt. of Sri Lanka could not finalize contracts and claims for lesser amount were received from the exporter for already	Rs.99.00 crore were disbursed

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
							approved contracts. Therefore, it was proposed to reduce the budgetary provision at RE/ Final Requirement stages.	
11	<b>MH 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 mn. approx (Rs.43.70 crore approx.) under the already approved contracts.	No claims were received for reimbursement.

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
							However, we do not expect the requirement of whole amount during this year due to a very slow pace of utilization by contractors operational under the LOC. Therefore, the final requirement has been proposed to be reduced to Rs.2.00 crore.	

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/	Processes/ Timelines	Risk Factors	Status as on 31st March 2007
1	2	3	4		5	6	7	8
			BE	RE				
			4 (i)	4 (ii)				
12	MH 7605 - Advances to Foreign Governments, 00.102- Loan to Govt. of Laos	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. 5.00 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 mn. extended to Laos in 2002.	Rs.0.51 crore disbursed

### 3 Status of Outcome of the Outcome Budget 2007-08 (As on 31st December, 2007)

#### 3.1 GRANT NO.31 DEPARTMENT OF ECONOMIC AFFAIRS

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
			4 (i)	4 (ii)				
1	2	3	4		5	6	7	8
			BE	RE				
1	<b>MH 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	724.69 (Plan)	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>	<ul style="list-style-type: none"> <li>- For manning of unmanned level crossings, gates/lifting barriers have to be erected as 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> </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> </ul>	Rs. 543.51 crore has been released.

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
		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. Based on firm proposal from State Govt/ local bodies work is sanctioned.				<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,</li> </ul>	<ul style="list-style-type: none"> <li>- Shortage of contractors- Most of the level crossings are in remote areas for which long distance provisions are to be made</li> </ul>	

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
						connecting signalling system & telephones with level crossing location  - 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		

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
						Govt./local bodies duly fulfilling certain preliminary requisites as per extant rules, 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.		

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
2	<b>Major Head 5475- Assistance for Infrastructure Development Public Private partnership (PPP) in Infrastructure</b>	To promote Public Private partnership (PPP) in the infrastructure sector through provision of Viability Gap funding (VGF)	100.00 (Plan)	23.00	37 VGF proposals under the new scheme have been given "In Principle" approval by the Empowered Institution Bidding Process/ Pre-qualification of bidders have already been started. In some projects bidding process have also been completed. The expected fund requirement for FY 2007-08 has been assessed as Rs. 154.00 crore.	There is a time lag between 'in principle' approval and final disbursement and normally it will take 16 to 18 months in the process of bidding and financial closure after giving In-principle 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.	23 proposals have been granted In-principle approval so far. Process of pre-qualification has either begun or completed and bidding process has been completed in 6 of the projects. In these six projects, where bidding has been completed, disbursement will start in the last quarter of 2007-08. After examining the disbursal

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
								milestone suggested by the sponsoring authority of the projects, the total budget allocation of Rs. 100.00 crore in BE 2007-08 was restricted to 23.00 crore in RE 2007-08.
3	<b>Major Head 3475 - Interest equalisation support to EXIM Bank of India</b>	Indian Development and Economic Assistance Scheme (IDEAS). The objective is to project India's strategic economic interests	228.00 (Non-Plan)	135.00	Exports of Indian goods and services to countries like Angola, Burkina Faso, Chad, Congo, Cote d' Ivoire, Djibouti, Ethiopia, Equatorial Guinea, Fiji,	The provision is to be utilised upto 31st 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	Rs.60.98 crores have been paid to EXIM Bank of India.

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
		abroad and to develop long standing economic relationship. The scheme inter-alia, provides interest equalisation support to EXIM Bank of India for GOI			Gambia, Ghana, Guyana, Guinea Bissau, Honduras, Jamaica, Lesotho, Mali, Mozambique, Myanmar, Niger, Nigeria, Senegal, Sri Lanka, Sudan, Surinam, Vietnam and Zambia.		to EXIM Bank for the lines of credit.	
4	<b>Major Head 3605 - Technical and Economic Cooperation with other countries, Development Assistance, Grants-in-aid.</b>	<ul style="list-style-type: none"> <li>● Writing off of past debt of HIPC's (Heavily Indebted Poor Countries).</li> <li>● Providing assistance for project preparations.</li> </ul>	35.50 (Non-Plan)	5.00	<ul style="list-style-type: none"> <li>- Release of grants to professionals/ organisations for carrying out project identification, preparation and appraisal.</li> <li>- Develop coherent</li> </ul>	<ul style="list-style-type: none"> <li>● The scheme will initially run for 5 years.</li> <li>● The provision is to be utilised upto 31st March, 2008</li> </ul>	Approval of CCEA is awaited.	It has been decided to keep the scheme pending. As such CCEA approval has not been taken.

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
		<ul style="list-style-type: none"> <li>Creation of regional and country strategies.</li> </ul>			regional and country strategies through external and inter Ministerial consultations.			
5	<b>MH-3605: Technical and Economic Cooperation with other countries, 07: Technical and South East Asia under the Colombo Plan; 07.01.32 and 07.02.32: Contribution</b>	Provide technical aid to countries under Colombo Plan, by providing support to Human Resource Development, through courses conducted by Indian Institutes.	5.96 (Non-Plan)	6.32	Human Resource Development through technical education to 410 students every year from Colombo Plan countries.	The trainees are provided with airfare, tuition fee, accommodation and living allowance, for undergoing training in approved Institutes.	There is no risk factor involved as the funds are being utilized for the objective mentioned in Col.3.	Rs. 3.60 crore have been incurred during the period April-December, 2007.  Approx. 340 students from various Colombo plan Countries have undergone training.

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
6	<b>Major Head 7605 - Advances to Foreign Governments - Loan to Govt. of Mauritius.</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	12.00 (Non-Plan)	0.00	<b>Export of equipment for cyber city project and International Convention Centre project in Mauritius.</b>	Ongoing credit line since 2001. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 100 million credit line agreement dated 4.5.2001, with fixed LIBOR six months rate of interest (prevailing on the date of credit agreement) and 3 years moratorium, US\$ 19.99 million disbursed till 16th January, 2007.	No claims for reimbursement have been received.

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
7	<b>Major Head 7605 - Advances to Foreign Governments - Loan to Govt. of Sri Lanka</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	77.00 (Non-Plan)	60.00	<b>Export of various goods e.g. buses, spare parts of buses, Jeeps, IT equipments, binoculars etc. and consultancy services.</b>	Ongoing credit line since 2002 and 2004. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 31 million credit line agreement dated 3.7.2002 and US\$ 25 million credit line agreement dated 23.3.2004 with fixed LIBOR six months rate of interest (prevailing on the date of credit agreement) and 5 years moratorium, US\$ 35.72 million disbursed till 16th January, 2007. Utilisation of US\$ 15 million is expected in the financial year 2007-08	Rs.35.72 crore disbursed.

Review of Past Performance

(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
8	<b>Major Head 7605 - Advances to Foreign Governments - Loan to Govt. of Cambodia.</b>	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	11.68 (Non-Plan)	4.68	Export of various equipment and goods and consultancy services for rehabilitation of an irrigation project in Cambodia.  Export of pump sets.	Ongoing credit line since 2002. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement.	Out of a total of US\$ 10 million credit line agreement dated 6.11.2002 with rate of interest 1.5% p.a., and 5 years moratorium, US \$5.36 million disbursed till December, 2007. Utilisation of about US\$ 1 million is expected in the financial year 2007-08.	Rs. 1.48 crore disbursed.

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

Review of Past Performance

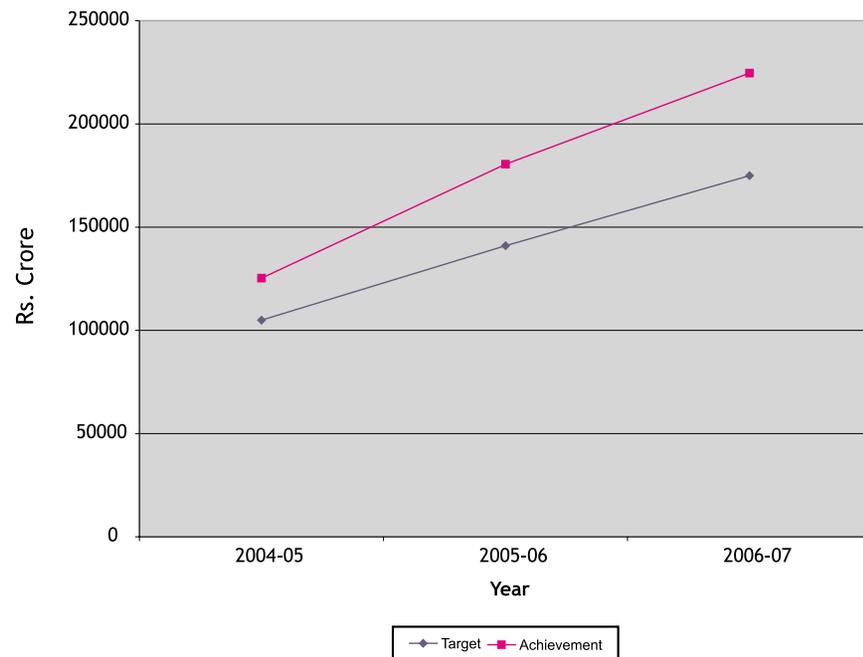
(Rs. in crore)								
Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December 2007
1	2	3	4		5	6	7	8
			4 (i)	4 (ii)				
			BE	RE				
10	Major Head 7605 - Advances to Foreign Governments - Loan to Govt. of Myanmar	Promotion of export of goods and services from India and cultivating long term economic relationship with the recipient country.	0.00 (Non-Plan)	1.32	Export of various machineries, equipment and goods for various projects in Myanmar	Ongoing credit line since 2003. Exporters' claims are routed through SBI, Overseas Branch, New Delhi for reimbursement	Out of a total of US\$ 25 million credit line agreement dated 24.10.2003, US\$ 24.66 million disbursed till date.	-

## 3.2 DEMAND NO. 32 - PAYMENTS TO FINANCIAL INSTITUTIONS

### 3.2.1 Agricultural Credit

A target was set in 2004-05 to double agricultural credit in three years. This goal was achieved in two years. The target of Rs. 1,75,000.00 crore set for 2006-07 was exceeded as farm credit during that year touched Rs. 2,29,400.00 crore. It was proposed to assist 50 lakh new farmers through Commercial Banks and Regional Rural Banks during 2006-07 against which almost 60 lakh new farmers were assisted during 2006-07. For 2007-08, a target of Rs. 2,25,000.00 crore as farm

Flow of Agricultural Credit



credit has been fixed bringing an additional of 50 lakh new farmers to the banking system. As against the farm credit target of Rs. 2,25,000.00 crore, an amount of Rs. 1,37,760.00 crore has been financed up to November 30, 2007. Further, as against a target of addition of 50 lakh new farmers to the banking system during the current year, 42.97 lakh new farmers have been financed up to November, 2007.

### 3.2.2 Debt Recovery Tribunals (DRTs)

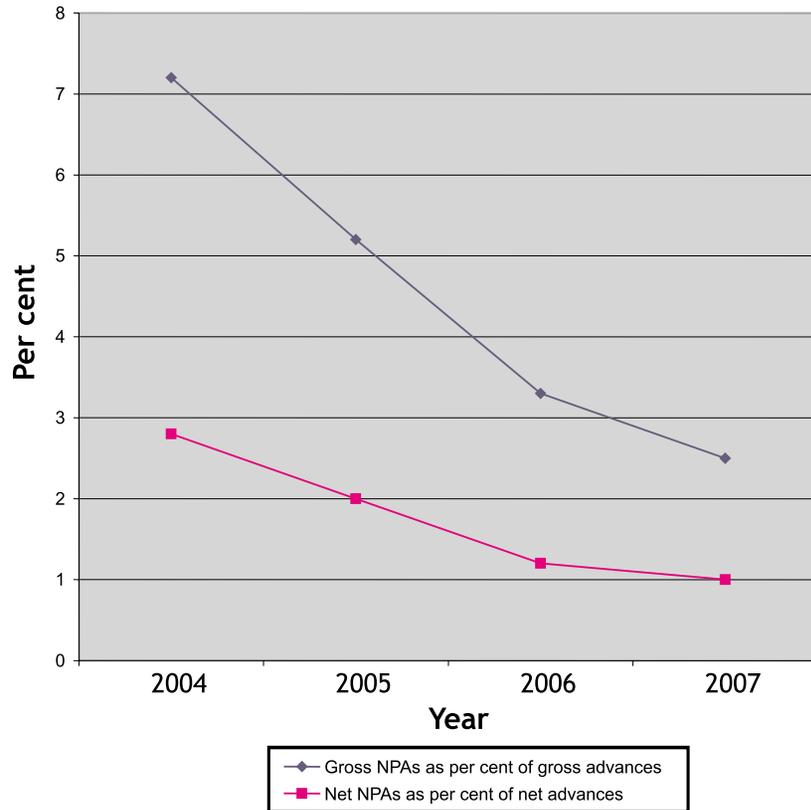
As on 31.12.2007, there are 33 DRTs and 5 DRATs in the country. In addition to the actual recovery, DRTs are one of the main factors forcing the defaulters to come forward for One Time Settlement (OTS) with the Banks and FIs. The role of the DRTs has been further enhanced by the passing of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as amended, which provides that the aggrieved party under the Securitization Act can make an appeal before the DRTs. From the date of establishment up to 30.09.2007, 93649 cases involving an amount of Rs. 209771.00 crore were filed in the DRTs, out of which 71803 cases involving an amount of Rs. 119348.00 crore were disposed of.

### 3.2.3 NPAs in Public Sector Banks

The asset quality of the Indian banking system has improved significantly over the last few years. Some of the steps taken by the Government, which have helped to reduce NPAs are indicated below:

- The Securitization and Reconstruction of Financial assets and Enforcement of Security Interest Act, 2002.
- Credit Information Bureau of India Limited was set up in the year 2000 to disseminate information on borrowers to the Banks.
- A scheme of Corporate Debt Restructuring (CDR) for restructuring of corporate debts.

### Gross and Net NPAs of SCBs



Various measures initiated in the last few years have significantly strengthened the commercial banking sector in terms of profitability, asset quality and capital position. The soundness parameters of the banking system have shown sustained improvement while financial indicators, viz., operating profits to assets, net interest income to assets, return on assets, etc., have also been encouraging.

## 4 Status of Outcome of the Outcome Budget 2006-07 (As on 31st March, 2007)

### Grant No. 32 - Payments to Financial Institutions

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st March, 2007
			4 (i)	4(ii)				
1	2	3	4 (i)	4(ii)	5	6	7	8
			BE	RE				
1	<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 <b>(Plan)</b>	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.	Rs. 16.00 crore released. 7552 units financed. This Plan Scheme has been discontinued from XI Plan period.
2	<b>Major Head 2885 - Grants-in-aid to 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 <b>(Plan)</b>	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 and financial institutions for assistance.	Rs. 5.00 crore released. This Plan Scheme has been discontinued from XI Plan period.

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st March, 2007
			4 (i)	4(ii)				
			BE	RE				
3	<b>Major Head 2235 - Debt Relief in interest to farmers on overdue loans</b>	To share interest waived on overdue loans payable by farmers in debt stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra	0.00 <b>(Non-Plan)</b>	1359.13	50% share of Government of India is estimated at Rs.1,864.19 crore (total being Rs.3728.37 crore)	The amount is released to Reserve Bank of India, for reimbursing the share of interest waiver provided by Scheduled Banks, NABARD, RRBs and Cooperative Banks.	Being a grant, no risk factor is involved.	Rs. 1359.13 crore released. Balance requirement being worked out.
4	<b>Major Head 2235 - Subsidy to public sector general insurance companies for community based Universal Health Insurance Scheme</b>	Health Care to BPL families through Public Sector General Insurance Companies by providing subsidy	3.00 <b>(Non-Plan)</b>	25.00	Coverage of 1 lakh families was initially planned and raised to 15 lakh families for the year 2007-08	1 year	Being subsidy, no risk factor is involved.	1,42,684 families covered under UHIS and 4,57,949 families under Tsunami Jan Bima Yojana.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st March, 2007
			4 (i)	4(ii)				
			BE	RE				
5	Major Head 2235 - Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidising Pension Plan for Senior Citizens	269.00 (Non-Plan)	226.23	Under the Scheme, pensioners get an effective yield of 9% p.a.	1 year	Being subsidy, no risk factor is involved.	Rs. 226.33 crore released.
6	Major Head 2416 - Grants in aid for revitalization of Cooperative Credit Structure (Short Term)	Revitalization 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 three years depending upon the participation of the States.	Being a subsidy, no risk factor is involved.	17 States viz., Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal have signed MoUs with NABARD and Gol for implementing the package. Rs.1425.00 crore released.

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors 7	Status as on 31st March, 2007
			4 (i)	4(ii)				
1	2	3	4 (i)	4(ii)	5	6	7	8
			BE	RE				
7	<b>Major Head 2416 - Grants-in-aid - Interest subvention for providing short term credit to farmers.</b>	Interest relief to farmers on short term production credit	0.00 <b>(Non-Plan)</b>	1100.00	To provide short term production credit at 7% to the farmers up to an amount of Rs.3.00 lakh.	Reimbursement of interest subvention is given to Public Sector Banks, NABARD, RRBs and Cooperative Banks for loans disbursed by them in Kharif 2007 and Rabi 2007-08 out of their own resources.	Being a subsidy, no risk factor is involved	Rs. 1100.00 crore released
8	<b>Major Head 2416 - Grants-in-aid - Interest subvention</b>	Government decided to extend interest subvention on an amount of Rs.2500.00 crore @ 1.5% i.e. Rs.37.50	37.50 <b>(Non-Plan)</b>	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.	Being a subsidy, no risk factor is involved.	Second instalment of Rs. 37.50 crore released.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st March, 2007
			4 (i)	4(ii)				
1	2	3	4 (i)	4(ii)	5	6	7	8
			BE	RE				
		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 Govt.						
9	<b>Major Head 2885 - Redemption of IDBI Bonds relating to Stressed Assets Stabilisation Fund (SASF)</b>	Cash neutral provision for weeding out stressed assets of IDBI	1500.00 (Non-Plan)	1500.00	--	1 year	Defaults in payment of settled cases.	Alternative mechanism for redemption of securities evolved. Hence, no payment released.

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st March, 2007
			4 (i)	4(ii)				
			BE	RE				
10	Major Head 4885 - Subscription to Share Capital of Exim Bank	Strengthening of equity base of Exim Bank.	50.00 (Non-Plan)	50.00	To speed up India's export to other countries.	1 year.	Credit risk, liquidity risk, interest rate risk and foreign exchange risk.	Rs. 50.00 crore released.
11	Major Head 4885 - Subscription to Share Capital of India Infrastructure Finance Company Limited	Enabling the programme of long-term infrastructure finance.	90.00 (Non-Plan)	90.00	To contribute to the paid up capital of IIFCL to enhance the paid up capital to Rs. 700.00 crore against the authorized capital of Rs. 1,000.00 crore.	1 year.	--	Rs. 90.00 crore released.

**5 Status of Outcome of the Outcome Budget 2007-08 (As on 31st December, 2007)**
**5.1 GRANT NO. 32 - Payments to Financial Institutions**

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			4 (i)	4(ii)				
1	2	3	4 (i)	4(ii)	5	6	7	8
			BE	RE				
1	Major Head 2235 - Subsidy to public sector general insurance companies for community based Universal Health Insurance Scheme	Health Care to BPL families through Public Sector General Insurance Companies by providing subsidy	45.00 (Non-Plan)	20.00	Coverage of 1 lakh families was initially planned and raised to 15 lakh families for the year 2007-08	1 year	Being subsidy, no risk factor is involved.	69745 policies (up to Dec, 2007) issued and a subsidy of Rs. 1.00 Crore released till 31.12.2007
2	Major Head 2235 - Payment to Life Insurance Corporation of India for Pension Plan for Senior Citizens	Subsidising Pension Plan for Senior Citizens	249.77 (Non-Plan)	242.68	Under the Scheme pensioners get an effective yield of 9% p.a.	1 year	Being subsidy, no risk factor is involved	Till December, 2007, an amount of Rs.114.08 crore has been released as subsidy to LIC

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			4 (i)	4(ii)				
1	2	3	4 (i)	4(ii)	5	6	7	8
			BE	RE				
3	Major Head 2416 - Grants in aid for revitalization of Cooperative Credit Structure (Short Term)	Revitalization of Cooperative Credit Structure in the country	1500.00 (Non-Plan)	2045.37	To revitalize short term Cooperative Credit Structure in the States which agree to implement the package	The revitalization is to take place within three years depending upon the participation of the States.	Being a subsidy, no risk factor is involved.	17 States viz., Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal have signed MoUs with NABARD and Gol for implementing the package. Released Rs.1425.00 crore to NABARD during 2006-07.

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			4 (i)	4(ii)				
1	2	3	4 (i)	4(ii)	5	6	7	8
			BE	RE				
4	<b>Major Head 2416 - Grants-in-aid - Interest subvention for providing short term credit to farmers.</b>	Interest relief to farmers on short term production credit	1676.86 (Non-Plan)	1700.00	To provide short term production credit at 7% to the farmers upto an amount of Rs.3.00 lakh.	Reimbursement of interest subvention is given to Public Sector Banks, NABARD, RRBs and Cooperative Banks for loans disbursed by them in Kharif 2007 and Rabi 2007-08 out of their own resources.	Being a subsidy, no risk factor is involved.	Action to release Rs.756.00 crore has already been initiated. Claims are still coming from banks.

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			4 (i)	4(ii)				
1	2	3	4 (i)	4(ii)	5	6	7	8
			BE	BE				
5	<b>Major Head 2416 - Grants-in-aid - Interest subvention</b>	Government decided to extend interest subvention on an amount of Rs.2500.00 crore @ 1.5% i.e. Rs.37.50 crore was earmarked for three years starting from 2004-05 to NABARD for the purpose of refinance for Cooperative Banks and RRBs for the debt restructuring package announced by the Govt.	0.00 (Non-Plan)	37.26	To provide interest subvention on liquidity support to NABARD for debt restructuring package to Cooperative Banks and RRBs.	Rs.37.50 crore to be released every year for three years from the financial year 2004-05.	Being a subsidy, no risk factor is involved.	Two instalments of Rs. 37.50 crore released so far. Once the provision of Rs.37.26 crore is obtained in the third and final batch of supplementary demands, the same would be released before 31.03.2008.

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

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			4 (i)	4(ii)				
1	2	3	4 (i)	4(ii)	5	6	7	8
			BE	RE				
9	Major Head 4885 - Subscription to Share Capital of Exim Bank	Strengthening of equity base of Exim Bank.	100.00 (Non-Plan)	100.00	To increase the paid up capital by Rs. 100.00 crore. The Paid up capital base is Rs. 1,000.00 crore against the authorized capital of Rs. 2,000.00 crore.	1 year	--	Action to release the amount initiated.
10	Major Head 4885 - Subscription to Share Capital of India Infrastructure Finance Company Limited	Enabling the programme of long-term infrastructure finance.	200.00 (Non-Plan)	700.00	To contribute to the paid up capital of IIFCL to enhance the paid up capital to Rs. 700.00 crore against the authorized capital of Rs. 1,000.00 crore	1 year	--	Rs. 200.00 crore released.
11	Major Head 7465 - Payment to Life Insurance Corporation of India for Aam Aadmi Bima Yojana	Provide Insurance Cover to head of family or one earning member of rural landless household.	--	1000.00 (Non-Plan)	Estimated 1.5 crore rural landless households to be covered under the Scheme.	--	--	Scheme was launched on 2-10-2007. A Social Security Fund of Rs.1,000.00 crore is being placed at the disposal of the LIC during 2007-08.

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical outputs		Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			4 (i)	4(ii)	5				
12	<b>Major Head 7465 - Payment to Life Insurance Corporation of India for granting scholarships to the children of the beneficiaries of Aam Aadmi Bima Yojana</b>	To provide scholarship of Rs.300 per quarter per child to upto two children, studying between 9th & 12th Std., of the beneficiaries of Aam Aadmi Bima Yojana.	--	500.00 (Non-Plan)	Scholarship benefit is available to the children of beneficiaries covered under Aam Aadmi Bima Yojana.	Under Aam Aadmi Bima Yojana 1 crore rural landless households are expected to be covered by 30.9.2009.	--	--	A fund of Rs. 500.00 crore being created from Central Governments share of valuation surplus of LIC for meeting the expenditure.

## 6 Status of Outcome of the Outcome Budget 2006-07 (As on 31st March, 2007)

### 6.1 Grant No. 38-Department of Expenditure

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2006-07		Quantifiable Deliverables/ Physical Outputs	Processes / Timelines	Status as on 31st March, 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
1	<b>Major Head 2070-Other Administrative Expenses.</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 (* Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh)	Development of Finance Professionals in North Eastern/ Special Category/ BIMARU States	0.63 (Plan)	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) successfully completed the course which commenced in January, 2006. Outlay for the year has been fully utilised.

**7 Status of Outcome of the Outcome Budget 2007-08 (As on 31st December, 2007)**
**7.1 GRANT NO. 38-Department of Expenditure**

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical Outputs	Processes / Timelines	Status as on 31st December, 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
1	<b>Major Head 2070-Other Administrative Services (Plan).</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 (* Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh)	Development of Finance Professionals in North Eastern/ Special Category/ BIMARU States	1.00 (Plan)	0.75	Training to 15 officers of North Eastern/Special category/BIMARU States. The programme consists of 4 semesters each having 22 weeks duration. Of these, 3 semesters are for class room teaching and fourth for project work.	2 Years	12 officers ( Madhya Pradesh-3, Himachal Pradesh-2, Mizoram-2, Tripura-2, Orissa-1, Sikkim-1 and Uttar Pradesh-1) have joined the course during the year 2007-08. Accordingly, the provision was reduced at RE stage.  The expenditure up to December, 2007 was Rs.0.63 crore. Revised outlay for the year is expected to be fully utilized.

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical Outputs	Processes / Timelines	Status as on 31st December, 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
2	<p><b>Major Head 2070 Other Administrative Services (Non Plan)</b></p> <p>Non-Plan scheme for Training Centre in the Civil Accounting Department (Institute of Government Accounts and Finance)</p>	<p>(i) To provide in-service training to the staff of Civil Accounts Organisation.</p> <p>(ii) To upgrade their skills and knowledge by adopting modern training and research methodology.</p>	2.41 (Non-Plan)	2.39	Through its training centres at Delhi, Kolkata, Chennai and Mumbai, 268 training programmes on various modules for official of Civil Accounts Organisation, treasuries of State Governments, Public Sector Undertakings and courses for ITEC Division of Ministry of External Affairs for about 50 countries are proposed to be organized.	2 Years	The targets set for the training programmes are being met. Expenditure incurred till December, 2007 is Rs. 1.47 crore

## 8 Status of Outcome of the Outcome Budget 2007-08 (As on 31st December, 2007)

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

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Process/ Timelines	Status as on 31st December, 2007
1	2	3	4		5	6	7
			B.E.	R.E.			
1	<b>Major Head 2052 - Implementation of VAT Scheme</b>	Setting up of Modern VAT Administration System in NE States and Sikkim as also facilitating similar action in other States.	5.00 (Non-Plan)	7.50	Computerization of VAT administration in NE States & Sikkim.	The initial phase of implementation of the Project on Turnkey basis has been completed. The task during 2007-08 was to effectively utilize the systems already put in place and to add new need-based software applications and remove bottlenecks, if any.	The initial phase of implementation of the Project on Turnkey basis has been completed with the total initial budget provision of Rs.14.50 crore (up to 31.3.2007). Expenditure of Rs.1.78 crore has been incurred in this financial year (up to December, 2007) and the total expenditure so far starting from 2004-05 is Rs.16.28 crore. The RE 2007-08 has been enhanced to make balance payment of Annual Maintenance Contract for the

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Process/ Timelines	Status as on 31st December, 2007
			1	2			
			B.E.	R.E.			
							Project as also Disaster Recovery Site (DRS) to TCS. Presently, the focus is on making the best use of the facilities created under the Project, adding new software applications to enhance the usefulness of the Project and removing bottlenecks, if any. A special feature of this Project is that it is an integrated Project covering a number of North-Eastern States, which have come together and coordinated their efforts in a commendable manner, resulting in time and cost savings as well as enhanced effectiveness of the project.

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Process/ Timelines	Status as on 31st December, 2007
			B.E.	R.E.			
1	2	3	4		5	6	7
2	<b>Major Head 2052 Setting up of Tax Information Exchange System (TINXSYS)</b>	Effective tracking of inter-State transactions through TINXSYS and smooth functioning of the Empowered Committee (EC)	9.00 (Non-Plan)	6.50	- Implementation of TINXSYS Project for effective tracking of inter-State transactions. - Smooth functioning of EC.	<p>The TINXSYS Project is being implemented by EC on BOOT model through a Service Provider. The initial implementation was to be completed during 2007-08. Thereafter, it is to be run by the Service Provider for another about 2 years, before transfer to EC.</p> <p>J&amp;K and HP VAT Computerization Project: Initial phase was to be completed during 2007-08.</p>	<p>The TINXSYS Project is being implemented with cost sharing between the Centre and the State Governments on 50:50 basis with total outlay of Rs.30 crores over 5 year period. The expenditure up to 31.12.2007 in 2007-08 is Rs.2 crore and the cumulative expenditure so far is Rs.8.35 crores out of the project sanctioned amount of Rs.15 crores. After including the State Governments share, the total expenditure under the Scheme so far is Rs.19.21 crore. The implementation of TINXSYS is progressing fairly well. The initial difficulties have been resolved. All States, including Uttar Pradesh, have agreed to join the</p>

Review of Past Performance

(Rs. in crore)

Sl.	Name of Scheme/	Objective/	Outlay 2007-08		Quantifiable	Process/ Timelines	Status as on
1	2	3	4		5	6	7
			B.E.	R.E.			
							<p>project. Creation of physical infrastructure (hardware, networking etc.) has been completed for most States and is expected to be completed for remaining States by 31.3.2008. Software applications have also been developed as per the initial scope of the project. Presently, the focus is on data migration i.e. uploading of data by States on to the system. Discussions are also going on to examine the possibility of expanding the scope of the project by including dematerialization of</p>

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)							
Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Process/ Timelines	Status as on 31st December, 2007
1	2	3	4		5	6	7
			B.E.	R.E.			
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	2995.00 (Non-Plan)	3535.00	To compensate States/UTs for revenue loss due to introduction of VAT with a view to ensure VAT implementation of all States/UTs as well as for meeting other VAT related expenditure of States/UTs	As per agreed formula, VAT Compensation is to be provided for 2005-06, 2006-07 and 2007-08. Claims of the last part of 2007-08 would need to be settled during 2008-09.  Support for modernization of State VAT administration up to 2009-2010.	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.7901.52 crore, out of which Rs.2471.27 crore was released during 2005-06 and Rs.4092.13 crore during 2006-07 and Rs.1338.12 crore during 2007-08 up to 31.12.2007. Claims for further Rs.6,048.04 crore have been received and are under process for sanction and release. Details of State-wise and year-wise releases and pending claims are given in Chapter-V.

Review of Past Performance

(Rs. in crore)							
Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Process/ Timelines	Status as on 31st December, 2007
1	2	3	4		5	6	7
			B.E.	R.E.			
4	<b>Major Head 3601/3602 Compensation to States/UTs for revenue loss due to phasing out of CST</b>	Grant-in-aid to States/UTs for CST compensation	2500.00 (Non-Plan)	2500.00	To compensate States/UTs for revenue loss due to phasing out of CST	CST is being phased out in 3 years time. As per agreed formula, CST compensation will need to be provided to the States till 2009-10.	Under this scheme, budgetary provision of Rs.2500 crore has been made for 2007-08. The releases up to December, 2007 have been Rs.237.26 crore for 2 States and claims amounting to Rs.1912.98 crore were under process.
5	<b>Major Head 2875 Government Opium &amp; Alkaloid Works</b>	To cater the demand of opium and alkaloids for domestic consumption as well as international market.	231.13 (Non-Plan)	224.35	Export of Opium (500 MTs) Sale of alkaloids (34.215 MTs) This was to result into revenue receipt of Rs.258 crore.	The progress of revenue realization vis-à-vis expenditure was to be reviewed monthly/ quarterly.	The opium export has been 334.22 Metric Tonnes (MTs) up to December, 2007 against the targeted export of 500 MTs. The sale of alkaloid is 28.84 MTs up to December, 2007 against the revised target of 51.246 MTs in the whole year. Revenue Receipts up to December 2007 has been Rs.166.04 crore

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08 (Rs. in crore)		Quantifiable Deliverables	Process/ Timelines	Status as on 31st December, 2007
1	2	3	4		5	6	7
			B.E.	R.E.			
							against projected revenue receipt of Rs.300.52 crore at RE stage. The expenditure up to December, 2007 on Govt. Opium & Alkaloid Works is Rs.123.74 crore. Efforts have been made to maintain the level of export by retaining the opium export price at the previous year's level in view of fall in CPS price in international market. With these measures, the Revised Estimates of Rs.300.52 crore are expected to be achieved in 2007-08

## 9 Status of Outcome of the Outcome Budget 2007-08 (As on 31st December, 2007)

### 9.1 Grant No. 42 - Direct Taxes

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
1	Major Head 2020 - Collection of Income Tax; Information Technology		142.00 (Non-Plan)	125.00			
	I. Perspective Plan for Phase-III of Comprehensive Computerisation	A) Systems Integration along with software procurement			<ul style="list-style-type: none"> <li>• Computing capacity to handle the projected workload up to 2010-11</li> <li>• Country-wide facility for e-filing of returns and other document</li> <li>• Jurisdiction free filing of returns with migration facility of PAN</li> </ul>	31.08.2007 Revised to 30.11.2008	The original timeline had to be revised due to the delay in finalisation of contract. M/s IBM have been appointed as Systems Integrator (SI) for the Income tax Department and have been awarded the contract on 31.03.2007. They have delivered the requisite hardware at three data centres at Delhi, Mumbai and

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
		(B) Modification of Aayalcar Bhawan, Vaishali into a secure information Technology hub and its maintenance			<ul style="list-style-type: none"> <li>Centralized issue of refunds through designated refund banker</li> <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>	31.8.2007 revised to 31.8.2008C	Chennai and presently benchmark acceptance test is being carried out. Thereafter, it is planned to have a staggered roll out across all 36 regional computer centres commencing in May, 2008 and the same is expected to be completed by 30.11.2008. The timeline is dependent on successful execution of contract.
							Modification work by M/ S EIL is in progress. Delay has occurred as cabling by M/s bharati/IBM is delayed and also, the work for false cutting is to be completed before LAN cabling.

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
		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 officers across the country and video conferencing facility to North Block and 46 Chief Commissioners of Income Tax (CCsIT).	30.06.2007	<ul style="list-style-type: none"> <li>The project has been completed on 31.12.2007. However, some residual payment as per contract agreement is likely to be made by 31.03.2008</li> <li>Video Conferencing facility for CCITs has been made operational</li> </ul>
		D) Hiring of Data Centres for Primary, Business Continuity Planning (BCP) & Disaster Recovery (DR) sites			<ul style="list-style-type: none"> <li>Co-location of hardware equipments in Data Centres meeting industry standards</li> <li>Security certification of BS 7799 for ensuring security of the equipment and data</li> </ul>	31.3.2007	Data Centres have been established w.e.f. 01.08.2007. The delay in commissioning was due to the reason that testing and acceptance of all facilities and hardware could take place only after their supply by M/S IBM, the Systems Integrator who were awarded the contract on 31.3.2007.

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
	II. Tax Information Network (TIN)	Being hosted by National Security Depository Limited (NSDL) as a depository of information relating to : <ul style="list-style-type: none"> <li>• Online Tax Account System (OLTAS),</li> <li>• Tax deductions coming from TDS returns</li> <li>• High value financial transactions coming through annual Information Returns and facility for generation of electronic TDS accounts</li> </ul>			<ul style="list-style-type: none"> <li>• Online transmission of information relating to tax payments from banks on OLTAS enabling the Department to check frauds by ensuring correct credit of tax deducted</li> <li>• Functionality for e-filing of TDS return and their assessment</li> <li>• Functionality for receiving electronic AIR returns</li> </ul>	On-going activity	<ul style="list-style-type: none"> <li>• No. of challans received in OLTAS from 01.04.2007 to 31.12.2007 is 1,81,46,799</li> <li>• The total amount received through OLTAS from 01.04.2007 to 31.12.2007 is Rs. 2,34,955.69 crore</li> <li>• Further, 37.52 lakh refunds were issued during this period amounting Rs. 25,830 crore</li> <li>• In AIR, total number of transactions received in F.Y. 2006-07 is 21,96,926 amounting Rs. 28,52,195 crore</li> </ul>

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
	III. Business Process Re-engineering (BPR)	Complete revamping of existing business processes to meet the needs of stake holders.			<ul style="list-style-type: none"> <li>Submission of the report of the consultant and BPR Rollout Plan</li> </ul>	The project report will be available by 31.10.2007.	The BPR report has been submitted by the consultants in December 2007 which is under examination and recommendations of the Directorate are expected to be submitted by 31.03.2008.
	IV. Tax payers friendly services	Aayakar Sampark Kendra and maintenance of website of Income Tax Department			Provision of tax related information, facility for downloading of various forms/ challans and return preparation software and the facility for e-filing of income tax returns.	On-going activity	The department runs one call centre, Aayakar Sampark Kendra which receives about 2000 calls everyday. Further, the website of the department had on an average 13 lakh hits every day in December 2007.

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)

Sl. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables/ Physical Outputs	Processes/ Timelines	Status as on 31st December 2007
			BE	RE			
1	2	3	4		5	6	7
			4 (i)	4 (ii)			
	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.			Connectivity for all the Zonal Accounts Offices linking all the servers of Expenditure accounting and also of Revenue accounts.	30.06.2007 On pilot basis.	Implemented; VPN has enabled the headquarter to monitor the claim processing being done by Zonal Accounts Officers. The System has also enabled transfer of revenue accounting data on daily basis and processing of Revenue Accounts.
2	<b>Major Head 4216 - Capital Outlay on Housing</b>  Purchase of 30 ready built flats from NOIDA at Noida.	To bridge the shortfall in residential accommodation	7.47 (Non-Plan)	1.19	The purchase of this residential accommodation will mitigate the shortage of quarters in the Department.	31.12.2007	The project could not materialize in view of high variation in the cost estimates submitted by the CPWD and the cost demanded by NOIDA. Hence, the work has been dropped.

## 9.2 Grant No. 42-Direct Taxes

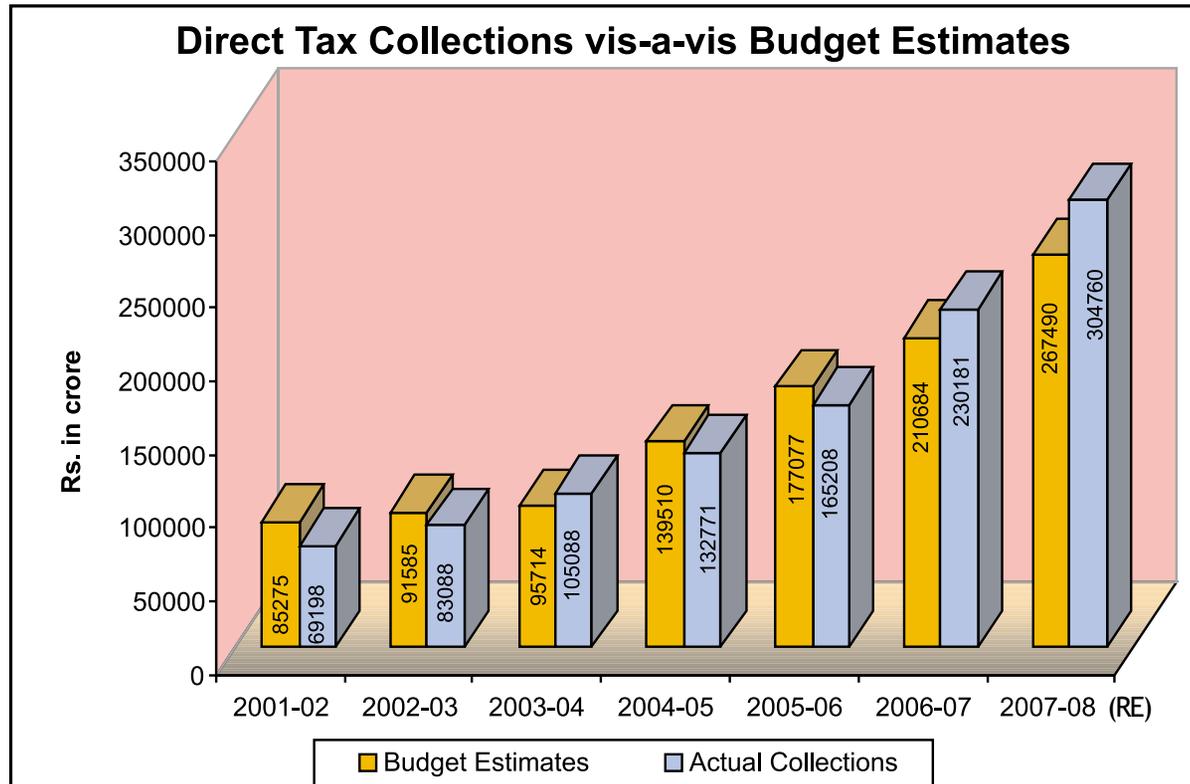
### 9.2.1 Salient Features of Overall Performance of the Central Board of Direct taxes (CBDT)

The physical performance of the Income Tax Department as a whole in various key areas since 2001-02 has been as under:

- i. The collection of direct taxes recorded the highest ever growth of 39.33% during the fiscal 2006-07 and the net

direct tax collection stood at Rs. 2,30,181.00 crore. During the current fiscal (2007-08) too, the direct taxes have consistently grown over 40% and are expected to achieve the Revised Estimate target of Rs. 3,04,760.00 crore.

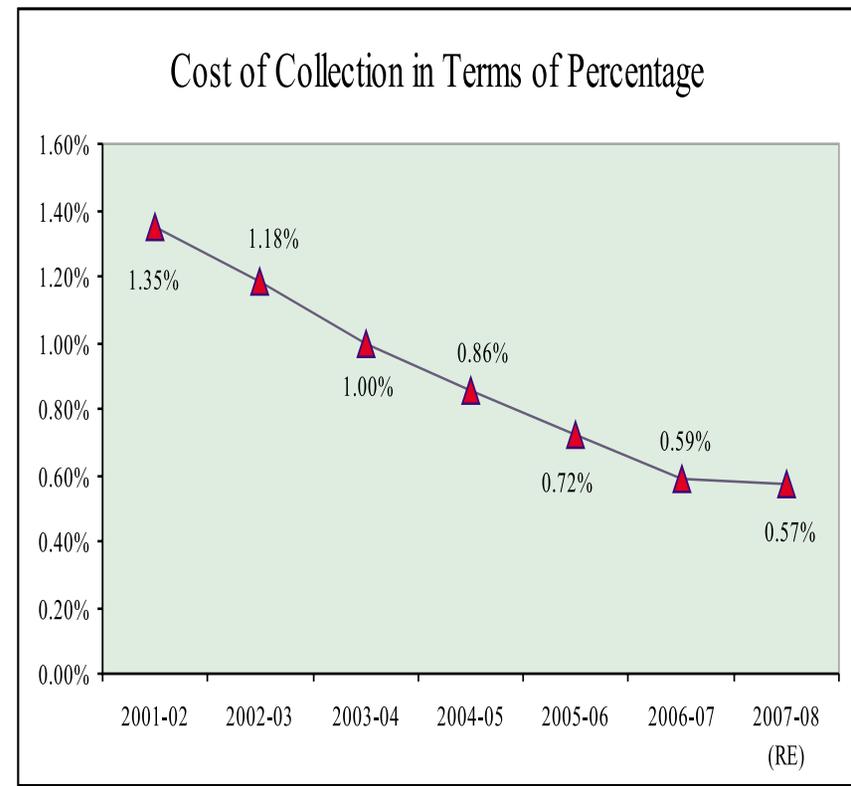
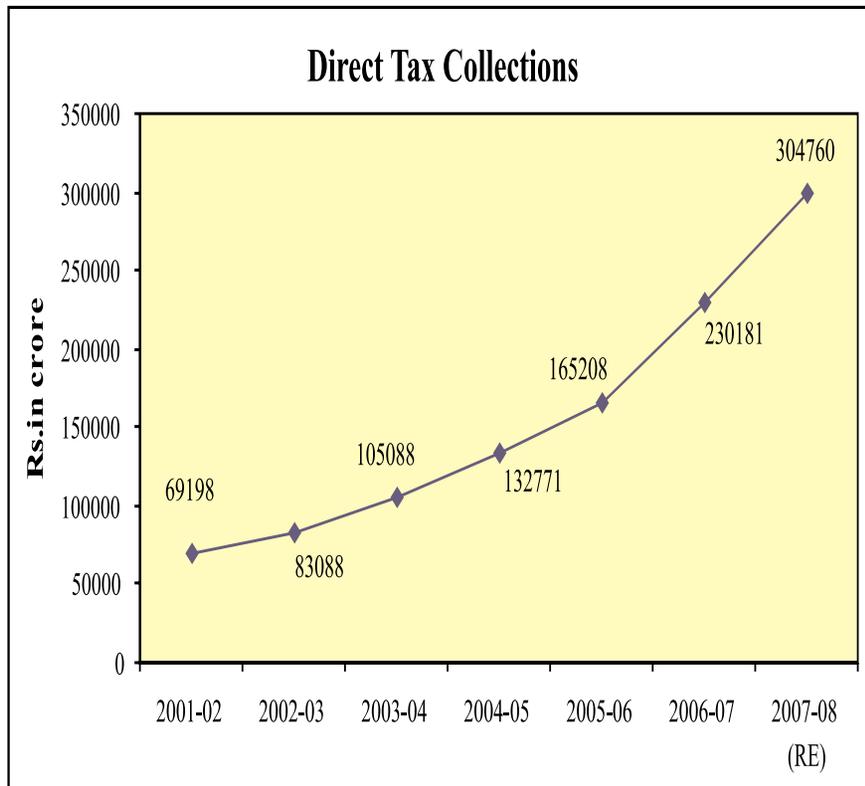
- ii. During the fiscal 2006-07, a record tax collection of Rs.12,285 crore was made out of the arrear demand, thus reducing the net brought forward tax demand as on 31.3.2007 for the first time. In the current fiscal, an amount of Rs.5,790.00 crore has been collected from arrears of tax demand.



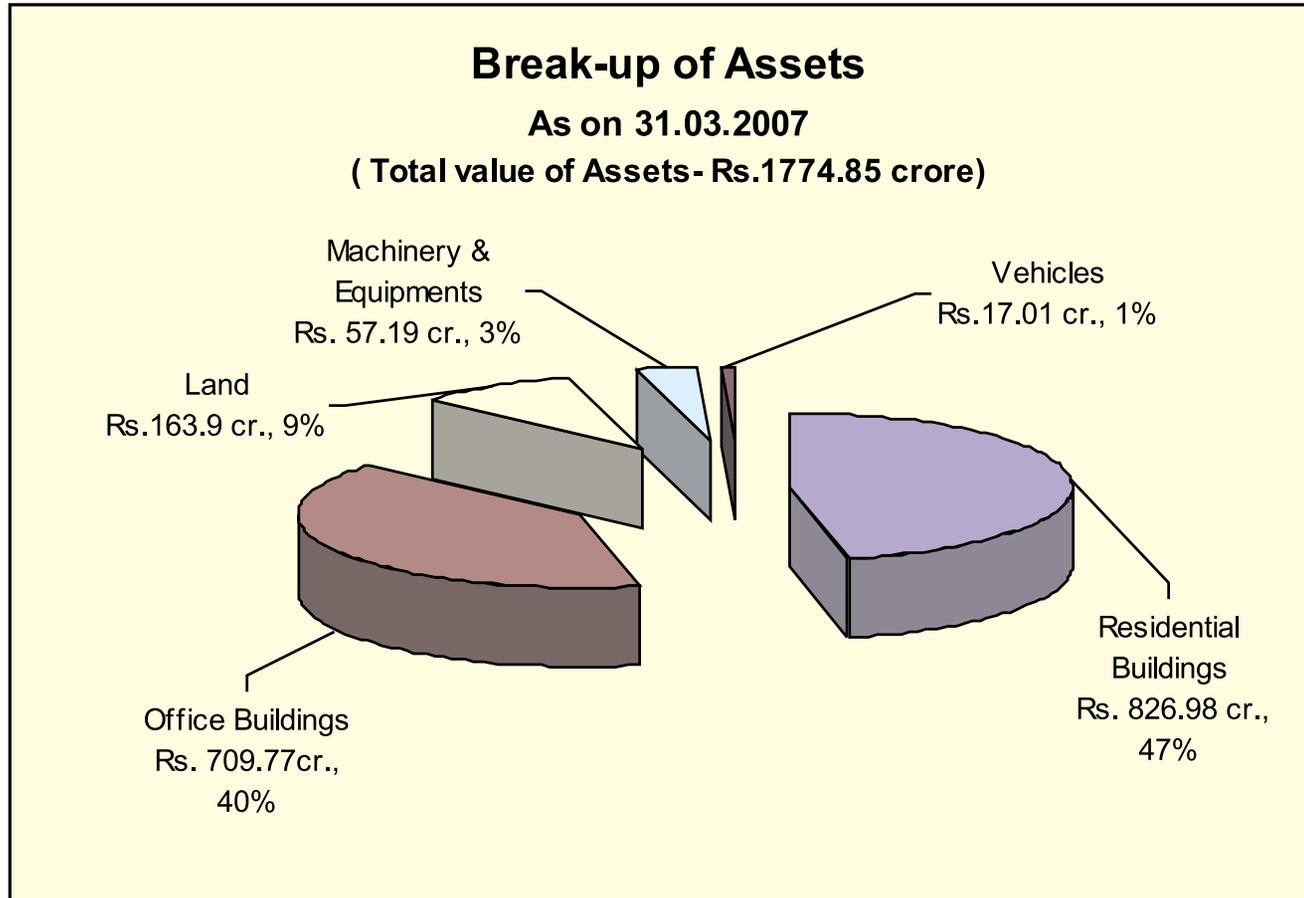
(Actual collection during 2007-08 is as per revised estimates)

- iii. In respect of the current demand, the direct tax collection out of current demand has been steadily rising from Rs. 7,300.00 crore in 2002-03 to over Rs. 19,306.00 crore in 2006-07. During the current fiscal, the direct taxes collected out of tax demand raised during the current year amount to Rs. 7,021.00 crore up to December 2007.
- iv. The Direct tax - GDP ratio, which fluctuated between 1.93% and 3.25% between 1990-91 and 2001-02, has increased to 5.58% in 2006-07. In the current fiscal 2007-08, it is estimated to be well over 6% of the GDP.

- v. The cost of collection of direct taxes has been steadily declining over the years. It has drastically come down from 1.35 paisa per rupee collected in 2001-02 to 0.59 paisa per rupee collected in 2006-07. It is estimated to further decrease to 0.57 paisa per rupee in Revised Estimates 2007-08.



- vi. As on 31st March, 2007, the physical assets owned by the Department were to the tune of Rs. 1774.85 crore. The break up of the assets is depicted as under:



**10 Status of Outcome of the Outcome Budget 2007-08 (As on 31st December, 2007)**
**10.1 Grant No.43 - Indirect Taxes**

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			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	141.00 (Non-Plan)	138.00	- Setting up of an All-India Wide Area Network.	- Work on Phase-I likely to be completed by end of March, 07. - Work on Phase-II is likely to be completed by June, 2007.	Massive effort is required in change management	Contract for <b>Establishment of a Data Center and All India Wide Area Network</b> at a total cost of Rs.77 crore has been awarded to the consortium of BSNL, VSNL and HP. Implementation of Wide Area Network is in progress. 368 sites have been connected and some of these sites have been offered for acceptance. The requirement of the Data Centre has been reworked following the System Integration

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			BE	RE				
1	2	3	4 (i)	4(ii)	5	6	7	8
					- Installation of Central servers (hardware, storage and security infrastructure)	- Installation of hardware and its commissioning to be completed by July, 07.	CNE/CCEA approval for revised cost to be obtained.	tender which resulted in the need for additional space and power. The proposal for revised Data Centre space and facilities at an additional cost of Rs.17.93 crore has been approved. (Feb.2008)  Although the vendor has been selected, the revised cost (Rs.598.97crore) far exceeded the original estimated cost (Rs.167.05 crore). CNE meeting to consider the revised cost was held on 09.08.07. CCEA has accorded the approval for revised

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			BE	RE				
1	2	3	4 (i)	4(ii)	5	6	7	8
					<p>- Provision of PCs/Thin Clients and local area network to all departmental users</p> <p>- Establishment of Data warehouse</p>	<p>- Phase-I : between May, 2007 - Sept., 2007 Phase-II: between October, 2007 - December, 2007</p> <p>- Phase-I (Customs data) - December, 2007. Phase-II (Central Excise</p>	<p>CNE/CCEA approval for revised cost to be obtained.</p> <p>The timeline is dependent on installation of central hardware which is</p>	<p>cost on 29.11.2007. Details are given in Annexure. The formalities relating to the finalization of award of the contract are getting completed.</p> <p>The contract for establishment of Data Warehouse has been awarded to M/s. Wipro and work has started on</p>

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			BE	RE				
1	2	3	4 (i)	4(ii)	5	6	7	8
					<p>- Automation of Central Excise &amp; Service Tax</p> <p>- Gateway Project for Customs upgradation</p>	<p>and Service Tax data) - February, 2008. Phase-III (Data from new CBEC applications) - June, 2008.</p> <p>-Testing commenced in January,07. Implementation in metros to commence by August,07.</p>	<p>expected to be completed by July, 2007.</p> <p>-do</p>	<p>15.10.2007. Further progress is dependent upon hardware and other IT components that will come out of the Systems Integration and PC LAN tenders.</p> <p>The software development is nearly completed and 2 rounds of user acceptance tests have been successfully concluded. Certain changes to the software have been approved and are under development.</p> <p>For sustenance and upgradation of ICEGATE(Gateway Project for Customs upgradation), the contract has been awarded to Wipro Ltd.</p>

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

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007															
			BE	RE																			
1	2	3	4 (i)	4(ii)	5	6	7	8															
						already operational at Bangalore. Other LTUs at Chennai, Delhi, Mumbai and Kolkata are planned 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 (Non-Plan)	50.00	<p>Following vessels are expected to be delivered to the Department during 2007-08:-</p> <table style="margin-left: 20px;"> <tr> <td><u>Cate</u></td> <td><u>-</u></td> <td><u>No.of</u></td> </tr> <tr> <td><u>gory</u></td> <td></td> <td><u>Vessels</u></td> </tr> <tr> <td>III A</td> <td></td> <td>16</td> </tr> <tr> <td>III B</td> <td></td> <td>16</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>32</b></td> </tr> </table>	<u>Cate</u>	<u>-</u>	<u>No.of</u>	<u>gory</u>		<u>Vessels</u>	III A		16	III B		16	<b>Total</b>		<b>32</b>	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		For acquisition of marine vessels, revised proposal for acquiring 109 vessels at a cost of Rs.277.27 crores was approved by CCEA on 22.02.2007. Orders for procurement of Category-I and III vessels were placed with the selected vendors
<u>Cate</u>	<u>-</u>	<u>No.of</u>																					
<u>gory</u>		<u>Vessels</u>																					
III A		16																					
III B		16																					
<b>Total</b>		<b>32</b>																					

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007																																
			BE	RE																																				
1	2	3	4 (i)	4(ii)	5	6	7	8																																
			4 (i)	4(ii)																																				
						<p>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 border="0"> <tr> <td><u>Cate</u></td> <td><u>- No.of</u></td> </tr> <tr> <td><u>gory</u></td> <td><u>Vessels</u></td> </tr> <tr> <td colspan="2"><b>2007-08</b></td> </tr> <tr> <td>III A</td> <td>16</td> </tr> <tr> <td>III B</td> <td>16</td> </tr> <tr> <td><b>Total</b></td> <td><b>32</b></td> </tr> <tr> <td colspan="2"><b>2008-09</b></td> </tr> <tr> <td>I</td> <td>12</td> </tr> <tr> <td>II</td> <td>9</td> </tr> <tr> <td>III A</td> <td>14</td> </tr> <tr> <td>III B</td> <td>17</td> </tr> <tr> <td><b>Total</b></td> <td><b>52</b></td> </tr> <tr> <td colspan="2"><b>2009-10</b></td> </tr> <tr> <td>I</td> <td>12</td> </tr> <tr> <td>II</td> <td>13</td> </tr> <tr> <td><b>Total</b></td> <td><b>25</b></td> </tr> </table>	<u>Cate</u>	<u>- No.of</u>	<u>gory</u>	<u>Vessels</u>	<b>2007-08</b>		III A	16	III B	16	<b>Total</b>	<b>32</b>	<b>2008-09</b>		I	12	II	9	III A	14	III B	17	<b>Total</b>	<b>52</b>	<b>2009-10</b>		I	12	II	13	<b>Total</b>	<b>25</b>		<p>with an advance payment of Rs.19.90 crore made in March, 2007. Order for supply of Category-II vessels are likely to be placed by March, 2008.</p> <p>Second stage payment of Rs.8.568 crore representing 20% of the price of first 6 vessels of Category-I was released in November, 2007.</p> <p>Delivery of Category-IIIA and IIIB vessels has commenced from January, 08 at the rate of 2 vessels of each category per</p>
<u>Cate</u>	<u>- No.of</u>																																							
<u>gory</u>	<u>Vessels</u>																																							
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Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			BE	RE				
1	2	3	4 (i)	4(ii)	5	6	7	8
								month and delivery of Category-I vessels shall commence from April 08 at the rate of one vessel per month.
3	<b>Major Head 4047 - Acquisition of Anti-smuggling equipments</b>	Facilitate cargo clearance, efficient handling of increased volume of container traffic, improve Customs control through non-intrusive examination.	50.00 (Non-Plan)	15.00	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).	Original schedule is 14 months for mobile scanner and 23 months for fixed scanner from the date of Cabinet approval i.e. 27.10.2006.	Start of the project depends on acquisition of land from the port authorities, timely development of sites by BARC and timely approval from statutory authorities.	For acquisition of scanners, Project Implementation Committee has been constituted.  Development of sites for installation of scanners at 4 locations is being executed through BARC. Plots of land have been identified for Tuticorin, Chennai and Kandla. Sanction for procurement of

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(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			BE	RE				
1	2	3	4 (i)	4(ii)	5	6	7	8
								<p>land at Tuticorin at a cost of Rs.54.80 lakh on 30 years lease has been issued. Process of procurement either through outright purchase or long term lease is in progress in respect of other plots.</p> <p>Global tender for acquisition of 3 Mobile Gamma Ray Scanners has been floated on 16.12.2007 and technical bids have been opened on 18.2.2008. Tender for 4 X-ray Scanners is under finalization.</p>

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			BE	RE				
1	2	3	4 (i)	4(ii)	5	6	7	8
4	<b>Major Head 4059 - Acquisition of Office Accommodation</b>	To meet shortfall in Office Accommodation	25.00 (Non-Plan)	6.00	The purchase of office accommodation will bridge the shortfall in requirement of office space.	Payment of balance amount to the Specified Undertaking of Unit Trust of India in respect of building purchased at Mumbai will be made after the necessary requirements mentioned in the agreement 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	Payment in such cases depends on various formalities involving consultation with different concerned authorities.	Final payment in respect of building purchased from SUUTI at Mumbai will be made only after completion of the legal formalities regarding transfer of property which are yet to be complied with. Therefore, funds of Rs.19.00 crore provided on this account (Rs.16.00 crore as balance payment to SUUTI and Rs.3.00 crore as other payments) are surrendered at RE stage and provided in BE 2008-09. In January, 2008, Rs.2.24 crore have

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			BE	RE				
1	2	3	4 (i)	4(ii)	5	6	7	8
						Unit of Directorate of Revenue Intelligence, Risk Management Division and other offices of CBEC have occupied the building.		been sanctioned towards transfer charges payable to Mumbai Municipal Corporation.
5	<b>Major Head 4216 - Acquisition of Residential Accommodation</b>	To meet shortfall in residential accommodation	15.00 (Non-Plan)	8.00	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 other payments in respect of other ongoing projects are likely to be made.	The proposals involve obtaining clearance from CPWD, M/ OUD, SFC etc. after following the due procedure prescribed in GFRs.	Payment of 45% of the cost on milestone related progress has been made to Allahabad Development Authority. The proposal for Shillong did not materialise. However, funds amounting to Rs.4.00 crore has been released for upgradation of facilities in the

Review of Past Performance

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	Objective/ Outcome	Outlay 2007-08		Quantifiable Deliverables	Processes/ Timelines	Risk Factors	Status as on 31st December, 2007
			BE	RE				
1	2	3	4 (i)	4(ii)	5	6	7	8
								buildings purchased earlier at Delhi and Mumbai which will result into better residential infrastructural facilities for officials of the Department.

## 10.2 Grant No.43 - Indirect Taxes

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

- Total Indirect Tax Revenues amounted to Rs.2,40,924.00 crore in 2006-07. Union Excise Duties collection accounted for 48.57% (Rs.1,17,000.00 crore), Customs: 35.8% (Rs.86,327.00 crore) and Service Tax: 15.6% (Rs.37,597.00 crore).
- Indirect Tax Revenues have increased by 64% from Rs.1,46,910.00 crore in 2003-04 to Rs.2,40,924.00 crore in 2006-07.
- There has been 32.67% increase in Customs Duties collections and 5.7% in Union Excise Duties collections in 2006-07 over previous year.
- Service Tax collections have grown by 63.08% in 2006-07 over previous year. In fact, Service Tax collections have shown phenomenal growth of 376% from 2003-04

(Rs.7,891.00 crore) to 2006-07 (Rs.37,597.00 crore). The share of Service Tax in Indirect Tax Revenues has increased from 1% in 1995-96 to 15.6% in 2006-07.

- In 2007-08 upto December, 2007, Indirect Tax Revenue collections amounted to Rs.1,80,851.00 crore constituting Union Excise Duties - Rs.75,038.00 crore, Customs Duties - Rs.74,433.00 crore and Service Tax - Rs.31,380.00 crore.
- The total Indirect Tax collections upto December, 2007 have shown significant growth of 14.7% over the comparative period of previous financial year. Central Excise Duties, Customs Duties and Service Tax collections respectively have grown by 5.17%, 17% and 38.2% over the collections in the comparative period of previous year.
- The cost of collection for Customs Duties has come down from 0.9% in 2002-03 to 0.6% in 2006-07. The cost of collection for Central Excise & Service Tax has also come down from 0.8% in 2002-03 to 0.6% in 2006-07. The cost of collection of Indirect Taxes are tabulated below:-

### Cost of collection

Head of duty	2002-03	2003-04	2004-05	2005-06	2006-07
Customs	0.9%	0.9%	0.8%	0.7%	0.6%
Central Excise & Service Tax	0.8%	0.8%	0.7%	0.7%	0.6%

- Indirect tax revenues have increased from 5.1% of GDP in 2001-02 to 5.8% of GDP in 2006-07.
- Average expenditure on pay and allowances and average collection of revenue per employee for last three years is given below:

Year	Average expenditure on pay and allowances per employee (Rs. in lakh)	Average collection of revenue per employee (Rs. in crore)
2004-05	1.60	3.00
2005-06	1.73	3.51
2006-07	1.79	4.14

## 10.3 E-Governance:

### 10.3.1 There are various components of e-governance in the CBEC which 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 has been signed. Phase I of the Project is likely to be completed by March, 2008 and Phase II by June, 2008.
- 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 system. These would be located in the National Data Centre, Business Continuity and Disaster Recovery Site. All the Department's applications would be hosted centrally on this infrastructure. Approval of CCEA obtained for Revised cost on completion of the tendering process. Capacity planning exercise has commenced in association with vendor.
- iii) **Provision of Local area Network to all Departmental Users:-** All applications of Customs , Central Excise and Service Tax will be accessed by the departmental users using this network. CCEA approval for the revised cost has been obtained . The Phase I will be completed within 16 weeks of signing of the contract and Phase II within six months.
- iv) **Establishment of Data Warehouse:-** CBEC would become a Centralized depository of all Customs, Central Excise and Service Tax Data. The data would be available to all user groups over the web with a user friendly interface. The Phase-I (Customs) will be completed by January, 2009, Phase-II (Central Excise & Service Tax) by October, 2009. However, Phase-II timelines are dependent on the national roll out of ACES application. These timelines would need revision in view of the fact that the development work can commence only when central hardware becomes available which is to come from System Integration and PC/LAN tender.

- v) **Automation in Central Excise and Service Tax:** - Ensuring a large degree of transparency and reduced interface with the Central Excise and Service Tax assesses through automated work flow of all business processes. Testing of the software commenced in January, 2007. ACES is a centralized application and will be launched as and when the hardware is installed, which is to come from System Integration Tender. The time line is dependent on installation of central hardware.
- vi) **Gateway for Customs upgradation:-** A system for Electronic Data Interchange was operational at local levels with a view to linking the Customs community through a single network, Gateway Project was launched. E-Filing of Customs documents through project has improved the on line assessment, duty payment and clearance procedure. 40 automated Customs locations are connected through this project. The upgradation exercise for the Gateway Project is for development of capabilities to handle electronic transaction in a consolidated environment and for enhancement of quality of service delivery to the Customs Trading Partners. Work is likely to be completed by June, 2008.
- vii) **Setting up of Risk Management (RMS):-** Transition from a consignment based control to 'intervention by exception' through identification of risk associated with imports. Facilitation of low risk, compliant trade and optimized use of resources for computer aided scrutiny of high risk consignments. In addition to Import RMS and Export RMS, the RMS will also select containers for scanning (NII Inspection) based on IGM data at Nhava Sheva and other 4 other ports identified. By December, 2007 rollout has been completed at all chosen 23 locations, in 13 cities. The Pilot site for implementation of the Export RMS is Dadri ICD and will be operational for other sites after central server comes

Pilot for RMS for container selection will be at Nhava Sheva, by March, 2008. For Export RMS, the time line is dependent on installation of Central hardware which is contingent upon required approvals and sanctions.

- viii) **Setting up of a portal for Large Tax Payer Units to facilitate tax payers :-** The portal will facilitate tax payers with their interaction with Central Excise and Service Tax and Income Tax/Corporate Tax. There will be single point interface with Tax Administration of CBEC /CBDT and Large Tax Payers. An LTU specific website has been developed. LTUs are operational at Bangalore and Chennai. Other LTUs at Delhi, Mumbai and Kolkata are planned to be operationalised during 2008.

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

- Office of the Pr. CCA has initiated a number of IT projects. A number of software applications are running and few are under pilot stage.
- **COMPACT SOFTWARE** covers most of the functions of a Pay and Accounts Office. This software captures data at bill entry stage. The software is developed by NIC in consultation with Office of Controller General of Accounts. The software has been functional in all Pay and Accounts Offices under CBEC.
- **e-Lekha** is a web-based application that facilitate an ONLINE Financial Information System for fact based fiscal management. This application puts up COMPACT data after a daily closing is effected on the COMPACT server at the end of each day at each PAO. All the Pay and Accounts Offices under CBEC upload COMPACT data to this web-based application maintained at Office of CGA.

- **Electronic Accounting System in Central Excise and Service Tax (EASIEST)** is aimed for obtaining a complete, correct and useful database that can be used for accounting, reconciliation and for other MIS purposes. EASIEST has been rolled out throughout the Country w.e.f. 01/04/07. EASIEST is for "Online Transmission of Tax Payment Data from Banks to Central Excise Department".
  - **REVACT SOFTWARE** i.e., Revenue Accounting Software exclusively used by the Central Excise and Service Tax Pay and Accounts Offices is proposed to be included as a functional module of COMPACT to be enabled for CBEC PAOs. The module shall provide necessary electronic outputs to integrate with the online tax information systems which is a part of the computerization project of CBEC. The salient features of the proposed REVACT module is as follows :-
    - Data Entry from physical challans and scrolls in case of manual payments and Data incorporation through electronic files received from Banks in case of e-Payments (i.e. electronic challans, electronic Main Scrolls).
    - Electronic error correction of data downloaded from NSDL site (which have been separately uploaded by banks directly).
    - Automatic reconciliation of challans, scrolls and remittance.
    - Calculation of delayed remittances.
    - Detailed level of accounting of challans and all associated processes.
    - Preparation of Monthly Consolidated detailed compiled accounts and Daily Data Abstract for detailed Accounting and MIS.
  - Upload of reconciled challan data to central VPN server for centralized MIS for the CBEC.
- 10.3.3 A study for the project has been undertaken by the NIC team and the proposal has been documented for project implementation.
- **Electronic Accounting Solution for e-Receipts (EASeR)** is conceived to further facilitate and support the entire Business Process especially in the areas of Accounting and Banking, in smooth, efficient, effective and user friendly manner. It is aimed to put in place a proper electronic accounting and reconciliation process for all e-Receipts through two e-Pay and Accounts Offices one each for Central Excise and Service Tax. The project also aims to have a "zero error database" that will contribute to the Tax Information Network (TIN).
  - **Centralized Delay Monitoring Module (CDMM)** is the software through which the output of REVACT is used as input for CDMM to calculate delay in remittance of funds collected by the banks and to impose interest on delayed remittances.
  - **e-Payment of Central Excise and Service Tax** is on-line payment of Tax to the Banks by the taxpayers. All 28 banks authorized to collect CBEC revenue are offering e-Payment solution to Central Excise and Service Taxpayers.
  - **For e-Payment of Customs Duties** Collection, testing process is in progress at selected Customs EDI sites. Banks collecting customs collections are catching up with the system.
  - **Multi Protocol Level Switching Virtual Private Network (MPLSVPN)** is under implementation to integrate all application softwares in a centralized environment. Out of a total of 75 sites, 51 sites already have been commissioned and the requirement of application software is being finalized in consultation with all stake holders.

### 10.3.4 Procurement of Scanners

Towards procurement of electronic scanners for scanning the import and export cargo containers arriving for customs clearance so as to detect contraband drugs, arms and ammunition and other undeclared cargo, a Pilot Project involving installation of one Mobile Gamma Ray Scanner and one Re-locatable X-Ray Scanner at Jawaharlal Nehru Port, Nhava Sheva was taken up and completed by June, 2005. With the successful completion of the Pilot Project, a major step was taken towards facilitation of Cargo clearance, efficient handling of increased volume of container traffic and improved Customs control through non-intrusive examination have been achieved. In view of the encouraging results, the process of further procurement has progressed with the floating of tender for acquisition of 3 Mobile Scanners for installation at Kandla, Chennai and Tuticorin. Lease agreement for acquisition of land for Tuticorin, Kandla and Chennai are likely to be signed before the end of March, 2008. The Mobile Scanners are expected to be installed in 2008-09. Progress has also been made in drafting the tender for X-ray Scanners with the assistance of BARC vide which 4 fixed scanners are to be procured which are expected to be commissioned in the year 2009-10 at Kandla, Chennai, Tuticorin and Mumbai.

### 10.3.5 Procurement of Marine Vessels

In order to improve the effectiveness of Customs Patrol over the territorial waters of the country, a proposal for acquiring 109 modern and sophisticated marine vessels of various categories depending upon the needs and purposes for which they are deployed at a total cost of Rs.153.85 crore was approved by CCEA on 15.12.2004. As total cost, after global tender, was working out more than the cost sanctioned by the Cabinet, approval of CCEA was again obtained for the revised cost of Rs.277.27 crore, on 22.02.2007. Orders have been placed with the selected firms and the trial of the first two vessels of Category III-A and III-B was conducted at South Africa and 12 Vessels are expected to

be delivered to the Department in the year 2007-08. A total number of 62 vessels in Category-I, II and III-A and III-B are expected to be delivered in 2008-09.

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

11.1 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 2007-08 for the Revenue Section and Capital Section were Rs. 4.00 crore and Rs. 3302.00 crore respectively, whereas the Revised Estimates for financial year 2007-08 is Rs. 8.00 crore in the Revenue Section and is Rs. 3302.00 crore in the Capital Section.

11.2 The outlay of Rs. 3302.00 crore in BE 2007-08 was based on the receipts estimated in 2007-08 from disinvestment of small portion of Government's equity in Rural Electrification Corporation (REC), Power Grid Corporation of India Limited (PGCIL) & National Hydroelectric Power Corporation (NHPC). In September, 2007, from the disinvestment of 5% Government equity in PGCIL, a sum of Rs 994.82 crore has been received by the Government of India and receipts have been channelised into National Investment Fund in October, 2007. The receipts from sale of equity in NHPC & REC may not materialize in 2007-08. However, the Government has, in the meantime (Cabinet Committee on Economic Affairs in a meeting held on 30.8.2007), approved an Initial Public Offering of 11% post issue paid up capital and a simultaneous 'Offer for Sale' of 10% pre-issue equity, out of Government's equity, in Oil India Ltd. (OIL). It is expected that even if the transactions of REC and NHPC spill over to the year 2008-09, the capital receipts of Rs. 1651 crore included in the BE 2007-08 may not significantly fall short.

11.3 The Budget Estimates for disinvestment receipts and the amounts realized through disinvestment in PSUs during 2005-06, 2006-07 & 2007-08 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 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 Rs.18.28% in Maruti Udyog Ltd.
2006-07	No target fixed	Nil	All disinvestment decisions and proposals have been put on hold pending further review.
2007-08	No target fixed	3361.76	In May, 2007, Government sold its residual shareholding of 10.27% in Maruti Udyog Limited to Public Sector bank, public sector financial institutions and Indian Mutual Funds. A sum of Rs. 2366.94 crore was realized and credited to the Consolidated Fund of India. A sum of Rs.994.82 crore has been received by Government of India from disinvestment of 5% of Government's equity in Power Grid Corporation of India Ltd. in September, 2007 and receipts have been channelised into National Investment Fund in October, 2007. In February, 2008, REC's Initial Public Offering opened for subscription. The Government is expected to realize a sum of Rs. 819.63 crore on account of sale of 10% equity, out of Government's holding, of REC.

## 12 Summarized Position of Schemes Under Outcome Budget 2008-09

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

(Rs.in crore)

S.No	Scheme	2006-2007			2007-2008			2008-2009
		BE	RE	Actuals upto 31.03.07	BE	RE	Actuals upto 31.12.07	BE
1.	Umbrella Support Project - Programme under Country Cooperation Framework (2075)-Plan	4.00	3.00	1.54	0.00	0.97	0.00	0.00
2.	Public Private Partnership (PPP) in infrastructure, Provision of Viability Gap Funding (VGF) (3475) (5475) - Plan	500.00	0.00	0.00	100.00	23.00	0.00	92.10
3.	Contribution of Railway Safety Works against additional levies on motor spirit and high speed diesel (3054) - Plan	710.86	710.86	710.86	724.69	724.69	543.51	773.90
4.	Technical Economic Cooperation with Other Countries-Development Assistance, Grants-in-Aid, Writing off of past debts of HIPC's heavily indebted poor countries (3605)	214.17	4.53	4.53	35.50	5.00	0.00	5.00
5.	Interest Equilisation Support to EXIM Bank of India (3475)	0.00	100.00	70.88	228.00	135.00	60.98	232.00
6.	Technical Economic Cooperation with Other Countries - Technical aid to South & South East Asia under Colombo Plan (3605)	4.46	5.41	4.06	5.96	6.32	3.60	5.96

Review of Past Performance

(Rs.in crore)

S.No	Scheme	2006-2007			2007-2008			2008-2009
		BE	RE	Actuals upto 31.03.07	BE	RE	Actuals upto 31.12.07	BE
6.	Development Assistance (7605), Loans to Governments of Developing Countries -							
	Myanmar	5.00	1.00	0.00	0.00	1.32	0.00	0.00
	Cambodia	21.00	15.00	2.92	11.68	4.68	1.49	4.00
	Surinam	1.00	1.00	0.48	1.00	0.82	0.82	0.00
	Sri Lanka	108.00	100.00	99.00	77.00	60.00	35.43	0.00
	Mauritius	18.00	8.00	0.00	12.00	0.00	0.00	0.00
	Laos	5.00	0.60	0.51	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>1591.49</b>	<b>949.40</b>	<b>894.78</b>	<b>1195.83</b>	<b>961.80</b>	<b>645.83</b>	<b>1112.96</b>
	Percentage w.r.t. RE			94.25			67.15	
<b>Grant No.32 - Payments fo Financial Institutions</b>								
1.	Subsidy to General Insurance Companies under Universal Health Insurance Scheme (UHS) - Health Care to BPL families (MH-2235)	3.00	25.00	25.00	45.00	20.00	1.00	25.00
2.	Interest Subsidy to LIC for Pension Plan for Senior Citizens (MH-2235)	269.00	226.23	226.33	249.77	242.68	114.08	200.00
3.	Debt relief in interest to farmers on overdue loans payable by farmers in debt stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra (MH-2235)	0.00	1359.13	1359.13	0.00	0.00	0.00	640.00

Ministry of Finance - Outcome Budget 2008-09

(Rs.in crore)

S.No	Scheme	2006-2007			2007-2008			2008-2009
		BE	RE	Actuals upto 31.03.07	BE	RE	Actuals upto 31.12.07	BE
4.	Revitalization of Short Term Cooperative Credit Structure in the Country (MH-2416)	1500.00	1500.00	1425.00	1500.00	2045.37	0.00	3542.00
5.	Interest subvention for providing Short Term Credit to farmers @ 7% on loans up to Rs.3.00 lakh (MH-2416)	0.00	1100.00	1100.00	1676.86	1700.00	0.00	1600.00
6.	Interest subvention to NABARD for re-finance to Cooperative Banks and RRBs @ 1.5%(MH-2416)	37.50	75.00	37.50	0.00	37.26	0.00	0.00
7.	Establishment of a new Regional Rural Bank in Puducherry (MH-2416)	0.00	0.00	0.00	0.00	0.50	0.00	0.00
8.	Recapitalisation of 27 Regional Rural Banks having negative net worth (MH-2416)	0.00	0.00	0.00	0.00	303.11	0.00	594.87
9.	Financial Inclusion Fund (FIF) to ensure access to timely and adequate credit and Financial Services to weaker sections and low income groups at an affordable cost (MH-2416)	0.00	0.00	0.00	0.00	10.00	0.00	25.00

Review of Past Performance

(Rs.in crore)

S.No	Scheme	2006-2007			2007-2008			2008-2009
		BE	RE	Actuals upto 31.03.07	BE	RE	Actuals upto 31.12.07	BE
10.	Financial Inclusion Technology Fund (FITF) for transfer of research and technology for financial inclusions, etc. (MH-2416)	0.00	0.00	0.00	0.00	10.00	0.00	25.00
11.	Restructuring support to Industrial Development Bank of India (IDBI) (MH-2885)	294.80	294.80	294.80	282.35	260.20	0.00	0.00
12.	Strengthening of equity base of EXIM Bank (MH-4885)	50.00	50.00	50.00	100.00	100.00	0.00	100.00
13.	Subscription to Share Capital of India Infrastructure Finance Company Limited (IIFCL)(MH-4885)	90.00	90.00	9 0.00	200.00	700.00	200.00	200.00
14.	Aam Adami Bima Yojana to provide insurance cover to head of family or one earning member of rural landless household (MH-7465)	0.00	0.00	0.00	0.00	1000.00	0.00	0.00
15.	Scholarships to the Children of the beneficiaries of Aam Adami Bima Yojana (MH-7465)	0.00	0.00	0.00	0.00	500.00	0.00	0.00
	<b>Total</b>	<b>2244.30</b>	<b>4697.16</b>	<b>4607.66</b>	<b>4053.98</b>	<b>6929.12</b>	<b>315.08</b>	<b>6951.87</b>
	Percentage w.r.t. RE			<b>98.09</b>			<b>4.55</b>	

Grant No.38 - Department of Expenditure								
S.No	Scheme	2006-2007			2007-2008			2008-2009
		BE	RE	Actuals upto 31.03.07	BE	RE	Actuals upto 31.12.07	BE
1.	Institute of Financial Management Society for training of officers of North-Eastern/Special Category States (2070)- Plan	0.63	0.63	0.63	1.00	0.75	0.63	10.00
	Percentage w.r.t. RE			100.00			84.00	
Grant No.41 - Department of Revenue								
1.	Implementation of VAT in N.E. States etc.	5.00	5.00	3.90	5.00	7.50	1.78	6.50
2.	Setting upof TINXSYS & Grants to EC	4.00	3.25	2.60	9.00	6.50	2.00	15.00
3.	Compensation to States/UTs towards VAT and other VAT related expenditure	3000.00	4100.00	4099.88	2995.00	3535.00	1338.12	3292.50
4.	Compensation to States towards CST	0.00	0.00	0.00	2500.00	2500.00	237.26	2500.00
5.	Government Opium & Alkaloid Works	214.01	228.64	205.35	231.13	224.35	123.74	238.00
	<b>Total</b>	<b>3223.01</b>	<b>4336.89</b>	<b>4311.73</b>	<b>5740.13</b>	<b>6273.35</b>	<b>1702.90</b>	<b>6052.00</b>
	Percentage w.r.t. RE			99.42			27.14	

Review of Past Performance

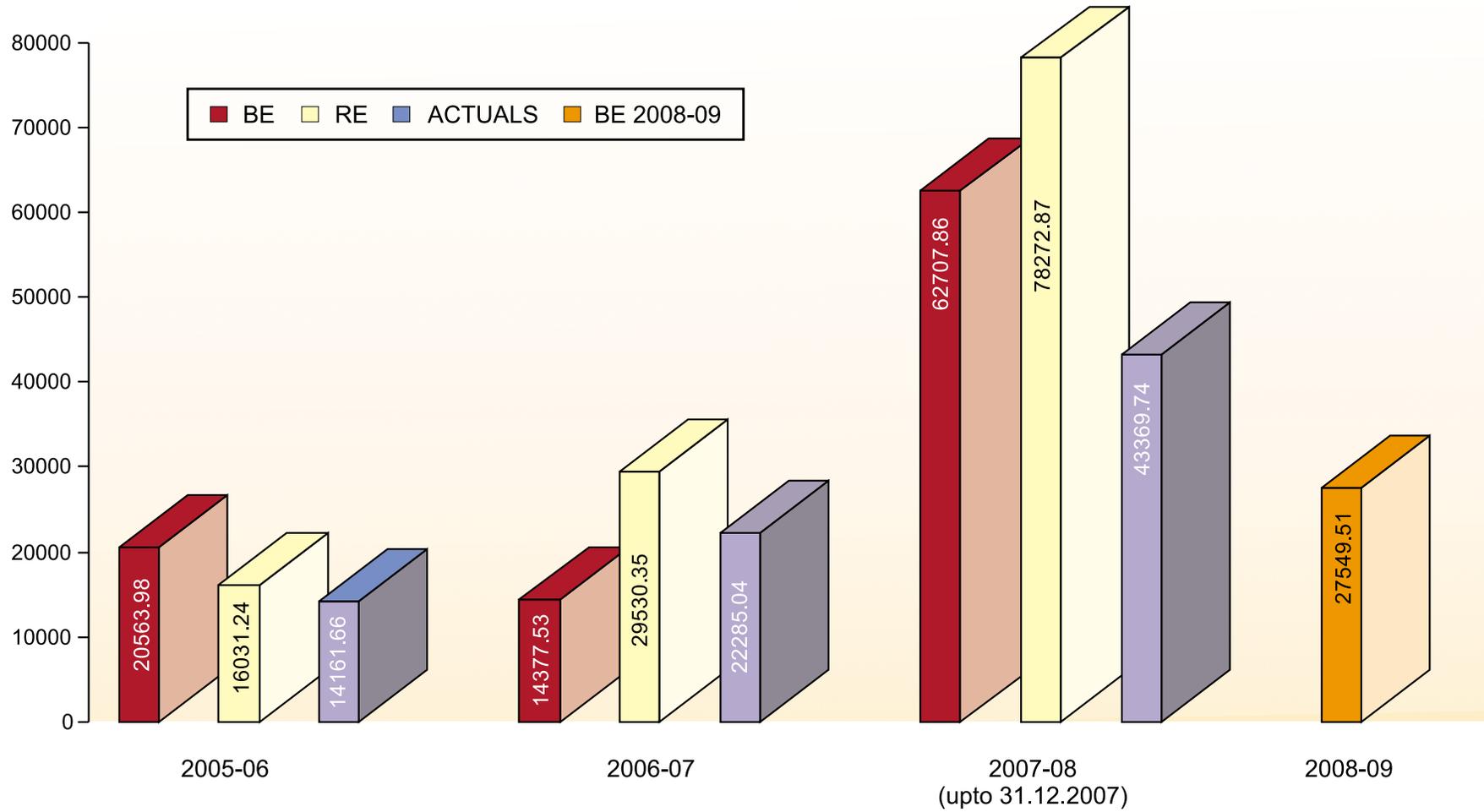
(Rs.in crore)

Grant No.42 - Direct Taxes								
S.No	Scheme	2006-2007			2007-2008			2008-2009
		BE	RE	Actuals upto 31.03.07	BE	RE	Actuals upto 31.12.07	BE
1.	Comprehensive Computerisation of IT Department	138.50	74.00	71.40	142.00	125.00	64.47	225.00
2.	Purchase of Office Accommodation	12.00	7.45	2.63	1.00	7.00	0.03	198.00
3.	Purchase of Residential Accommodation	7.00	1.20	1.25	7.47	1.19	0.00	3.00
	<b>Total</b>	<b>164.50</b>	<b>82.65</b>	<b>75.28</b>	<b>150.47</b>	<b>133.19</b>	<b>64.50</b>	<b>426.00</b>
	Percentage w.r.t. RE			<b>91.00</b>			<b>48.43</b>	
Grant No.43 - Indirect Taxes								
1.	Strengthening of IT capability for e-governance	165.00	110.00	42.16	141.00	138.00	15.39	141.00
2.	Acquisition of Ships & Fleets	35.68	20.00	19.90	50.00	50.00	8.57	100.00
3.	Acquisition of Scanners	20.00	6.00	4.97	50.00	15.00	0.00	50.00
4.	Acquisition of Office Accommodation	33.00	17.34	16.14	25.00	6.00	0.00	145.00
5.	Acquisition of Residential Accommodation	10.00	12.00	4.55	15.00	8.00	0.00	20.00
	<b>Total</b>	<b>263.68</b>	<b>165.34</b>	<b>87.72</b>	<b>281.00</b>	<b>217.00</b>	<b>23.96</b>	<b>456.00</b>
	Percentage w.r.t RE			<b>53.05</b>			<b>11.04</b>	
	<b>Grand Total</b>	<b>7487.61</b>	<b>10232.07</b>	<b>9977.80</b>	<b>11422.41</b>	<b>14515.21</b>	<b>2752.90</b>	<b>15008.83</b>
	Percentage w.r.t RE			<b>99.80</b>			<b>18.97</b>	

**1 Trend of Expenditure During Last Three Years  
In Eight Grants Depicted in Outcome and Performance Budget  
During 2005-06, 2006-07 & 2007-08 And BE 2008-09- at a Glance**

(Rs. in crore)										
Description	2005-06			2006-07			2007-08			BE 2008-09
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actuals upto 31.12.07	
Department of Economic Affairs	5408.58	4064.49	3928.79	3545.83	9982.17	9811.12	3941.43	12102.34	2434.67	4723.96
Payments to Financial Institutions	6843.27	6402.43	4841.91	4402.23	12044.38	5137.15	46077.57	52769.00	35854.56	10072.87
Department of Financial Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00
Department of Expenditure	27.83	27.65	26.75	29.45	36.63	39.53	144.00	93.34	25.60	47.86
Department of Revenue	5379.26	2832.00	2779.59	3341.15	4449.11	4433.06	5875.86	6413.90	1782.07	6197.82
Direct Taxes	1250.00	1230.04	1209.83	1334.00	1381.35	1353.37	1532.00	1752.42	1081.62	1975.00
Indirect Taxes	1648.40	1468.50	1368.74	1714.82	1632.70	1507.42	1831.00	1829.70	1194.80	2121.00
Department Disinvestment	6.70	6.13	6.03	7690.05	4.01	3.39	3306.00	3312.00	996.42	2351.00
<b>Total</b>	<b>20563.98</b>	<b>16031.24</b>	<b>14161.66</b>	<b>14377.53</b>	<b>29530.35</b>	<b>22285.04</b>	<b>62707.86</b>	<b>78272.87</b>	<b>43369.74</b>	<b>27549.51</b>

### Trend of Expenditure During Last Three Years



**2 Statement showing Actual Expenditure vis-à-vis  
BE/RE position for the years 2005-06, 2006-07 and 2007-08  
2.1 Grant No.31 - Department of Economic Affairs**

(Rs. in crore)

	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>PART - A NON-PLAN ITEMS</b>										
Secretariat-General Services	2052	66.05	88.70	81.84	43.11	58.83	54.09	43.82	46.26	32.89
<b>Other Fiscal services</b>										
National Savings Institute	2047	12.98	12.90	12.95	13.34	12.86	9.71	12.69	12.10	7.20
Interests on deposits under Compulsory Deposits (Income Tax Payers Scheme, 1974)	2047	1.50	1.00	0.23	1.00	0.50	0.13	0.50	0.20	0.06
Contribution to ESAF Trust subsidy account to IMF	2047	4.60	4.36	4.36	4.50	4.67	4.67	4.55	4.05	4.05
Other Expenditure	2047	4.63	4.81	4.11	4.76	4.50	3.80	4.82	5.32	2.96
<b>Total</b>	<b>2047</b>	<b>23.71</b>	<b>23.07</b>	<b>21.65</b>	<b>23.60</b>	<b>22.52</b>	<b>18.31</b>	<b>22.56</b>	<b>21.67</b>	<b>14.27</b>
<b>Other Administrative Services</b>										
Appellate Authority for Industrial and Financial Reconstruction	2070	1.91	1.88	1.56	2.14	1.96	1.63	2.18	2.11	1.11
Board for Industrial and Financial Reconstruction	2070	6.65	6.51	6.00	7.52	7.65	6.04	7.96	7.43	4.64
Debts Recovery Tribunals	2070	20.45	20.21	17.35	25.61	24.41	19.41	28.18	28.17	16.58
Thirteenth Finance Commission	2070	0.00	0.00	0.00	0.00	0.00	0.00	2.00	6.92	0.00

2.1 (Continued) Grant No.31 - Department of Economic Affairs										(Rs. in crore)
		2005-06			2006-07			2007-08		
	Major Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
Investment Commission	2070	0.00	1.00	0.60	1.00	0.77	0.70	0.94	0.76	0.36
Grants-in-aid to Insurance Regulatory and Development Authority	2070	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.00	0.00
Grants-in-aid to Pension Fund Regulatory and Development Authority	2070	3.00	3.00	2.10	5.00	4.75	3.00	6.56	6.00	3.00
Other Expenditure (SAT)	2070	2.00	1.95	1.75	1.70	1.90	2.15	2.10	2.79	1.05
<b>Total</b>	<b>2070</b>	<b>34.02</b>	<b>34.56</b>	<b>29.36</b>	<b>42.98</b>	<b>41.45</b>	<b>32.93</b>	<b>49.93</b>	<b>54.18</b>	<b>26.74</b>
<b>Miscellaneous General Services</b>										
Other Programmes	2075	0.82	0.84	0.73	0.82	0.82	0.91	0.50	1.75	0.24
<b>General Education</b>										
Interest Subsidy on education loans to bright and needy students	2202	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.00	0.00
<b>Social Security and Welfare</b>										
Insurance Schemes for the poor through GIC etc.	2235	0.01	2.34	0.04	3.00	0.00	0.00	0.00	0.00	0.00
Interest relief on loans to persons affected by November 1984 riots	2235	1.16	1.16	1.16	0.01	0.01	0.00	0.01	0.01	0.00
Contribution to Pensions Fund for the Government employees	2235	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Expenditure	2235	0.55	1.59	0.27	0.55	0.60	0.62	0.49	0.06	0.00
<b>Total</b>	<b>2235</b>	<b>1.72</b>	<b>5.09</b>	<b>1.47</b>	<b>3.56</b>	<b>0.61</b>	<b>0.62</b>	<b>0.50</b>	<b>0.07</b>	<b>0.00</b>

2.1 (Continued) Grant No.31 - Department of Economic Affairs										(Rs. in crore)
		2005-06			2006-07			2007-08		
	Major Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Central Road Fund</b>										
Contribution for Railways safety works against additional levies on Motor Spirit and High Speed Diesel	3054	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less:Met from Central Road Front	3054	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Other Transport Services</b>										
Subsidy to Railways towards dividend reliefs and other concessions	3075	1476.00	985.68	985.68	1078.15	1212.23	1208.45	1276.00	1525.33	850.00
Losses on Strategic Railway Lines	3075	0.00	0.00	0.00	0.00	309.00	309.00	321.00	637.00	214.00
<b>Total</b>	<b>3075</b>	<b>1476.00</b>	<b>985.68</b>	<b>985.68</b>	<b>1078.15</b>	<b>1521.23</b>	<b>1517.45</b>	<b>1597.00</b>	<b>2162.33</b>	<b>1064.00</b>
<b>International Financial Institutions</b>										
Creating Institutional Strengthening and Capacity Building of Aid, Accounts and Audit Division	3466	0.05	0.10	0.00	0.10	0.00	0.00	0.00	0.00	0.00
Other General Economic Services War Risks(Marine Hulls) Reinsurance schemes, etc.	3475	0.50	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00

2.1 (Continued) Grant No.31 - Department of Economic Affairs										(Rs. in crore)
		2005-06			2006-07			2007-08		
	Major Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
Emergency Risks Insurance Fund - Transfers	3475									
To		15.86	0.02	0.00	0.02	0.00	0.00	0.00	0.00	0.00
From	3475									
Net		15.86	0.02	0.00	0.02	0.00	0.00	0.00	0.00	0.00
Grants to India Investment Centre	3475	2.25	0.90	0.90	0.01	0.01	0.00	0.01	0.01	0.00
International Cooperation	3475	6.43	6.63	6.46	7.03	7.83	8.96	8.33	8.33	0.00
Exchange loss under NRI Bonds	3475	1.00	0.50	0.44	0.80	0.80	0.56	0.50	0.50	0.00
Interest equalisation support to EXIM Bank	3475	0.00	0.00	0.00	0.00	0.00	0.00	228.00	135.00	0.00
Other Expenditure	3475	10.38	9.73	8.78	10.28	110.00	79.91	11.49	10.27	58.10
Waving off outstanding dues in respect of line of credit extended to Govt. of Kyrgyzstan	3475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.65	0.00
Waving off interest on loans outstanding against the line of credit extended to Govt. of Kyrgyzstan	3475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.65	0.00
Waiving of outstanding dues in respect of Tajikistan	3475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>3475</b>	<b>36.42</b>	<b>17.79</b>	<b>16.58</b>	<b>18.15</b>	<b>118.64</b>	<b>9.52</b>	<b>248.33</b>	<b>159.41</b>	<b>58.10</b>
Assistance for Infrastructure Development	5475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lumpsum provision funding initiatives for										

2.1 (Continued) Grant No.31 - Department of Economic Affairs										(Rs. in crore)
		2005-06			2006-07			2007-08		
	Major Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
social and infrastructural development	5475	0.00	0.00	0.00	0.00	6500.00	6500.00	0.00	6000.00	0.00
<b>Technial and Economic cooperation with other countries</b>										
Contribution to UNDP	3605	22.93	20.76	20.77	22.93	21.19	21.18	22.03	18.65	18.62
Cooperation with other countries	3605	15.18	15.18	14.48	14.51	16.12	13.55	16.66	16.36	10.80
Other Expenditure	3605	0.00	5.00	5.95	0.01	22.74	22.74	0.01	0.01	0.00
Development Assistance	3605	100.00	71.70	48.36	214.17	4.31	4.53	35.50	5.00	0.00
<b>Total</b>	<b>3605</b>	<b>138.11</b>	<b>112.64</b>	<b>89.56</b>	<b>251.62</b>	<b>64.36</b>	<b>62.00</b>	<b>74.20</b>	<b>40.02</b>	<b>29.42</b>
Purchase of Coins from SPMCIL	4046	0.00	0.00	0.00	0.00	96.37	0.00	253.20	589.58	83.97
Purchase of Multi-colour Web Offset Printing Machine for Budget Press	4075	0.00	0.00	0.00	0.00	7.00	7.12	0.31	0.49	0.26
<b>Loans for General Financial and Trading Institutions</b>	7465	0.00	700.00	700.00	0.01	0.01	0.00	0.01	0.01	0.00
Loans for Infrastructure Dev of National Council for Applied Eco. Research ( NCAER)	7475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00	0.00
<b>Advances to Foreign Governments</b>										
(a) Mauritius	7605	32.00	32.00	15.89	18.00	8.00	0.00	12.00	0.00	0.00
(b) Tanzania	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Srilanka	7605	140.00	70.00	49.27	108.00	100.00	99.00	77.00	60.00	35.43
(d) Vietnam	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Zambia	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2.1 (Continued) Grant No.31 - Department of Economic Affairs										(Rs. in crore)
		2005-06			2006-07			2007-08		
	Major Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
(f) Mozambique	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Surinam	7605	11.00	11.00	7.38	1.00	1.00	0.48	1.00	0.82	0.82
(h) Guyana	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Cambodia	7605	14.00	2.20	0.70	21.00	15.00	2.92	11.68	4.68	1.49
(j) Namibia	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(k) Seychelles	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(l) Syria	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(m) Maldives	7605	0.00	0.00	0.00	0.00	0.00	0.51	0.00	0.00	0.00
(n) Mongolia	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(o) Myanmar	7605	37.00	27.00	24.65	5.00	1.00	0.00	0.00	1.32	0.00
(p) Morocco	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(q) Laos	7605	21.00	31.00	30.41	5.00	0.60	0.00	0.00	0.00	0.00
(r) Tunisia	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(s) Egypt	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(t) Central Asian Republic	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(u) Iraq	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Malaysia	7605	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>7605</b>	<b>255.00</b>	<b>173.20</b>	<b>128.30</b>	<b>158.00</b>	<b>125.60</b>	<b>102.91</b>	<b>101.68</b>	<b>66.82</b>	<b>37.74</b>
Appropriation to the Contingency Fund	7999	450.00	450.00	450.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL NON-PLAN</b>		<b>2481.91</b>	<b>2591.68</b>	<b>2505.17</b>	<b>1620.11</b>	<b>8557.45</b>	<b>8387.21</b>	<b>2392.50</b>	<b>9157.58</b>	<b>1347.63</b>

2.1 (Continued) Grant No.31 - Department of Economic Affairs										(Rs. in crore)	
		2005-06			2006-07			2007-08			
	Major Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actual upto Dec. 07	
<b>PART - B PLAN ITEMS</b>											
<b>Miscellaneous General Service</b>											
	Other Programmes	2075	5.00	2.00	1.99	4.00	3.00	2.19	0.00	0.00	0.00
	Roads and Bridges	3054	710.81	710.81	710.81	710.86	710.86	710.86	724.69	724.69	543.51
	Assistance for Infrastructure Development	3475	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other General Economic Services	5475	1400.00	49.19	0.00	500.00	0.00	0.00	100.00	23.00	0.00
	<b>TOTAL PLAN</b>		<b>2215.81</b>	<b>762.00</b>	<b>712.80</b>	<b>1214.86</b>	<b>713.86</b>	<b>713.05</b>	<b>824.69</b>	<b>747.69</b>	<b>543.51</b>
	<b>GRAND TOTAL</b>		<b>4697.72</b>	<b>3353.68</b>	<b>3217.97</b>	<b>2834.97</b>	<b>9271.31</b>	<b>9100.26</b>	<b>3216.74</b>	<b>9905.27</b>	<b>1891.14</b>

## 2.2 Analysis of Expenditure During 2005-06, 2006-07 and upto December 2007:

### 2.2.1 Non-Plan :

#### MH-2052 - Secretariat General Services

The provision under this head is kept for the Secretariat expenditure of the Department of Economic Affairs which includes Banking & Insurance Divisions. The trend of utilization has been more

than the Budget Provision in office expenses, professional services and Information Technology during 2005-06 and 2006-07. However, the BE 2006-07 and BE 2007-08 has been kept lower than the BE-2005-06. During 2007-08 flow of expenditure up to December, 2007 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 Enhanced Structural Adjustment

Facility (ESAF) Trust Subsidy account of IMF. The decrease in BE-2007-08 over the BE 2006-07 and BE 2006-07 over BE 2005-06 is due to cut in Non-Plan expenditure in pursuance of economy instructions. 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, 2007 is slow in comparison to provision kept at RE-2007-08.

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

There is a gradual increase in Budget provision since 2005-06 onwards. The increase in provision for 2007-08 over 2006-07 and 2005-06 is mainly due to payment of Rents, Rate and Taxes by PFRDA and new establishments viz., Investment Commission in December, 2004 and 13th Finance Commission. The flow of expenditure up to December, 2007 is 53.55% over BE provision and 49.35% over RE provision. The low expenditure is because the provision kept for 13th Finance Commission could not be utilized till December, 2007 as it was set up only in the month of November, 2007.

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

There is no Major variation at 2007-08 over 2006-07. 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. 80.00 lakh each for the years 2005-06 and 2006-07 had been kept for creating Institutional Strengthening & Capacity Building of Aid Accounts & Audit Division of this Department. A provision of Rs.50.00 lakh has been kept at BE 2007-08 which has been enhanced by Rs. 27.35 lakhs at RE 2007-08 for GOI counterpart funding of two projects from World Bank. It is external aided component of grants-in-aid. A provision of Rs.0.97 crore has been kept at RE 2007-08 for making spill over payments for Umbrella Support Project for Country Co-operation Framework-II under UNDP assistance.

#### **MH-2202 : General Education**

This token provision 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. 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. No expenditure has been incurred for Insurance Scheme for poor through GIC during 2006-07. A token provision has been kept during 2007-08.

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

BE 2005-06 was kept at Rs. 1476.00 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. BE 2007-08 has been kept at Rs. 1597.00 crore which has been increased to Rs. 2162.33 crore at RE 2007-08 against which the expenditure of Rs. 1064.00 crore has been incurred up to December, 2007.

#### **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 RE 2007-08.

### **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'. During 2007-08 the provision for Interest Equalization support to EXIM Bank has been reduced to Rs. 135.00 crore at RE 2007-08 against the provision of Rs. 228.00 crore at BE 2007-08 due to less claims received. A supplementary of Rs. 5.30 crore is being sought in the third batch. Rs. 3.65 crore is for write off of loan and Rs. 1.65 crore is for waiver of interest/penal interest on loans outstanding against the line of credit extended in 1995 to the Government of Kyrgyzstan. As this will be matched by receipt of an equivalent amount there will be no cash outgo.

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

The flow of expenditure in comparison to budget provision during 2005-06 and 2006-07 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 equalization 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. A provision of Rs. 35.50 crore has been kept at BE 2007-08 for Development Assistance which has been reduced to Rs. 5.00 crore as Cabinet approval has not been received. The expenditure under this Head upto December, 2007 is only Rs. 29.42 crore which is approx. 40% of the Provision.

### **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. A provision of Rs.253.20 crore has been kept at BE 2007-

08 which has been enhanced to Rs. 589.58 crore. There would be no cash outgo as the entire amount will be deducted as recovery from the credit recovered for Reserve Bank of India on circulation of coins. An expenditure of Rs. 83.97 crore has been incurred upto December, 2007.

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

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

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

A lumpsum provision of Rs. 6500.00 crore at RE 2006-07 has been kept to create Social Infrastructure Development Fund in the Public Account. This fund will be used for meeting the expenditure in connection with funding initiatives for Social and Infrastructural Development of various Ministries/Department. At the RE 2007-08 a provision of Rs. 6000.00 crore has been kept. The provisions have been obtained through Supplementary Demands for Grants for 2006-07 and 2007-08 respectively.

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

The abnormal increase at RE 2005-06 is due to extending interest free loans of Rs. 700.00 crore for corporatisation of Security Press, Paper Mills and India Government Mints. However, for the year 2006-07 and 2007-08 only token provisions have been kept.

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

There has been a gradual decrease in the provision during 2006-07 and 2007-08 as the actual expenditure has been less than the Budget provision. Further, RE 2007-08 has been reduced to Rs. 66.82 crore against the provision of Rs. 101.68 crore at BE 2007-08. Against this, an expenditure of Rs. 37.74 crore has been incurred upto December, 2007. Rs. 1.32 crore is required towards advances to Government of Myanmar for promotion of exports goods and services from India. As matching savings are available within the same section of grant, a token supplementary has been sought.

**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. 50.00 crore to Rs. 500.00 crore. This amount has been appropriated from the Consolidated Fund of India. Hence the netted expenditure is nil. No cash outgo is involved. No provision has been kept during the year 2006-07 and 2007-08.

**2.2.2 Plan Schemes :****MH-2075 : Miscellaneous General Services :**

The Plan provision has been kept for Umbrella Support Project for Country Cooperation Framework-II under UNDP assistance. During 2006-07, a provision of Rs. 4.00 crore was kept at BE 2006-07 which has been reduced to Rs. 3.00 crore at RE 2006-07. An expenditure of Rs. 2.19 crore has been incurred. During 2007-08 a provision of Rs. 0.97 crore has been kept under non-Plan for making spill over payments.

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

The provision is for Railway Safety Work. The provision is made strictly as per requirements from Railways in this regard. A provision of Rs. 724.69 crore has been kept during 2007-08. Against this provision, an expenditure of Rs. 543.51 crore has been incurred up to December, 2007 which appears satisfactory.

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

During 2005-06, this Plan provision (lump sum) of Rs. 100.00 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 year in this regard.

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

During 2005-06 in the Capital Section this Plan provision of Rs. 1400.00 crore was kept for putting in place an innovative funding mechanism by leveraging budgetary support for infrastructure projects. Similarly, a provision of Rs. 500.00 crore was kept at BE 2006-07. However, there has been no expenditure in these years. During 2007-08 a provision of Rs. 100.00 crore was kept at BE stage which was reduced to Rs. 23.00 crore at RE 2007-08 as no payment has been released so far. Out of the 23 projects, the bidding process has been completed in only 6 projects.

**2.3 Grant No. 31 Department of Economic Affairs**  
**2.3.1 Object Head-wise Actual Expenditure vis-a vis BE/RE provisions**  
**for the years 2005-06, 2006-07 and 2007-08 (upto 31.12.2007)**

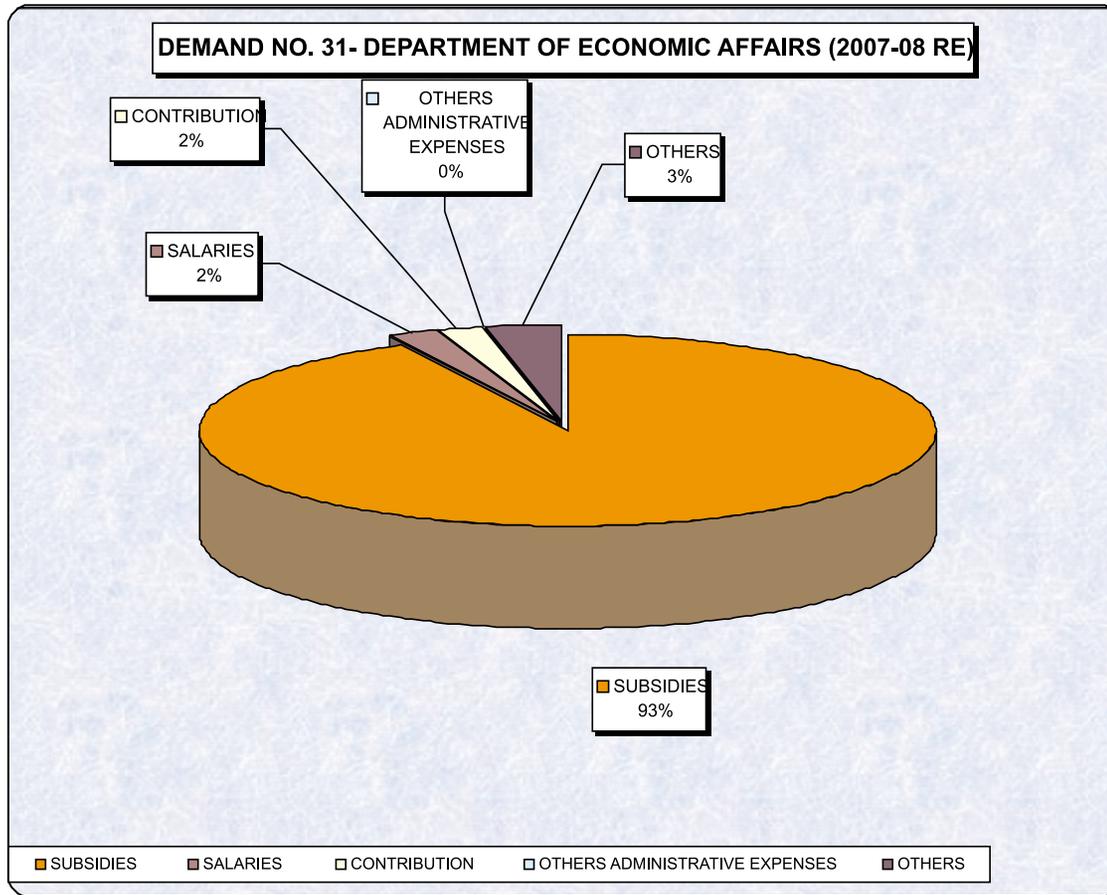
(Rs. in crore)

Object Head	2005-06			2006-07			2007-08		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>REVENUE SECTION</b>									
01-Salaries	50.60	49.00	46.42	53.91	52.02	47.83	58.06	56.53	41.85
02-Wages	0.60	0.56	0.53	0.58	0.58	0.50	0.68	0.62	0.35
03-Overtime Allowance	0.58	0.54	0.44	0.61	0.53	0.46	0.62	0.53	0.35
06-Medical Treatment	1.23	1.20	0.94	1.31	1.64	1.39	1.76	1.74	0.56
11- Domestic Travel Expenses	2.12	2.06	1.70	2.27	2.19	1.65	2.53	2.32	1.28
12-Foreign Travel Expenses	2.37	2.25	1.87	2.48	2.34	2.09	2.73	3.67	2.35
13- Office Expenses	11.67	11.27	18.04	13.54	13.71	12.89	13.14	13.35	7.66
14 - Rent,Rates & Taxes	7.61	7.98	6.99	9.25	9.61	7.18	9.72	15.14	4.57
16 - Publications	2.94	3.87	4.49	4.17	4.04	2.47	4.06	4.74	2.73
20 - Other Administrative Expenses	0.35	5.87	6.69	0.47	23.23	23.25	0.52	1.73	0.47
21 - Supplies and Material	0.45	0.45	0.47	0.70	0.75	0.80	0.80	0.55	0.43
26 - Advertising and Publicity	0.75	0.73	0.32	0.75	0.76	0.68	0.77	0.77	0.05
27- Minor works	0.35	0.32	0.12	0.35	0.44	0.06	0.95	1.25	0.19
28 - Professional Services	22.18	37.14	35.63	4.24	9.52	9.30	3.51	3.19	1.35
31- Grants-in-aid	109.70	81.16	55.11	223.17	13.79	11.70	47.35	16.02	3.92

2.3.1 (Continued) Grant No. 31 Department of Economic Affairs										(Rs. in crore)
Object	2005-06			2006-07			2007-08			
Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07	
32 - Contribution	49.36	47.20	46.25	49.24	49.97	47.06	51.74	47.54	33.48	
33 - Subsidies	1477.18	989.19	986.84	1081.17	1621.25	1588.33	1825.02	2297.34	1120.34	
42- Lumpsum	0.61	0.63	0.62	0.72	0.81	0.78	0.81	0.95	0.60	
44 - Exchange variation	1.00	0.50	0.44	0.80	0.80	0.56	0.50	0.50	0.00	
45 - Interest	1.54	1.04	0.23	1.04	0.54	0.13	0.54	0.24	0.06	
50 - Other Charges	15.25	19.38	11.79	11.16	19.81	7.56	8.20	8.66	1.37	
51 - Motor Vehicles	0.10	0.10	0.09	0.12	0.12	0.12	0.13	0.14	0.07	
52 - Machinery and Equipment	2.00	6.00	0.85	0.01	0.01	0.00	0.01	0.01	0.01	
63 - Inter-account transfer	16.36	0.03	0.00	0.03	0.00	0.00	0.00	0.00	0.00	
64 - Write off/Losses	0.01	0.01	0.00	0.01	0.01	2.91	0.01	5.31	0.00	
<i>Information technology-Other charges</i>						7.47	2.69	2.84	1.61	
<b>TOTAL REVENUE</b>	<b>1776.91</b>	<b>1268.48</b>	<b>1226.87</b>	<b>1462.10</b>	<b>1828.47</b>	<b>1777.17</b>	<b>2036.85</b>	<b>2485.68</b>	<b>1225.65</b>	
<b>CAPITAL SECTION</b>										
42- Lumpsum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
52 - Machinery and Equipment	0.00	0.00	0.00	0.00	7.00	7.11	0.31	0.49	0.26	
55 - Loans and advances	255.00	873.20	828.30	158.01	125.61	102.93	101.69	81.83	37.75	
60 - Other Administrative Expenses	0.00	0.00	0.00	0.00	96.37	0.00	253.20	589.58	83.97	
63 - Inter-account transfer	450.00	450.00	450.00	0.00	6500.00	6500.00	0.00	6000.00	0.00	
<b>TOTAL CAPITAL</b>	<b>705.00</b>	<b>1323.20</b>	<b>1278.30</b>	<b>158.01</b>	<b>6728.98</b>	<b>6610.65</b>	<b>355.20</b>	<b>6671.90</b>	<b>121.98</b>	
<b>TOTAL NON-PLAN</b>	<b>2481.91</b>	<b>2591.68</b>	<b>2505.17</b>	<b>1620.11</b>	<b>8557.45</b>	<b>8387.21</b>	<b>2392.05</b>	<b>9157.58</b>	<b>1347.63</b>	

2.3.1 (Continued) Grant No. 31 Department of Economic Affairs										(Rs. in crore)
Object	2005-06			2006-07			2007-08			
Head	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07	
<b>PLAN</b>										
<b>REVENUE SECTION</b>										
31- Grants-in-aid	5.00	2.00	1.99	4.00	3.00	2.19	0.00	0.00	0.00	
53 - Major Works	710.81	710.81	710.81	710.86	710.86	710.86	724.69	724.69	543.51	
42- Lupsum	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>CAPITAL SECTION</b>										
42- Lupsum	1400.00	49.19	0.00	500.00	0.00	0.00	100.00	23.00	0.00	
<b>TOTAL PLAN SECTION</b>	<b>2215.81</b>	<b>762.00</b>	<b>712.80</b>	<b>1214.86</b>	<b>713.86</b>	<b>713.05</b>	<b>824.69</b>	<b>747.69</b>	<b>543.51</b>	
<b>GRAND TOTAL</b>	<b>4697.72</b>	<b>3353.68</b>	<b>3217.97</b>	<b>2834.97</b>	<b>9271.31</b>	<b>9100.26</b>	<b>3216.74</b>	<b>9905.27</b>	<b>1891.14</b>	

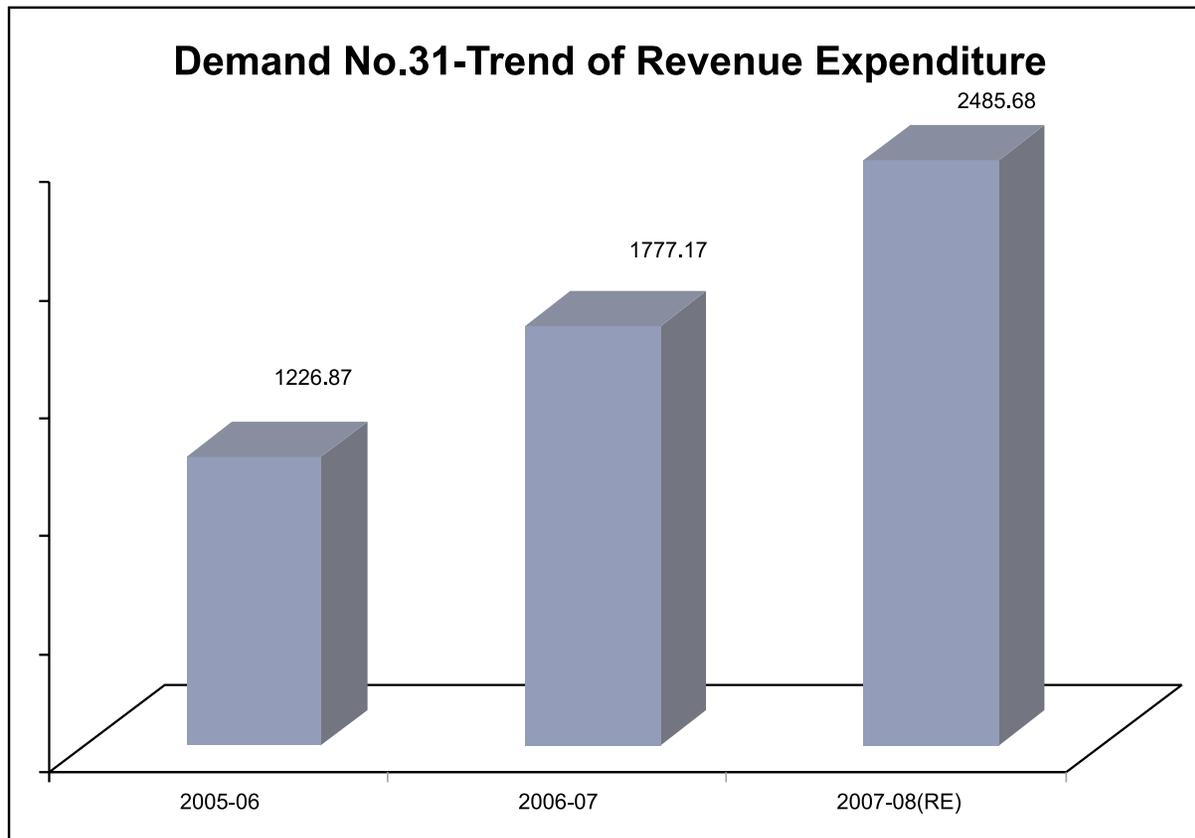
## 2.4 Demand No. 31- Department of Economic Affairs Composition of Revenue Grant 31 (2007-08 RE)



- Subsidies form 93% 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 2 %
- Contribution to various International Bodies and Organisations which are obligatory in nature form 2%.
- Others form 3%.

## 2.5 Demand No. 31- Department of Economic Affairs

### 2.5.1 Comparison of Revenue Grant 31 (2007-08 RE)



#### Trend of Revenue Expenditure

- There has been continuous improvement in the performance during 2005-06 to 2007-08
- The RE 2007-08 has been provision in view of the continuous improvement in the performance due to defined objectives and foreseeing the deliverables in reference to outlays more clearly.

### 2.5.2 The Object Head-wise Expenditure in Respect of Plan and Non-plan Schemes is Analysed Below :

#### 2.5.3 Revenue Section:

#### 2.5.4 Non-Plan:

##### Salaries:

Under this head, slight increase has been noticed both in 2006-07 and 2007-08. This is due to increase in DA etc. The actual expenditure during 2006-07 was Rs.47.83 crore against the budget provision of Rs.53.91 crore. The expenditure flow is, however, satisfactory. An amount of Rs. 41.85 crore has been incurred up to December, 2007 against the budget provision of Rs. 58.06 crore at BE 2007-08 which has been revised to Rs. 56.53 crore at RE 2007-08.

##### Wages:

There has been a slight increase at 2007-08. This is due to upward revision of rate of daily wages.

##### OTA :

No significant variation has been noticed under this head. The expenditure flow is also satisfactory. An expenditure of Rs. 35.00 lakh has been incurred up to December, 2007 against the budget provision of Rs. 53.00 lakh kept at RE 2007-08. The actual expenditure during 2006-07 was Rs.46.00 lakh against the provision of Rs.58.00 lakh.

##### Medical Treatment:

Under this head, a slight increase has been noticed in BE 2007-08 over BE 2006-07. A budget provision of Rs.1.31 crore was

kept in BE 2006-07 which has been revised to Rs.1.64 crore at RE stage. Against this provision, Rs.1.39 crore have been incurred during 2006-07. During 2005-06, the actual expenditure was only Rs.94.00 lakh against the BE of Rs.1.23 crore. During 2007-08 the expenditure upto December, 2007 is Rs. 0.56 crore against the RE provision of Rs. 1.74 crore.

##### Domestic Travel:

There has been a gradual increase in the budget provision. However, the actual expenditure during 2005-06 was Rs. 1.70 crore only against the budget provision of Rs.2.12 crore. Similarly, the actual expenditure during 2006-07 was Rs.1.65 crore against the budget provision of Rs. 2.27 crore. Expenditure of Rs. 1.28 crore has been incurred up to December, 2007 against the budget provision of Rs. 2.53 crore at BE which has been revised to Rs. 2.32 crore at RE 2007-08.

##### Foreign Travel Expenses:

There has been a gradual increase in the budget provision. Budget provision has been increased from Rs. 2.73 crore to Rs.3.67 crore at RE 2007-08. An expenditure of Rs. 2.35 crore has been incurred up to December, 2007 against the budget provision of Rs. 2.73 crore in BE 2006-07. The actual expenditure during 2005-06 was Rs. 1.87 crore against the budget provision of Rs. 2.37 crore. Similarly, the actual expenditure during 2006-07 was Rs. 2.09 crore against the budget provision of Rs. 2.48 crore.

##### Office Expenses:

There has been decrease in BE 2007-08 over BE 2006-07. The BE provision of Rs 13.14 crore has been initially increased to Rs. 13.35 crore against which Rs. 7.66 crore has been incurred up to

December, 2007 against the provision of Rs. 13.14 crore. The flow of expenditure is not satisfactory. Economy instructions is being enforced to keep expenditure at low level.

### Rents, Rates and Taxes:

There has been a gradual increase in the budget provision. The actual expenditure during 2005-06 has been Rs. 6.99 crore against the budget provision of Rs. 7.61 crore. The budget provision has been increased to Rs.15.14 crore at RE 2007-08 against the budget provision of Rs.9.72 crore in BE 2007-08. This is due to upward revision of municipal and other taxes in respect of rented properties. Rs. 4.57 crore have been incurred up to December, 2007 against the budget provision of Rs. 9.72 crore in BE 2007-08. The pace of expenditure is slow. Payment under this head normally takes pace during the last quarter of the financial year.

### Publications:

There has been a decrease at BE 2007-08 over BE 2006-07. The actual expenditure for 2005-06 is Rs. 4.49 crore against BE 2005-06 at Rs. 2.94 crore which has been revised to Rs. 3.87 crore at RE 2005-06. An expenditure of Rs. 2.73 crore has been incurred up to December, 2007 against the BE of Rs. 4.06 crore at BE 2007-08.

### Other Administrative Expenses:

There has been a gradual increase in the Budget Provision. The budget provision has been increased to Rs. 1.73 core at RE 2007-08 against Rs. 0.52 crore in BE 2007-08. This increase is due to meeting expenditure in connection with SAARC meeting and various foreign dignitaries visiting India and declared as "State Guest". An expenditure of Rs. 0.47 crore has been incurred up to December, 2007 against the budget provision of Rs. 0.52 crore in BE 2007-08. Actual expenditure during 2005-06 was Rs.6.69 crore against the RE

provision of Rs.5.87 crore. Actual expenditure during 2006-07 was Rs. 23.25 crores against the RE provision of Rs. 23.23 crore.

### Supplies & Material:

A slight increase has been noticed in BE 2007-08 over 2006-07. An expenditure of Rs.43.00 lakh has been incurred up to December, 2007 against the budget provision of Rs.55.00 lakh at RE 2007-08. The flow of expenditure under this head is satisfactory. The actual expenditure incurred during 2006-07 was Rs. 80.00 lakh against the provision of Rs.70.00 lakh which was revised to Rs.75.00 lakh at RE 2006-07.

### Advertisement & Publicity:

No abnormal variation is noticed under this head. However, the flow of expenditure under this head is not satisfactory as only Rs. 5.00 lakh have been incurred up to December, 2007 against the budget provision of Rs. 77.00 lakh. During 2005-06 the actual expenditure was only Rs.32.00 lakh against provision of Rs.75.00 lakh.

### Minor Works:

The actual expenditure during 2005-06 and 2006-07 has been quite low against the BE provision. During 2005-06 only Rs. 12.00 lakh was incurred and during 2006-07 only Rs. 6.00 lakh could be incurred. Only Rs. 19.00 lakh has been incurred up to December, 2007 against the provision of Rs. 95.00 lakh which has been revised to Rs. 1.25 crore at RE 2007-08.

### Professional Services:

There has been a gradual decrease in the provision based on the requirement of funds. The actual expenditure incurred upto December, 2007 is Rs. 1.35 crores against the provision of Rs. 3.51 crore in BE 2007-

08 which has been reduced to Rs. 3.19 crore at RE 2007-08. During 2005-06, the expenditure is high in order to clear the pending bills in respect of legal proceedings of Dabhol Power Project.

### **Grants-in-aid:**

Under this head, there is substantial increase in 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. 13.79 crore only. The actual expenditure upto December, 2007 is Rs. 3.92 crore against a budget provision of Rs. 47.35 crore which has been reduced to Rs. 16.02 crore at RE 2007-08.

### **Contribution:**

The provision vis-à-vis the expenditure under this Head is satisfactory. An expenditure of Rs. 33.48 crore has been incurred up to December, 2007 against the budget provision of Rs. 51.74 crore.

### **Subsidies:**

There has been increase in BE 2007-08 over BE 2006-07. The actual expenditure during 2005-06 was Rs. 986.84 crore against the provision of Rs. 1477.18 crore. The increase at RE 2007-08 is due to increased demand by Railways. An expenditure of Rs. 1120.34 crore has been incurred up to December, 2007 against the RE of Rs. 2297.34 crore. The flow of expenditure is satisfactory.

### **Lumpsum:**

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. No expenditure has been incurred up to December, 2007 against the provision of Rs. 50.00 lakh.

### **Interest:**

There has been a gradual decrease in budget provision. The actual expenditure during 2005-06 is only Rs. 23.00 lakh against the provision of Rs. 1.54 crore. Similarly, the actual expenditure during 2006-07 was Rs. 13.00 lakh only against the provision of Rs. 1.04 crore. Expenditure up to December, 2007 is only Rs. 6.00 lakh against the provision of Rs. 0.54 crore, which has been reduced to Rs. 24.00 lakh at RE 2007-08.

### **Other Charges:**

There has been a gradual decrease in the budget provision. The flow of expenditure under this head has been quite slow. Only Rs. 1.37 crore have been incurred up to December, 2007 against BE Rs. 8.20 crore, which has been revised to Rs. 8.66 crore at RE 2007-08. 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. An expenditure of Rs. 7.00 lakh have been incurred upto December, 2007 against the provision of Rs. 13.00 lakh in BE 2007-08.

### **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 has been kept under this head under the Revenue Section during 2006-07 and 2007-08.

### **Inter Account Transfer:**

The provision was mainly in connection with Transfer to Reserve Funds for Emergency Risks (Goods Insurance Fund, 1962). However, only a token provision has been kept at BE 2006-07. No provision has been kept for 2007-08

### **Write off Losses:**

Only token provision has been kept during 2005-06 and 2006-07 to keep the head alive. However, an expenditure of Rs.2.91 crore was incurred during 2006-07 on account of waiver of outstanding dues in respect of line of credit extended to Government of Cambodia in 1991. As this was matched by receipts of an equivalent amount, there was no cash outgo. The provision was sought through third batch of supplementary. A technical supplementaries of Rs. 5.30 crore is being sought in the third batch of supplementary for waiving of outstanding loan and interest/Penal interest on loans outstanding against the line of credit extended in 1995 to the Government of Kyrgyzstan. As this will be matched by receipts of an equivalent amount there will be no cash outgo.

### **Information Technology- other charges**

The information is being reflected in the new object head.

Earlier the expenditure was included in the sub-Head "Other Charges". The flow of expenditure upto December 2007 is slow.

### **2.5.5 Capital Section**

#### **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. The expenditure flow under this head is satisfactory as Rs. 0.26 crore has been incurred up to December, 2007 against the provision of Rs. 0.31 crore which has been revised to Rs. 0.49 crore at RE 2007-08 for purchase of three knives cutting machines.

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

The abnormal increase at RE 2005-06 is due to extending interest free loans of Rs. 700.00 crore for corporatisation of Security Press, Paper Mills and India Government Mints. The pace of expenditure during 2007-08 is, however, slow as only Rs. 37.75 crore have been incurred up to December, 2007 against the provision of Rs. 101.69 crore, which has been reduced to Rs. 81.83 crore at RE stage.

#### **Other Capital Expenditure**

The provision is for purchase of coins supplied to Reserve Bank of India. The provision of Rs. 253.20 crore at BE 2007-08 has been revised to Rs. 589.58 crore at RE 2007-08. However, only Rs. 83.97 crore has been spent. There would be no cash outgo as the entire amount provided in RE 2007-08 will be deducted as recovery.

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

A lump sum provision of Rs. 6500.00 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 shifted to Inter Account Transfer. A provision of Rs.6000.00 crore has been made in RE 2007-08 for Social and Infrastructure Development Fund (SIDF). During RE 2006-07 the provision of Rs. 6500.00 crore was transferred from the lump sum provision towards Social and Infrastructural Development Fund. The flow of Expenditure is satisfactory.

#### **2.5.6 Plan**

#### **2.5.7 Revenue Section**

##### **Grant-in-aid:**

During 2005-06 and 2006-07 the provision has been kept for UNDP aided Umbrella Support Project for Country Cooperation Framework-II. The scheme has now been discontinued.

##### **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 in BE 2005-06 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 2006-07 and 2007-08.

#### **2.5.8 Capital Section**

##### **Lumpsum:**

Rs. 1400.00 crore was kept in BE 2005-06 and Rs. 500.00 crore was kept in BE 2006-07. A provision of Rs. 100.00 crore has been kept in BE 2007-08. However, the same has been reduced to Rs. 23.00 crore at RE 2007-08 as out of the 23 projects the bidding process has been completed only in 6 projects. No payment has so far been released.

**3 Grant No. 32 - Payments to Financial Institutions**  
**3.1 Statement showing Actual Expenditure vis-à-vis BE/RE provision**  
**for the years 2005-06, 2006-07 and 2007-08 (upto 31.12.2007)**

(Rs. in crore)

	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec.07
<b>Part A - Non-Plan items:</b>										
<b>Industrial Financial Institutions</b>										
Grants to Industrial Development Bank of India Ltd.	2885	495.00	815.48	815.31	294.80	294.80	294.80	282.35	260.20	0.00
Redumption of securities issued to SASF	2885	0.00	1000.00	134.00	1500.00	1500.00	0.00	500.00	0.00	0.00
Grants to Industrial Finance Corporation of India Ltd.	2885	300.00	300.00	300.00	225.00	224.97	220.31	1300.00	100.00	0.00
Grants to ICICI Bank towards KfW Interest Differential Fund	2885	37.50	37.50	37.50	25.00	25.00	9.95	0.01	23.84	0.00
Interest equalization support to Export Import Bank of India	2885	0.00	14.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subscription to share capital of Export Import Bank of India	4885	200.00	100.00	100.00	50.00	50.00	50.00	100.00	100.00	0.00

Financial Review

(Rs. in crore)

	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
Subsidy to Industrial Investment Bank of India	2885	0.00	119.47	119.47	99.32	0.01	0.00	0.01	0.00	0.00
Pre-operational expenditure of India Infrastructure Finance Company Ltd.(IIFCL)	4885	150.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity support to India Infrastructure Finance Co. Ltd. (IIFCL)	2885	0.00	2.50	2.50	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Industrial Financial Institutions</b>		<b>1182.50</b>	<b>2399.48</b>	<b>1518.78</b>	<b>2284.12</b>	<b>2184.78</b>	<b>665.06</b>	<b>2382.37</b>	<b>1184.04</b>	<b>200.00</b>
<b>Agricultural Financial Institutions</b>										
Grants to National Bank for Agriculture and Rural Development towards external aided component	2416	5.18	5.13	5.13	0.91	0.91	0.91	0.91	0.91	0.00
Grants through NABARD for strengthening Short Term Co-operative Credit Structure (STCCS)	2416	600.00	400.00	0.00	1500.00	1500.00	1425.00	1500.00	2045.37	0.00
Interest Subsidy to NABARD on Agricultural Credit	2416	1.00	37.50	0.00	37.50	75.00	37.50	0.00	37.26	0.00
Interest Subvention for providing short term credit to farmers	2416	0.00	0.00	0.00	0.00	1100.00	1100.00	1676.86	1700.00	0.00
Payment to NABARD in settlement of pending claims under IFAD MRC Project	2416	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82	0.00

Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)

	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
Contribution to Financial Inclusion Fund (FIF)	2416	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00
Contribution to Financial Inclusion Technology Fund (FITF)	2416	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00
Contribution towards recapitalisation of Regional Rural Banks(RRBs)	4416	0.00	0.00	0.00	0.00	0.00	0.00	0.00	303.11	0.00
Contribution for establishment of Regional Rural Bank in Puduchery	4416	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00
<b>Total Agricultural Financial Institutions</b>		<b>606.18</b>	<b>442.63</b>	<b>5.13</b>	<b>1538.41</b>	<b>2675.91</b>	<b>2563.41</b>	<b>3177.77</b>	<b>4107.97</b>	<b>0.00</b>
<b>General Financial and Trading Institutions</b>										
Payment of accrued interest to RBI on subordinate debt of IDFC	3465	0.00	21.37	21.36	0.00	0.00	0.00	0.00	0.00	0.00
Assistance to specified undertaking of Unit Trust of India	3465	1200.00	190.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants to Infrastructure Development Finance Co. Ltd.	3465	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in LIC of India	5465	280.00	67.50	30.00	80.00	0.00	0.00	0.00	0.00	0.00
Equity support to Punjab & Sind Bank	5465	0.00	500.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition cost of RBI stake in SBI	5465	0.00	0.00	0.00	0.00	0.00	0.00	40000.00	35531.33	35531.33

Financial Review

(Rs. in crore)

	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec.07
Subscription to Rights issue of equity shares of State Bank of India	5465	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10000.00	0.00
<b>Total General Financial and Trading Institutions</b>		<b>1485.00</b>	<b>778.87</b>	<b>551.36</b>	<b>80.00</b>	<b>0.00</b>	<b>0.00</b>	<b>40000.00</b>	<b>45531.33</b>	<b>35531.33</b>
<b>International Financial Institutions</b>										
International Monetary Fund	5466	357.14	595.02	595.01	0.01	39.57	39.57	39.57	0.00	0.00
Payment of charges under extended arrangement with IMF	2047	0.01	0.00	0.00	0.01	0.01	0.00	0.01	0.00	0.00
International Development Association	5466	0.00	5.14	5.14	0.00	2.87	2.87	0.01	0.00	0.00
African Development Fund/Bank	5466	0.85	12.81	12.74	12.79	15.55	14.08	14.18	13.65	13.40
International Fund for Agricultural Development	2416	23.00	21.82	21.82	46.00	55.60	49.67	28.01	28.01	23.75
Afghanistan Reconstruction Trust Fund	3466	0.95	0.90	0.90	0.00	0.95	0.90	0.95	0.84	0.84
Contribution to Multi-donor Tech. Assistance sub-a/c for Iraq	3466	0.69	0.45	0.45	0.45	0.68	0.66	0.00	0.00	0.00
Emergency Assistance for Natural Disasters	3466	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.85	0.00
<b>Total International Financial Institutions</b>		<b>382.64</b>	<b>636.14</b>	<b>636.06</b>	<b>59.26</b>	<b>115.23</b>	<b>107.75</b>	<b>82.73</b>	<b>44.35</b>	<b>37.99</b>
<b>Interest Subsidy</b>										
41.01 Goan Banks	2885	0.08	0.00	0.08	0.00	7.75	0.08	7.75	7.75	0.00

## Ministry of Finance - Outcome Budget 2008-09

(Rs. in crore)

	Major Head	2005-06			2006-07			2007-08			
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07	
<b>Other General Economic Services</b>											
Compensation for Exchange Loss											
40.01	ICICI Bank	3475	0.01	35.64	35.64	0.00	0.00	0.00	0.00	0.00	0.00
40.02	National Housing Bank	3475	7.70	6.93	7.08	7.13	6.96	7.17	6.93	5.67	0.00
40.03	Indian Overseas Bank (FCNR(A) Deposits)	3475	0.00	0.00	0.00	0.00	0.00	36.97	0.00	0.00	0.00
	Other Expenditure	3466	0.33	0.32	0.32	0.31	0.25	0.25	0.25	0.21	0.21
<b>Total Other General Economic Services</b>			<b>8.04</b>	<b>42.89</b>	<b>43.04</b>	<b>7.44</b>	<b>7.21</b>	<b>44.39</b>	<b>7.18</b>	<b>5.88</b>	<b>0.21</b>
<b>Social Security &amp; Welfare</b>											
Subsidy to Public Sector General Insurance Cos. For Community based Universal Health											
	Insurance Scheme	2235	0.01	2.34	0.00	3.00	25.00	25.00	45.00	20.00	1.00
	Interest subsidy to LIC for Pension Plan for senior citizens	2235	269.19	244.59	244.59	269.00	226.23	226.33	249.77	242.68	0.00
	Interest subsidy to farmers	2235	0.00	1700.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00
	Waiver of interest on overdue loans in debt stressed States of AP, Karnataka, Kerala & Maharashtra	2235	0.00	0.00	0.00	0.00	1359.13	1359.13	0.00	0.00	0.00
<b>Total Social Security &amp; Welfare</b>			<b>269.20</b>	<b>1946.93</b>	<b>1944.59</b>	<b>272.00</b>	<b>1610.36</b>	<b>1610.46</b>	<b>294.77</b>	<b>262.68</b>	<b>1.00</b>
<b>Loans for General Finance &amp; Trading Institutions</b>											

Financial Review

(Rs. in crore)

	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
Government's share of premium payment for implementation of Aam Aadmi Bima Yojana (AABY)	7465	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1000.00	0.00
Fund for granting scholarships to the children of the beneficiaries of Aam Admi Bima Yojana (AABY)	7465	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00
<b>Total Loans for General Fin. &amp; Trading Instts. Miscellaneous General Services</b>		<b>0.00</b>	<b>1500.00</b>	<b>0.00</b>						
Transfer to Guarantee Redemption Fund	2075	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	84.00
<b>Total Non-Plan</b>		<b>4058.64</b>	<b>6371.94</b>	<b>4824.04</b>	<b>4366.23</b>	<b>6726.24</b>	<b>5116.15</b>	<b>46077.57</b>	<b>52769.00</b>	<b>35854.53</b>
<b>PART B - PLAN ITEMS</b>										
Small Industries Development Bank of India	2885	22.00	22.00	9.40	20.00	5.00	5.00	0.00	0.00	0.00
Grants to NABARD for Water Harvesting Scheme	2416	3.81	8.50	8.50	16.00	4.53	16.00	0.00	0.00	0.00
<b>Total Plan</b>		<b>25.81</b>	<b>30.50</b>	<b>17.90</b>	<b>36.00</b>	<b>9.53</b>	<b>21.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>		<b>4084.45</b>	<b>6402.44</b>	<b>4841.94</b>	<b>4402.23</b>	<b>6735.77</b>	<b>5137.15</b>	<b>46077.57</b>	<b>52769.00</b>	<b>35854.53</b>

## 3.2 Scheme/Programme-wise Analysis of Expenditure during 2005-06, 2006-07 and 2007-08 (Upto 31.12.2007)

### Grant No. 32 Payments & Financial Institutions

#### Revenue Section

##### Plan Schemes

##### Agricultural Financial Institutions

**Grants to NABARD for Water Harvesting Scheme for SC/ST farmers to subsidise farm ponds (MH 2416)** - The BE provision of Rs. 3.81 crore in 2005-06 was enhanced to Rs. 8.50 crore at RE stage. 100% utilisation of the RE provision was made. The BE provision of Rs. 16.00 crore in 2006-07 was reduced to Rs. 4.53 crore at RE stage. However, Rs. 16.00 crore was actually incurred, which amounted to 353.20% of the RE provision. There has been considerable improvement in the expenditure position in 2006-07 as compared to 2005-06. The scheme has been discontinued from 11th Plan period. Hence, no provision was made in 2007-08.

##### Other Outlays on Industries and Minerals

**Grants to Small Industries Development Bank of India (SIDBI) for providing equity support to small and tiny entrepreneurs for setting up new projects (National Equity Fund Scheme) (MH 2885)** - The BE provision of Rs. 22.00 crore in 2005-06 was retained at RE stage. An expenditure of Rs. 9.40 crore was incurred during the year which accounted for 42.73% of the RE provision. In 2006-07, the BE provision was Rs. 20.00 crore which was reduced to Rs. 5.00 crore at RE stage. The RE provision has been utilized 100%. The expenditure position in 2006-07 has increased considerably as compared to 2005-06. As the scheme has been discontinued from 11th Plan period, no provision has been made in 2007-08.

##### Non-Plan Schemes

##### Industrial Financial Institutions

**Grants to Industrial Development Bank of India Limited towards restructuring of liabilities (MH 2885)** - The BE provision of Rs. 495.00 crore in 2005-06 was enhanced to Rs. 815.48 crore at RE stage. Rs. 815.31 crore was actually incurred during the year. This comes to 99.98% of the RE provision. During 2006-07, the BE and RE provisions and the actuals were Rs. 294.80 crore. The utilisation, thus, was 100%. The expenditure has been almost equal during both the years 2005-06 and 2006-07. The BE provision of Rs. 282.35 crore in 2007-08 was reduced to Rs. 260.20 crore at RE stage. No expenditure has been incurred as on 31.12.2007.

**Redemption of Securities issued to Stressed Assets Stabilisation Fund (SASF) for weeding out stressed assets of IDBI (MH 2885)** - A provision of Rs. 1000.00 crore was made in RE 2005-06 and an expenditure of Rs. 134.00 crore was incurred during the year. This comes to 13.40%. In 2006-07, the BE and RE provisions were Rs. 1500.00 crore. As an alternate system for redemption of securities was evolved, no amount was released during the year. In view of this, the BE provision of Rs. 500.00 crore in 2007-08 was also withdrawn at RE stage.

**Grants to Industrial Finance Corporation of India Limited towards restructuring of liabilities (MH 2885)** - Rs. 300.00 crore were incurred in 2005-06 against the provision of a like amount in BE and RE. The utilisation is 100%. In 2006-07, an amount of Rs. 225.00 crore was provided in BE 2006-07, which was reduced to Rs. 224.97 crore at RE stage. The actual expenditure was Rs. 220.31 crore. This amounts to

97.93% of the RE provision. The expenditure has been almost equal during both the years 2005-06 and 2006-07. During 2007-08, a BE provision of Rs. 1300.00 crore was made. Considering the current financial position of the Corporation, the amount was reduced to Rs. 100.00 crore at RE stage. No amount has been released till 31.12.2007.

**Grants to ICICI Bank towards Kreditanstalt Fur Wiederaufbau (KfW) Interest Differential Fund (MH 2885)** - The BE and RE provision of Rs. 37.50 crore in 2005-06 was utilized 100% during the year. In 2006-07, the BE provision of Rs. 25.00 crore was retained at RE stage. However, only Rs. 9.95 crore was incurred, accounting for 39.80%. The expenditure position decreased considerably during 2006-07 as compared to 2005-06. In 2007-08, a token provision of Rs. 0.01 crore was made, which was enhanced to Rs. 23.84 crore at RE stage. No amount has been released till 31.12.2007.

**Interest equalization support to Export Import Bank of India (MH 2885)** - A provision of Rs. 14.53 crore was made in RE 2005-06. However, no expenditure was incurred during the year. No provision has been made under this head during 2006-07 and 2007-08.

**Subscription to share capital of Export Import Bank of India (MH 4885)** - The BE provision of Rs. 200.00 crore in 2005-06 was reduced to Rs. 100.00 crore at RE stage, which has been utilized 100%. The BE and RE provision of Rs. 50.00 crore in 2006-07 has also been utilized 100%. The expenditure position has been steady in 2005-06 and 2006-07. The BE provision of Rs. 100.00 crore in 2007-08 has been retained at RE stage. No amount has been released till 31.12.2007.

**Subsidy to Industrial Investment Bank of India in lieu of concession in the rate of interest on loans (MH 2885)** - The RE provision of Rs. 119.47 crore was utilized 100% in 2005-06. The BE provision of Rs. 99.32 crore of 2006-07 was reduced to a token amount of Rs. 0.01 crore at RE stage, as the Bank was being wound-up. No amount was released during the year. A token provision of Rs. 0.01 crore was also kept in BE 2007-08, which has been withdrawn at RE stage.

**Pre-operational expenditure of India Infrastructure Finance Company Ltd. (IIFCL) (MH 2885)** - A provision of Rs. 2.50 crore was made in RE 2005-06 which was fully (100%) utilized during the year. No provision has been made in subsequent years.

**Equity support to India Infrastructure Finance Company Ltd. (IIFCL) (MH 4885)** - The RE provision of Rs. 10.00 crore has been utilized 100% in 2005-06. In 2006-07 also, the BE and RE provision of Rs. 90.00 crore was fully utilized (100%) during the year. The expenditure position has been steady in both the years 2005-06 and 2006-07. The BE provision of Rs. 200.00 crore in 2007-08 has been enhanced to Rs. 700.00 crore at RE stage. Out of this, an amount of Rs. 200.00 crore has been utilized till 31.12.2007. This comes to 28.57% of the RE provision.

### Agricultural Financial Institutions

**Grants to NABARD towards external aided component (SDC (I-IV) agreements between Government of India and SDC) (MH 2416)** - The BE and RE provision of Rs. 5.13 crore during 2005-06 has been utilized 100%. Similarly, the BE and RE provision of Rs. 0.91 during 2006-07 has been utilized 100%. The expenditure position has been steady in both the years. In 2007-08, the BE and RE provision has been kept at Rs. 0.91 crore. No amount has been released till 31.12.2007.

**Grants through NABARD for strengthening Short Term Cooperative Credit Structure (STCCS) (MH 2416)** - The BE provision of Rs. 600.00 crore in 2005-06 was reduced to Rs. 400.00 crore at RE stage. No amount was released during the year. In 2006-07, the BE provision of Rs. 1500.00 crore was retained at RE stage also. An amount of Rs. 1425.00 crore was spent during the year accounting for 95% of the RE provision. The expenditure position in 2006-07 has been satisfactory. The BE provision of Rs. 1500.00 crore has been enhanced to Rs. 2045.37 crore at RE stage. No amount has been released till 31.12.2007.

**Subsidy to NABARD towards Interest Subvention for providing refinance for Cooperative Banks and Regional Rural Banks (MH 2416)**

- The BE provision of Rs. 1.00 crore was enhanced to Rs. 37.50 crore in 2005-06. However, no expenditure was incurred during the year. In 2006-07, the BE provision was Rs. 37.50 crore. This was enhanced to Rs. 75.00 crore at RE stage. An expenditure of Rs. 37.50 crore was incurred, accounting for 50% of the RE provision. However, as compared to the expenditure position in 2005-06, the position in 2006-07 was encouraging. No provision has been kept in BE 2007-08. However, a provision of Rs. 37.26 crore has been made in RE. No amount has been released till 31.12.2007.

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

- The scheme was introduced at RE stage in 2006-07 with a provision of Rs. 1100.00 crore, which has been utilized 100%. The BE provision of Rs. 1676.86 crore was enhanced to Rs. 1700.00 crore at RE stage. No amount has been released till 31.12.2007.

**Payment to NABARD in settlement of pending claims under International Fund for Agricultural Development (IFAD) Maharashtra Rural Credit Project (MRCP) (MH 2416)**

- A provision of Rs. 0.82 crore has been made in RE 2007-08 for making payment of the pending claims under IFAD MRC Project. No amount has been released till 31.12.2007.

**Contribution to Financial Inclusion Fund (FIF) to be maintained by NABARD (MH 2416)**

- A provision of Rs. 10.00 crore has been made in RE 2007-08. No expenditure has been incurred till 31.12.2007.

**Contribution to Financial Inclusion Technology Fund (FITF) to be maintained by NABARD (MH 2416)**

- A provision of Rs. 10.00 crore has been made in RE 2007-08. No expenditure has been incurred till 31.12.2007.

**Contribution towards Recapitalisation of Regional Rural Banks (RRBs) (MH 2416)**

- A provision of Rs. 303.11 crore has been made in RE 2007-08. No expenditure has been incurred till 31.12.2007.

**Contribution for establishment of Regional Rural Bank (RRB) in Puducherry (MH 2416)**

- A provision of Rs. 0.50 crore has been made in RE 2007-08. No expenditure has been incurred till 31.12.2007.

**General Financial and Trading Institutions**

**Payment of accrued interest to Reserve Bank of India (RBI) on subordinate debt of Infrastructure Development Finance Company Limited (IDFC) (MH 3465)**

- A provision of Rs. 21.37 crore was made in RE 2005-06, out of which Rs. 21.36 crore has been spent. This comes to 99.95% of the RE provision. No provision has been kept in subsequent years.

**Assistance to specified undertaking of Unit Trust of India (MH 3465)**

- A provision of Rs. 1200.00 crore was made in BE 2005-06 which was reduced to Rs. 190.00 crore at RE stage. However, no expenditure has been incurred during the year. No provision has been kept in subsequent years.

**Grants to Infrastructure Development Finance Company Limited (IDFC) (MH 3465)**

- A provision of Rs. 5.00 crore was provided in BE 2005-06. However, this scheme was discontinued at RE stage.

**Investment in LIC of India (MH 5465)**

- The BE provision of Rs. 280.00 crore was reduced to Rs. 67.50 crore at RE stage. An amount of Rs. 30.00 crore has been spent during the year, which comes to 44.44% of the RE provision.

**Equity support to Punjab and Sind Bank (MH 5465)**

- An amount of Rs. 500.00 crore was provided in RE 2005-06, which has been utilized 100%. No provision has been kept in subsequent years.

**Acquisition cost of Reserve Bank of India stake in State Bank of India (MH 5465)** - An amount of Rs. 40,000.00 crore was provided in BE 2007-08 which was reduced to Rs. 35,531.33 crore at RE stage. The RE provision has been utilized 100%.

**Subscription to Rights issue of equity shares of State Bank of India (MH 5465)** - An amount of Rs. 10,000.00 crore has been kept in RE 2007-08. Securities for the said amount will be issued to State Bank of India as soon as the technical supplementary is obtained in the Third Batch of Supplementary Demands for Grants.

### International Financial Institutions

**Subscription to International Monetary Fund (in securities) (MH 5466)** - The BE provision of Rs. 357.14 crore was enhanced to Rs. 595.02 crore at RE stage. An amount of Rs. 595.01 crore has been spent during the year, which comes to 99.99% of the RE provision. The BE provision of Rs. 0.01 crore was enhanced to Rs. 39.57 crore in 2006-07 at RE stage. The RE provision has been utilized 100%. The expenditure position has been similar in both the years. In 2007-08, a provision of Rs. 39.57 crore was made in BE, which has been withdrawn at RE stage.

**Payment of charges under extended arrangement with International Monetary Fund (MH 2047)** - A token provision of Rs. 0.01 crore was made in 2005-06, 2006-07 and 2007-08 in anticipation of payment of charges to IMF. However, as no payment was required to be made to IMF, no expenditure has been incurred during these years.

**Subscription to International Development Association (IDA) (MH 5466)** - A provision of Rs. 5.14 crore was made in RE 2005-06, which has been utilized 100%. In 2006-07, an amount of Rs. 2.87 crore was provided in RE, which has also been utilized 100%. The expenditure position has been steady in both the years. The BE provision of Rs. 0.01 crore has been withdrawn at RE stage.

**Subscription to African Development Fund/Bank (MH 5466)** - An amount of Rs. 0.85 crore was made in BE 2005-06, which was enhanced to Rs. 12.81 crore at RE stage. The actual expenditure was Rs. 12.74 crore. This amounts to 99.45% of the RE provision. The BE provision of Rs. 12.79 crore in 2006-07 was enhanced to Rs. 15.55 crore at RE stage. Out of this, an amount of Rs. 14.08 crore was spent, which comes to 90.55% of the RE provision. As compared to the expenditure figure of 2005-06, the position has decreased during 2006-07. An amount of Rs. 14.18 crore has been provided in BE 2007-08, which has been reduced to Rs. 13.65 crore at RE stage. An amount of Rs. 13.40 crore has been spent as on 31.12.2007, which comes to 98.17% of RE provision.

**Contribution to International Fund for Agricultural Development (IFAD) (MH 2416)** - The BE provision of Rs. 23.00 crore in 2005-06 was decreased to Rs. 21.82 crore at RE stage. This has been utilized 100% during the year. In 2006-07, the BE provision of Rs. 46.00 crore was enhanced to Rs. 55.60 crore at RE stage and an expenditure of Rs. 49.67 crore was incurred, accounting for 89.33% of the RE provision. The expenditure position in 2006-07 has decreased as compared to the year 2005-06. The BE provision of Rs. 28.01 crore in 2007-08 has been retained at RE stage. An amount of Rs. 23.75 crore has been spent as on 31.12.2007. This comes to 84.79% of the RE provision.

**Contribution to Afghanistan Reconstruction Trust Fund (ARTF) (MH 3466)** - The BE provision of Rs. 0.95 crore in BE 2005-06 was reduced to Rs. 0.90 crore at RE stage, which has been utilized 100%. In 2006-07, no provision was kept in BE. However, a provision of Rs. 0.95 crore was made at RE stage. An amount of Rs. 0.90 crore has been spent during the year, which comes to 94.74% of the RE provision. The expenditure position in 2006-07 has slightly gone down, as compared to the year 2005-06. In 2007-08, the BE provision of Rs. 0.95 crore has been reduced to Rs. 0.84 crore at RE stage. This amount has been utilized 100% as on 31.12.2007.

**Contribution to Multi-donor Technical Assistance sub-a/c for Iraq (MH 3466)** - The BE provision of Rs. 0.69 crore in 2005-06 was reduced to Rs. 0.45 crore at RE stage. This amount has been utilized 100%. In 2006-07, a provision of Rs. 0.45 crore was kept in BE, which was enhanced to Rs. 0.68 crore at RE stage. An amount of Rs. 0.66 crore was spent out of this. This works out to 97.06% of the RE provision. The expenditure trend during both the years has been almost similar. No provision has been kept under this head in 2007-08.

**Contribution to Emergency Assistance for Natural Disasters (MH 3466)** - A provision of Rs. 1.85 crore has been made in RE 2007-08. No amount has been released as on 31.12.2007.

**Interest Subsidy to Goan Banks (MH 2885)** - An amount of Rs. 0.08 crore was provided in BE 2005-06, which was withdrawn at RE stage. However, an expenditure of Rs. 0.08 crore was incurred during the year. In 2006-07, Rs. 7.75 crore was provided in RE and an amount of Rs. 0.08 crore was spent, which comes to 1.32% of the RE provision. The expenditure incurred in both the years was similar. The BE provision of Rs. 7.75 crore has been retained at RE stage. No amount has been released as on 31.12.2007.

### Other General Economic Services

**Compensation for exchange variation to ICICI Bank (MH 3475)** - The token provision of Rs. 0.01 crore kept in BE 2005-06 was enhanced to Rs. 35.64 crore at RE stage. This amount has been utilized 100% during the year. No provision has been kept in subsequent years.

**Compensation for exchange variation to National Housing Bank (MH 3475)** - The BE provision of Rs. 7.70 crore in 2005-06 was reduced at Rs. 6.93 crore at RE stage. However, Rs. 7.08 crore has been spent, which comes to 102.16% of the RE provision. In 2006-07, the BE provision of Rs. 7.13 crore was reduced to Rs. 60.96 crore at RE stage. An expenditure of Rs. 7.17 crore was incurred during the year,

accounting for 103.02% of the RE provision. The expenditure trend during both the years has been almost similar. In 2007-08 the BE provision was Rs. 6.93 crore, which has been reduced to Rs. 5.67 crore at RE stage. No amount has been released till 31.12.2007.

**Compensation for exchange variation to Indian Overseas Bank on FCNR(A) Deposits (MH 3475)** - An amount of Rs. 36.97 crore was obtained in the Third Batch of Supplementary Demands for Grants in 2006-07. This amount has utilized 100%.

**Assessment Charges payable to International Monetary Fund (IMF) (MH 3466)** - The BE provision of Rs. 0.33 crore was reduced to Rs. 0.32 crore at RE stage. This has been utilized 100%. In 2006-07, the BE provision of Rs. 0.31 crore was reduced to 0.25 crore, which has also been utilized 100%. During 2007-08, a provision of Rs. 0.25 crore was made in BE, which was reduced to Rs. 0.21 crore at RE stage. This amount too has been utilized 100% as on 31.12.2007. The expenditure trend during the three years under review has been similar.

### Social Security and Welfare

**Subsidy to Public Sector General Insurance Companies for Community based Universal Health Insurance Scheme (MH 2235)** - The BE provision of 0.01 crore in 2005-06 was enhanced to Rs. 2.34 crore at RE stage. However, no expenditure was incurred during the year. A provision of Rs. 3.00 crore was made in BE 2006-07, which was enhanced to Rs. 25.00 crore at RE stage. The provision has been utilized 100%. A provision of Rs. 45.00 crore was kept in BE 2007-08. This was reduced to Rs. 20.00 crore at RE stage. Out of this, an expenditure of Rs. 1.00 crore has been incurred as on 31.12.2007. This accounts for 5% of the RE provision.

**Interest Subsidy to LIC for Pension Plan for Senior Citizens (MH 2235)** - The BE provision of Rs. 269.19 crore was reduced to Rs. 244.59 crore at RE stage. This amount has been utilized 100% during the

year. In 2006-07, the BE provision was Rs.269.00 crore. This was reduced to Rs.226.23 crore at RE stage. An amount of Rs.226.33 crore was released during the year, which comes to 100.04% of the RE provision. The expenditure trend during the years 2005-06 and 2006-07 was similar. As for 2007-08, an amount of Rs.249.77 crore was provided in BE. This provision was reduced to Rs.242.68 crore at RE stage. No amount has been spent as on 31.12.2007.

**Interest subsidy to farmers (MH 2235)** - An amount of Rs.1700.00 crore was provided in BE 2005-06, which has been utilized 100% during the year. No provision has been kept under this head in subsequent years.

**Waiver of interest on overdue loans in debt stressed States of Andhra Pradesh, Karnataka, Kerala and Maharashtra (MH 2235)** - An amount of Rs.1359.13 crore was provided in RE 2006-07, which has been utilized 100% during the year.

## Loans for General Finance & Trading Institutions

**Government's share of contribution for payment of premium for Aam Aadmi Bima Yojana (AABY) (MH 7465)** - A provision of Rs.1000.00 crore has been kept in RE 2007-08. No amount has been released as on 31.12.2007.

**Government's share of contribution for granting scholarships to the children of the beneficiaries of Aam Aadmi Bima Yojana (AABY) (MH 7465)** - A provision of Rs.500.00 crore has been made in RE 2007-08. No amount has been released as on 31.12.2007.

**Transfer to Guarantee Redemption Fund (MH 2075)** - The BE and RE provisions of Rs.125.00 crore during 2005-06 and 2006-07 have been utilized 100%. Out of the BE and RE provision of Rs.125.00 crore in 2007-08, an expenditure of Rs.84.00 crore has already been incurred as on 31.12.2007.

### 3.3 Object Head-wise actual expenditure vis-a-vis BE/RE provision for the years 2005-06, 2006-07 and 2007-08 (upto 31.12.2007) Grant No. 32 - Payments To Financial Institutions

(Rs. in crore)															
Description	Actuals 2005-06			Actuals 2006-07			BE 2007-08			RE 2007-08			Actuals upto Dec. 2007		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>REVENUE SECTION</b>															
Grants-in-Aid	17.90	1294.43	1312.33	21.00	1950.97	1971.97	0.00	3583.27	3583.27	0.00	2430.32	2430.32	0.00	0.00	0.00
Contribution	0.00	23.17	23.17	0.00	51.23	51.23	0.00	28.96	28.96	0.00	50.70	50.70	0.00	24.58	24.58
Subsidy	0.00	2064.14	2064.14	0.00	1388.91	1388.91	0.00	1979.39	1979.39	0.00	2008.51	2008.51	0.00	1.00	1.00
Exchange Variation	0.00	42.72	42.72	0.00	44.14	44.14	0.00	6.93	6.93	0.00	5.67	5.67	0.00	0.04	0.04
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	0.00	21.68	21.68	0.00	1359.38	1359.38	0.00	0.25	0.25	0.00	0.21	0.21	0.00	0.21	0.21
Inter Account Transfer	0.00	125.00	125.00	0.00	125.00	125.00	0.00	125.00	125.00	0.00	125.00	125.00	0.00	84.00	84.00
<b>TOTAL REVENUE SECTION</b>	<b>17.90</b>	<b>3571.14</b>	<b>3589.04</b>	<b>21.00</b>	<b>4919.64</b>	<b>4940.64</b>	<b>0.00</b>	<b>5723.81</b>	<b>5723.81</b>	<b>0.00</b>	<b>4620.41</b>	<b>4620.41</b>	<b>0.00</b>	<b>109.83</b>	<b>109.83</b>
<b>CAPITAL SECTION</b>															
Contribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1500.00	1500.00	0.00	0.00	0.00
Investments	0.00	1252.88	1252.88	0.00	196.52	196.52	0.00	40353.76	40353.76	0.00	46648.59	46648.59	0.00	35744.74	35744.74
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL CAPITAL SECTION</b>	<b>0.00</b>	<b>1252.88</b>	<b>1252.88</b>	<b>0.00</b>	<b>196.52</b>	<b>196.52</b>	<b>0.00</b>	<b>40353.76</b>	<b>40353.76</b>	<b>0.00</b>	<b>48148.59</b>	<b>48148.59</b>	<b>0.00</b>	<b>35744.74</b>	<b>35744.74</b>
<b>GRAND TOTAL (GROSS)</b>	<b>17.90</b>	<b>4824.02</b>	<b>4841.92</b>	<b>21.00</b>	<b>5116.15</b>	<b>5137.15</b>	<b>0.00</b>	<b>46077.57</b>	<b>46077.57</b>	<b>0.00</b>	<b>52769.00</b>	<b>52769.00</b>	<b>0.00</b>	<b>35854.57</b>	<b>35854.57</b>

### 3.4 Object Head-wise Analysis of Expenditure Trend for 2005-06, 2006-07 and 2007-08 (Upto 31.12.2007)

#### 3.5 Grant No. 32 Payments to Financial Institutions

##### Revenue Section

##### Plan Schemes

**Grants-in-aid** - In 2005-06, a provision of Rs. 25.81 crore was made in BE, which was enhanced to Rs. 30.50 crore at RE stage. Against this an expenditure of Rs. 17.90 crore has been incurred, which amounts to 58.69% of RE. The provision in BE 2006-07 was Rs. 36.00 crore, which was reduced to Rs. 9.53 crore at RE stage. However, an expenditure of Rs. 21.00 crore was incurred during the year, which accounts for 220.36% of the RE provision. There has been considerable improvement in utilisation of the funds during 2006-07 as compared to 2005-06. No provision under Plan has been kept in 2007-08 under this object-head.

##### Non-Plan Schemes

**Grants-in-aid** - The budgetary provision of Rs. 2642.68 crore in 2005-06 was enhanced to Rs. 2765.14 crore at RE stage. The actual expenditure incurred was Rs. 1294.44 crore, i.e. 46.81% of the RE provision. The BE and RE provisions during the year 2006-07 were Rs. 3545.71 crore and Rs. 3545.68 crore, respectively. Against this, an expenditure of Rs. 1950.97 crore was incurred. This amounts to 55.02% of the RE provision. There has been slight improvement in the expenditure position during 2006-07 as compared to 2005-06. During 2007-08, a budgetary provision of Rs. 3583.27 crore was kept under this object-head, which was reduced to Rs. 2430.32 crore at RE stage. No expenditure has been incurred up 31st December, 2007.

**Contribution** - The BE provision for 2005-06 was Rs. 24.64 crore. This

was reduced to Rs. 23.17 crore at RE stage. The utilisation was 100% during the year. In 2006-07, the BE provision was Rs. 46.45 crore, which was enhanced to Rs. 57.23 crore at RE stage. The expenditure incurred was Rs. 51.23 crore, which accounted for 89.52% of the RE provision. The expenditure position has slightly decreased in 2006-07 as compared to 2005-06. During 2007-08, a provision of Rs. 28.96 crore was made in BE, which was enhanced to Rs. 50.70 crore at RE stage. An expenditure of Rs. 24.58 crore has been incurred till 31.12.2007, which comes to 48.48% of the RE provision.

**Subsidy** - 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 this, an expenditure of Rs. 2064.14 crore has been incurred during the year. This works out to 98.11% of the RE provision. During the year 2006-07, a provision of Rs. 408.82 crore was made in BE and Rs. 1433.99 crore in RE. Rs. 1388.91 crore was spent during the year, which comes to 98.57% of the RE provision. The expenditure position has been steady during the years 2005-06 and 2006-07. The BE provision for 2007-08 was Rs. 1979.39 crore which was enhanced to Rs. 2008.51 crore at RE stage. Rs. 1.00 crore only was released till 31.12.2007, which comes to 0.05% of the RE provision.

**Exchange Variation** - The BE provision of Rs. 13.71 crore in 2005-06 was enhanced to Rs. 42.57 crore at RE stage. The actual expenditure incurred was Rs. 42.72 crore, which was 100.35% of the RE provision. In 2006-07, the BE provision was Rs. 7.13 crore and RE was Rs. 6.97 crore. However, an expenditure of Rs. 44.14 crore was incurred during the year, which amounted to 633.29% of the RE provision. There has been considerable improvement in the expenditure position during 2006-07 as compared to 2005-06. The BE provision for 2007-08 is

Rs. 6.93 crore. This has been reduced to Rs. 5.67 crore at RE stage. An amount of Rs. 0.04 crore only has been spent as on 31.12.2007, which comes to 0.71% of the RE provision.

**Other Charges** - As against the BE provision of Rs. 0.33 crore and RE provision of Rs. 21.69 crore in 2005-06, an amount of Rs. 21.68 crore was released during the year. This comes to 99.95% of the RE provision. The BE provision of Rs. 0.31 crore in 2006-07 was enhanced to Rs. 1359.38 crore at RE for implementing the debt waiver scheme announced by Prime Minister. The RE provision has been utilized 100%. The expenditure position has been almost equal during 2005-06 and 2006-07. The BE 2007-08 provision under the head was Rs. 0.25 crore, which has been reduced to Rs. 0.21 crore at RE stage. The entire amount has been released till 31.12.2007. The utilisation is 100%.

**Inter Account Transfer** - A provision of Rs. 125.00 crore each was made in BE 2005-06 and BE 2006-07, which was retained at RE stage in both the years. The entire amount was utilized during the said years accounting for 100% utilisation. The expenditure position has been steady in 2005-06 and 2006-07. Rs. 84.00 crore has been utilized till 31.12.2007 against the BE and RE provision of Rs. 125.00 crore in the year 2007-08. This comes to 67.20%.

### 3.6 Capital Section

**Contribution** - An amount of Rs. 1500.00 crore has been provided in RE 2007-08 under the head. No expenditure has been incurred so far.

**Investment** - The BE provision in 2005-06 was Rs. 988.03 crore, which was enhanced to Rs. 1290.47 crore at RE stage. The actuals during the year was Rs. 1252.88 crore. This comes to 97.09% of the RE provision. The BE provision of Rs. 232.80 crore in 2006-07 was reduced to Rs. 198.00 crore at RE stage. An expenditure of Rs. 196.52 crore was incurred during the year, which amounted to 99.25% of the RE provision. There has been a slight improvement in the expenditure position in 2006-07 as compared to 2005-06. A provision of Rs. 40,353.76 crore in BE 2007-08 was enhanced to Rs. 46,648.59 crore at RE stage. Rs. 35,744.74 crore has been incurred till 31.12.2007. This comes to 76.62% of the RE provision.

### 3.7 Nationalised Banks : Dividend & Profit

**Analysis of Non-Tax Revenue (Nationalised Banks)** - The Dividends and Profits for the year 2005-06 were Rs. 806.78 crore against the BE estimate of Rs. 1100.00 crore. This amounts to 73.34% of the BE estimate. The BE estimate for 2006-07 was enhanced to Rs. 1400.50 crore. The actuals for the year were Rs. 1422.67 crore which is 101.58%. As against the BE estimate of Rs. 1450.00 crore in 2007-08, the actuals as on 31st December, 2007 amounted to Rs. 1408.13 crore, which works out to 97.11% of BE estimate. The position in respect of the years 2006-07 and 2007-08 has improved considerably. A statement showing details of dividend and profit is given on next page:

## Statement of Net Profit Earned by Public Sector Banks

Name of Banks & Fis.	Actuals			PAT 2006-07	Equity as on March 2007	Equity of GOI as on March, 07	2007-08			2008-09 Budget Estimates
	2004-05	2005-06	2006-07				Budget Estimate	Revised Estimates	2007-08 (Actual receipts Upto Dec- 07)	
Allahabad Bank	61.68	37.00	98.68	750.00	446.70	246.70	101.00	80.00	74.01	85.00
Andhra Bank	72.5	37.50	87.50	537.00	485.00	250.00	90.00	95.00	95.00	97.00
Bank of Baroda	103.89	62.72	98.00	1026.46	367.00	196.00	102.00	117.00	117.60	120.00
Bank of India	67.72	33.86	101.58	1123.17	488.14	338.58	103.00	118.00	50.79	120.00
Bank of Maharashtra	52.88	46.27	13.22	271.84	430.52	330.52	14.00	66.00	66.10	70.00
Canara Bank	150	90.00	198.00	1420.81	410.00	300.00	200.00	210.00	210.00	215.00
Central Bank of India	35	35.00	50.00	498.00	324.14	324.14	52.00	100.00	99.60	105.00
Corporation Bank	49.2	57.40	28.70	516.00	143.44	82.00	60.00	74.00	73.80	75.00
Dena Bank	0	0.00	0.00	201.56	286.82	146.82	5.00	12.00	11.74	15.00
Indian Bank	0	0.00	101.00	810.03	429.77	343.82	102.00	135.00	135.14	137.00
Indian Overseas Bank	73.39	33.36	86.74	1008.43	544.80	333.60	89.00	100.00	100.08	103.00
Oriental Bank of Commerce	38.4	38.40	57.60	580.81	250.98	128.00	75.00	65.00	34.56	70.00
Pun'ab & Sind Bank	0	0.00	0.00	218.53	743.10	743.10	5.00	0.00	0.00	0.00
Pun'ab National Bank	95.51	109.35	182.24	1630.00	315.30	182.24	180.00	182.00	109.34	185.00
S ndicate Bank	55.51	100.63	86.74	716.00	521.97	346.97	89.00	97.00	45.11	100.00
UCO Bank	47.94	59.94	0.00	316.00	799.36	599.36	10.00	60.00	59.94	60.00
Union Bank of India	98	42.00	140.00	845.00	505.00	280.00	101.00	100.00	56.00	105.00
United Bank of India	0	0.00	45.97	267.28	1532.43	1532.43	47.00	47.00	45.97	50.00
Vi'a a Bank	70.05	23.35	46.70	331.84	433.52	233.52	25.00	47.00	23.35	50.00
State Bank of India	0	0.00	0.00	4541.30	526.30	314.34	0.00	440.00	0.00	500.00
<b>TOTAL</b>	<b>1071.67</b>	<b>806.78</b>	<b>1422.67</b>	<b>17610.06</b>	<b>9457.99</b>	<b>7252.14</b>	<b>1450.00</b>	<b>2145.00</b>	<b>1408.13</b>	<b>2262.00</b>

### 4 Grant No. 38 - Department Of Expenditure (Major Head Wise)

(Rs. in crore)										
Description	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Secretariat - General Services</b>	2052	24.76	24.23	23.64	25.19	28.02	27.15	29.29	29.52	20.33
<b>Other Administration Services</b>	2070	3.06	3.42	3.13	4.26	8.61	7.38	14.71	13.82	5.27
i) Training Centre in Civil Accounting Department (INGAF)		1.15	1.04	0.98	1.16	2.25	2.21	2.41	2.39	1.47
ii) Grants-in-aid to NIFM Society		1.90	1.86	1.85	2.03	2.03	2.03	2.40	2.25	1.20
iii) Contributions		0.01	0.01	0.01	0.01	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	0.36	1.40	0.80	0.25
v) Sixth Central Pay Commission		-	-	-	-	3.72	2.77	8.49	8.47	2.34
<b>Other General Economic Services</b>										
(i) Loan to Administrative Staff College of India	7475	-	-	-	-	5.00	5.00	-	-	-
(ii) Funding for Plan schemes and projects of Ministries Departments	3475	-	-	-	-	-	-	100.00	50.00	
<b>TOTAL</b>		<b>27.82</b>	<b>27.65</b>	<b>26.77</b>	<b>29.45</b>	<b>41.63</b>	<b>39.53</b>	<b>144.00</b>	<b>93.34</b>	<b>25.60</b>

### 4.1 Grant No. 38 Department Of Expenditure (Object Head Wise)

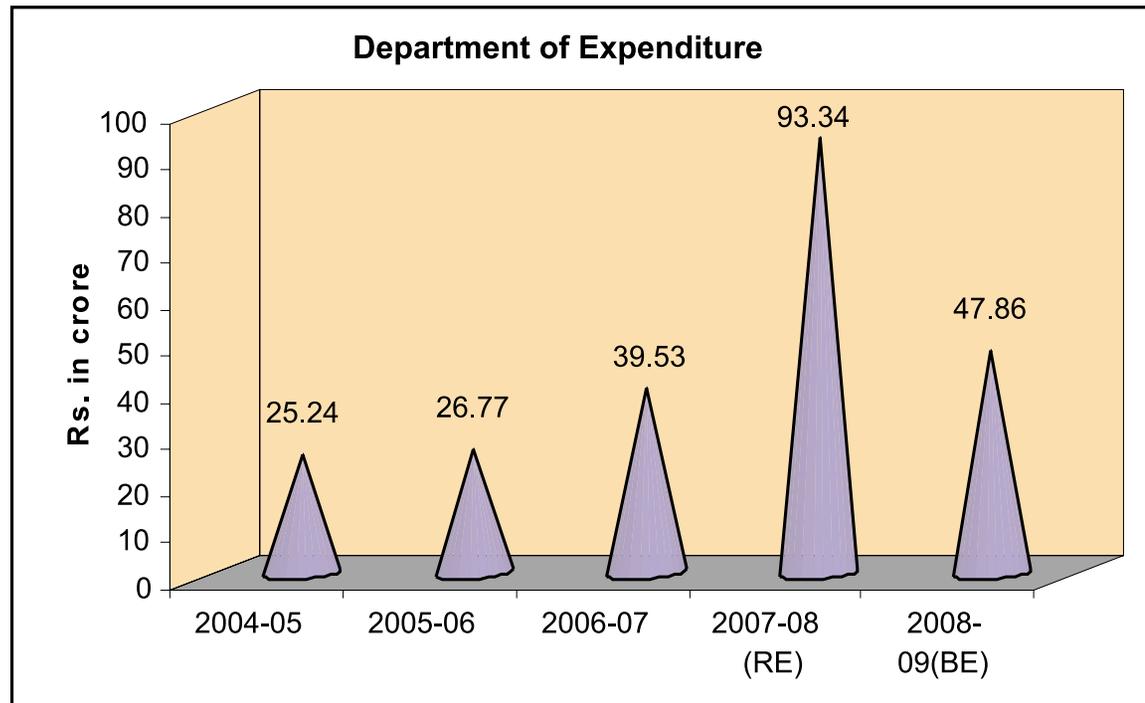
(Rs. in crore)

Sl. No.	Description	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals as on 31.12.07
1	Salaries	15.89	16.55	16.23	16.65	17.44	16.98	19.80	19.74	15.35
2	Wages	0.02	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00
3	Overtime Allowances	0.17	0.16	0.15	0.17	0.16	0.16	0.19	0.17	0.13
4	Medical treatment	0.63	0.48	0.41	0.53	0.55	0.38	0.57	0.65	0.28
5	Domestic Travel Expenses	0.79	0.63	0.64	0.74	1.02	0.93	1.84	1.79	0.68
6	Foreign Travel Expenses	0.53	0.76	0.55	0.62	0.64	0.52	1.29	1.28	0.40
7	Office Expenses	7.01	6.19	6.05	6.96	11.13	10.45	12.31	11.36	5.34
8	Rent, Rates & Taxes	-	-	-	-	0.60	0.60	1.60	1.60	0.96
9	Publication	0.22	0.20	0.14	0.22	0.22	0.22	0.22	0.25	0.19
10	Other Admn. Expenses	0.51	0.62	0.60	0.55	0.51	0.44	0.53	0.55	0.35
11	Advertising and Publicity	-	-	-	-	0.05	0.04	0.00	0.00	0.00
12	Minor Works	-	-	-	-	-	-	0.02	0.04	0.00
13	Professional Services	0.14	0.19	0.13	0.97	1.52	1.08	2.32	2.28	0.35
14	Grants-in-aid	1.90	1.86	1.86	2.03	2.03	2.03	2.40	2.15	1.20
15	Contribution	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
16	Loans and Advances	-	-	-	-	5.00	5.00	-	-	-
17	Funding for Plan schemes and projects of Ministries/Departments					-	-	100.00	50.00	0.00
18	Information Technology	-	-	-	-	0.70	0.69	0.75	1.47	0.36
	<b>TOTAL</b>	<b>27.82</b>	<b>27.65</b>	<b>26.77</b>	<b>29.45</b>	<b>41.63</b>	<b>39.53</b>	<b>144.00</b>	<b>93.34</b>	<b>25.60</b>

## 4.2 Analyses of Trends in Expenditure In

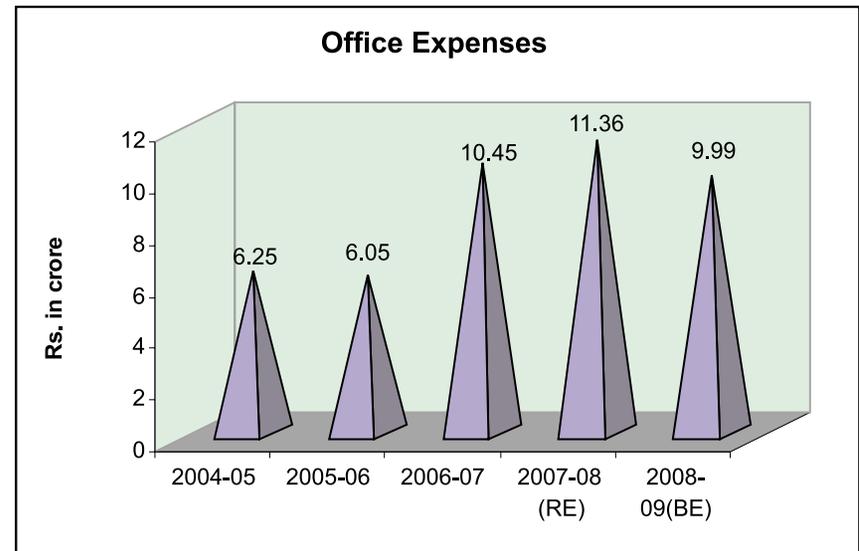
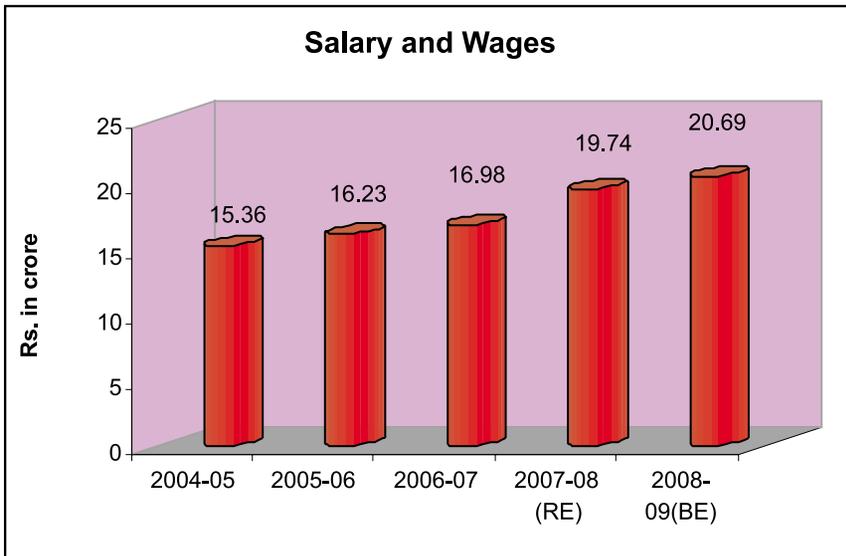
### 5.1 Grant No. 38 - Department of Expenditure

- During 2006-07, total expenditure of Rs. 39.53 crore was 47.67% more than the expenditure of Rs. 26.77 crore incurred in 2005-06. This higher growth in expenditure has been mainly due to a one time interest free loan of Rs. 5.00 crore disbursed to the Administrative Staff College of India, Hyderabad. In addition, an amount of Rs. 2.77 crore was also incurred on setting up of Sixth Central Pay Commission.
- In Revised Estimates 2007-08, a provision of Rs. 50.00 crore has been retained towards funding for Plan schemes and projects of Ministries/Departments. The expenditure under this head till December 2007 is Nil.



- Salary and Wages taken together constitute 43.3% of the provision as per BE 2008-09. Growth of Expenditure under this head in RE 2007-08 is expected to be 16.25% as compared to the actuals of the previous year.

- Office Expenses constitute 20.87% of the total provision as per BE 2008-09. Growth of Expenditure under this head in RE 2007-08 is expected to be 8.71% as compared to the actuals of the previous year.



**5 Grant No. 41 - Department Of Revenue (Major Head Wise)**

(Rs. in crore)

Description	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
Secretariat-General Services	2052	71.81	71.44	62.31	69.08	64.36	60.97	77.20	74.92	40.48
<b>Total</b>	<b>2052</b>	<b>71.81</b>	<b>71.44</b>	<b>62.31</b>	<b>69.08</b>	<b>64.36</b>	<b>60.97</b>	<b>77.20</b>	<b>74.92</b>	<b>40.48</b>
<b>Other Fiscal Services</b>										
Enforcement Directorate	2047	19.00	17.63	17.86	19.58	20.81	21.09	22.61	24.66	14.64
National Institute of Public Finance & Policy	2047	2.06	2.06	2.01	2.41	2.31	2.26	4.41	6.93	1.43
International Cooperation	2047	0.28	0.28	0.25	0.28	0.27	0.27	0.29	0.31	0.00
Other Expdtr.(ATFP/CESTAT)	2047	10.97	9.65	8.48	12.05	10.78	9.27	11.24	11.19	7.30
<b>Total</b>	<b>2047</b>	<b>32.31</b>	<b>29.62</b>	<b>28.60</b>	<b>34.32</b>	<b>34.17</b>	<b>32.89</b>	<b>38.55</b>	<b>43.09</b>	<b>23.37</b>
<b>Other Administrative Services</b>										
Narcotics Control	2070	18.78	18.74	17.61	18.60	18.40	18.10	19.35	21.36	17.50
International Cooperation etc.	2070	0.65	1.71	1.65	1.72	1.86	1.50	1.80	1.80	1.24
Transfer to National Fund for Control of Drug Abuse	2070	1.00	1.00	1.00	1.00	0.10	0.00	1.00	1.00	0.00
<b>Total</b>	<b>2070</b>	<b>20.43</b>	<b>21.45</b>	<b>20.26</b>	<b>21.32</b>	<b>20.36</b>	<b>19.60</b>	<b>22.15</b>	<b>24.16</b>	<b>18.74</b>

5 ( Continued) Grant No. 41 - Department Of Revenue (Major Head Wise)										(Rs. in crore)
Description	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
Opium & Alkaloids Factories										
Revenue Expenditure	2875	245.39	206.29	194.85	213.51	228.13	204.84	230.64	223.85	123.30
Chief Controller, Govt. Opium & Alkaloid Factories	2875	0.46	0.47	0.44	0.50	0.51	0.51	0.49	0.50	0.44
<b>Total</b>	<b>2875</b>	<b>245.85</b>	<b>206.76</b>	<b>195.29</b>	<b>214.01</b>	<b>228.64</b>	<b>205.35</b>	<b>231.13</b>	<b>224.35</b>	<b>123.74</b>
<b>Other Taxes &amp; Duties on Commodities &amp; Services</b>										
Collection of Inland Air Travel Tax	2045	3.00	0.30	0.65	0.00	0.00	13.36	9.90	9.90	0.00
Collection of Foreign Travel Tax	2045	0.45	0.65	0.19	0.00	0.00	0.13	0.10	0.10	0.00
<b>Total</b>	<b>2045</b>	<b>3.45</b>	<b>0.95</b>	<b>0.84</b>	<b>0.00</b>	<b>0.00</b>	<b>13.49</b>	<b>10.00</b>	<b>10.00</b>	<b>0.00</b>
<b>Collection of Taxes on Income &amp; Expenditure</b>										
Other Charges	2020	0.36	0.32	0.21	0.36	0.34	0.33	0.36	0.36	0.26
<b>Total</b>	<b>2020</b>	<b>0.36</b>	<b>0.32</b>	<b>0.21</b>	<b>0.36</b>	<b>0.34</b>	<b>0.33</b>	<b>0.36</b>	<b>0.36</b>	<b>0.26</b>
Grant-in-Aid to States (VAT)	3601	5000.00	2490.00	2471.27	2950.00	4080.00	4099.88	2940.00	3530.00	1338.12
Grant-in-Aid to UTs (VAT)	3602	0.00	10.00	0.00	50.00	20.00	0.00	55.00	5.00	0.00

5 ( Continued) Grant No. 41 - Department Of Revenue (Major Head Wise)										(Rs. in crore)
Description	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
Grant-in-Aid to States (CST)	3601	0.00	0.00	0.00	0.00	0.00	0.00	2400.00	2490.00	237.26
Grant-in-Aid to UTs (CST)	3602	0.00	0.00	0.00	0.00	0.00	0.00	100.00	10.00	0.00
<b>Total</b>		<b>5000.00</b>	<b>2500.00</b>	<b>2471.27</b>	<b>3000.00</b>	<b>4100.00</b>	<b>4099.88</b>	<b>5495.00</b>	<b>6035.00</b>	<b>1575.38</b>
<b>Aid Materials &amp; Equipment</b>	<b>3606</b>	<b>0.00</b>	<b>1.00</b>	<b>0.00</b>						
<b>Total (Revenue Section)</b>		<b>5374.21</b>	<b>2830.54</b>	<b>2778.78</b>	<b>3339.09</b>	<b>4447.87</b>	<b>4432.52</b>	<b>5874.39</b>	<b>6412.88</b>	<b>1781.96</b>
Capital Section										
Purchase of ready-built residential accomodation	4216	1.00	0.03	0.01	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>4216</b>	<b>1.00</b>	<b>0.03</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Purchase of ready-built office building	4059	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure	4875	4.05	1.43	0.80	2.06	1.24	0.54	1.47	1.02	0.11
<b>Total</b>	<b>4875</b>	<b>4.05</b>	<b>1.43</b>	<b>0.80</b>	<b>2.06</b>	<b>1.24</b>	<b>0.54</b>	<b>1.47</b>	<b>1.02</b>	<b>0.11</b>
<b>Total(Capital Section)</b>		<b>5.05</b>	<b>1.46</b>	<b>0.81</b>	<b>2.06</b>	<b>1.24</b>	<b>0.54</b>	<b>1.47</b>	<b>1.02</b>	<b>0.11</b>
<b>Grand Total</b>		<b>5379.26</b>	<b>2832.00</b>	<b>2779.59</b>	<b>3341.15</b>	<b>4449.11</b>	<b>4433.06</b>	<b>5875.86</b>	<b>6413.90</b>	<b>1782.07</b>
Less										
(I) Revenue Receipts		260.00	242.00	280.72	243.00	250.00	233.53	258.00	300.52	166.04
(ii) Recoveries		45.95	38.62	31.73	40.13	34.59	33.98	40.45	35.97	0.00
<b>Net</b>		<b>5073.31</b>	<b>2551.38</b>	<b>2467.14</b>	<b>3058.02</b>	<b>4164.52</b>	<b>4165.55</b>	<b>5577.41</b>	<b>6077.41</b>	<b>1616.03</b>

## 5.1 Grant No. 41 - Department Of Revenue (Object Head Wise)

(Rs. in crore)

Description	2005-06			2006-07			2007-08		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Revenue Section</b>									
Salary	72.43	71.49	70.18	74.31	75.20	75.16	78.13	83.66	62.45
Wages	0.50	0.38	0.33	0.32	0.32	0.24	0.33	0.29	0.18
Overtime Allowance	0.89	1.14	1.08	1.19	1.18	1.16	0.97	0.98	0.67
Pensionary Charges	0.78	0.77	0.79	0.78	0.78	0.80	0.80	0.79	0.00
Rewards	0.10	0.10	0.07	0.10	0.07	0.05	0.09	0.26	0.01
Medical Treatment	2.61	2.41	1.66	2.79	2.25	1.73	2.59	2.42	1.20
Domestic Travel Expenses	4.35	4.17	3.93	4.45	4.35	4.02	4.45	4.57	3.10
Foreign Travel Expenses	1.38	1.98	1.34	2.20	2.30	1.84	2.85	2.85	1.41
Office Expenses	16.98	18.87	19.13	20.20	20.95	20.80	21.51	23.90	14.30
Rent, Rates & Taxes	4.09	3.48	3.27	5.24	4.54	3.96	4.81	4.70	2.55
Publications	0.21	0.19	0.17	0.23	0.21	0.21	0.24	0.25	0.11
Banking Transaction Tax	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01
Other Administrative Services	1.38	1.42	1.27	1.73	1.90	1.17	1.94	1.55	0.55
Supplies & Material(Voted)	161.35	125.16	122.96	126.83	125.42	107.97	137.00	141.38	104.58
Supplies & Material(Charged)	0.00	0.00	0.00	0.00	23.00	20.93	0.00	0.00	0.00

5.1 (Continued) Grant No. 41 - Department Of Revenue										(Rs. in crore)
Description	2005-06			2006-07			2007-08			
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07	
Advertising & Publicity	1.05	0.44	0.37	0.29	0.08	0.02	0.28	0.08	0.01	
Minor Works	1.00	0.95	0.84	1.19	1.35	0.92	1.07	1.13	0.43	
Professional Services	5.12	6.61	6.39	5.82	6.03	6.33	6.98	7.43	4.82	
Other Contractual Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	
Grant-in-Aid	5008.41	2512.41	2480.91	3006.76	4105.91	4105.09	5508.76	6048.78	1579.16	
International Contribution	0.93	1.99	1.90	2.00	2.13	1.77	2.09	2.11	1.24	
Secret Service Expenditure	0.64	1.01	0.89	1.34	1.30	1.14	1.92	0.85	0.23	
Interest on Capital	15.75	17.65	15.86	22.24	17.74	17.84	20.10	19.85	0.00	
Other Charges										
Charged	0.02	0.02	0.00	0.02	0.02	0.00	0.02	0.02	0.00	
Voted	22.60	12.53	7.78	6.80	8.79	18.86	23.62	19.02	2.80	
Machinery & Equipment	0.06	0.02	0.02	0.05	0.04	0.04	0.04	0.04	0.00	
Inter Account Transfer	47.56	41.16	34.18	42.72	36.23	35.42	43.05	37.86	0.00	
Information Technology	4.02	4.19	3.46	9.49	5.78	5.04	10.75	7.11	2.15	
<b>Total - Revenue Section</b>	<b>5374.21</b>	<b>2830.54</b>	<b>2778.78</b>	<b>3339.09</b>	<b>4447.87</b>	<b>4432.52</b>	<b>5874.39</b>	<b>6412.88</b>	<b>1781.96</b>	
Charged	0.02	0.02	0.00	0.02	23.02	20.93	0.02	0.02	0.00	
Voted	5374.19	2830.52	2778.78	3339.07	4424.85	4411.59	5874.37	6412.86	1781.96	

5.1 (Continued) Grant No. 41 - Department Of Revenue										(Rs. in crore)
Description	2005-06			2006-07			2007-08			
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07	
Capital Section										
Machinery & Equipment	1.74	0.85	0.65	1.07	0.74	0.12	0.87	0.42	0.01	
Major Works	2.31	0.58	0.15	0.99	0.50	0.42	0.60	0.60	0.10	
Investment	1.00	0.03	0.01	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Total - Capital Section</b>	<b>5.05</b>	<b>1.46</b>	<b>0.81</b>	<b>2.06</b>	<b>1.24</b>	<b>0.54</b>	<b>1.47</b>	<b>1.02</b>	<b>0.11</b>	
<b>Grand Total</b>	<b>5379.26</b>	<b>2832.00</b>	<b>2779.59</b>	<b>3341.15</b>	<b>4449.11</b>	<b>4433.06</b>	<b>5875.86</b>	<b>6413.90</b>	<b>1782.07</b>	
Charged	0.02	0.02	0.00	0.02	23.02	20.93	0.02	0.02	0.00	
Voted	5379.24	2831.98	2779.59	3341.13	4426.09	4412.13	5875.84	6413.88	1782.07	

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

(Rs. in crore)

Description	2005-06			2006-07			2007-08		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec.07
VAT* - MH2052	23.00	20.00	13.35	9.00	8.25	6.50	14.00	14.00	3.78
VAT/CST** - 3601/3602	5000.00	2500.00	2471.27	3000.00	4100.00	4099.88	5495.00	6035.00	1575.38
Non-VAT	356.26	312.00	294.97	332.15	340.61	326.68	366.86	364.90	202.91
<b>Total</b>	<b>5379.26</b>	<b>2832.00</b>	<b>2779.59</b>	<b>3341.15</b>	<b>4449.11</b>	<b>4433.06</b>	<b>5875.86</b>	<b>6413.90</b>	<b>1782.07</b>
Non-VAT/CST	356.26	312.00	294.97	332.15	340.61	326.68	366.86	364.90	202.91
CCF(GOAWs)									
2875	245.85	206.76	195.29	214.01	228.64	205.35	231.13	224.35	123.74
4875	4.05	1.43	0.80	2.06	1.24	0.54	1.47	1.02	0.11
Others *** - Non-VAT/CST and Non -GOAWs	106.36	103.81	98.88	116.08	110.73	120.79	134.26	139.53	79.06
Total -Salary	72.43	71.49	70.18	74.31	75.20	75.16	78.13	83.66	62.45
Non-Salary	5306.83	2760.51	2709.41	3266.84	4373.91	4357.90	5797.73	6330.24	1719.62

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

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

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

### 5.3 Trends in Expenditure

Salary expenditure (actual) increased in 2006-07 by 7.10% over 2005-06 whereas non-salary expenditure increased by 60.84% during the same period mainly on account of VAT related expenditure. During 2006-07, the VAT related expenditure & grants to States towards VAT compensation constitute the very major portion of expenditure i.e. 92.63% of total expenditure under Grant No.41 - Department of Revenue. In 2006-07, VAT Compensation of Rs.4092.13 crores was released to State Governments. An expenditure of Rs.1575.38 crores

has been incurred up to December, 2007 in Financial Year 2007-08 towards Compensation to States for revenue loss due to introduction of VAT and phasing out of CST. Therefore, up to December 2007, total VAT Compensation of Rs.7,901.52 crores has been provided to State Governments and CST Compensation amounting to Rs.237.36 crore has been provided, as detailed below:

#### VAT Compensation

(Rs. in crore)

Sr. No.	Name of State Government	Compensation paid in 2005-06	Compensation paid in 2006-07	Compensation paid in 2007-08 up to Dec. 2007	Total Compensation	Pending claims as on 31st Dec. 07
1.	Andhra Pradesh	404.06	0.00	1.88	405.94	0.00
2.	Assam	0.00	0.00	0.00	0.00	152.22
3.	Bihar	165.87	78.23	0.00	244.10	0.00
4.	Chhattisgarh	0.00	0.00	0.00	0.00	138.96
5.	Haryana	0.00	0.00	0.00	0.00	98.41
6.	Karnataka	1038.92	625.36	0.00	1664.28	354.71
7.	Kerala	456.47	426.23	0.00	882.70	422.24
8.	Madhya Pradesh	0.00	0.00	46.24	46.24	0.00
9.	Maharashtra	259.89	2814.72	0.00	3074.61	4011.70
10.	Sikkim	1.84	4.03	0.00	5.87	8.12
11.	Tripura	5.12	3.81	0.00	8.93	11.10
12.	West Bengal	139.10	139.75	0.00	278.85	100.58
13.	Tamil Nadu	0.00	0.00	1290.00	1290.00	750.00
	<b>Total</b>	<b>2471.27</b>	<b>4092.13</b>	<b>1338.12</b>	<b>7901.52</b>	<b>6048.04</b>

5.4 CST Compensation

(Rs. in crore)

Sr. No.	Name of State Government	Claims for 2007-08 received so far	Compensation paid in 2007-08 up to Dec, 2007	Pending claims as on 31st Dec. 07
1.	Assam	70.89	0.00	70.89
2.	Chhattisgarh	273.28	0.00	273.28
3.	Delhi	184.57	0.00	184.57
4.	Gujarat	273.44	131.73	141.71
5.	Jharkhand	55.86	0.00	55.86
6.	Karnataka	618.41	0.00	618.41
7.	Orissa	131.53	0.00	131.53
8.	Rajasthan	103.90	0.00	103.90
9.	Tamil Nadu	438.36	105.53	332.83
	<b>Total</b>	<b>2150.24</b>	<b>237.26</b>	<b>1912.98</b>

5.5 The overall financial performance during 2005-06, 2006-07 and 2007-08 (up to December, 2007) has been as under:-

(Rs. in crore)

Scheme	2005-06			2006-07			2007-08		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actual upto Dec.07
Implementation of VAT Scheme	17.00	10.00	5.74	5.00	5.00	3.90	5.00	7.50	1.78
Setting up of Tax Information Exchange System etc.	6.00	10.00	7.61	4.00	3.25	2.60	9.00	6.50	2.00
Compensation to States/UTs for revenue losses due to introduction of VAT and other VAT related expenditure	5000.00	2500.00	2471.27	3000.00	4100.00	4099.88	2995.00	3535.00	1338.12
Compensation to State/UTs for revenue losses due to phasing out of CST	0.00	0.00	0.00	0.00	0.00	0.00	2500.00	2500.00	237.26
<b>Total</b>	<b>5023.00</b>	<b>2520.00</b>	<b>2484.62</b>	<b>3009.00</b>	<b>4108.25</b>	<b>4106.38</b>	<b>5509.00</b>	<b>6049.00</b>	<b>1579.16</b>

### Government Opium and Alkaloid Works:

The position of actual expenditure in 2005-06 and 2006-07 vis-à-vis R.E. 2007-08 on gross expenditure and revenue receipts has been as under:

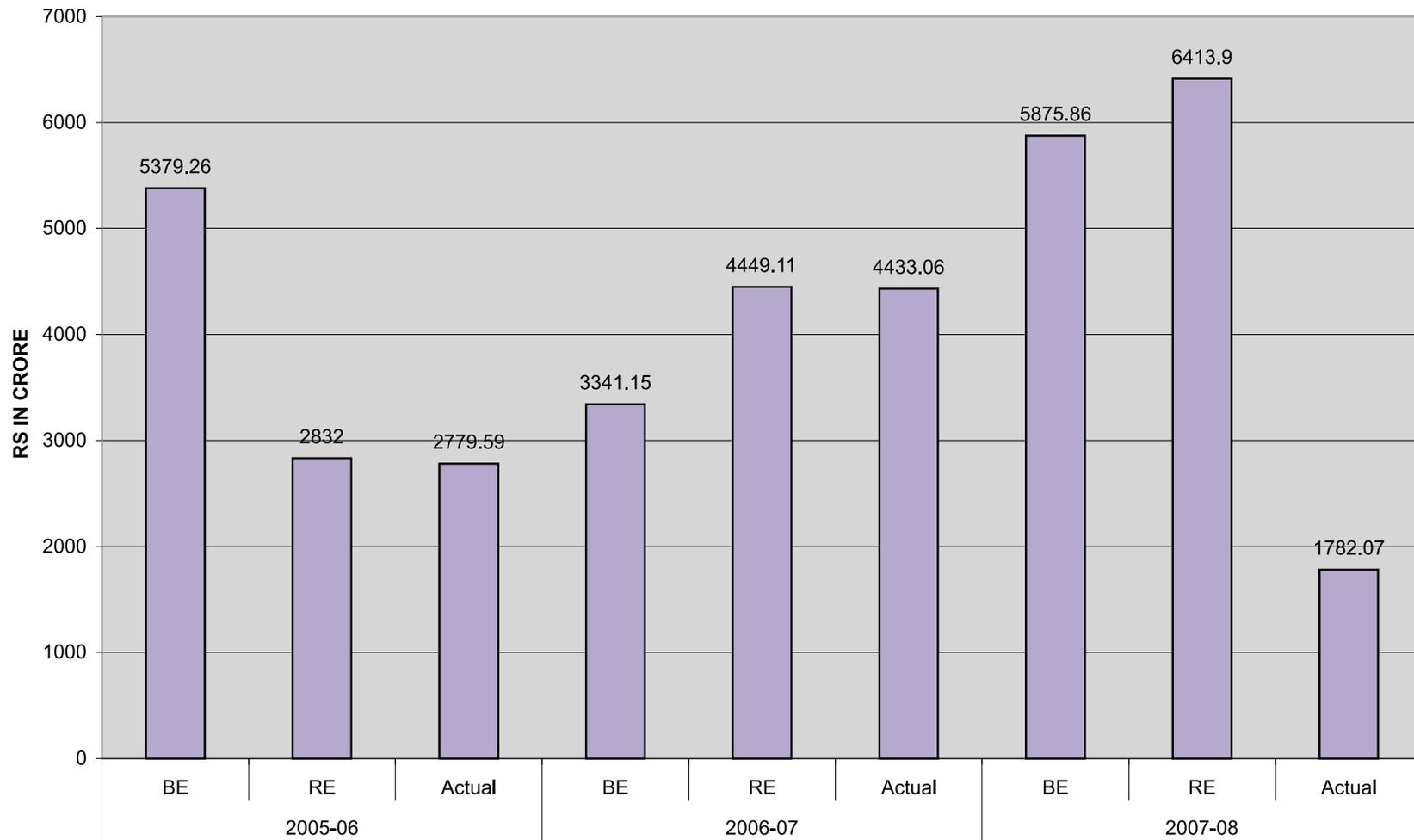
(Rs. in crore)

Year	Expenditure			Receipts		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals
2005-06	245.85	206.76	195.29	260.00	242.00	280.72
2006-07	214.01	228.64	205.35	243.00	250.00	233.53
2007-08	231.13	224.35	123.74 (up to Dec. 07)	258.00	300.52	166.04 (up to Dec. 07)

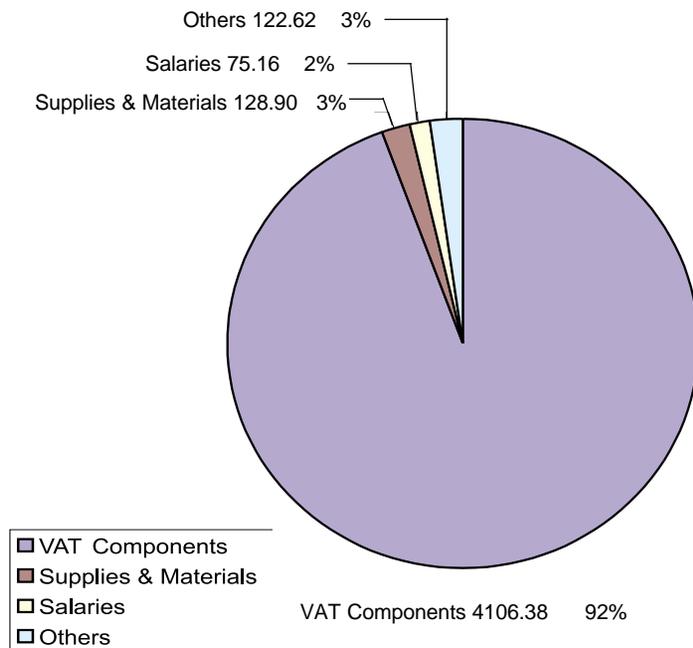
After VAT, the second major constituent of expenditure is on Govt. Opium & Alkaloid Works which constituted 4.63% of total expenditure in 2006-07. Reduction at R.E. stage in 2007-08 is due to

less procurement of opium. Against actual revenue receipt of Rs.233.53 crore in financial year 2006-07, the R.E. of revenue receipts in the financial year 2007-08 is Rs.300.52 crore.

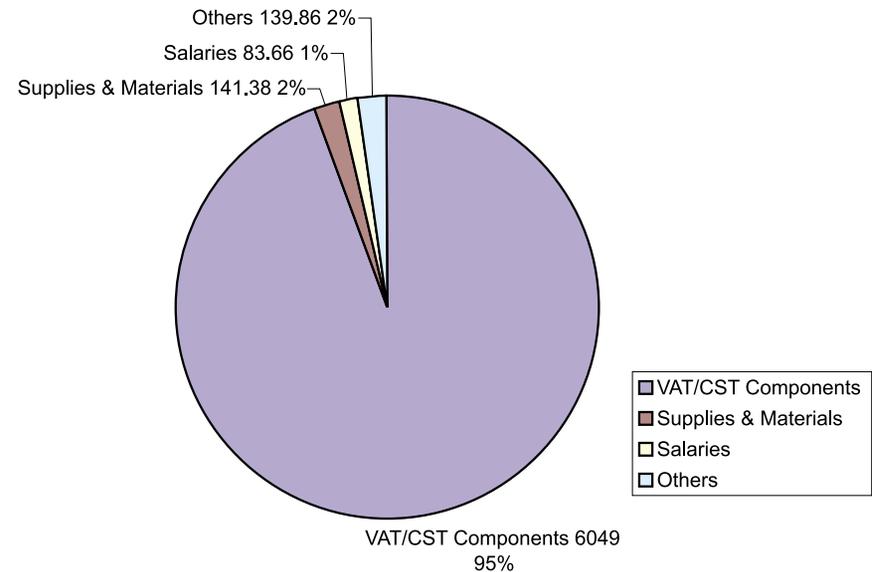
### 5.6 Allocation Made and Actual Expenditure incurred during 2005-06, 2006-07 and 2007-08



**Actuals (Rs. in crore) 2006-07**



**RE(Rs.in Crore) 2007-08**



5.7 The actual expenditure under the grant in 2006-07 amounted to Rs.4433.06 crore. The Compensation to State Governments on account of Revenue loss due to introduction of VAT and VAT related expenditure amounted to Rs.4106.38 crore constituting 92.63% of the expenditure, Supply and material was the next major component under which expenditure of Rs.128.90 crore was incurred constituting 2.90% of the total expenditure. This expenditure is mainly on account of procurement of opium and import of Codeine Phosphate. The expenditure on salaries is 1.70% of the total expenditure whereas other items constitute 2.77% of the total expenditure.

5.8 In the Revised Estimates 2007-08, the VAT/CST Compensation and VAT related expenditure has increased to Rs.6049 crore constituting 94.31% of the total Revised Estimates of Rs.6413.90 crore. The next major component is Supplies & Materials amount to Rs.141.38 crore constituting 2.20% of the Revised Estimates. The Revised Estimates on salaries constitute 1.30% and other items constitute 2.19% of the Revised Estimates.

**6 Grant No. 42 - Direct Taxes (Major Headwise)**

(Rs. in crore)

Description	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Revenue Section</b>										
Collection of taxes on income and expenditure	2020	1066.31	1102.47	1089.94	1194.34	1253.82	1233.61	1391.44	1593.27	988.81
Collection of Estate Duty, Taxes on Wealth and Gift Tax	2031	99.69	103.07	104.01	111.66	117.23	114.86	130.09	148.96	92.45
<b>Total Revenue Section</b>		<b>1166.00</b>	<b>1205.54</b>	<b>1193.95</b>	<b>1306.00</b>	<b>1371.05</b>	<b>1348.47</b>	<b>1521.53</b>	<b>1742.23</b>	<b>1081.26</b>
<b>Capital Section</b>										
Purchase of ready built office building	4059	66.00	18.00	14.50	19.00	7.45	2.63	1.00	7.00	0.03
Purchase of ready built residential building	4216	16.00	4.50	0.10	7.00	1.20	1.25	7.47	1.19	0.00
Acquisition of immovable property under Income Tax Act	4075	2.00	2.00	1.28	2.00	1.65	1.02	2.00	2.00	0.33
<b>Total Capital Section</b>		<b>84.00</b>	<b>24.50</b>	<b>15.88</b>	<b>28.00</b>	<b>10.30</b>	<b>4.90</b>	<b>10.47</b>	<b>10.19</b>	<b>0.36</b>
<b>Grand Total</b>		<b>1250.00</b>	<b>1230.04</b>	<b>1209.83</b>	<b>1334.00</b>	<b>1381.35</b>	<b>1353.37</b>	<b>1532.00</b>	<b>1752.42</b>	<b>1081.62</b>

## 6.1 Grant No. 42 - Direct Taxes (Object Head wise)

(Rs. in crore)

Description	2005-06			2006-07			2007-08		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Revenue Section</b>									
Salaries	770.00	800.00	806.66	824.00	840.00	832.59	910.00	899.83	728.64
Wages	8.50	8.50	8.53	9.00	10.00	10.07	10.00	12.00	8.85
Overtime Allowance	1.25	1.25	1.07	1.30	1.20	0.93	1.35	1.20	0.54
Medical Treatment	25.00	16.00	12.87	20.00	17.00	15.93	18.00	20.00	12.67
Domestic Travel Expenses	21.00	21.00	19.96	23.00	23.00	21.68	25.00	24.59	15.81
Foreign Travel Expenses	0.12	0.12	0.02	0.12	0.15	0.11	0.15	0.56	0.10
Office Expenses (Charges)	0.02	0.02	-	0.02	0.02	-	0.02	0.02	-
Office Expenses (Voted)	204.46	165.60	178.27	160.16	223.90	228.73	221.98	308.50	154.19
Rent, Rates & Taxes	52.50	52.00	49.58	55.00	95.00	85.13	100.00	250.00	39.96
Publications	2.50	2.00	1.91	2.00	2.00	1.89	2.00	2.50	0.87
Banking Cash Trans. Tax	-	-	0.07	-	0.08	0.07	0.08	0.08	0.02
Other Administrative Expenses	4.50	4.50	4.09	4.75	4.60	4.47	5.25	5.50	3.80
Advertising and Publicity	10.00	30.00	24.57	20.00	30.00	25.24	32.00	31.75	7.92
Minor Works	5.50	3.00	2.60	4.00	4.00	3.50	4.00	6.50	1.33
Professional Works	7.00	6.00	5.97	7.00	8.00	9.23	10.00	14.50	8.39
Contributions	0.15	0.15	0.13	0.15	0.15	0.13	0.20	0.20	0.02
Secret Service Expenditure	1.50	2.00	1.98	3.00	3.70	3.42	5.00	5.00	2.35
Other Charges	4.00	4.00	2.20	4.00	4.25	3.93	4.50	4.50	1.33
Inter Account Transfer	-	-	-	30.00	30.00	30.00	30.00	30.00	30.00
Information Technology	48.00	89.40	73.47	138.50	74.00	71.40	142.00	125.00	64.47
<b>TOTAL (REVENUE)</b>	<b>1166.00</b>	<b>1205.54</b>	<b>1193.95</b>	<b>1306.00</b>	<b>1371.05</b>	<b>1348.47</b>	<b>1521.53</b>	<b>1742.23</b>	<b>1081.26</b>

**6.1 (Continued) Grant No. 42 - Direct Taxes (Object Head wise)**

(Rs. in crore)									
Description	2005-06			2006-07			2007-08		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec.07
<b>Capital Section</b>									
MH-4059 Acquisition of Ready Built Office Accommodation	66.00	18.00	14.50	19.00	7.45	2.63	1.00	7.00	0.03
MH-4216 Acquisition of Ready Build Flats	16.00	4.50	0.10	7.00	1.20	1.25	7.47	1.19	-
MH-4075 Acquisition of Immovable Property under Chapter XXC of Income Tax Act 1961	2.00	2.00	1.28	2.00	1.65	1.02	2.00	2.00	0.33
<b>Total Capital Section</b>	<b>84.00</b>	<b>24.50</b>	<b>15.88</b>	<b>28.00</b>	<b>10.30</b>	<b>4.90</b>	<b>10.47</b>	<b>10.19</b>	<b>0.36</b>
<b>GRAND TOTAL</b>	<b>1250.00</b>	<b>1230.04</b>	<b>1209.83</b>	<b>1334.00</b>	<b>1381.35</b>	<b>1353.37</b>	<b>1532.00</b>	<b>1752.42</b>	<b>1081.62</b>

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

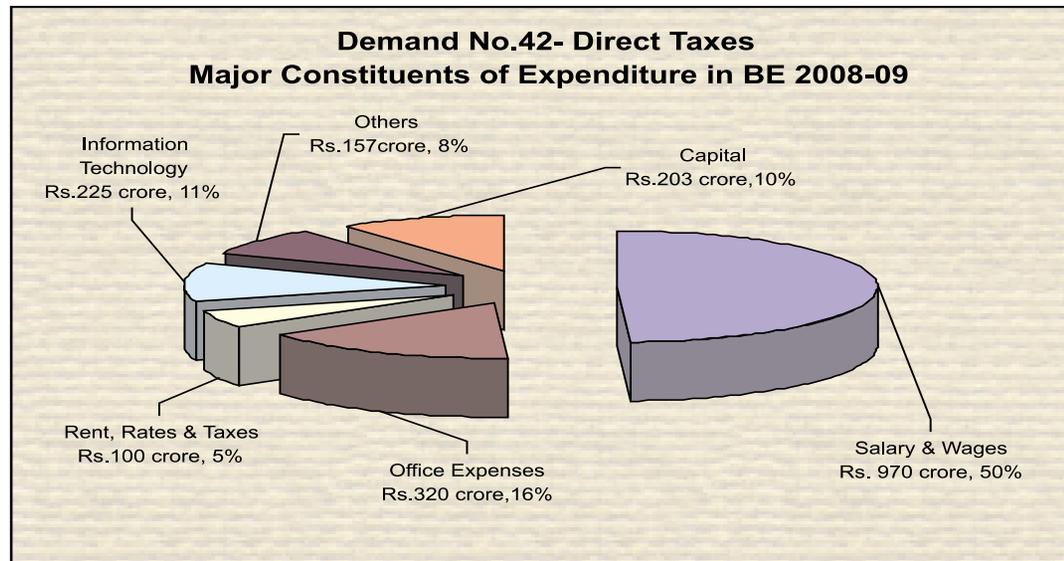
6.2.1 During 2006-07, total expenditure of Rs. 1353.37 crore was 11.86% more than the expenditure of Rs.1209.83 crore incurred in 2005-06. In 'Revenue Section', the increase was 12.94% which was mainly due to the enhancement of 'Salary and Wages', more expenditure on 'Office Expenses', 'Rent Rates & Taxes', 'Advertising and Publicity' and 'Reimbursement of Medical Treatment' etc.

6.2.2 Under 'Capital Section', the expenditure in 2006-07 decreased to Rs. 4.90 crore from the level of Rs. 15.88 crore in 2005-06. This was because of non-materialization of the Works for office accommodation at Mumbai, Kolhapur and Pollachi, Coimbatore and also due to non-materialization of a proposal regarding purchase of ready built flats at NOIDA.

6.2.3 In RE 2007-08, total estimated expenditure of Rs.1752.42 crore is Rs. 14.39% more than the BE provision of Rs. 1532.00 crore. This is due to the over all effect of 15.17% increase under 'Revenue Section' and decrease of 2.67% under 'Capital Section'.

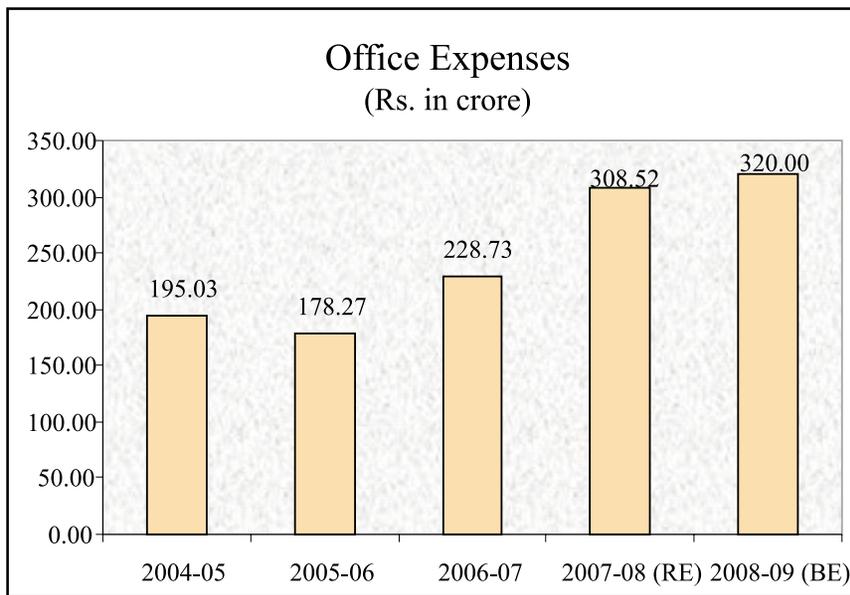
6.2.4 Under 'Revenue Section', total expenditure in RE 2007-08 is estimated to be Rs. 1742.23 crore which is Rs. 220.68 crore more than the BE provision. The additional requirement is mainly on account of 'Rent Rates & Taxes', 'Office Expenses', 'Wages', 'Medical Treatment' and 'Minor Works'.

6.2.5 In Budget Estimates 2008-09, a total provision of Rs.1975.00 crore (Rs. 1772 crore under Revenue and Rs. 203 crore under Capital) has been proposed which is 12.69% higher than RE 2007-08. Major constituents of expenditure in BE 2008-09 are shown as under:



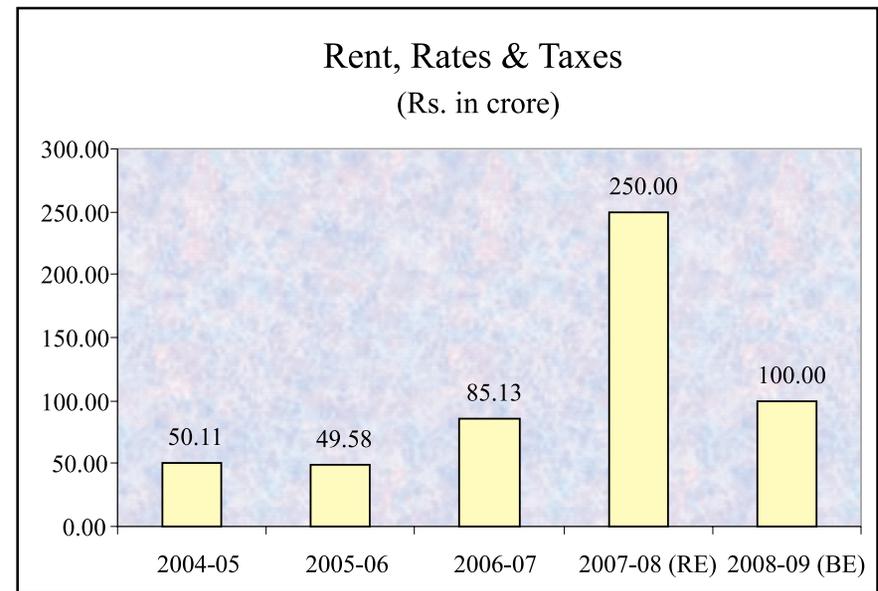
### 6.2.6 Expenditure Trend : Office Expenses

Office Expenses are required to meet the requirements of running of field offices of the Income Tax Department which are responsible for collection of Direct Taxes. The trend of expenditure under this Object head over the years has varied as per the activities undertaken by the Department. The requirement under Revised Estimates 2007-08 is Rs. 79.79 crore more as compared to the actual expenditure during 2006-07. To meet the committed liabilities on account of more activity in view of increase in collection of Direct Taxes, pending printing bills, purchase and hiring of additional vehicles, conveyance to Income tax Inspectors, printing of income tax return forms and expenses on other stationery etc.



### 6.2.7 Expenditure Trend: 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. Therefore, the provision has been enhanced to Rs. 250.00 crore in Revised Estimates 2006-07 to meet the liabilities accrued on this account which are mainly falling under the charge of the Chief Commissioner of Income Tax, Mumbai.

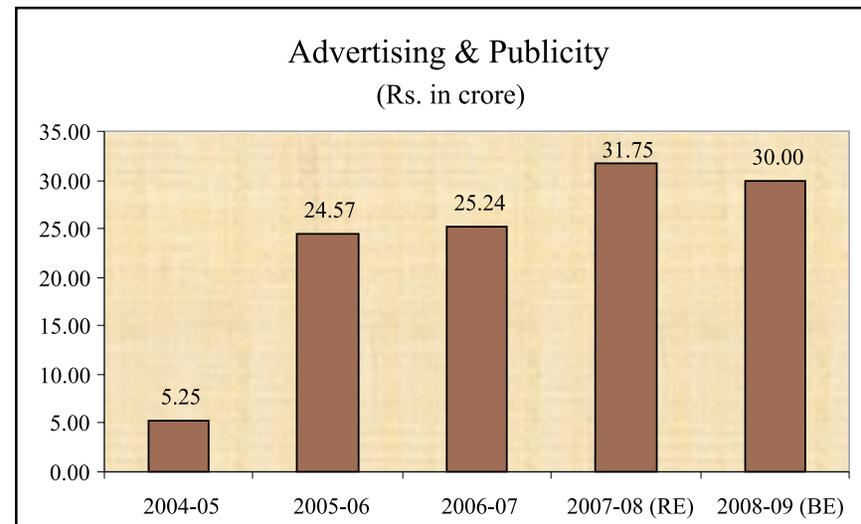
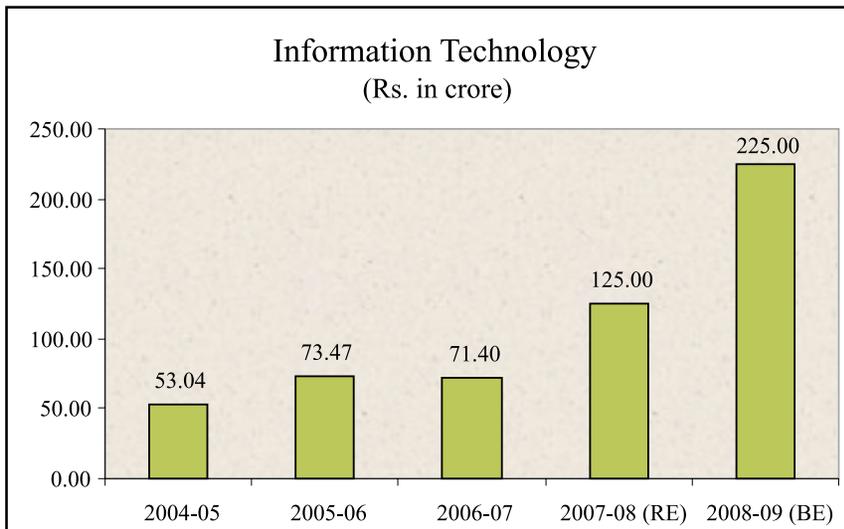


### 6.2.8 Expenditure Trend: Information Technology

After the approval of Third Phase of Computerisation Plan of the Income Tax Department in December 2002 at a cost of Rs.251.56 crore, expenditure under the head 'Information Technology (Office Expenses)' has consistently been growing. An additional sanction of Rs. 442.03 crore was granted by the Cabinet in 2005-06 to include expenses on running and managing the All India Income Tax Network, National Data Centre, Business Continuity Planning Site, Disaster Recovery Site, Facilities Management Services etc. The expenditure under this head in RE 2007-08 is estimated at Rs. 125.00 crore which is 75% higher as compared to the expenditure incurred in 2006-07. In view of the new projects being undertaken by the Department, the provision in BE 2008-09 is proposed to be Rs. 225.00 crore.

### 6.2.9 Expenditure Trend: Advertising and Publicity

The Department has undertaken many publicity related initiatives to reach the wide span of taxpayers across the country. Publicity campaigns have focussed on increasing awareness among the taxpayers of various schemes of the Department viz-a-viz. Help Centres, E-filing, PAN De-duplication, E-TDS, and Tax Return Preparer Scheme etc. In RE 2007-08, the expenditure under this head is estimated at Rs. 31.75 crore which is 26% higher than the actual expenditure incurred in 2006-07.



**7 Grant No. 43 Indirect Taxes ( Major Head wise )**

(Rs. in crore)										
Description	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Revenue Section</b>										
Collection of Customs	2037	504.42	490.13	454.46	530.55	503.15	473.59	520.87	536.35	375.87
Customs Welfare Fund	2037	10.00	10.75	10.75	10.00	10.00	9.81	10.00	10.00	0.00
Missions Abroad	2037	0.80	0.80	0.80	0.90	0.90	0.90	1.05	1.05	1.04
Collection of Union Excise Duties	2038	793.92	821.79	807.78	845.36	882.15	867.40	945.65	988.44	754.23
Printing of Banderols etc.	2038	0.10	0.05	0.08	0.02	0.02	0.00	0.02	0.02	0.00
Directorate of Inspection	2038	95.74	55.22	31.44	160.57	107.35	43.68	137.44	135.37	22.58
Vigilance	2038	4.53	4.52	3.72	4.69	4.37	3.88	4.64	4.70	3.13
National Academy of Customs, Excise & Narcotics	2038	9.93	10.40	10.04	10.33	11.34	10.02	14.97	16.42	8.40
Directorate of Publicity & Public Relations	2038	15.42	30.65	20.99	21.07	28.26	27.01	26.41	24.41	2.10
Directorate of Central Excise	2038	17.24	17.99	15.41	18.67	18.33	17.06	18.83	22.14	14.42
Intelligence										
Other Offices	2038	6.07	5.86	5.24	6.10	5.79	5.45	5.92	6.10	3.85
Housing - Maintenance & Repair	2216	1.50	1.50	0.58	2.40	3.25	1.18	4.50	5.00	0.61
Aid Material & Equipment	3606	0.00	1.00	0.62	5.23	2.20	1.88	0.50	0.50	0.00
<b>Total- Revenue Section</b>		<b>1459.67</b>	<b>1450.66</b>	<b>1361.91</b>	<b>1615.89</b>	<b>1577.11</b>	<b>1461.86</b>	<b>1690.80</b>	<b>1750.50</b>	<b>1186.23</b>

7 (Continued) Grant No. 43 Indirect Taxes ( Major Head wise )										(Rs. in crore)
Description	Major Head	2005-06			2006-07			2007-08		
		B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Capital Section</b>										
Acquisition of Marine Vessels	4047	35.68	0.00	0.00	35.68	20.00	19.90	50.00	50.00	8.57
Acquisition of Container Scanners	4047	100.00	5.79	1.05	20.00	6.00	4.97	50.00	15.00	0.00
Major Works	4047	0.05	0.05	0.00	0.25	0.25	0.00	0.20	0.20	0.00
Acquisition of Ready Built Office Buildings	4059	33.00	2.00	0.01	33.00	17.34	16.14	25.00	6.00	0.00
Acquisition of Ready Built Residential Buildings	4216	20.00	10.00	5.77	10.00	12.00	4.55	15.00	8.00	0.00
<b>Total- Capital Section</b>		<b>188.73</b>	<b>17.84</b>	<b>6.83</b>	<b>98.93</b>	<b>55.59</b>	<b>45.56</b>	<b>140.20</b>	<b>79.20</b>	<b>8.57</b>
<b>Grand Total</b>		<b>1648.40</b>	<b>1468.50</b>	<b>1368.74</b>	<b>1714.82</b>	<b>1632.70</b>	<b>1507.42</b>	<b>1831.00</b>	<b>1829.70</b>	<b>1194.80</b>
Recoveries		-0.50	-1.50	-0.98	-5.73	-2.70	-2.18	-1.00	-1.00	0.00
<b>Net</b>		<b>1647.90</b>	<b>1467.00</b>	<b>1367.76</b>	<b>1709.09</b>	<b>1630.00</b>	<b>1505.24</b>	<b>1830.00</b>	<b>1828.70</b>	<b>1194.80</b>

**7.1 Grant No. 43 Indirect Taxes (Object Head Wise)**

(Rs. in crore)

Description	2005-06			2006-07			2007-08		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Revenue Section</b>									
Salaries	968.41	985.00	977.17	1016.60	1060.00	1046.35	1100.00	1150.00	944.78
Wages	10.74	9.00	7.18	8.80	7.40	6.28	7.70	7.29	5.16
Overtime Allowance	16.98	16.00	12.75	16.00	14.50	12.44	15.00	13.50	7.97
Rewards	25.63	23.75	16.15	22.00	20.00	15.86	20.00	19.00	8.33
Medical Treatment	27.11	26.00	21.09	25.00	24.70	22.58	25.00	24.80	15.02
Domestic Travel Expenses	33.12	33.65	31.95	35.30	35.80	32.50	37.30	35.80	22.49
Foreign Travel Expenses	0.50	0.50	0.35	0.60	0.60	0.22	0.60	0.60	0.21
Office Expenses	144.80	150.97	146.55	152.81	153.13	154.28	195.42	195.00	113.83
Rent, Rates & Taxes	71.78	73.00	58.16	100.00	73.00	62.90	74.00	88.10	35.97
Publications	0.72	0.76	0.95	0.76	0.80	0.65	0.85	0.86	0.14
Banking Cash Transaction Tax	0.00	0.00	0.00	0.00	0.00	0.24	0.29	0.26	0.06
Other Administrative Expenses	4.01	3.90	3.49	4.18	4.58	4.10	4.35	4.40	2.89
Advertising & Publicity	15.00	30.00	18.55	20.00	27.00	24.47	25.00	22.50	0.29
Minor Works	1.50	3.17	1.82	4.07	4.95	3.29	7.50	9.00	0.83
Professional Services	10.30	10.11	7.46	9.50	10.00	8.30	10.00	11.00	3.18
Other Contractual Services	0.00	1.00	0.62	5.23	2.20	1.88	0.50	0.50	0.00
Grants-in-Aid	0.07	0.07	0.05	0.07	0.08	0.05	0.07	0.07	0.01

7.1 (Continued) Grant No. 43 Indirect Taxes (Object Head Wise)										(Rs. in crore)
Description	2005-06			2006-07			2007-08			
	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Exp. upto Dec. 07	
Secret Service Expenditure	3.35	3.35	3.21	3.70	3.70	3.26	3.80	3.80	2.40	
Other Charges										
(Charged)	1.00	1.00	0.56	1.00	1.00	0.76	1.00	1.00	0.00	
(Voted)	1.24	1.18	1.42	1.27	1.27	2.87	1.42	2.02	1.63	
Machinery & Equipment	10.25	11.00	9.05	14.00	12.40	6.61	10.00	13.00	5.65	
Inter Accounts Transfer	22.00	22.75	22.75	22.50	22.50	22.31	23.30	24.00	0.00	
Deduct Recoveries	12.00	12.00	12.00	12.50	12.50	12.50	13.30	14.00	0.00	
Information Technology										
Office Expenses	103.16	56.50	32.63	165.00	110.00	42.16	141.00	138.00	15.39	
<b>Total - Revenue Section</b>	<b>1459.67</b>	<b>1450.66</b>	<b>1361.91</b>	<b>1615.89</b>	<b>1577.11</b>	<b>1461.86</b>	<b>1690.80</b>	<b>1750.50</b>	<b>1186.23</b>	
<b>CAPITAL SECTION</b>										
I. Major Head '4047'										
Acquisition of Ships & Fleets	35.68	0.00	0.00	35.68	20.00	19.90	50.00	50.00	8.57	
Acquisition of Anti Smuggling Equipment	100.00	5.79	1.05	20.00	6.00	4.97	50.00	15.00	0.00	
Major Works	0.05	0.05	0.00	0.25	0.25	0.00	0.20	0.20	0.00	
<b>Total - Major Head '4047'</b>	<b>135.73</b>	<b>5.84</b>	<b>1.05</b>	<b>55.93</b>	<b>26.25</b>	<b>24.87</b>	<b>100.20</b>	<b>65.20</b>	<b>8.57</b>	

7.1 (Continued) Grant No. 43 Indirect Taxes (Object Head Wise)										(Rs. in crore)
Description	2005-06			2006-07			2007-08			
	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Expend.	B.E.	R.E.	Actual Exp. upto Dec. 07	
<b>II. Major Head '4059'</b>										
Purchase of Ready Built Office Accommodation	33.00	2.00	0.01	33.00	17.34	16.14	25.00	6.00	0.00	
<b>III. Major Head '4216'</b>										
Purchase of Ready Built Residential Accommodation	20.00	10.00	5.77	10.00	12.00	4.55	15.00	8.00	0.00	
<b>Total - Capital Section</b>	<b>188.73</b>	<b>17.84</b>	<b>6.83</b>	<b>98.93</b>	<b>55.59</b>	<b>45.56</b>	<b>140.20</b>	<b>79.20</b>	<b>8.57</b>	
<b>Grand Total</b>	<b>1648.40</b>	<b>1468.50</b>	<b>1368.74</b>	<b>1714.82</b>	<b>1632.70</b>	<b>1507.42</b>	<b>1831.00</b>	<b>1829.70</b>	<b>1194.80</b>	
Recoveries	0.50	1.50	0.98	5.73	2.70	2.18	1.00	1.00	0.00	
<b>Net</b>	<b>1647.90</b>	<b>1467.00</b>	<b>1367.76</b>	<b>1709.09</b>	<b>1630.00</b>	<b>1505.24</b>	<b>1830.00</b>	<b>1828.70</b>	<b>1194.80</b>	

## 7.2 Demand No. 43-Indirect Taxes Analysis of Expenditure

7.2.1 During 2006-07, total expenditure of Rs.1507.42 crore was 10.13% more than the expenditure of Rs.1368.74 crore incurred in 2005-06. In Revenue Section, the increase is 7.34% which is mainly due to enhancement of pay and allowances, increase in rents, publicity campaign about Service Tax and on computerization projects.

7.2.2 Under Capital Section, there is an increase of 567.20% in 2006-07 vis-a-vis expenditure in 2005-06. This is on account of payment towards purchase of office accommodation at Mumbai, mobilization advances for purchase of Category-I, III-A and III-B marine vessels, and payment towards container scanners during the year.

7.2.3 In 2007-08, total estimated expenditure of Rs.1829.70 crore is 21.38% more than the expenditure of Rs.1507.42 crore incurred in 2006-07. In Revenue Section, the anticipated increase is 19.74% which is mainly due to enhancement of pay and allowances and other infrastructure, more cases of reward sanctioned for employees and informers, capacity/infrastructure building at NACEN, PAOs and Ranges and by other offices using the 1% incremental revenue incentive, more expenditure on hired accommodation and computerization of the Department.

7.2.4 Expenditure under 'Advertising and Publicity' was Rs.24.47 crore in 2006-07, 31.92% more than the expenditure of Rs.18.55 crore in 2005-06. This is on account of wider campaigns on Service Tax Provision and the inclusion of new services in the Budget of 2006- 07. The estimated expenditure for 2007-08 is Rs.22.50 crore which is 8.06% less on account of review and recast of the publicity programme.

7.2.5 Under 'Information Technology' expenditure during 2006-07 was Rs.42.16 crore which is 29.22% more than the expenditure of Rs.32.63 crore incurred in 2005-06 because of procurement of computer equipments and extension of EDI to more sites and AMC's of equipments coming out of warranty. For 2007-08, estimated expenditure of Rs.138.00 crore is 227.32% more than the expenditure incurred in 2006-07 because of implementation of some of the components of Consolidation Project during 2007-08.

7.2.6 An expenditure of Rs.19.90 crore has been incurred in 2006-07 towards procurement of Marine Vessels. Expenditure of Rs.30.00 crore (aprox.) is likely to be incurred by March, 2008 towards scheduled payments for construction of 87 vessels of Category-I, III-A and III-B, of which 2 vessels each of Category-III-A and III-B have been delivered to the Department.

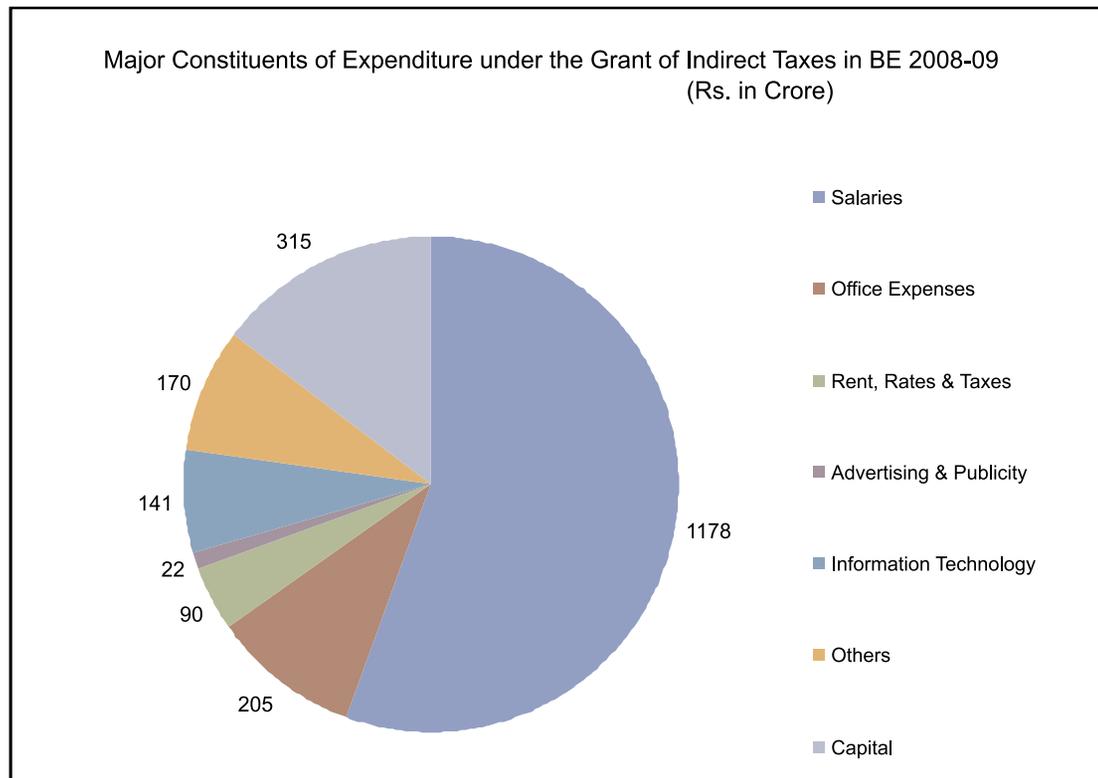
7.2.7 For procurement of container scanners, expenditure during 2006-07 was Rs.4.97 crore which is 373% more than the expenditure of Rs.1.05 crore incurred in 2005- 06. This was for the scheduled payment towards installation of the Mobile Scanner at JNPT Nhava Sheva. For 2007-08, estimated expenditure of Rs.15.00 crore is 202.15% more than the expenditure incurred on 2006- 07 because balance payment pertaining to installation of 2 scanners in the first phase and some payments for acquisition of land and preparation of site for the scanners to be procured in the IIInd phase are expected to be made.

7.2.8 For acquisition of office accommodation, expenditure during 2006-07 was Rs.16.14 crore against Rs.0.01 in 2005-06. This was towards

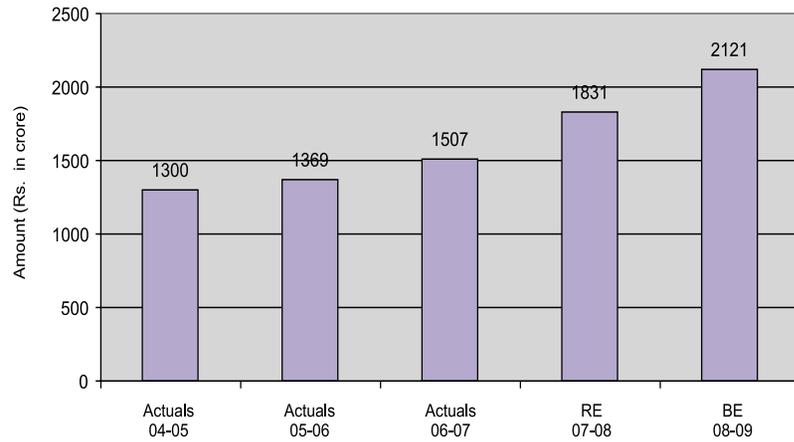
part payment of office accommodation purchased from SUUTI at Mumbai. For 2007-08, estimated expenditure is Rs.6.00 crore towards part payment in respect of purchase of building at Mumbai.

7.2.9 For acquisition of residential accommodation, expenditure during 2006-07 was Rs.4.55 crore which is 21.14% less than the expenditure of Rs.5.77 crore incurred in 2006-07. These payments were made in respect of ongoing projects. For 2007-08, estimated expenditure of Rs.8.00 crore is 75.82% more than the expenditure incurred in 2006-07 because of some anticipated payment in respect of new projects in pipeline.

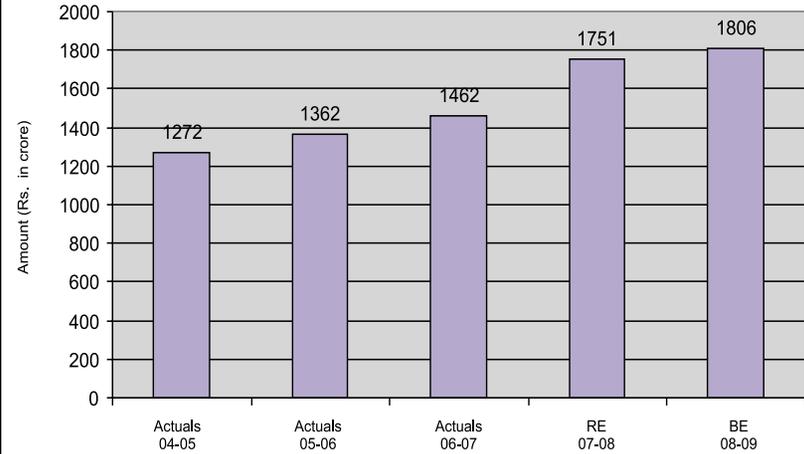
7.2.10 In Capital Section, there is expected increase of 73.82% in 2007-08 as compared to expenditure of 2006-07. This is because of finalization of proposal for purchase of office accommodation at Delhi, expenditure on other on going schemes for acquisition of office/residential accommodation and scheduled payments for building of marine vessels, purchase of land and development of site for installation of container scanners.



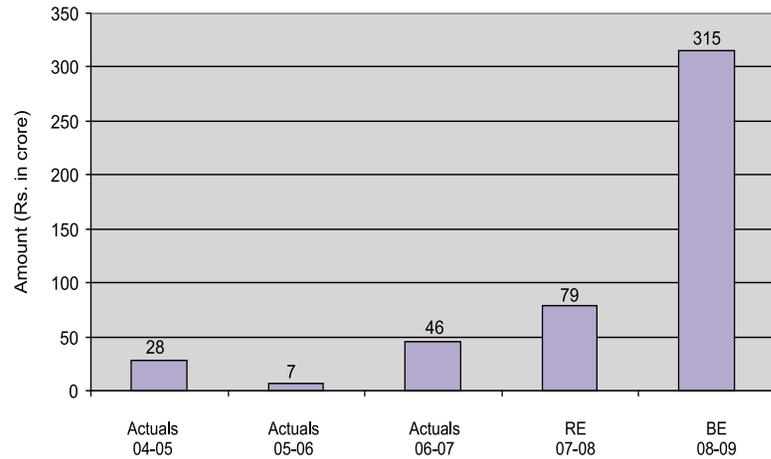
**Total Expenditure**



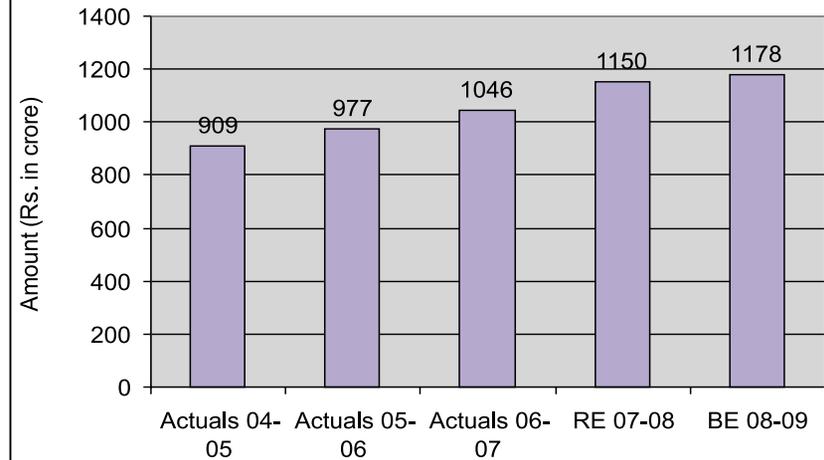
**Revenue Expenditure**



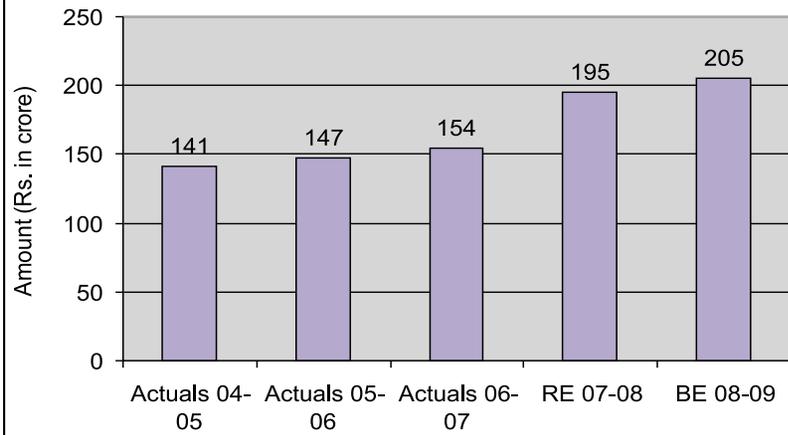
**Capital Expenditure**



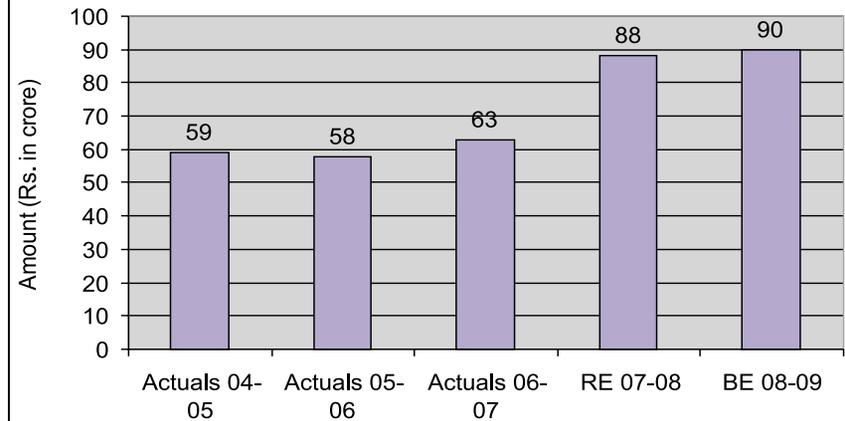
**Expenditure under Salaries**



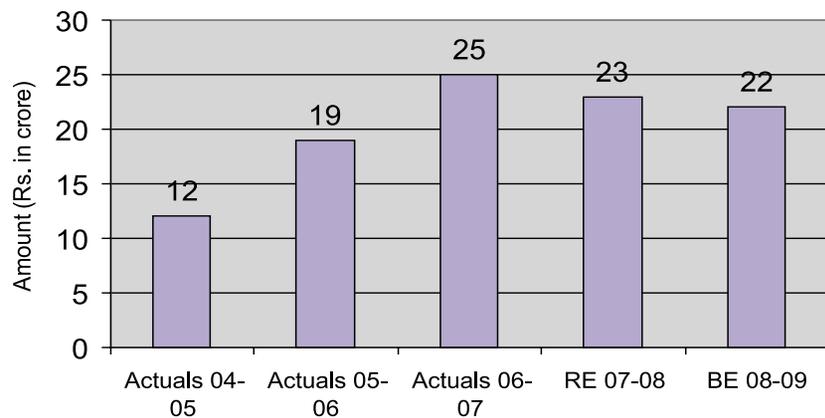
### Expenditure under Office Expenses



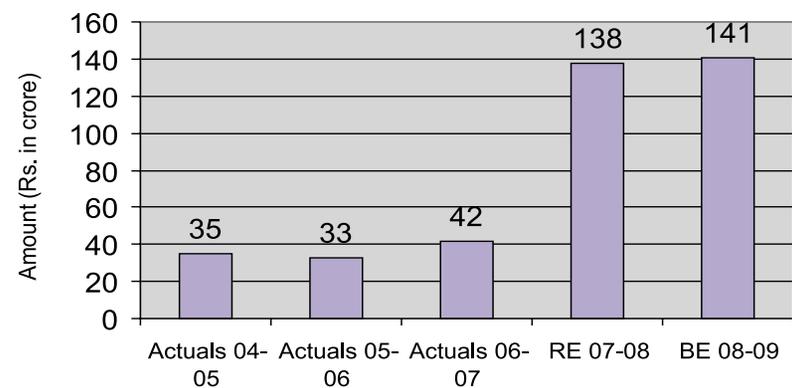
### Expenditure under Rent, Rates & Taxes



### Expenditure under Advertising & Publicity



### Expenditure under Information Technology



## 8 Grant No. 44 - Department of Disinvestment

(Rs. in Crore)

Description	2005-06			2006-07			2007-08		
	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals	B.E.	R.E.	Actuals upto Dec. 07
<b>Revenue Section</b>									
Salaries	1.00	1.12	1.06	1.35	1.30	1.27	1.50	1.50	1.00
Wages	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Overtime Allowances	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Medical treatment	0.04	0.05	0.06	0.05	0.02	0.01	0.02	0.02	0.01
Domestic Travel Expenses	0.09	0.04	0.03	0.06	0.02	0.02	0.06	0.05	0.05
Foreign Travel Expenses	0.10	0.03	0.00	0.06	0.02	0.00	0.02	0.02	0.00
Office Expenses	0.39	0.33	0.32	0.45	0.37	0.37	0.34	0.32	0.22
Publication	0.01	0.01	0.02	0.00	0.00	0.00	0.00	0.01	0.00
Other Admn. Expenses	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.00
Professional Services	5.00	4.50	4.49	8.00	2.15	1.61	2.00	6.01	0.31
Information Technology	0.05	0.04	0.04	0.05	0.10	0.10	0.05	0.05	0.00
<b>Total Revenue Section</b>	<b>6.70</b>	<b>6.13</b>	<b>6.03</b>	<b>10.05</b>	<b>4.00</b>	<b>3.39</b>	<b>4.00</b>	<b>8.00</b>	<b>1.60</b>
<b>Capital Section</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>3840.00</b>	<b>0.01</b>	<b>0.00</b>	<b>3302.00</b>	<b>3302.00</b>	<b>994.82</b>
<b>GRAND TOTAL</b>	<b>6.70</b>	<b>6.13</b>	<b>6.03</b>	<b>3850.05</b>	<b>4.01</b>	<b>3.39</b>	<b>3306.00</b>	<b>3310.00</b>	<b>996.42</b>

### 8.1 Analysis of Overall Trends in Expenditure

The overall Revenue expenditure under this Grant was Rs. 6.03 crore in 2005-06, Rs. 3.39 crore in 2006-07 and is estimated at Rs.8.00 crore in Revised Estimates 2007-08. This expenditure is mainly to meet the requirements of the Secretariat of the Department.

The provision under the Object head 'Professional Services' has been enhanced at RE stage to discharge the pending liabilities on account of earlier disinvestment cases. The provision under Capital Section accounts for Rs. 3302.00 crore. Total expenditure incurred till December 2007 is Rs. 996.42 crore (Capital - Rs. 994.82 crore and Revenue - Rs. 1.60 crore).

## 1. DEPARTMENT OF ECONOMIC AFFAIRS

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

### 1.1 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. 6th February, 2006. This is a wholly owned Public Sector Undertaking of Government of India under Ministry of Finance, Department of Economic Affairs headed by a Chairman and Managing Director. There are three functional directors on the board in addition to Directors representing Government and user departments.
- SPMCIL was formed after corporatization of all nine Mints/Presses/Mill which were earlier working under Currency and Coins Division of the Department of Economic Affairs, Ministry of Finance, Government of India. These units are:
  - India Government Mint, Mumbai
  - India Government Mint, Kolkata
  - India Government Mint, Hyderabad
  - India Government Mint, Noida
  - Security Printing Press, Hyderabad
  - India Security Press, Nasik
  - Currency Note Press, Nasik
  - Bank Note Press, Dewas
  - Security Paper Mill, Hoshangabad
- A decision was taken by the Government to transfer all the assets and liabilities of these nine units w.e.f. 10.02.2006 to the corporation. Provisionally, the corporation had assets and equivalent liability amounting to Rs. 3700.00 crore. The employee strength of all the nine units of SPMCIL is about 17500. 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 13th January, 2006 (i.e. date of incorporation of the company) to 31 st March, 2006 and from 01.04.06 to 31.03.07. 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 31-3-2007, SPMCIL has an asset base of Rs.4016.69 crore and profit after tax for the above period is Rs.268.37 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 Posts and printed stamp papers for States and other agencies.

- 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 2007-08 and 2008-09

(Rs. in crore)				
	RE 06-07	Actuals 06-07	RE 07-08	BE 08-09
Revenue Expenditure	1100.66	1123.05	1853.31	2086.12
Capital Expenditure	182.84	26.36	46.45	367.01

- 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 01.04.2007 to 31.12.2007		
Sl. No.	Products	Production
1.	Bank Notes	3993.22 Mpcs
2.	Coins & Medals	1449.85 Mpcs
3.	Security Paper	108.82 MT
4.	Post Cards	171.93 Mpcs
5.	Envelopes	345.30 Mpcs
6.	Regn. Envelopes	8.16 Mpcs
7.	Inland Letter Cards	12.91Mpcs
8.	Aerogrammes	—
9.	Postage Stamps	13.27 Mpcs
10.	Commemorative Stamps	18.99 Mpcs
11.	Adhesive Stamps	6.92 Mpcs
12.	N.J & Allied Stamps	280.25 Mpcs
13.	Saving Instruments	33.38 Mpcs
14.	Non MICR Cheques	5.42 Mpcs
15.	MICR Cheques	61.45 Mpcs
16.	Misc. Security Forms	14.21 Mpcs
17.	Passport & Allied Booklets	4.27 Mpcs
18.	Stickers/Labels/I.Card/Seals	6.02 Mpcs

### Details of Sales of major products for the period from 01.04.2007 to 31.12.2007

Sl. No.	Products	Sales Rs. in crore
1.	Bank Notes	657.10
2.	Coins and Medals	608.00
3.	Paper	71.80
4.	MICR Cheques	12.60
5.	NJ & Allied Stamps	172.68
6.	Passport	70.67
7.	Adhesive Stamp	5.32
8.	Other Security Items	48.87
	<b>Total</b>	<b>1647.07</b>

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

### 1.2.1 Indian 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 and further, it also takes care of refining of Gold and Silver and other metals.

### 1.2.2 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.

### 1.2.3 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.

### 1.2.4 Indian Government Mint, Noida (Uttra 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.

### 1.2.5 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 and 1000 denominations.

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

Bank Note Press, Dewas, was established in 1973 and it was notified as a 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.

### 1.2.7 India Security Press, Nashik (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 and supplies Judicial/non-judicial stamp papers, all types of postal and 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.

### 1.2.8 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 Department of Post.

### 1.2.9 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.

## 2. DEPARTMENT OF FINANCIAL SERVICES

2.1 The National Bank for Agriculture and Rural Development (NABARD) promotes integrated rural development by providing credit for agriculture, small, cottage and village industries and allied activities in rural areas; refines loans granted for agricultural development by State Cooperative Banks, Central Land Mortgage Banks, Scheduled Commercial Banks and Regional Rural Banks; and provides direct financial assistance to certain types of institutions as approved by the Central Government.

Short-term credit is refinanced by NABARD to Cooperative Banks and Regional Rural Banks to finance seasonal agriculture operations, marketing of crops, marketing and distribution of agricultural inputs, production, procurement, marketing activities of

cottage, village and small scale industrial cooperative societies, primary and apex weaver societies and State Handloom and Handicrafts Development Corporations. The refinance during the last three years was as under -

(Rs. in crore)

Agency	2004-2005		2005-2006		2006-07	
	Sanctd.	Max. O/s.	Sanctd.	Max. O/s.	Sanctd.	Max. O/s.
Coop. Bks	9041.77	7583.14	9318.70	8240.76	13403.68	11430.87
RRBs	2221.18	1892.43	2761.40	2348.62	2685.70	2628.08
<b>Total</b>	<b>11262.95</b>	<b>9475.57</b>	<b>12080.10</b>	<b>10769.38</b>	<b>16089.38</b>	<b>14058.95</b>

Medium term refinance is also provided to Cooperative Banks and Regional Rural Banks to support farmers who are unable to repay production credit dues to the Banks due to natural calamities.

Refinance is provided to all Rural Financial Institutions including commercial banks for investment purposes in farm and off farm activities leading to increased production and incremental income

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

(Rs. in crore)

Agency	2004-2005	2005-2006	2006-07
	Sanctioned & Disbursed	Sanctioned & Disbursed	Sanctioned & Disbursed
SCARDBs	2709.98	2082.47	1742.72
SCBs	1243.92	1173.72	1130.67
Commercial Banks	2569.56	4027.74	4568.82
RRBs	2049.11	1332.40	1352.81
PUCBs/ADFCs	4.89	6.04	-
<b>Total</b>	<b>8577.46</b>	<b>8622.37</b>	<b>8795.02</b>

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

2.2.1 The main activity of SIDBI is to give re-finance to Banks, SFCs and SIDCs. It also gives direct assistance through Term Lending, Bills Discounting, etc., to industry. Micro credit is an emerging area which the SIDBI aims to catalyze further. It also performs specialized functions such as provision of venture capital, collateral free lending, SME rating and technology services. In addition to this, the organization plays a key role to promote Government of India Programmes/ Developmental Activities.

(Rs. in crore)

Performance	FY2005	FY2006	FY2007
Portfolio Size	10862.00	13891.00	16031.00
Sanction	9091.00	11975.00	11102.00
Disbursement	6188.00	9100.00	10225.00
Networth	4119.00	4268.00	4436.00
Income	948.00	964.00	1187.00
Profit	225.00	270.00	298.00
CRAR (%)	50.7.00	43.20	37.48

### 2.3 The National Housing Bank (NHB)

The NHB was constituted by the National Housing Bank Act, 1987 as a principal agency to promote housing finance institutions (HFCs) and to provide financial and other support to such institutions. The main activities of NHB include re-finance to Banks and HFCs. At present there are 43 HFCs that are regulated by the NHB. The NHB

also provides refinance to Banks and HFCs and project finance to Government agencies and SHGs besides taking initiatives for development and promotion of the housing finance system in India.

2.3.1 The present paid-up capital of NHB is Rs.450.00 crore, owned by the Reserve Bank of India.

Performance

(Rs. in crore)

Year ended 30th June	2003	2004	2005	2006	2007
Loans & Advances (o/s)	6,883.00	8,284.00	12,476.00	16,241.00	19,364.00
Disbursements	2,783.00	3,297.00	8,089.00	5,997.00	5,672.00
Total Assets	10,290.00	13,108.00	18,697.00	19,589.00	21,501.00
Net NPAs	Nil	Nil	Nil	Nil	Nil
Profit After Tax	121.00	118.00	44.00	86.00	101.00
CRAR (%)	28.0.00	30.10	22.50	22.30	22.60

The following programmes are presently under implementation of the NHB:-

(Rs. in crore)

Programmes	Govt. Asst.	2004-05	2005-06	2006-07
1. Golden Jubilee Rural Housing Refinance Scheme (GJRHS) - Monitoring & Refinancing	NIL	3,536.00	2,610.00	2,530.00
2. Regular Refinance Scheme	NIL	8,062.00	5,632.00	5,500.00
3. Project Finance Scheme including MFIs (mainly for EWS/LIG)	NIL	27.00	365.00	172.00

**2.4 The India Infrastructure Finance Company Limited (IIFCL)**

was incorporated on January 5, 2006 with a paid up capital of Rs. 10.00 crore and an authorized capital of Rs. 1,000.00 crore. IIFCL lends funds, especially debt of longer-term maturity, directly to the eligible projects to supplement other loans from Banks and financial institutions. The company fills the gap for long term infrastructure finance which the Banks are not in a position to provide owing to

concerns relating to mis-matches in assets and liabilities.

2.4.1 Cumulative loan sanctioned by IIFCL upto December 2007 was Rs. 16,246.00 crore in 74 projects with a total project cost of Rs. 1,17,466.00 crore. During the current year IIFCL has sanctioned loans of Rs. 8236.00 crore to 30 eligible infrastructure projects from April 2007 to December 2007.

2.4.2 The IIFCL is engaged in a number of important initiatives which include setting up of an off-shore subsidiary in the UK to raise foreign currency resources from the Reserve Bank of India to lend to Indian infrastructure companies implementing infrastructure projects in India. The off-shore subsidiary of IIFCL was registered in London on February 7, 2008.

## 2.5 Export-Import Bank of India (Exim Bank)

Export-Import Bank of India, set up in 1982 by an Act of Parliament for the purpose of financing, facilitating and promoting foreign trade of India, is the principal Financial Institution in the country for coordinating working of institutions engaged in financing exports and imports. The Government of India wholly owns Exim Bank.

2.5.1 During the year 2007-08, up to September 30, 2007, Exim Bank approved loans worth Rs. 15165.00 crore as against Rs. 10958.00 crore in the corresponding period of 2006-07. Disbursements over the same period amounted to Rs. 11720.00 crore as against Rs. 8984.00 crore during the corresponding period in the previous year.

2.5.2 The Exim Bank lays special emphasis on extending Lines of Credit (LOC) to overseas entities, national governments, regional financial institutions and commercial Banks. During the year 2006-07, the Exim Bank extended 16 LOCs, aggregating US\$ 542 million, to support export of projects, goods and services from India. Several of these lines have been extended at the behest of Government of India. At present there are 55 operational lines of credit covering 39 countries with credit commitments amounting to US\$ 2.48 billion extended by the the Exim Bank.

(Rs. in crore)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Sanctions	7828.30	9265.70	15853.50	20488.70	26762.20
Disbursements	5320.30	6957.50	11435.20	15038.90	22076.00
Loan Portfolio	8773.60	10775.10	12910.40	17593.10	22886.20
Profit After Tax	206.60	229.20	257.90	270.70	299.40

## 2.6 The Pension Fund Regulatory and Development Authority

The new pension system (NPS) was introduced in respect of new recruits (except Armed Forces) to Central Government from 1st January, 2004. Nineteen State Governments have also notified similar schemes for their new recruits. NPS is also envisaged, in due course, to provide an opportunity for building pension wealth for the unorganized sector on a voluntary basis and to provide old age income security to this segment of population.

The major challenge of the defined contribution based NPS is to provide the individual subscriber with an adequate retirement income. The existing defined benefit pension scheme involves the risk of delays in pension payments or defaults in some cases if it becomes unsustainable. The new pension system, however, does not involve this policy risk as the returns are market determined. However, with adequate safeguards in terms of diversification and lifecycle investment philosophy, the risk would be mitigated.

### 2.6.1 Current position of NPS roll-out

Pending passage of the PFRDA Bill, 2005 and establishment of full architecture of the new pension system, the contributions received under NPS are being kept in the Public Account of the Government concerned. A fixed return of 8% per annum is given by the Union Government on total pension contributions, (both employee as well as the matching contribution by the Government). At present, the accounts are maintained within the Government set up.

In order to address the issue of investment of pension contributions under the NPS, a Conference was held under the Chairmanship of Prime Minister on 22nd January, 2007 where Chief Ministers/ Administrators of all State/Union Territory Governments were invited to participate. Majority of the States were in favour of the proposal to appoint a Central Recordkeeping Agency (CRA) and to adopt the guidelines applicable to the non-Government provident fund prescribed by Ministry of Finance for investing the accumulations under NPS till the PFRDA Bill is passed by Parliament.

Based on the consensus arrived at the Chief Ministers' Conference and the advice of the Government, PFRDA took immediate steps to appoint a CRA and Fund managers to invest the accumulated pension corpus and future contributions.

### 2.6.2 Tasks Performed During the Year

Based on the advice from the Government, the process for appointment of a CRA was initiated by the PFRDA. Expressions of Interest (EOI) were invited from public sector entities with requisite qualifications to function as the CRA. In response, EOIs were received from six entities.

An independent Evaluation Committee found four entities to be eligible for issue of RFP to function as the CRA. These entities

were the Stock Holding Corporation of India Limited, the UTI Technology Services Limited, the National Securities Depository Limited (NSDL) and the Life Insurance Corporation of India (LIC).

In order to scrutinize the technical and commercial proposals submitted by the qualified bidders for functioning as CRA under the New Pension System for Government employees, an independent Evaluation Committee was constituted by PFRDA. As required under the RFP, the Committee first examined and evaluated the technical proposals submitted by the three qualified bidders namely the Stock Holding Corporation of India Limited (SHCIL), the National Securities Depositories Limited (NSDL) and the UTI Technology Services Limited (UTI-TSL). Thereafter, the commercial proposals of the technically qualified entities were evaluated. Based on evaluation of both the technical and commercial proposals, the Committee found the proposal submitted by NSDL to be the 'best value bid' and recommended NSDL as the most suitable organization to function as CRA. The recommendations of the Committee were accepted by PFRDA and letter of appointment was issued to NSDL for functioning as the CRA for Government employees under the NPS. A contract was subsequently signed on 26th November, 2007 with NSDL for starting the operation of the CRA within the next six months i.e. before 1st June, 2008.

As a follow up to the Chief Ministers' Conference held on 22nd January, 2007, Government had also advised PFRDA to take necessary action to invest the accumulations under NPS and to appoint pension fund managers. Accordingly, PFRDA initiated the process for finalization of Preliminary Information Memorandum (PIM) and package calling for Expressions of Interest (EOI) from public sector entities to sponsor Pension Funds for managing the corpus under the NPS for the Government employees. The same two stage selection process, as followed in case of selection the CRA, was adopted for selection of sponsors of Pension Funds.

PFRDA invited Expressions of Interest (EOI) from public sector

entities for sponsoring Pension Funds to manage the corpus under NPS. To be eligible, the sponsors were required to have at least 5 years experience of fund management and average assets under management of not less than Rs. 10,000.00 crore. In response, EoIs were received from seven entities. Of these seven entities, four were found to be eligible. They were invited for issuance of RFP for sponsoring Pension Funds under the NPS. The four entities to which the RFP was issued were the IDBI Capital Market Services Limited, the Life Insurance Corporation of India, the State Bank of India and the UTI Asset Management Company Private Limited. Proposals from all the four entities, including technical and commercial bids, were received in PFRDA. An independent Committee was constituted by PFRDA and entrusted with the responsibility of evaluation of the proposals received from the eligible entities, and to short-list the three best value bidders in terms of requirements (technical & commercial) of RFP. Based on the overall evaluation, including technical and commercial parameters, the Committee found (i) the State Bank of India, (ii) the UTI Asset Management Company Private Limited and (iii) the Life Insurance Corporation of India as the three best value bidders and recommended their appointment as sponsors of Pension Funds under the NPS. The recommendations of the Committee were accepted by PFRDA and letter of appointment were issued to the selected sponsors to incorporate their pension funds as companies under the Companies Act, 1956 by 15th of December, 2007.

The entire architecture of the NPS is likely to be operationized by June 1, 2008. The accumulation and contribution of subscribers' of NPS would be invested as per the investment guidelines prescribed for the non-government provident funds. An alternate option of investing 100% of the corpus in Government securities would also be available to the subscribers.

One of the features distinguishing the PFRDA from the other financial sector regulators in India is its role as a developer of the pension sector. Thus in the formative years the primary responsibility

of PFRDA would be to develop the sector which it would eventually be required to regulate. It is in recognition of this fact that the PFRDA Bill lists "steps for educating subscribers and the general public on issues relating to pension, retirement savings and related issues and training of intermediaries" as one of the functions of the PFRDA. Pending passage of the PFRDA Bill, PFRDA has already initiated preliminary steps for creation of awareness about the New Pension System and the pension reforms.

### **3. DEPARTMENT OF EXPENDITURE**

#### **3.1 National Institute Of Financial Management**

##### **3.1.1 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.

##### **3.1.2 Performance**

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

- **Professional Training Course**

So far, fourteen batches of probationers of various Accounts, Audit and Finance Services have been successfully trained for the 44 weeks training course. In the 13th course completed in November,

2006, 18 probationers completed the training while 40 probationers completed 14th course ended in November, 2007. The 15th batch of probationers commenced from 8th January, 2008 in which 9 probationers have joined.

#### ■ Management Development Programmes

NIFM conducts Management Development Programmes of varying duration every year. Some of these programmes are sponsored by different Government Departments, Foreign Government, World Bank etc. In addition, various Govt. Departments, PSUs etc. sponsor candidates for the specialized courses conducted by the Institute. In 2006-07, 38 programmes were conducted. In 2007-08 (upto January, 2008), 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 System & Financial Management in Government
- (c) Procurement of Goods & Services
- (d) Tendering & Contracting
- (e) Public Financial Management
- (f) Standard Rules & Procedures of the World Bank for Purchase of Goods, Works & Services
- (g) Cyber Crime & Forensics
- (h) Value Added Tax
- (i) TDS Rules and FBT Rules
- (j) Service Tax and Cenvat Credit Rules

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

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

of PGDBM (FM) has commenced from 21st January, 2008 in which 43 candidates have joined from various Central/State and PSUs.

#### ■ Consultancy Projects

During the year 2006-07, four consultancy projects were completed. During the year 2007-08, six consultancy Projects have been completed by NIFM. The consultancy projects awarded/ in progress during the year were as under: -

- Framing of New Cantonment Account Code, Ministry of Defence.
- Assistance in the Conversion of the Accounts of the University from Cash to Accrual System for Kohima, Govt. of Nagaland.
- Conversion of Accounts from Cash to Accrual System for Directorate of accounts, Govt. of Goa, Panaji.
- Conversion of Cash Accounts to Accrual Accounting for Education Department, Govt. of Goa.
- Study of 'Effective utilization and Probable Effectiveness of 12th Finance Commission Equalization Grants for Deptt. of Expenditure, Ministry of Finance, Govt. of India.
- Rebuilding ICLS, Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Govt. of India.
- Consultancy project for SPMCIL, Ministry of Finance, Govt. of India.
- Consultancy project for WAPCOS Ltd.
- Restructuring of Financial Structure/ Delegation of Powers and Capacity Building for IIPA, New Delhi.
- Switching over to the New Common Format of Accounts on Accrual Basis, for IIPA, New Delhi.
- Evaluation of Integrated Treasuries Computerization Project, Dept. of Finance, Govt. of M.P.

■ **Seminar**

During the year the following Seminars/ Workshops were organized:

- Workshop on 'Fiscal Federalism' in collaboration with Dept. of Economic Affairs, at IHC Delhi.
- Workshop on 'Rebuilding ICLS' for ICLS Officers of Ministry of Corporate Affairs at NIFM.

- Seminar on Global Convergence, in collaboration with ICSI & ONGC.
- National Seminar on Company Directors & Corporate Governance in association with ICSI and CII.

**Financial Statement**

The Income & Expenditure Accounts as on 31st March, 2007 are as under:

(Amount in Rupees)

INCOME	31.03.2007	31.03.2006
Income from Services	3,58,96,711	3,04,86,204
Grant	1,40,00,000	1,40,00,000
Interest Earned	20,71,324	25,10,652
Other Income	10,27,889	13,84,858
<b>Total (A)</b>	<b>5,29,95,924</b>	<b>4,83,81,714</b>
EXPENDITURE		
Establishment Expenses	1,46,50,090	173,94,499
Other Administrative Expenses	2,57,37,934	2,98,34,334
Depreciation	70,98,796	69,98,373
<b>Total(B)</b>	<b>4,74,86,820</b>	<b>5,42,27,206</b>
<b>Balance being Surplus/Deficit of Income over Expenditure (A-B)</b>	<b>55,09,104</b>	<b>(58,45,492)</b>
Less: Prior Period adjustments (Net)	(3,20,692)	(72,471)
Add: Amount transferred from Capital asset Fund Representing depreciation (for the year) on Assets acquired out of Govt. Grant	26,14,903	27,94,969
<b>Net Surplus/Deficits</b>	<b>78,03,315</b>	<b>(31,22,994)</b>
<b>Balance being Surplus/Deficit carried over to Balance-Sheet</b>	<b>78,03,315</b>	<b>(31,22,994)</b>

## 4 DEPARTMENT OF REVENUE

### 4.1 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 organization and was registered as a Society under the Societies Registration Act, 1860. It is an independent Research Training organization.

The details of the Grant/Income of National Institute of Public Finance & Policy from various sources and expenditure incurred during the year 2006-07 were as under:-

(Rs. in crore)

Source of funding	Grant/ Income	Expenditure
1 Ministry of Finance	2.26	2.26
2 Other sources	2.91	2.72
<b>Total</b>	<b>5.17</b>	<b>4.98</b>

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

(Rs. in crore)

Actual 2004-05	1.79
Actual 2005-06	2.01
Actual 2006-07	2.26
Budget Estimates 2007-08	4.41
Revised Estimates 2007-08	6.93
Actuals up to December, 07	1.43

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, a core grant equivalent to 20% of Salary grant is given to the Institute to cover the non-salary expenditure of the Institute, which is approximately Rs.45.87 lakh.
- (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. A salary grant of Rs.2.28 crore has been provided during 2007-08.
- (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.
- (d) A provision of Rs.2.00 crores has been made in B.E. 2007-08 as grant-in-aid to National Institute of Public Finance & Policy towards construction of a new building to be utilized as the Training Programme Centre of the Institute. Rs.50 lakhs have been provided in BE 2008-09 on this account.
- (e) According to the Memorandum of Understanding (MOU) signed between the Ministry and NIPFP on 23.5.2007, it was agreed

to provide a Corpus Grant of Rs.200 lakh to the Institute. Accordingly, a provision of Rs.200 lakh has been made in RE 2007-08.

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

- (i) Inter-State Equalization in Health Expenditure
- (ii) North Eastern Region Vision 2020
- (iii) Improving the Fiscal Health of Cities in India - A Pilot Study
- (iv) Financing Human Development in India
- (v) Standing Committee of State Secretaries of Stamps and Registration
- (vi) Independent Commission on AIDS in Asia
- (vii) Globalization, Gender and Taxation in Developing Countries
- (viii) Sustainability and Solvency of States' indebtedness
- (ix) Progress of implementation of VAT and internal Resource Mobilization: A Study of Bihar
- (x) Independent Economic Regulation: An Assessment of Accountability and good governance in the Electricity Sector.
- (xi) Strengthening Fiscal Decentralization for Better Delivery of Services in Sri Lanka
- (xii) Strengthening Financial Management System

**4.6.2 Training programmes/workshops/seminars conducted by NIPFP**

The Institute has conducted various training programmes/

workshops/seminars during the current financial year (up to December, 2007). The highlights are as under:-

- (i) Practical Issues on Tax Policy and Tax Administration in Developing Countries for Officials of Government of Sri Lanka.
- (ii) Public Finance and Budgeting for Officials of the Government of Islamic Republic of Afghanistan
- (iii) Half-day Seminar on "India Urban Report"
- (iv) Round Table on Urban Fiscal Decentralization, Kochi
- (v) Public Finance Module for Excise Officials
- (vi) Workshop on preparation of NER Vision Document
- (vii) Panel discussion on Union Budget, 2007
- (viii) Panel discussion on Power to the People: Governance Issues in Electricity Distribution Reforms
- (ix) Workshop on Tax Administration and Information System
- (x) Public Finance Module for Indian Audit and Accounts Service Probationers
- (xi) Refresher Training Programme in Public Economics for University teachers in the South Asia Region
- (xii) Seminar on Panchayati Raj for Raising Revenues
- (xiii) Andhra Pradesh Probationers programme
- (xiv) Financial Management and Public Policy for 58th Batch of IRS Officers.
- (xv) Research Meeting: NIPFP - Department of Economic Affairs - "Programme on Capital flows and its consequences".



Rs. 2690.00 crore for the 23 proposals granted 'in principle' approval. However the actual level of VGF amount of these proposals will be known once the bidding takes place. It may be stated here that pre-qualification of bidders/bidding process have been started in some of the projects and normally it will take 6 months to 1 year for the bidding process to be completed and VGF sanction issued. In 6 projects from Madhya Pradesh, bidding process has been completed and is likely to be considered for final approval. The first disbursement of VGF are likely to commence sometimes towards the last 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 enabled additionality of resources, development of infrastructure and commercialisation of highway development and urban Infrastructure development in the States of Gujarat, Maharashtra, Madhya Pradesh, Rajasthan and Andhra Pradesh. Similar benefits are expected to occur in other infrastructure sectors through the VGF scheme. However, as the Scheme is new and there is a lag in project implementation in such PPP projects it will take some time for the proposals to be developed.

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

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, 6 projects of Madhya Pradesh Road Development Corporation (MPRDC), where 'In Principle' approval has been given, bidding process been completed and VGF to the tune of Rs. 202.49 crore has been sought from Government of India under the scheme for the 5 projects. No VGF has been sought for one of the 6 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. 23.00 crore during the Financial Year 2007-08 as per present estimates.

may be negotiated with the Lending Agency on a case-by-case basis. Government of India may also subsidise the cost of re-insurance or other securitization costs, when a guarantee is not provided.

- 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 projects, 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 reaction 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 5 years, 82 GOI supported Lines of Credit through Exim Bank of India involving a collective amount of credit of US\$ 3450.938 billion (approx.) have been approved by this Department. These Lines of Credit have been extended to developing countries situated in different continents of the world - mostly in Africa but also in other continents

**Demand No.31 Department of Economic Affairs (Sl. No.3, Para 3.2.1, Chapter-II)**

Operational GOI Supported Exim Bank of India Lines of Credit (LOCs) to Foreign Countries (Upto 31.12.2007)

Sl. No.	Borrower	Amount of LOC (in millions of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of credit
1	Seven Iranian Banks	200	LIBOR+50% p.a.	8 yrs	2.5% p.a.	Ethylene Pipeline Project
2	Govt. of Zambia	10	LIBOR+ 1% p.a.	5 yrs.	1.5% p.a.	Purchase of various equipment from India
3	Govt. of Djibouti	10	1.5% p.a.	10 yrs. Grace - 2 yrs.	LIBOR+ 1.5% p.a.	Purchase of various goods from India
4	Govt. of Mozambique	20	1.75% p.a.	20 yrs. Grace - 5 yrs.	LIBOR+ 1.25% p.a.	Financing of exports of various goods from India
5	Govt. of Ghana	15	LIBOR+0.5% p.a.	7 yrs	2% p.a.	Purchase of various goods from India
6	Govt. of Vietnam	27	1.5% p.a.	25 yrs. Grace - 5 yrs.	LIBOR+ 0.5% p.a.	Export of various Indian equipment, goods and services
7	Govt. of Myanmar	56.358	LIBOR+ 0.5% p.a.	10 yrs. Grace - 2 yrs.	2.5% p.a.	Upgradation of Yangon-Mandalay Railways System
8	Govt. of Sudan	50	LIBOR+ 0.5% p.a.	11 yrs.	2% p.a.	Purchase of various goods from India
9	Govt. of Lesotho	5	LIBOR+ 0.5% p.a.	8 yrs.	2.5% p.a.	Purchase of various goods from India
10	Govt. of Myanmar	7	LIBOR+ 0.5% p.a.	8 yrs. Grace - 1 yr.	2% p.a.	Development of information and communication technology

Notes on Outcome - Details of Schemes

Sl. No.	Borrower	Amount of LOC (in millions of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of credit
22	Govt. of Ghana	60	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Rural electrification, construction of President's office
23	Govt. of Chad	50	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Bicycle Plant, Agricultural Plant, Steel Billet Plant & Rolling Mill and Cotton Yarn Plant
24	Govt. of Mali	27	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Rural electrification, Agricultural machinery
25	Govt. of Equatorial Guinea	15	LIBOR + 0.5% p.a.	15 years Grace - 5 years	1.5% p.a.	Potable drinking water project
26	Govt. of Senegal	27	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Irrigation project, IT project, Mini integrated steel plant & Rolling mill
27	Govt. of Cote d' Ivoire	26.8	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Renewal of urban transport system in Abidjan, Agricultural projects
28	Govt. of Mali and Govt. of Senegal (combined)	20.62 (to Mali) + 7.08 (to Senegal)	1.75% p.a. (both)	20 years Grace - 5 years (both)	LIBOR+ 0.75% p.a. (both)	Acquisition of railway coaches and locomotives from India
29	Govt. of Myanmar	20	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Renovation of Thanlyin Refinery.
30	Govt. of Honduras	30	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Communication equipment, Medical equipment, Transport equipment.
31	Govt. of Niger	17	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Procurement of buses and automobiles.
32	Govt. of Gambia	6.7	1.75% p.a.	20 years Grace - 5 years	LIBOR+ 0.75% p.a.	Assembly Plant for tractors.

Notes on Outcome - Details of Schemes

Sl. No.	Borrower	Amount of LOC (in millions of US Dollars)	Rate of Interest	Repayment period (inclusive of grace period)	Interest Equalisation	Purpose of credit
41	Govt. of Sudan	48	1.75% p.a.	20 years, Grace - 5 years	LIBOR+ 0.75% p.a.	For various projects as under:  US\$ 15 million - For agricultural inputs for the Sudanese Agricultural Bank. US\$ 15 million-For Technical and Laboratory equipment to Higher Educational Institutions. US\$ 3 million-For Scientific Equipments for the Ministry of Science and Technology. US\$ 5 million-For Solar electrification. US\$ 10 million-For meeting requirement of Sudan Railways.
42	Govt. of Mali	30	1.75% p.a.	20 years, Grace - 5 years	LIBOR+ 0.75% p.a.	Electricity transmission and distribution project from Cote d' Ivoire to Mali.
43	Govt. of Guinea Bissau	25	1.75% p.a	20 yrs. Grace-5yrs.	LIBOR+ 0.75% p.a.	Electricity project (US\$ 20 mn.), food processing unit (US\$ 2.5 mn.) and agricultural project (US\$ 2.5 mn.)
44	Govt. of Senegal	11	1.75% p.a	20 yrs. Grace-5yrs.	LIBOR+ 0.75% p.a.	Electricity project (US\$ 20 mn.), food processing unit (US\$ 2.5 mn.) and agricultural project (US\$ 2.5 mn.)
45	Govt. of Djibouti	10	LIBOR+0.5% p.a.	8-10yrs Grace-2-3 yrs.	1.5% p.a.	Cement Plant project

## **Demand No. 31 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 is from countries like Sri Lanka, Myanmar, Bhutan, Bangladesh, Indonesia, Philippines, Nepal, Indonesia, Malaysia, Laos.

## 2. Subsidy to Public Sector General Insurance Companies for community based Universal Health Insurance Scheme (UHS)

In July 2004, the scheme was restricted to only BPL (Below Poverty Line) families with a subsidy of Rs. 200.00 for an individual, Rs. 300.00 for a family of five and Rs. 400.00 for a family of seven. The premium to be contributed by the policy holder is Rs. 165.00 for individual, Rs. 248.00 for a family of five and Rs. 330.00 for a family of seven. The benefits available under the scheme are (i) reimbursement of medical expenses up to Rs. 30,000.00 towards hospitalization floated amongst the entire family, (ii) death cover of Rs. 25,00.00 to the earning member of the family due to an accident and (iii) compensation due to loss of earning of the earning member @ Rs. 50.00 per day up to a maximum of 15 days.

The scheme has further been extended to BPL families of Tsunami affected areas in Tamil Nadu, Andhra Pradesh, Kerala and Puducherry with a subsidy of Rs. 500.00 from Prime Minister's Relief Fund and Rs. 300.00 by Government of India. As on 31.12.2007, 69,745 policies have been issued under UHS. Under Tsunami Jan Bima Yojana, 1,15,000 families in Tamil Nadu, 34,812 in Andhra Pradesh, 46,000 in Kerala and 11,928 in Puducherry have been covered till 31.12.2007.

## 3. Subsidy to Life Insurance Corporation of India for Varishta Pension Bima Yojana

In the Union Budget for 2003-04, Finance Minister announced the Varishta Pension Bima Yojana for citizens aged 55 years and above. This was a Government subsidized scheme and LIC was given the privilege to administer the same. The scheme was launched on 14.07.2003 and withdrawn on 09.07.2004.

The benefits of the scheme were framed in such a manner that the pensioner get an effective yield of 9% per annum on the investment. It was a pension plan under annuity payments commencing immediately after the purchase of the policy. In the event of unfortunate death of the pensioner, purchase price is payable to nominee. Approximately, 3.5 lakh senior citizens, who had enrolled during the currency of the scheme, are being provided benefits under the scheme.

Rs. 242.68 crore and Rs. 200.00 crore in RE 2007-08 and BE 2008-09, respectively have been provided for the scheme.

## 4. Revitalization of Short Term Cooperative Credit Structure.

Taking into consideration the recommendations of the Task Force set up under the Chairmanship of Prof. A. Vaidyanathan, a financial package of Rs. 13,596.00 crore has been approved by the Cabinet for revitalization of Short Term Cooperative Credit Structure in the country. The expenditure is to be shared by Government of India, concerned State Government and Cooperative Credit Societies in the ratio of 68:28:4. Under the scheme, assistance will be available for (a) wiping of 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. The provision of Rs. 400.00 crore made in 2005-06 could not be utilized due to delay in arriving at an agreement with the participating States. An amount of Rs. 1425.00 crore was released to NABARD in 2007-08. A provision of Rs. 2045.37 crore has been kept in RE 2007-08 and Rs.3542.00 crore in BE 2008-09.

17 States, viz., Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttarakhand,

A corpus of Rs.500.00 crore is to be contributed to the Fund by Government of India, Reserve Bank of India and NABARD in the ratio of 40:40:20. The share of Government of India would, thus, be Rs.200.00 crore. There will be an Advisory Board to guide and render policy advice on various aspects relating to FIF. The nature, quantum and terms of assistance to eligible institutions/organizations for various promotional and developmental interventions for promoting financial inclusion shall be decided by the Advisory Board. A provision of Rs. 10.00 crore in RE 2007-08 and Rs. 25.00 crore in BE 2008-09 has been made for the scheme.

#### **9. Contribution towards constitution of Financial Inclusion Technology Fund**

A Financial Inclusion Technology Fund (FITF) is being constituted for enhancing investment in Information Communication Technology aimed at promoting financial inclusion, stimulating the transfer of research and technology in financial inclusion, increasing the technological absorption capacity of financial service providers/users and encouraging an environment of innovation and cooperation among stakeholders.

The Fund shall consist of an overall corpus of Rs.500.00 crore to be contributed by Government of India, Reserve Bank of India and NABARD in the ratio of 40:40:20. The contribution of Government of India shall be Rs.200.00 crore. The Fund shall be operated by NABARD. A provision of Rs. 10.00 crore has been made in RE 2007-08 and Rs. 25.00 crore in BE 2008-09.

#### **10. Subscription to Share Capital of Export Import Bank of India.**

The EXIM Bank is the apex financial institution in the country for promoting, facilitating and financing India's International Trade and coordinating the working of the institutions engaged in financing

and promoting the country's exports. The Bank provides export credit for specific export transactions through pre-shipment credit, post-shipment credit, supplier's credit, buyer's credit and lines of credit. The Bank also 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. In addition, the Bank takes equity share in export oriented companies in India and in joint ventures overseas.

As on March 31, 2006, EXIM Bank's assistance to SMEs aggregated to Rs. 5387.00 crore, which constituted 30% of the Bank's total loan portfolio. As on March 31, 2007, it rose to 33%. The loan portfolio of SMEs of the Bank is expected to reach 35% by March 31, 2008.

During 2005-06, EXIM Bank covered 13% (Financing Catalyzing) of India's exports and 15% in 2006-07. By 2008-09, the Balance is expected to cover 25% of India's exports. Rs. 100.00 crore each have been provided in RE 2007-08 and BE 2008-09.

#### **11. Subscription to Share Capital of India Infrastructure Finance Company Ltd. (IIFCL)**

The 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 paid up capital of the company will be increased to Rs. 800.00 crore by March 31, 2008, with a view to enabling it to

(Refer Chapter-II &amp; Chapter-IV, Item 1, Column 8)

**Grant No.43-Indirect Taxes****Revised Cost of various components under Consolidation Project of computerization**

(Rs. in crore)

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

Notes on Outcome - Details of Schemes

Sl. No.	Period of Interest Equalisation Support and relevant LOC	Amount in Indian Rupees (Up to 31.12.2007)
9	From 15.12.2006 to 15.6.2007 in r/o US\$ 41.90 mn. LOC to Govt. of Sudan vide Credit Agreement dated 23.1.2006	1,35,69,917
10	From 15.12.2006 to 15.6.2007 in r/o US\$ 56.358 mn. LOC to MFTB on behalf of Govt. of Myanmar vide Credit Agreement dated 27.7.2004	1,44,98,827
11	From 16.1.2007 to 16.7.2007 in r/o US\$ 150 mn. LOC to Govt. of Sri Lanka vide Credit Agreement dated 15.10.2004	5,41,06,723
12	From 16.1.2007 to 16.7.2007 in r/o US\$ 40 mn. LOC to Govt. of Angola vide Credit Agreement dated 11.8.2004	3,17,65,540
13	From 16.1.2007 to 16.7.2007 in r/o US\$ 16 mn. LOC to Govt. of Surinam vide Credit Agreement dated 14.8.2004	77,28,262
14	From 16.1.2007 to 16.7.2007 in r/o US\$ 27 mn. LOC to Govt. of Vietnam vide Credit Agreement dated 12.8.2004	2,80,29,400
15	From 16.1.2007 to 16.7.2007 in r/o US\$ 10 mn. LOC to Govt. of Djibouti vide Credit Agreement dated 24.7.2003	97,99,764
16	From 16.1.2007 to 16.7.2007 in r/o US\$ 19 mn. LOC to Govt. of Guyana vide Credit Agreement dated 11.11.2004	2,55,80,377
17	From 12.7.2007 to 30.7.2007 in r/o US\$ 20 mn. LOC to Govt. of Myanmar vide Credit Agreement dated 17.8.2006	2,62,270
18	From 21.12.2006 to 16.7.2007 in r/o US\$ 2.10 mn. LOC to Govt. of Guyana vide Credit Agreement dated 7.11.2006	20,75,292
19	From 16.1.2007 to 16.7.2007 in r/o US\$ 5 mn. LOC to Govt. of Lesotho vide Credit Agreement dated 12.10.2004	23,92,624
20	From 16.1.2007 to 16.7.2007 in r/o US\$ 27 mn. LOC to Govt. of Senegal vide Credit Agreement dated 8.2.2006	3,36,10,948

Notes on Outcome - Details of Schemes

Sl. No.	Period of Interest Equalisation Support and relevant LOC	Amount in Indian Rupees (Up to 31.12.2007)
33	For the period half year ended on 21.8.2007 in r/o US\$ 48 mn. LOC to Govt. of Sudan vide Credit Agreement dated 12.2.2007	10,20,866
34	For the period half year ended on 26.9.2007 in r/o US\$ 65 mn. LOC to Govt. of Ethiopia vide Credit Agreement dated 20.4.2006	1,54,21,677
35	From 9.4.2007 to 9.10.2007 in r/o US\$ 15 mn. LOC to Govt. of Ghana vide Credit Agreement dated 24.10.2003	60,31,313
36	From 30.3.2007 to 26.9.2007 in r/o US\$ 350 mn. LOC to Govt. of Sudan vide Credit Agreement dated 23.1.2006	1,25,82,965
37	From 9.4.2007 to 9.10.2007 in r/o US\$ 10 mn. LOC to Govt. of Zambia vide Credit Agreement dated 20.12.2003	21,72,290
38	From 7.5.2007 to 7.11.2007 in r/o US\$ 30.97 mn. LOC to Govt. of Burkina Faso vide Credit Agreement dated 11.10.2005	3,04,38,480
39	From 7.5.2007 to 7.11.2007 in r/o US\$ 11 mn. LOC to Govt. of Senegal vide Credit Agreement dated 15.1.2007	1,10,03,588
40	From 7.5.2007 to 7.11.2007 in r/o US\$ 30.97 mn. LOC to Govt. of Jamaica vide Credit Agreement dated 19.1.2007	20,48,638
41	From 12.7.2007 to 7.11.2007 in r/o US\$ 20 mn. LOC to Govt. of Mozambique vide Credit Agreement dated 17.8.2006	29,92,214
	<b>Total -</b>	<b>60,98,90,784/-</b>