सत्यमेव जयते

Government of India

MINISTRY OF FINANCE

ANNUAL REPORT
2021-2022

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Introduction

The Ministry comprises of six Departments namely:—

- Department of Economic Affairs
- Department of Expenditure
- Department of Revenue
- Department of Investment and Public Asset Management
- Department of Financial Services
- Department of Public Enterprises

1. Department of Economic Affairs

Economic Growth

The Delta variant of COVID-19 struck India in the beginning of 2021-22 marking the onset of the second wave. Although the second wave of the pandemic in April-June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. The Advanced Estimates of real GDP growth (YoY) in FY 2021-22 at 9.2 per cent confirm the sustained momentum of GDP growth since the second wave. The economy in the current year has recovered 101.6 per cent of the pre-pandemic output of FY 2019-20. This is supported by strong rebound seen in several high frequency indicators in Q3: FY 2021-22 and rapid progress in vaccination coverage.

On the supply side, while agriculture continues to lend unwavering support to economic recovery, manufacturing and construction exhibited a sharp rebound to recover more than 100 per cent of corresponding pre-pandemic output levels. These developments clearly reflect uptick in consumer and investor sentiment, release of pent-up demand, especially in construction supported by growing public capex and housing cycle upturn. Recovery in services sector has improved to reach corresponding pre-pandemic levels at 100 per cent, reflecting gradual adaptability of contact-intensive service sectors to the pandemic situation. The growth of the gross value added (GVA) at constant basic prices has been estimated to grow by 8.6 per cent in 2021-22 (1st advance estimates), with agriculture and allied sectors, industrial sector and services sector growing at 3.9 per cent, 11.8 per cent and 8.2 per cent respectively.

On the demand side, the recovery has been broad based. While investment and exports have achieved more than full recovery of corresponding pre-pandemic FY 2019-20 levels, private consumption has also improved to recover 97.8% of corresponding pre-pandemic levels and stands fully recovered in H2 of FY 2021-22. These estimates confirm strengthening of economic recovery on the back of rising capex in public sector, increasing resilience of India's exports, investment cycle uptick and improved consumption levels. Growth in income coupled with improved mobility and e-commerce augurs well for higher levels of employment. The growth in government final consumption expenditure at constant (2011-12) prices is estimated at 7.6 per cent in 2021-22 (1st advance estimates), as compared to 3.6 per cent in 2020-21 (1st revised estimates). The growth in gross fixed capital formation at constant prices is estimated at 15.0 per cent in 2021-22 (1st advance estimates) as compared to (-) 10.4 per cent in 2020-21 (1st revised estimates). Real exports and imports of goods and services are estimated to grow by 16.5 per cent and 29.4 per cent respectively in 2021-22.

Investment, as measured by Gross Fixed Capital Formation (GFCF) is expected to see strong growth of 15 per cent in 2021-22 and achieve full recovery of pre-pandemic level. Government's policy thrust on quickening virtuous cycle of growth via capex and infrastructure spending has increased capital formation in the economy lifting the investment to GDP ratio to about 29.6 per cent in 2021-22, the highest in seven years.

Information on saving and investment is available only till the year 2020-21. Gross saving as proportion of GDP at current market prices is estimated at 28.2 per cent in 2020-21 as compared to 29.9 percent in 2019-20. Gross capital formation, also known as investment, was estimated to at 27.3 per cent of the GDP at current market prices in 2020-21, as compared to 30.7 per cent in 2019-20.

Simultaneously, the world's largest free vaccination drive is underway with more than 167.87 crore doses administered as on 3rd February 2022. More than 95 per cent of adult population is vaccinated with single dose while more than 75 per cent of adult population is vaccinated with double dose of COVID-19 vaccine.

Prices

Retail inflation, measured in terms of Consumer Price Index-Combined (CPI-C), showed a decline from 3.6 per cent in 2017-18 to 3.4 per cent in 2018-19 and stood at 4.8 per cent in 2019-20. However, during pandemic year 2020-21, it has climbed sharply to 6.2 per cent mainly on account of high 'food and beverage' and miscellaneous inflation. CPI-C inflation averaged 5.2 per cent in Apr-Dec, 2021-22, and inflation recorded 5.6 per cent in December 2021. Food inflation based on Consumer Food Price Index (CFPI) declined from 1.8 per cent in 2017-18 to 0.1 per cent in 2018-19 but rose sharply to 7.7 per cent in 2020-21. During April-Dec, 2021-22 food inflation averaged 2.9 per cent. Inflation measured in terms of Wholesale Price Index (WPI) declined from 4.3 per cent in 2018-19 to 1.3 per cent in 2020-21.WPI inflation averaged 12.5 per cent during April-December, 2021-22 and stood at 13.6 per cent in December 2021 (Table 1).

Table1: Inflation in CPI and WPI (in per cent)

	CPI-C		WPI	
	All	**Food (CFPI)**	**All**	**Food**
Base	2012=100		2011-12=100	
Weight	*100.0*	*39.1*	*100.0*	*24.4*
2017-18	**3.6**	**1.8**	**3.0**	**1.9**
2018-19	**3.4**	**0.1**	**4.3**	**0.6**
2019-20	**4.8**	**6.7**	**1.7**	**6.9**
2020-21	**6.2**	**7.7**	**1.3**	**4.0**
2020-21 (Apr-Dec)	6.6	9.1	0.04	4.3
2021-22 (Apr-Dec)	5.2	2.9	12.5	5.9
Apr-21	4.2	2.0	10.7	7.5
May-21	6.3	5.0	13.1	8.3
Jun-21	6.3	5.1	12.1	6.7
Jul-21	5.6	4.0	11.6	4.5
Aug-21	5.3	3.1	11.6	3.8
Sep-21	4.4	0.7	11.8	2.6
Oct-21	4.5	0.8	13.8	4.3
Nov-21	4.9	1.9	14.2	6.7
Dec-21	5.6	4.0	13.6	9.2

Source: NSO and DPIIT.

Notes: 1. WPI inflation for last two months and CPI-C inflation for last one month is provisional.

Agriculture and Food Management

During the South West Monsoon Season (June-September) of 2021, the country as a whole received rainfall of 99 per cent of its Long Period Average (LPA). Out of the total 36 meteorological subdivisions, 20 subdivisions constituting 58% of the total area of the country received normal seasonal rainfall, 10 subdivisions received excess rainfall (25% of the total area) and 6 subdivisions (17% of the total area) received deficient season rainfall

As per 2nd Advance Estimates for 2021-22, total Foodgrains production in the country is estimated at record 316.06 million tonnes which is higher by 5.32 million tonnes than the production of foodgrain during 2020-21. Further, the production during 2021-22 is higher by 25.35 million tonnes than the previous five years' (2016-17 to 2020-21) average production of foodgrains. (Table 1).

Table 2: Production of Major Agricultural Crops (2nd Advance Estimates)

Production (Million Tonnes)

Crops	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (2nd A.E)
Total food-grains	251.5	275.1	285.0	285.2	297.5	310.7	316.1
Rice	104.4	109.7	112.8	116.5	118.4	124.4	127.9
Wheat	92.3	98.5	99.9	103.6	107.6	109.6	111.3
Total Coarse Cereals	38.5	43.8	47.0	43.1	47.8	51.3	49.9
Total Pulses	16.3	23.1	25.4	22.1	23.0	25.5	27.0
Total oilseeds	25.3	31.3	31.5	31.5	33.3	36.0	37.2
Sugarcane	348.5	306.1	379.9	405.4	370.5	405.4	414.0
Cotton#	30.0	32.6	32.8	28.0	36.1	35.3	34.1

Source: Second Advance Estimates of Production of Major Crops for 2021-22. # Lakh bales of 170 kgs. each

As per preliminary reports received from the States, the total area sown under Rabi crops as on 28th January, 2022 stands at 689.1 lakh hectares as compared to 680.8 lakh hectare for corresponding period last year.

As per the 3rd Advance Estimate area and production under horticulture crops[1] during 2020-21 is 27.6 million hectares and 331.1 million MT as compared to 26.5 million hectares and 320.5 million MT in 2019-20.

Milk production in the country has grown at a compound annual growth rate of about 6.2 per cent to reach 209.96 million tonnes in 2020-21 from 146.31 million tonnes in 2014-15. Per capita availability of milk is 427 grams per day in 2020-21 (provisional).

India is the second largest fish producing country in the world accounting for 7.56 per cent of global production. It contributes about 1.24 per cent to the country's GVA and over 7.28 per cent to the agricultural GVA. Fisheries sector has demonstrated an outstanding double-digit average annual growth of 10.87 per cent since 2014-15 with record fish production of 145 lakh tons in FY 2020-21 (provisional)

Industry and Infrastructure

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity showed negative growth in industrial production during 2020-21. According to the data on the IIP released by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation (MOSPI), the Index of Industrial Production (IIP) based industrial growth during 2020-21, was (-) 8.4 per cent as compared to (-) 0.8 per cent during the 2019-20. The three broad sectors, mining, manufacturing and electricity sectors fell by of 7.8 per cent, 9.6 per cent and 0.5 per cent respectively in 2020-21 as against growth of 1.6 per cent (-) 1.4 per cent and 1 per cent growth respectively during 2019-20. During April-November 2021-22, the IIP grew by 17.4 per cent. The growth of different used based industrial group is given below.

Table 3 : Growth of Index of Industrial Production (IIP) (in Per cent) (Base 2011-12=100)

Industry Group	Weight	2019-20	2020-21	2021-22(April-November)
Mining	14.37	1.6	-7.8	18.2
Manufacturing	77.63	-1.4	-9.6	18.5
Electricity	7.99	1.0	-0.5	10.2

[1] Horticulture crops comprising of fruits, vegetables, aromatic and medicinal, flowers, honey, plantation and spices.

Growth by use-based industrial group				
Primary Goods	34.04	0.7	-7.0	13.2
Capital Goods	8.22	-13.9	-18.6	29.0
Intermediate Goods	17.22	9.1	-9.4	23.7
Infrastructure/Construction Goods	12.33	-3.6	-8.7	27.5
Consumer Durable Goods	12.83	-8.7	-15.0	24.0
Consumer Non-durable Goods	15.32	-0.1	-2.2	6.4
General Index	100	-0.8	-8.4	17.4
Source: NSO, MoSPI				

The index for eight core industries comprising coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity with a combined weight of nearly 40 per cent in the IIP, declined by 6.4 per cent in April-March 2020-21 because of the pandemic led disruptions in the production, as compared to a growth of 0.4 per cent growth in April-March 2019-20. The growth rate of the index during the period of April-December 2021-22 was 12.6 percent as compared to (-) 9.8 percent in the corresponding period of last financial year. This acceleration in ICI is mainly driven by improved performance in the steel, cement, natural gas, coal and electricity.

Table 4: Production growth (per cent) in Eight Core Infrastructure- Supportive Industries

	2019-20(Apr-Mar)	2020-21(Apr-Mar)	2021-22(Apr-Dec)
Overall Growth rate	0.4	-6.4	12.6
Coal	-0.4	-1.9	10.6
Crude Oil	-5.9	-5.2	-2.6
Natural Gas	-5.6	-8.2	22.4
Petroleum Refinery Products	0.2	-11.2	10.0
Fertilizers	2.7	1.7	-0.1
Steel	3.4	-8.7	22.1
Cement	-0.9	-10.8	26.1
Electricity	0.9	-0.5	9.4
Source: Office of the Economic Adviser, DPIIT (Ministry of Commerce & Industry)			

As per report on Review of Infrastructure Sector Performance(MOSPI) November, 2021 issue the following are the highlights:

- During April – November 2021, 519.300 MT coal was dispatched which 22.17% higher than the coal dispatched during the corresponding period of the previous year.
- Production of finished steel including production in private sector during April - November 2021 stood at 72.82 MT was 26.78% higher than the production during the corresponding period of the previous year.
- During April-November 2021, the cement production stood at 224.16 MT which was 28.25% higher than the production during the corresponding period of the last year.
- Refinery production including production in private sector during April - November 2021, stood at 155.73 MT was 11.77% higher than the production during the corresponding period of the previous year.
- During April - November 2021, the National Highways Authority of India (NHAI) have constructed/widened and strengthened 1739

Kilometre (Km) of National Highways to four/six/ eight lanes.

- During April - November 2021, the freight traffic carried by the Railways stood at 903.17 MT was 20.11% higher than the corresponding period of the previous year.
- During April - November 2021, the International terminals of 5 major and other airports handled 108.97 lakh passengers which was156.86% higher than the passengers handled during the corresponding period of last year.

Social Sector Expenditure

During the last two years, as India along with rest of the world faced the COVID-19 pandemic, Government's key focus in India remained on providing a safety-net to the vulnerable segments of society as well as providing a coherent response to the health consequences of the pandemic. Consequently, Government spending on social services increased significantly during the pandemic, recording an increase of 9.8 percent over 2020-21. In 2021-22 (BE), funds to the social sector increased from 8.3 percent of Gross Domestic Product (GDP) in 2020-21 to 8.6 percent of GDP. Expenditure on health sector increased from Rs. 2.73 lakh crore in 2019-20 (pre-COVID-19 year) to Rs. 4.72 lakh crore in 2021-22 (BE), an increase of nearly 73 percent. For the education sector, the increase during same period was 20 percent.

Labour Market

Before the outbreak of COVID-19, the urban labour market had shown signs of improvement in terms of labour force participation rate (LFPR), Worker population ratio (WPR) and Unemployment rates (Table 5). However, the nation-wide lockdown imposed in late-March, 2020 adversely impacted the urban labour market. With the revival of economy in the subsequent quarters of 2020-21, all three labour market indicators showed a swift recovery. The Unemployment rate gradually declined during this period to reach 9.3 per cent in Q_4 of 2020-21.

Table 5: Labour market indicator for Urban sector (age: 15 & above) at CWS (in per cent)

Survey Year	Quarters	LFPR	WPR	UR
2019-20	July-Sept, 2019	47.3	43.4	8.3
	Oct-Dec, 2019	47.8	44.1	7.8
	Jan-March, 2020	48.1	43.7	9.1
	April-June, 2020	45.9	36.4	20.8
2020-21	July-Sept, 2020	47.2	40.9	13.2
	Oct-Dec, 2020	47.3	42.4	10.3
	Jan-March, 2021	47.5	43.1	9.3

Source: Quarterly PLFS reports

Payroll Subscription under Employees' Provident Fund Organisation (EPFO)

The latest payroll data of Employees' Provident Fund Organisation (EPFO) which covers the low paid workers in medium and large establishments of formal sector shows that the net addition in EPF subscribers reached 13.9 lakh during the month of November 2021, which translates into growth of 109.21 percent from November 2020, and a growth of 25.65 percent from October, 2021. Thus, the monthly net addition in subscriptions during 2021 has not only been higher than the corresponding monthly values in 2020, but they have also surpassed the levels of the corresponding months during pre-pandemic year 2019. This points to the formalisation of the job markets as well as new hiring. Government has taken measures for jobs creation as well as sustainable livelihoods generation.

Aatmanirbhar Bharat Rojgar Yojana (ABRY) was announced as a part of Aatmanirbhar Bharat 3.0 package to boost the economy, increase the employment generation in post Covid recovery phase and to incentivize creation of new employment along with social security benefits and restoration of loss of employment during COVID-19 pandemic. As on 6th January 2022 benefits have been given to 43,21,837 beneficiaries through 1,22,228 Establishments. The Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), launched in 2011, is another intervention that seeks to alleviate rural poverty through building sustainable community institutions for the poor. Till December, 2021, 8.07 crore households are mobilized into Self Help Groups.

External Sector

World Economic Development

According to International Monetary Fund, World Economic Outlook, January 2022, global growth is expected to moderate from 5.9 in 2021 to 4.4 per cent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 per cent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Table 6: Overview of the World Economic Outlook Projections

(Percent change, noted otherwise)

	2021 (Estimate)	Projections		Difference from October 2021	
		2022	2023	2022	2023
World Output	**5.9**	**4.4**	**3.8**	**–0.5**	**0.2**
Advanced Economies	5	3.9	2.6	–0.6	0.4
Emerging Market and Developing Economies	6.5	4.8	4.7	–0.3	0.1
World Trade Volume (goods and services)	**9.3**	**6**	**4.9**	**–0.7**	**0.4**
Advanced Economies	8.3	6.2	4.6	–0.7	0.6
Emerging Market and Developing Economies	11.1	5.7	5.4	–0.7	0

Further, with respect to External Sector outlook of trade growth, global trade is expected to moderate in 2022 and 2023, in line with the overall pace of the expansion. Assuming that the pandemic eases over 2022, supply chain problems are expected to abate later in the year. The accompanying moderation in global goods demand will also help reduce imbalances. Cross-border services trade — particularly tourism — is expected to remain subdued.

India's Merchandise Trade developments during 2019-20, 2020-21, 2020-21 (April-December) and 2021-22 (April-December)

As per the data of Department of Commerce, the developments in India's merchandise trade during 2019-20, 2020-21, 2020-21 (April-December) and 2021-22 (April-December) may be seen at Table 7.

Table 7: India's Merchandise Trade Performance

(Values in US$ billions)

	2019-20	2020-21	Change 2020-21 over 2019-20	2019-20 (Apr-Dec)	2020-21 (Apr-Dec) (P)	Change 2021-22 (Apr-Dec) over 2020-21 (Apr-Dec)
Total Trade	788.1	686.2	-12.9	464.1	745.2	60.6
Total Exports	313.4	291.8	-6.9	201.4	301.4	49.7
Total Imports	474.7	394.4	-16.9	262.8	443.8	68.9
POL Imports	130.6	82.7	-36.7	54.0	118.3	119.2
Non POL Imports	344.2	311.8	-9.4	208.8	325.6	55.9
Trade Balance	-161.3	-102.6	-36.4	-61.4	-142.4	132.1

Source: Department of Commerce, Ministry of Commerce and Industry.
Note: P: Provisional.

It may be seen from table 7 above that the merchandise trade deficit had declined to US$ 102.6 billion in 2020-21 from US$ 161.3 billion in 2019-20. During 2021-22 (April-December), trade deficit increased to US$ 142.4 billion from US$ 61.4 billion in 2020-21 (April-December).

Developments in Balance of Payments during 2021 (April-September)

As per the Press Release of Reserve Bank of India, the developments in India's Balance of Payments 2020-21 (April-September) and 2021-22 (April-September) may be seen at Table 8.

Table 8: Major Items of India's Balance of Payments

(US$ Billion)

Year / Item (Net)	2020-21 H1	2021-22 H1 (P)
A. Current Account	**34.3**	**-3.1**
A 1 Merchandise Trade Balance	-25.8	-75.1
A 1 a Merchandise Exports	127.8	202.3
A 1b Merchandise Imports	153.6	277.4
A 2. Invisibles	60.1	72.1
A 2.a) Services	41.8	51.4
A 2.b) Transfers	35.4	37.9
A 2.c) Income	-17.1	-17.2
B) Capital Account	**17.3**	**65.6**
B.1) Foreign Investment	31.5	25.4
B.1.a) Foreign Direct Investment	23.9	21.2
B.1.b Foreign Portfolio Investment	7.6	4.3
B.2) Loans	-1.1	10.4
B.2.a) External Assistance	6.0	1.4
B.2.b) Commercial Borrowings (MT & LT)	-5.1	4.7
B.2.c) Short Term Credit to India	-2.0	4.3
B.3) Banking Capital	-9.0	4.4
B.4) Rupee Debt Service	-0.1	-0.1
B.5) Other Capital	-4.0	25.4
C) Errors and Omissions	-0.2	0.5
D) Overall Balance	**51.4**	**63.1**
E) Foreign Exchange Reserves (Increase - / Decrease +)	**-51.4**	**-63.1**

Source : RBI. P : Provisional.

(A) Current Account

India recorded a current account deficit of 0.2 per cent of GDP in H1:2021-22 as against a surplus of 3.0 per cent in H1:2020-21 on the back of a sharp increase in the trade deficit. Net invisible receipts were higher in H1:2021-22, on account of higher net receipts of services and private transfers.

(B) Capital/Financial Account

In H1: FY 22, net capital flows more than tripled to US$ 65.6 billion (4.5 per cent of GDP) over those in H1: FY 21, on the back of continued inflow of foreign investment, rise in loans mainly external commercial borrowings (ECBs), banking capital and other capital (inclusive of SDR allocation of US$ 17.9 billion by the IMF).

Net capital flows remained volatile yet witnessed y-o-y and sequential growth in both quarters of 2021-22. While the capital flows rose in Q1: FY 22 mainly on account of robust foreign direct investment on y-o-y basis, it increased further in Q2: FY 22 mainly due to the increase in FPI, ECBs and allocation of special drawing right by IMF. Net FDI inflows at US$ 21.2 billion in H1:2021-22 were lower than US$ 23.9 billion in H1:2020-21. Portfolio investment recorded a net inflow of US$ 4.3 billion in H1:2021-22 as compared with US$ 7.6 billion a year ago. In H1:2021-22, there was an accretion of US$ 63.1 billion to the foreign exchange reserves (on a BoP basis).

Foreign Exchange Reserves

There was a massive increase in India's foreign exchange reserves during 2021-22. The forex reserves stood higher at US$ 633.6 billion as at end-December 2021, than US$ 577.0 billion as at end-March 2021. However, the import cover of India's foreign exchange reserves declined to 13.2 months at end-December 2021 from 17.4 months at end-March 2021 as merchandise imports increased with pick-up in domestic economic activity. As at end-November 2021, India was the fourth largest foreign exchange reserves holder in the world after China, Japan and Switzerland.

Exchange Rate

Indian rupee depreciated by 4.5 per cent (y-o-y basis) against US dollar in 2020-21. Although the rupee exhibited movements in both directions against US dollar during April-December, 2021, it depreciated by 3.4 per cent in December 2021 over March 2021. The depreciation of the rupee, however, was modest as compared with its emerging market peers, such as Turkish lira, Argentine Peso, Thai baht, and Philippine peso. The rupee appreciated against euro, Japanese yen and pound sterling by 1.8 per cent, 1.3 per cent and 0.6 per cent, respectively, in December 2021 over March 2021.

External Debt

India's external debt as at end-September 2021, estimated at US$ 593.1 billion, grew by US$ 22.3 billion (3.9 per cent) over the level as at end-June 2021. Excluding the valuation gains due to the appreciation of the US dollar, the increase in external debt would have been US$ 23.7 billion, instead of US$ 22.3 billion. Commercial borrowings, the largest component of external debt, at US$ 218.8 billion, recorded a quarter-over-quarter (q-o-q) positive growth of 2.5 per cent over the level a quarter ago. The NRI deposits, the second largest component, at US$ 141.6 billion were at the same level as at end of the previous quarter. The short-term trade credit, the third largest component, at US$ 97.4 billion continued to contract. Together, these three components constitute 77.2 per cent of total external debt as at end-September, 2021. IMF (SDRs) at US$ 23.3 billion rose by as much as US$ 17.6 billion (310.8 per cent) over the level as at end-June 2021, primarily reflecting additional SDR allocation on August 23, 2021.

Climate Change Finance

Performance and achievements under the key flagship programmes

Climate Change is one of the most compelling global challenges. India submitted its Nationally Determined Contribution (NDC) under the Paris Agreement on a "best effort basis" keeping in mind the developmental imperatives of the country. In its NDC, India aimed to reduce its emission intensity of GDP by 33 to 35 per cent below 2005 levels by the year 2030; 40 per cent of cumulative electric power installed capacity would be from non-fossil fuel sources by 2030; and increase its forest cover and additional carbon sink equivalent to 2.5 to 3 billion tons of carbon dioxide by 2030. The implementation of NDC effectively commenced on 01.01.2021. India's NDC clearly states that finance is a critical enabler of climate change action.

India's third Biennial Update Reports (BUR) submitted to the UNFCCC in 2021 reports that during 2005-2016, the country had reduced emission intensity of its GDP by 24 per cent. According to the India State of Forest Report 2021 released in January 2022, the total carbon stock in the country's forests is estimated to be 7,204 million tonnes, and the carbon stock in forest has increased by 79.4 million tonnes as compared to the last assessment of 2019. According to the Central Electricity Authority, as on 31st December 2021, the share of non-fossil sources in installed capacity of electricity generation was 40.2 per cent.

In the 26th version of the Conference of Parties (COP 26) under UNFCCC held in November 2021 at Glasgow, United Kingdom, the Hon'ble Prime Minister has announced an ambitious target for India based on five nectar elements – Panchamrit, to deal with climate change. These include: (i) attaining 500 GW non-fossil energy capacity by 2030; (ii) 50 per cent energy mix comprising renewable energy by 2030; (iii) reducing total projected carbon emissions by one billion tonnes from now onwards till 2030; (iv) reducing carbon intensity of its economy by less than 45 percent by 2030; and (v) achieving Net Zero by 2070.

India's statement at COP 26 had noted that substantial scaling up of climate action would require greater resources and low-cost climate technologies from the developed countries. The year 2020 was supposed to be the year by which developed country Parties were to fulfill the goal of jointly mobilizing US$ 100 billion. This essential component in the climate negotiations need to be adhered to by developed countries to bring balance to the Paris architecture. COP 26 noted with serious concern the gap in relation to the fulfilment of the goal of developed country Parties to mobilize jointly US$ 100 billion per year by 2020. Under the Glasgow Climate Pact, COP 26 urged developed country Parties to fully deliver on the US$ 100 billion goal urgently and through to 2025, and emphasized the importance of transparency in the implementation of their pledges. In addition, COP 26 set up an adhoc work program to deliberate on the new collective quantified goal with the view to set the new collective quantified goal by 2024.

e-Governance Activities

For matters related to climate change finance, the e-file platform is used in almost all cases since 2018. Old physical files also been converted to electronic form.

Banking Sector

The Gross Non-Performing advances (GNPA) ratio (i.e. GNPAs as a percentage of Gross Advances) and Net Non-Preforming (NNPA) ratio of Scheduled Commercial Banks (SCBs) continued to decline since 2018-19. GNPA ratio of SCBs decreased from 7.5 per cent at end September 2020 to 6.9 per cent at end-September 2021. NNPA ratio of SCBs was 2.2 per cent at end-September 2021.

Restructured Standard Advances (RSA) ratio of SCBs increased from 0.4 per cent to 1.5 per cent during the same period. Overall, the Stressed Advances ratio of SCBs increased from 7.9 per cent at end-September 2020 to 8.5 per cent at end-September 2021. Various COVID-19 related dispensations/moratoriums provided with respect to asset quality contributed towards increase in restructured assets and as a result, stressed advances ratio for the banking system increased at end-September 2021. Overall, the banking system appears to have weathered the pandemic shock well even if there is some lagged impact still in the pipeline.

GNPA ratio of Public Sector Banks (PSBs) decreased from 9.4 per cent at end-September 2020 to 8.6 per cent at end-September 2021. The Stressed Advances ratio of PSBs increased marginally from 10.0 per cent to 10.1 per cent during the same period on account of rise in restructured advances.

The Capital Adequacy Ratio has continued to improve since 2015-16. Capital to Risk weighted Asset Ratio (CRAR) of SCBs increased from 15.84 per cent at end-September 2020 to 16.54 per cent at end-September 2021 on account of its improvement for both public and private sector banks. The improvement in CRAR levels of PSBs was due to capital infusion by the government alongside fund raising from the markets, while private sector banks tapped capital from market sources. Based on the capital position as on September 30, 2021, all Public Sector and Private Sector banks maintained the Capital Conservation Buffer (CCB) well over 2.5 per cent.

SCBs' annualised return on assets (RoA) improved from 0.6 per cent at end-September 2020 to 0.8 per cent at end-September 2021, while their annualised return on equity (RoE) improved from 7.7 per cent to 9.0 per cent during the same period. The RoA and RoE for PSBs became positive in June 2020 and continued to be positive for the period ending September 2021, after recording negative profitability ratios during March 2016 to March 2020.

The net profit (profit after tax) for PSBs increased from 14,688 crore during first half of 2020-21 to 31,144 crore during first half of 2021-22. Similarly, the net profit for private sector banks increased from 32,762 crore to 38,234 crore during the same period. Overall, for SCBs, the net profit increased from 59,426 crore at end-September 2020 to 78,729 crore at end-September 2021.

Credit-growth

The credit growth had been declining since 2019. The credit growth was 5.3 per cent at beginning of April 2021 and started to increase since then, but was still modest and stood at 7.3 per cent as on 17th December 2021. However, the credit growth has picked up sharply in December to 9.2 per cent as on 31st December 2021. In 2021-22, the risk capital (i.e. money raised from capital markets) has so far been more important than the banks in providing finance to the revival.

On a year-on-year (y-o-y) basis, non-food bank credit registered a growth of 9.3 per cent in December 2021 as compared to 6.6 per cent a year ago. Credit to agriculture and allied activities continued to perform well, registering a robust growth of 14.5 per cent in December 2021 as compared to 7.7 per cent in December 2020.

Credit growth to industry improved noticeably to 7.6 per cent in December 2021 from 0.4 per cent in December 2020. Size-wise, credit to medium industries registered high double-digit growth of 86.5 per cent in December 2021 as compared to 17.1 per cent last year. Credit growth to micro and small industries accelerated to 20.5 per cent in December 2021 from 1.3 per cent a year ago. Credit to large industries recorded a growth of 1.3 per cent in December 2021 against a contraction of 0.5 per cent a year ago. Within industry, credit growth to 'all engineering', 'beverage & tobacco', 'chemicals & chemical products', 'infrastructure', 'leather & leather products', 'mining & quarrying', 'petroleum, coal product & nuclear fuels', 'rubber plastic & their products', 'textiles' and 'wood & wood products' accelerated in December 2021 as compared to the corresponding month of the previous year. However, credit growth to 'basic metal & metal products', 'cement & cement products', 'construction', 'food processing', 'gems & jewellery', 'glass

& glassware', 'paper & paper products' and 'vehicles, vehicles parts & transport equipment' decelerated/ contracted.

Credit growth to services sector accelerated to 10.8 per cent in December 2021 from 8.0 per cent a year ago, mainly due to significant improvement in credit growth to 'NBFCs'. Credit to the personal loans segment continued to expand at a robust rate and grew by 14.3 per cent in December 2021 vis-à-vis 8.8 per cent a year ago. Housing remained the prime driver of overall growth in the segment.

Monetary Developments

The Monetary Policy Committee (MPC) maintained status quo on the policy repo rate during April to December 2021 after a substantial cut of 115 basis points (bps) during February-May 2020 and a cumulative 250 basis points cut since February 2019. The repo rate which currently stands at 4 per cent is lowest in the last decade. Since May 2020, the policy rates have been on hold along with an accommodative monetary policy stance with forward guidance that this stance will continue as long as necessary to revive growth on durable basis while ensuring that inflation remains within the target (Consumer Price Index inflation of 4 per cent within a band of +/- 2 per cent).

In the initial meetings of 2021-22, MPC noted that while the inflation has hovered above the upper tolerance band for some months, it was largely driven by adverse supply shocks which were expected to be transitory. The outlook for aggregate demand was progressively improving but capacity utilisation rates were low. The contact intensive services were lagging behind and the recovery was uneven and required policy support. In the latest MPC meeting in December 2021, the committee pointed out that the outlook was uncertain owing to global spillovers, potential resurgence in COVID-19 infections and divergences in policy actions and stances across the world with inflationary pressures increasing across economies. Accordingly, the MPC decided to continue monitoring the inflationary pressures, keep the policy repo rate unchanged at 4 per cent and persist with the accommodative stance.

Liquidity Conditions and its Management

Liquidity has remained in surplus in the system since mid-2019 in sync with the easing of monetary conditions. The liquidity conditions were further eased during the year 2020-21 after the covid pandemic, and RBI has since then maintained ample surplus liquidity in the banking system to support growth. In 2021-22 so far, the RBI resumed normal liquidity operations in a phased manner and engaged in rebalancing liquidity from passive absorption under fixed rate reverse repo under its Liquidity Adjustment Facility (LAF) to market based reverse repo auctions (like Variable Rate Reverse Repo (VRRR)). At the same time it also ensured adequate liquidity in the system in consonance with the accommodative monetary policy stance to support growth. The liquidity conditions remained in surplus in 2021-22.

The gradual normalisation of liquidity management operations in sync with the revised liquidity management framework was the key feature of liquidity management in 2021-22. The 14-day Variable Rate Reverse Repo (VRRR) auctions were deployed as the main operation under the Liquidity Adjustment Facility (LAF). Further, the cash reserve ratio (CRR) which was reduced by 100 basis points (bps) in March 2020, was gradually raised to its pre-pandemic level of 4 per cent by May 2021. To manage the liquidity conditions, variable rate reverse repo auctions of varying maturities were conducted apart from the VRRR operations conducted every fortnight. The size of 14 day VRRR was gradually enhanced to 7.5 lakh crore by end December 2021. During 2021-22 so far, average daily net absorptions under LAF amounted to 6.7 lakh crore.

During 2021-22 so far, due to the surplus liquidity conditions, call money rate generally traded below the reverse repo rate - the lower bound of the liquidity adjustment facility (LAF) corridor during the year. The weighted average call rate (WACR) - the operating target of monetary policy - traded 13 bps below the floor of the corridor on an average during the year so far. It was only in November 2021, that the WACR drifted back slightly within the corridor.

With RBI becoming the major counterparty for banks, there was a shrinkage in interbank trading activity - average daily volume in the call money market declined to 9,077 crore in December 2021 from 10,126 crore in March 2021. Interest rates on longer-term money market instruments like 91-day Treasury Bills (T-Bills), 3-month Certificates of Deposit (CDs) and Commercial Papers (CPs) generally traded above the reverse repo rate during the year.

Developments in the G-Sec Markets

The yields on 10-year G sec which had reached 8.2 per cent on 26th September 2018 reduced substantially to reach 5.75 per cent in June 2020. It has since then increased to stand at 6.45 per cent as on 31st December 2021.

Trading in the 10-year G-sec started on a positive note in the financial year 2021-22, supported by the Reserve Bank's G-SAP, continued accommodative stance domestically and dovish monetary policy stance adopted by major economies around the world. In the beginning of first quarter (Q1) of 2021-22, yield on 10-year G-Secs stood at around 6.26 per cent. The 10- year yield reached a low of 5.96 per cent (intra-day) in May 2021. The announcement of G-SAP 2.0 amounting to 1.2 lakh crore on 4th June 2021 and the US federal open market committee's decision on 15th June 2021 to continue with the easy monetary policy stance kept the yields near the 6 per cent mark.

In the beginning of second quarter(Q2) of 2021-22, yields started to rise. The announcement of phased increase in the quantum of VRRR operations on 6th August 2021 and shift in market sentiments to price in possibility of change in interest rate cycle sometime ahead also led to some hardening of yields up to 6.26 per cent. The successively lower consumer price index (CPI) prints, inclusion of the 10-year benchmark paper in the G-SAP auctions and no additional borrowing by government for the second half of 2021-22 helped keep yields in check. The yield on benchmark security stood at 6.22 per cent at the end of second quarter. In the third quarter (Q3) of 2021-22, rise in US treasury yields and rising crude prices led the yields to inch higher to 6.45 per cent at end-December 2021.

Services Sector

The services sector contracted by 7.8 per cent Year on Year (YoY) in 2020-21 (Table 9). This decline was driven by a sharp contraction of 20.2 per cent YoY in the sub-sector 'Trade, hotels, transport, communication & services related to broadcasting'. The sub-sector 'Public administration, defence & other services' which includes expenditure by the government on one hand and services such as health, education, recreation etc, on the other, contracted by 5.5 per cent , whereas the 'Financial, real estate & professional services' sub-sector grew by 2.2 per cent YoY in 2020-21. In 2021-22, services sector grew (YoY) by 8.6 per cent with growth of 11.6 per cent in sub-sector 'Trade, hotels, transport, communication & services related to broadcasting', 12.5 per cent in 'Public administration & other services', 4.3 per cent in 'Financial, real estate & professional services' (Table 9).

Table 9: Services Sector Performance

	Share in GVA (per cent)	Growth (YoY) (per cent)				
Sector	2021-22 (2nd AE)	2020-21 (1st RE)	2021-22 (2nd AE)	2021-22		
				Q1	Q2	Q3
Total Services (Excluding construction)	**52.8**	**-7.8**	**8.6**	**10.5**	**10.2**	**8.2**
Trade, hotels, transport, communication & services related to broadcasting	16.6	-20.2	11.6	34.3	9.5	6.1
Financial, real estate & professional services	21.4	2.2	4.3	2.3	6.2	4.6
Public administration, defence & other services*	14.8	-5.5	12.5	6.3	19.5	16.8

Source: Ministry of Statistics and Programme Implementation.

Note: Share in GVA is in current prices and growth in GVA is at constant 2011-12 prices.

*: Other services include Education, Health, Recreation and other personal services.

RE : Revised Estimates. PE : Provisional Estimates. AE : Advance Estimates.

Services sector is the largest recipient of FDI inflows in India. According to the World Investment Report 2021 by the UN Conference on Trade and Development (UNCTAD), India was the fifth-largest recipient of Foreign Direct Investment (FDI) in 2020 improving its rank by four places, from ninth position in 2019. In 2020-21, India registered highest ever annual FDI inflows of US$ 81.97 billion. The country has received US$ 43.12 billion FDI inflows in the first six months of 2021-22. FDI equity inflows, i.e., FDI inflows minus re-invested earnings, were US$ 31.15 billion during April-September 2021, growing by 3.8 per cent over the corresponding period last year.

2. Department of Expenditure

The Department of Expenditure is the nodal Department for overseeing the public financial management system in the Central Government and matters connected with state finances. It is responsible for the implementation of the recommendations of the Finance Commission and Central Pay Commission, monitoring of audit comments/observations, preparation of Central Government Accounts. It further assists Central Ministries/Departments in controlling the costs and prices of public services, reviewing system and procedure to optimize outputs and outcomes of public expenditure. The principal activities of the Department include overseeing the expenditure management in the Central Ministries/ Departments through the interface with the Financial Advisors and the administration of the Financial Rules/ Regulations/Orders, pre-sanction appraisal of major schemes/projects, handling bulk of the central budgetary resources transferred to State.

The business allocated to the Department of Expenditure is carried out through its Personnel & Establishment Division, Public Finance-State and Public Finance Central Divisions, Office of Chief Advisor Cost, Office of Controller General of Accounts and Central Pension Accounting Office. The Department has under its administrative control the Arun Jaitley National Institute of Financial Management (AJNIFM), Faridabad, which is an autonomous body.

3. Department of Revenue

The Department of Revenue exercises control in respect of revenue matters relating to Direct and Indirect Union taxes. The Department is also entrusted with the administration and enforcement of regulatory measures provided in the enactments concerning Goods and Services Tax (GST), Central Sales tax, Stamp duties and other relevant fiscal statutes. Control over production and disposal of opium and its products is vested in this Department. Apart from this, Directorate of Enforcement, FIU-IND, GSTN, CBN, CCF, CEIB, NIPFP are under the administrative control of Department of Revenue.

4. Department of Investment and Public Asset Management

The Department of Disinvestment was set up as a separate Department on 10th December, 1999 and was later renamed as Ministry of Disinvestment from 6th September, 2001. From 27th May, 2004, the Department of Disinvestment is one of the Departments under the Ministry of Finance.

The Department of Disinvestment has been re-named as Department of Investment and Public Asset Management (DIPAM) with effect from 14th April, 2016.

5. Department of Financial Services

As per Allocation of Business Rules (AOBR), functions of Department of Financial Services(DFS) inter-alia include matters pertaining to Banking, Insurance, Pension Reforms, and Financial Institutions. The Department of Financial Services (DFS) oversees several key programs / initiatives and reforms of the Government concerning the Banking Sector, the Insurance Sector and the Pension Sector in India. The key flagship schemes being currently run / managed by the Department include the Financial Inclusion scheme - Pradhan Mantri Jan Dhan Yojana (PMJDY), Social security schemes namely Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY) & Pradhan Mantri Vaya Vandana Yojana (PMVVY) and credit schemes namely Pradhan Mantri Mudra Yojana (PMMY) & Stand Up India (SUI).

The Department issues policy / guidelines for Public Sector Banks (PSBs), Regional Rural Banks, Cooperative Banks, Public Sector Insurance Companies (PSICs) and Financial Institutions (FIs) through legislative and other administrative measures. It also monitors the performance of these organizations. DFS also deals with legislative and other issues pertaining to the Debt Recovery Tribunals (DRT) / Debt Recovery Appellate Tribunals (DRAT), regulatory bodies such as the Insurance Regulatory and Development Authority of India (IRDAI), the Pension Fund Regulatory and Development Authority (PFRDA) and certain legislative matters related to Reserve Bank of India (RBI).

The Department is also responsible for appointment of key functionaries such as Governor / Deputy Governor of Reserve Bank of India, Chairman / Members of IRDAI and PFRDA, Chairman / Managing Director and Chief Executive Officers (MD & CEOs), Executive Directors (EDs), Chairman cum Managing Directors (CMDs), Non-official Directors etc. on the Board of public sector banks, Insurance companies and Financial Institutions. Matters relating to international banking relations are also dealt with by the Department.

The Department played a vital role by providing seamless continuous financial services during lockdown due to COVID-19 pandemic. The Department also continued to take Covid-19 related measures to mitigate the impact of Covid and boost the economy e.g. Credit Guarantee Scheme for Micro Finance Institutions (CGSMFI), Loan Guarantee Scheme for Covid affected Sectors (LGSCAS), Emergency Credit Line Guarantee Scheme (ECLGS), additional working capital refinance facility through NABARD, Kisan Credit Card Saturation drive, Interest Subvention to PMMY Shishu Loans etc.

The information on number of Banks, Insurance Companies and Financial Institutions are as under.

Scheduled Commercial Banks (as on 31.12.2021)

Public Sector Banks	12
Private Sector Banks	21
Small Finance Banks	11
Payment Banks	4
Regional Rural Banks	43
Foreign Banks	46
TOTAL	**137**

Source : RBI

	Insurance Companies in India (As on 31.01.2022)		
	Private Sector	Public Sector	Total No. of Insurers (Public & Private)
Life Insurers	23	1	24
General insurers	20	6	26
Stand-alone Health Insurers	5	0	5
Reinsurers	11	1	12
TOTAL	59	8	67

Source: IRDAI

Financial Institutions (as on 31.12.2021)	
1	National Bank for Agriculture and Rural Development (NABARD)
2	India Infrastructure Finance Company Ltd. (IIFCL)
3	Export-Import Bank of India (EXIM)
4	Industrial Finance Corporation of India (IFCI)
5	Small Industrial Development Bank of India (SIDBI)
6	National Housing Bank (NHB)
7	National Bank for Financing Infrastructure and Development (NaBFID)

6. Department of Public Enterprises

1. Introduction : -

In their 52nd Report, the Estimates Committee of 3rd Lok Sabha (1962-67) stressed the need for setting up a centralized coordinating unit, which could also make continuous appraisal of the performance of public enterprises. This led to the setting up of the Bureau of Public Enterprises (BPE) in 1965 in the Ministry of Finance. Subsequently, as a result of the reorganization of the Ministries/Departments of the Union Government in September, 1985, BPE was made part of the Ministry of Industry. In May, 1990, BPE was made a full-fledged Department known as the Department of Public Enterprises (DPE). Before coming under the Ministry of Finance vide Cabinet Secretariat Notification dated 6th July, 2021, Department of Public Enterprises was part of the Ministry of Heavy Industries & Public Enterprises.

2. Functions:

The following subjects are being dealt by DPE:

2.1 Coordination of matters of general policy affecting all Public Sector Enterprises.

2.2 Composition of Boards of CPSEs.

2.3 Categorisation of Central Public Sector Enterprises including conferring 'Ratna' status.

2.4 Matters relating to Permanent Machinery of Arbitration for the Public Sector Enterprises.

2.5 Wage policy & manpower rationalization of CPSEs.

2.6 Evaluation and monitoring the performance of Public Sector Enterprises, including the Memorandum of Understanding mechanism.

2.7 Review of capital projects and expenditure in Central Public Sector Enterprises.

2.8 Survey of Public Enterprises.

2.9 Counselling, training and rehabilitation of employees of Central Public Sector Enterprises.

2.10 Rendering advice relating to revival, restructuring or closure of Public Sector Enterprises including the mechanisms therefor.

2.11 Matters relating to Standing Conference of Public Enterprises.

2.12 Matters relating to International Center for Public Enterprises.

3. Organizational Structure: -

Department of Public Enterprises is headed by Secretary to the Government of India who is assisted by an establishment with an overall sanctioned strength of 116 officers/personnel. The organizational structure of DPE is at Annexure-1. The Department has the following constituent Divisions:

3.1 Policy Division-I

Policy Division-I deals with the issues related to management of CPSEs including the Organizational Structure; Composition of Boards; Categorization of CPSEs to appropriate Schedule; and conferring 'Ratna Status' as per the Ratna scheme of Government of India. It also issues guidelines for below Board level employees relating to personnel policies, service matters of CPSEs like reservation, voluntary retirement etc. The Division also handles matters related to commercial disputes of CPSEs.

3.2 Wage Cell

Wage Cell deals with the policy relating to pay revision of CPSE executives at Board as well as below

Board level and non-unionized supervisors, and issues broad guidelines for wage settlement negotiations in case of workmen in CPSEs. Wage Cell also issues DA orders for both IDA employees and CDA employees of the CPSEs.

3.3 MoU Division

MoU Division deals with the implementation of Memorandum of Understanding (MoU) framework for the purpose of performance evaluation of CPSEs. The division also monitors and compiles the information on CAPEX incurred by select CPSEs and their compliance on Corporate Governance parameters.

3.4 Survey Division

Survey Division collates information on important physical and financial attributes of all CPSEs into a comprehensive annual report "Public Enterprises Survey" and places the same in both the Houses of Parliament every year.

The Survey division also facilitates the laying of the Reports of the Comptroller and Auditor General (C&AG) of India (Commercial) in the Parliament. It also follows up with the administrative Ministries / Departments for submission of Action Taken Notes (ATN) on Audit Paras as and when requested by C&AG. The compilation of DPE guidelines is also part of Survey Division.

3.5 Policy Division-II

Policy Division-II looks after all procurement related matters of CPSEs including MSMEs and GeM procurement. The Division also handles CSR (Corporate Social Responsibility) related matters of CPSEs and implements the CRR (Counselling, Retraining and Redeployment) and RDC (Research, Development and Consultancies) schemes of the Department.

3.6 Disinvestment Division

Disinvestment Division is responsible for the implementation of new PSE Policy in Non-Strategic Sector for identification of CPSEs for closure or privatisation in consultation with administrative ministries/departments, NITI Aayog etc.

3.7 Administration and Coordination Division

The Division handles all administrative and coordination matters of DPE relating to personnel management, maintenance of personnel records including leave, salary, service book and Parliamentary matters.

Chapter - I

Department of Economic Affairs

1. Economic Division

1.1 The Economic Division tenders expert advice to the Government on important issues of economic policy. The Division monitors economic developments-domestic and external and advises on policy measures relating to macro management including agriculture, industry and infrastructure sectors of the economy. As part of its regular activities, the Economic Division brings out the Economic Survey annually, which is laid before both the Houses of Parliament one day before the presentation of the Union Budget.

1.2 The Economic Survey provides a comprehensive overview of important developments in the economy. It also analyses recent economic trends and provides an in-depth appraisal of policies. Over the years, the Economic Survey has acquired the status of an authoritative source and a useful compendium of the annual performance of the Indian economy. Further, the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 requires the Ministry of Finance to review every quarter the trends in Receipts and Expenditure in relation to the Budget and lay it before both the Houses of Parliament. In addition, at the end of first quarter and third quarter a Macro-Economic backdrop statement is prepared and provided to the Budget Division for incorporating in the review of quarterly receipts and expenditure.

1.3 The Division also brings out every month an abstract entitled “Monthly Economic Report”, which gives the latest available data on the key sectors of the economy. The Division prepares, from time to time briefs on the performance of the infrastructure sector, agriculture and industrial production, trends in tax collection, balance of payments and monetary situation. It also monitors the price situation on a weekly basis. In addition, the Division undertakes short term forecasting of key economic variables.

1.4 As part of its advisory functions, the Economic Division prepares analytical notes and background papers on important policy issues and provides briefs for meetings of the Consultative Committees and Working Groups set up by the Government. The officers of the Economic Division participate in consultations with various missions from international institutions such as International Monetary Fund (IMF), the World Bank and the World Trade Organisation (WTO) etc. The Division works in close cooperation with the Reserve Bank of India, the NITI Ayog, the Central Statistical Organisation, the Ministry of Commerce and Industry and the Economic and Statistical Wings of their Ministries. An international Seminar the 7th Delhi Economics Conclave-(2017) was organized on 22.07.2017 wherein researchers, policy makers, industry leaders, bankers and economists & academicians from India and abroad participated.

1.5 The work of the Economic Division is organized under the following units:

- Macro
- Public Finance
- Agriculture and Food Management
- Industry and Infrastructure
- Social Infrastructure, Employment and Human Development
- Trade and Balance of Payments
- External Debt Management Unit
- Services Sector
- Prices
- Money and Banking
- Climate Change Finance
- Coordination
- IES Cadre Unit

Macro Unit

The Macro unit, Economic Division is primarily responsible for : (a) Monitoring macroeconomic parameters, such as, GDP, savings and investment and analysis of macroeconomic trends; (b) Preparation of Economic Survey (c) Preparation of Monthly Economic Report; (d) Country coordination for Special Data Dissemination Standard (SDDS); (e) Updating of the National Summary Data Page of the economy for web-post in the Ministry of Finance’s website; (f) Annual updating of metadata in SDDS; (g) Preparation of State of Economy brief, giving an overview of the current economic situation; (h) Preparation of briefs, material/ speeches for G-20, World Bank, IMF and other meetings; (i) Framing replies of parliament questions.

Budget Related Work: (a) Preparation of Macro-Economic Framework Statement for the Union Budget every year; (b) Macroeconomic backdrop for the statement on half yearly review of the trends in receipts and expenditure in relation to the budget at the end of first half and second half of financial year; (c) Projection of GDP for giving to the Budget Division before the preparation of budget

Public Finance Unit

Public finance unit is responsible for: (a) Economic and Functional Classification of Central Government Budget; (b) Statistical Album on Public Finance, including budgetary transactions of Centre, State and Union Territories; (c) Monitoring of Central fiscal parameters, such as, fiscal deficit, revenue deficit, aggregate expenditure; (d) Policies relating to central plan outlays, resources and expenditures; (e) Review of Fiscal position and analysis of fiscal issues; (f) Analysis relating to tax measures, direct and indirect tax proposals/ reforms; (g) Providing inputs towards Macro-Economic Framework Statement for the Union Budget every year.

Agriculture and Food Management Unit

Agriculture and Food Management unit is responsible for: (a) Providing policy advice on issues and matters related to Agriculture and Food Management; (b) Examining/ Appraising Cabinet/ CCEA/ CoS/ EFC and other policy notes on fixing Minimum Support Prices (MSPs) for major crops/crop insurance policy/ other agricultural policies including those related to change duty structure; (c) Pre-Budget meetings with stakeholders in farm sector; (d) Briefs for and appearances before the Parliamentary Standing Committee on Agriculture related issues; (e) Participation/Membership of Committees on related subjects like Private Entrepreneurs Guarantee (PEG) schemes of Food Corporation of India (FCI); (f) Analyzing production and area sown in Rabi and Kharif crops; (g) Occasional review/ reports on specific issues as and when required like "Incentivizing Pulses Production Through Minimum Support Price (MSP) and Related Policies"; (h) Periodical monitoring of progress of Area sown/ Monsoon/ Rainfall distribution using inputs of the Crop Weather Watch Group (CWWG); (i)Analytical issues related to Public Distribution System (PDS), buffer stock norms and food security and MSP analysis like proportion of sales below MSP in several markets during the procurement season; (j) Analysis of issues related to Allied sectors like dairy sector, fisheries, forestry and food processing; (k) Preparation of the Chapter on 'Agriculture and Food Management' for Annual Economic Survey (Volume 1 and Volume 2); (l) Handling VIP/ Parliament/ Other references and Private Member Bills related to agriculture and food management; (m) Offer comments on Studies/ MoUs/ International Agreements/ Income tax exemptions to International Organizations dealing with agriculture & food management

Industry and Infrastructure Unit

Industry and Infrastructure Unit advises the Government on policy issues relating to Industry at both macro and sectoral levels. The unit regularly monitors and reviews industrial growth and policies related to public sector. The Unit is also responsible for monitoring trends in production of core infrastructure industries. It undertakes analysis of developments in infrastructure sector, renders advice on infrastructure sector policy issues

Social Infrastructure, Employment & Human Development Unit

The unit is responsible for: (a) Providing policy advice on issues related to social infrastructure, employment and human development; (b) Analysis of labour issues, employment trends, health, education and other topics concerning social sector; (c) Examining/ Evaluating results of employment and unemployment surveys; (d) Examine/ Appraise Cabinet Notes/CoS/EFC/ SFC/PIB/ CEE notes on labour and skill development including various issues related to health, education, social empowerment, gender issues, rural development etc. those received from the other Divisions in DEA; (e) Participation/membership of Standing Committee on Labour Force Statistics; (f) Preparation of chapter on 'Social Infrastructure and Employment' for Annual Economic Survey (Vol.-I & II); (g) Pre-budget meetings with labour unions, civil society organizations, health, welfare and women's organizations/ experts etc.; (h) Handling VIP/Parliament/Other references related to the themes in social sector; (i) Occasional review/reports on specific issues as and when required; (j) Organizing workshops/inter-departmental meetings on specific themes

Trade & Balance of Payments

(a) Monitoring and analyzing the developments in India's Trade and Balance of Payments (BoP) and providing policy inputs/ briefs/ comments, etc., relating to same.(b)Analysis of recent trends and developments in India's trade and BoP which culminates into the External Sector Chapter published in Economic Survey. (c)Preparation of a monthly trade note based on press release of Department of Commerce for perusal of Secretary, DEA and Chief Economic Adviser (CEA).(d)Matters relating to Short-term Balance of Payments (STBoP) Monitoring Group. (e)Economic Activity tracker: Data maintenance and updation of India's key trade and BoP indicators on weekly/monthly/ quarterly/annual basis as per availability of data. (f)Policy inputs for Hon'ble FM, MOS, Secretary on: (i) Parliamentary debates and questions related to trade and BoP (ii) Speeches related to important economic events(iii)Leading economic discussions at bilateral and multilateral forums such as G-20, World Bank, IMF, OECD, concerning India's trade & BoP position.

External Debt Management Unit

(a) Publication of an Annual Status Report on India' External Debt, based on inputs from relevant stakeholders like Reserve Bank of India (RBI) Aid, Accounts & Audit Division, Ministry of Defence, SEBI, etc. (b)Publication of Quarterly Report on India's External Debt for the two quarters ending September and December, through collection and compilation of data from different stakeholders. The remaining two quarters' reports are published by RBI. (c)Collection, compilation and provision of inputs on India's External Debt data on quarterly basis to World Bank for its centralized database called, 'Quarterly External Debt Statistics (QEDS)', in compliance with IMF's Special Data Dissemination Standard (SDDS) requirements. (d) Dissemination of India's defence debt data on a quarterly basis to all relevant stakeholders. (e) Monitoring and analyzing the developments in India's External debt and providing policy inputs/ briefs/ comments, etc., relating to same. (f) Analysis of recent trends and developments in India's external debt and incorporate a section on the same in the External Sector Chapter published in Economic Survey. (g)Issues relating to foreign exchange reserves and exchange rate (h) Policy inputs for Hon'ble FM, MOS, Secretary on: (i) Parliamentary debates and questions related to external debt (ii) Leading economic discussions at bilateral and multilateral forums such as G-20, World Bank, IMF, OECD, concerning India's external debt sustainability.

Services Unit

The unit is responsible for: (a) Preparing the Chapter on Services Sector for the Economic Survey; (b) Monitoring the performance of services trade; (c) Parliament Matters; (e) Comments on Notes related to trade in services, WTO negotiations in Services, etc.

Prices Unit

The unit is responsible for: (a) Inflation monitoring based on the following Price Indices: (i) Wholesale Price Index (WPI), base: 2011-12=100; (ii) Consumer Price Index (CPI)- Rural, Urban, Combined, base: 2012=100; (iii) Consumer Price Index for Industrial workers (CPI-IW), base: 2016=100; (iv) Consumer Price Index for Agricultural Labourers (CPI-AL), based on 1986-87=100; (v) Consumer Price Index for Rural Labourers (CPI-RL), based on 1986-87=100. (b) Price/inflation related issues: (i) issues related to domestic and international price behavior; (ii) issues related to seasonal price behavior; (iii) issues related to Price Policy and inflation management; (iv) Preparation of Monthly Inflation Reports; (v) Drafting chapter on prices for pre-budget Economic Survey. (c) Committees/ Working groups: (i) Participation in the various committees on price indices (CPI, WPI and RESIDEX); (ii) Participation in Macro financial monitoring group constituted under DEA; (iii) Participation in the meeting of Committee of Secretaries on Review of prices of essential commodities.

Money and Banking Unit

The unit is responsible for: (a) Monitoring of money market trends and developments in monetary policy; (b) Monitoring of banking policy and aggregate trends in credit flows; (c) Fortnightly analysis of the monetary parameters; (d) Monitoring yields on G-Sec/ Treasury Bills; (e) Monitoring behavior of Call Money Rates and LAF operations; (f) Periodical updates on monetary policy and Quarterly Reviews of RBI.

Climate Change Finance Unit

The Climate Change Finance Unit serves as the nodal point on all financing matters related to climate change in the Ministry of Finance and conveying inputs to Ministry of Environment Forest & Climate Change, including on G20 Climate Sustainability Working Group (CSWG), G2O Energy Transition Working Group (ETWG) and other environment related meetings of various national and international fora. It helps shape the firming up of India's stand on financing issues related to climate change and sustainable development in fora like United Nations Framework Convention on Climate Change (UNFCCC), etc. It is vested with the task of preparing submissions on behalf of India as well as assessing submissions of other member countries in these fora. The Unit frames inputs on an on-going basis on issues related to National Action Plan on Climate Change and on other emerging issues like definition of climate finance, new collective quantified goal on mobilization of finance from developed to developing countries, innovative and affordable financing options for climate transition by preparing positions papers and analysis of technical issues and policy options. The Unit is also responsible for preparing and finalizing the chapter on sustainable development and climate change for the Economic Survey.

The unit is headed by Economic Adviser (JS level).The work done by this unit is mainly of an advisory nature. Currently, other officers engaged in the unit are at the level of Director, Deputy Director, and Economic Officer.

Coordination Unit

The unit is responsible for: (a) Internal administration and coordination in Economic Division; (b) Organizing Finance Minister's Pre-Budget meetings with various stake holders; (c) Nomination of officers of Economic Division for Foreign Deputation to OECD meetings and other meetings and workshops; (d) Coordination with all Units of Economic Division for publishing Economic Survey and laying them before Parliament; (e) Organizing Delhi Economic Conclave, the annual International Conference on thematic issues; (f) Coordination of Parliament work, RTI matters, VIP references, public grievances etc; (g) All administrative matters of Economic Division, for example transfer/posting of Officers of Economic Division within Economic Division.

IES Cadre Unit

The unit is responsible for: (a) Career Management and Placement of Officers; (b) Direct Recruitment into IES through Examination conducted by UPSC; (c) Examination Rules & Syllabus for IES Examination; (d) Promotion of Feeder Post Holder to Junior Time Scale (Entry level) of IES; (e) IES (service) Rules and policy Matters pertaining to IES; (f) Promotions/ non-functional Up-gradations to various levels by conduction/ arranging meetings of the Departmental Promotion Committee; (g) Cadre Clearance for Deputation, study leave and other kinds of leave; (h) Empanelment of officers at various levels; (i) Seniority List/ Civil list of IES Officers; (~) Seniority of Officers in the Feeder Grade and Roster Management of Induction Quota; (k) Training Programmes for In-Services officers and Probationers based on training needs assessment for capacity building of officers; (l) Cadre Review and restructuring of IES; (m) Maintenance of APARs of IES officers; (n) Budget of IES Cadre, Annual Accounts etc.; (o) Court Cases, Vigilance Cases and Disciplinary Matters; (p) Maintenance of IES website.

2. Budget Division

2.1 RESPONSIBILITIES

2.1.1 Budget Division is responsible for the preparation of and submission to the Parliament, the Annual Budget as well as Supplementary and Excess Demands for Grants of the Central Government and of States under President's Rule. The Division also deals with issues relating to Public Debt, Market Loans of the Central Government and State Government's borrowing and lending, guarantees given by the Government of India and the administration of Contingency Fund of India. Processing of proposals from other Ministries/ Departments for re-appropriation of savings in a Grant where prior approval of the Ministry of Finance is required is also handled by Budget Division. The Division also handles the issues pertaining to National Savings Institute (NSI), Small Savings Schemes and National Defence Fund. The work relating to Treasurer, Charitable Endowment is also assigned to the Budget Division.

2.1.2 Budget Division is assigned the matters relating to Duties, Powers and Conditions of Service of the Comptroller and Auditor General of India including submission of the Reports of the Comptroller and Auditor General of India relating to the accounts of the Union to the President for being laid before Parliament, entrustment/re-entrustment of audit of various autonomous bodies/organizations to the C&AG of India, etc.

2.1.3 The Budget Division is responsible for administration of "Fiscal Responsibility and Budget Management Act, 2003" which was brought into force w.e.f. 5th July, 2004. Statements of Fiscal Policy, Half yearly Reviews including Mid-term Review and disclosure statements have been presented in Parliament in accordance with the requirements of the FRBM Act.

2.1.4 The work relating to form of Accounts kept under Article 150 of the Constitution of India is also handled in this Division. Advice on the classification of Government receipts and expenditure and on the accounting procedure drawn up for implementation of new schemes of the Government is also rendered by the Division.

2.1.5 Union Budget 2022-23 was also delivered in paperless form as was done during 2021-22.

2.2 SUPPLEMENTARY DEMANDS SECTION:

2.2.1 Supplementary Demands Section is responsible for coordination and presentation of Supplementary Demands for Grants, Demands for Excess Grants and the connected Appropriation Bills and parliamentary work in this regard. Other activities of the Section relate to administration of the Contingency Fund of India Act, overall policy related to Central Government Guarantees and Statement of Annuity.

2.2.2 During the Financial year 2021-22, the First Batch of Supplementary Demands for Grants 2021-22 & the Second Batch of Supplementary Demands for Grants 2021-22 and connected Appropriation Bill was presented and passed by the Parliament. The Third Batch of Supplementary Demands for Grants 2021-22 will be laid in Parliament in the month of March, 2022.

2.3 STATES SECTION:

2.3.1 States Section is assigned the work relating to the following:

- Release of States' share of Central Taxes and duties to State Governments as per approved recommendations of the Finance Commission.
- Work relating to the Constitution of the Finance Commission and processing of its reports.
- Matters relating to financial provisions of various States' Re-organisation Acts, Monitoring and review of repayment of Central loans and payment of interest by State Governments.
- Processing and presentation of Budget and Supplementary Demands for Grants to Parliament in respect of States under President's Rule.

2.3.2. Budget Division had, in consultation with Ministry of Home Affairs, re-examined the recommendations of 15th Finance Commission relating to release of Additional Central Assistance (ACA) through the National Disaster Response Fund (NDRF) and NDMF. With the approval of Cabinet, it has been decided that the earlier practice followed during the period of 14th Finance Commission for releasing ACA to the States may be continued. The Explanatory Memorandum as to the Action Taken on the recommendations relating to Disaster Related Grants made by the Finance Commission has been laid in both Houses of the Parliament on 17.12.2021.

2.4 PLANNING AND ALLOCATION SECTION:

2.4.1 The Planning & Allocation Section is responsible for finalization of Ministry/Department wise Gross Budgetary Allocation, handling of issues concerning earmarking of funds for welfare of Scheduled Castes & Scheduled Tribes by obligatory Ministries/Departments as prescribed in NITI Aayog's guidelines.

2.4.2. The details of fund allocation for SCs/STs by the obligatory Ministries/Departments is provided in Statement No. 10A & 10B of the Expenditure Profile of Union Budget.

2.5 NATIONAL SAVINGS SECTION:

2.5.1. Small Savings Schemes:

Following Small Savings Schemes are currently administered by Budget Division in Department of Economic Affairs:

- Post Office Savings Account
- National Savings Time Deposits (1,2,3 & 5 years)
- National Savings Recurring Deposits
- National Savings Monthly Income Scheme

- Senior Citizens Savings Scheme
- National Savings Certificate (VIII-Issue)
- Public Provident Fund
- Kisan Vikas Patra
- Sukanya Samriddhi Account.
- PM CARES for Children Scheme, 2021

2.5.2. Small Savings Collections:

The gross deposits under various small savings schemes during 2021-22 are estimated (RE) at Rs.10,18,333.82 crore as against the deposit of Rs.9,41,143.60 crore during 2020-21. An amount of Rs.22,881.16 crore (RE) is estimated to be transferred, as share of net small savings collections to Arunachal Pradesh, Kerala, Madhya Pradesh and UT of Delhi during the current fiscal, as against the sum of Rs.20,966.68 crore transferred to these states and UTs (with Legislature) during 2020-21.

2.5.3. National Small Savings Fund:

In order to account for all the monetary transactions under small savings schemes of the Central Government under one umbrella, the "National Small Savings Fund" (NSSF) was set up in the Public Account of India w.e.f. 1st April, 1999. The net accretions under the small savings schemes were being invested in the Special Securities of State Governments and U.T.s (with legislature). However, based on the recommendation of the Fourteenth Finance Commission, it has been decided to advance NSSF loans only to the willing States w.e.f. 01.04.2016. Accordingly, only four States, namely, Arunachal Pradesh, Delhi, Kerala and Madhya Pradesh have opted for the NSSF loan. Besides, it has also been decided to invest NSSF corpus in various Public Agencies (National Highways Authority of India, Food Corporation of India, Air India etc.). During the current financial year, an amount of Rs.864 crore is estimated to be extended in these agencies.

2.5.4. Interest Rates on Small Savings Instruments

Interest rates on Small Savings Schemes are decided/ notified by Government every quarter of the Financial Year.

The rate of interest on Small Savings Schemes is decided in view of the recommendations of Shyamala Gopinath Committee. The committee has recommended to align the rate of interest on Small Savings Schemes with the G-Sec rates of similar maturity.

The rate of interest on various small savings schemes for the FY 2021-22 is given below:

Rate of Interest in FY 2021-22 (in %)				
Instrument	Quarter I	Quarter II	Quarter III	Quarter IV
Savings Deposit	4.0	4.0	4.0	4.0
1 Year Time Deposit	5.5	5.5	5.5	5.5
2 Year Time Deposit	5.5	5.5	5.5	5.5
3 Year Time Deposit	5.5	5.5	5.5	5.5
5Year Time Deposit	6.7	6.7	6.7	6.7
5 Year Recurring Deposit	5.8	5.8	5.8	5.8
5 Year SCSS	7.4	7.4	7.4	7.4
5 Year MIS	6.6	6.6	6.6	6.6
5 Year NSC	6.8	6.8	6.8	6.8
PPF	7.1	7.1	7.1	7.1
Sukanya Samriddhi Account	7.6	7.6	7.6	7.6
Kisan Vikas Patra	6.9 (will mature in 124 months)	6.9 (will mature in 124 months)	6.9 (will mature in 124 months)	6.9 (will mature in 124 months)

2.6 WAYS AND MEANS SECTION

2.6.1 Government Borrowings

2.6.1.1 The Way & Means Section is responsible for implementation of the Government Market borrowing (including T-Bills) programme in coordination / consultation with the Reserve Bank of India and PDMC. It administers the two re-appropriations namely Interest Payments and Repayment of Debt. It also handles the responsibilities related to cash management, Sovereign Gold Bond Scheme, etc.

2.6.1.2 During the financial year 2021-22, Government has planned to borrow Rs.12,05,500 crore through dated securities, out of which till Feb 07, 2022 borrowing to the extent of Rs.11,04,382 crore(gross) has been accomplished. The borrowings completed so far includes Rs. 1,59,000 crore which have been provided as back-to-back loans to the eligible States/ UTs with Legislature in lieu of shortfall in GST compensation Cess.

2.6.1.3 The weighted average yield and maturity of dated securities issued during 2021-22 (April 01,2021 to Feb

07,2022) were 6.28% and 16.98 years respectively, as compared to 5.78 % and 14.83 years in the corresponding period of the financial year 2020-21.

2.6.1.4 The Government debt is held predominantly (@95%) in domestic currency. Outstanding external debt is financed by multilateral and bilateral agencies at concessional rates. Internal debt consists largely of marketable and non-marketable securities. A low roll-over risk is signified through debt maturing within the next 5 years. This accounted for about 30 per cent of total outstanding stock of G-Secs at end-March 2021. Detailed analysis of existing debt and liabilities of the Government is brought out in the annual debt papers (available on https://dea.gov.in/public-debt-management).

2.7 FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT SECTION:

2.7.1 Administration of the Fiscal Responsibility and Budget Management Act (FRBM), 2003 and the Rules framed there under is the prime function of the FRBM Section. The FRBM Act provide for the responsibility of the Central Government to ensure inter-generational equity in fiscal management and long-term macro-economic stability by removing fiscal impediments in the effective conduct of monetary policy and prudential debt management consistent with fiscal sustainability through limits on the Central Government borrowings, debt and deficits, greater transparency in fiscal operations of the Central Government and conducting fiscal policy in a medium-term framework and for matters connected therewith or incidental thereto.

2.7.2 During the period from January 1, 2021 to December 31, 2021, in compliance with the relevant provisions of the FRBM Act and Rules framed there under, the following documents were prepared and laid before both Houses of Parliament:

A) Statements of fiscal policy presented with Budget 2021-22
   a) Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement
   b) Macro-Economic Framework Statement

B) Disclosure statements presented with Budget 2021-22:
   a) Tax Revenues raised but not realised
   b) Arrears of Non-Tax Revenues
   c) Asset Register

C) Half yearly Statements on Review of the trends in receipts and expenditure in relation to the budget at the end of:-
   a) Second Half of the Financial Year 2020-21
   b) First Half of the Financial Year 2021-22

2.7.3 Fiscal indicators in FY 2020-21 and targets for RE 2021-22 and BE 2022-23 are as below:

(% of GDP)

Fiscal Indicators/ Year	2020-21	2021-22 (RE)	2022-23(BE)
Fiscal Deficit	9.2	6.9	6.4
Central Government Debt *	61.8	59.9	60.2

Notes:

(i) GDP for the FY 2020-21 is ₹197.45 lakh crore and for FY 2021-22 is ₹232.15 lakh crore issued by M/o Statistics & Programme Implementation on 07.01.2022.

(ii) The GDP for BE 2022-23 has been projected at ₹258.00 lakh crore assuming 11.1% growth over the estimated GDP of 232.15 lakh crore for 2021-22(RE).

** Central Govt. debt include external public debt valued at current exchange rates, total outstanding liabilities on Public Account including investment in Special Securities of States under NSSF and EBR liabilities etc.*

2.8 PUBLIC DEPOSITS SECTION

2.8.1 Budget Division is also responsible for fixation of rate of interest on the following:

a) House Building Advance (HBA)
b) General Provident Fund (GPF) and other similar Funds
c) Special Deposit Scheme (SDS)
d) Employees Provident Fund (EPF)
e) Seamen's Provident Fund (SPF)
f) Coal Mines Provident Fund (CMPF)
g) National Defense Fund(NDF)
h) Computer Advance

2.8.2 Apart from the above, the responsibility of compilation, monitoring and review of Non Tax Revenue Receipts also rests with Budget Division.

2.9 REPORT AND COORDINATION SECTION:

2.9.1 During the above period, Budget Division also coordinated the Pre-Budget Meetings for finalization of Revised Estimates 2021-2022 and Budget Estimates 2022-2023. Work relating to security and other arrangements in connection with presentation of Union Budget in the Parliament is also a part of the responsibilities handled by the Division.

2.9.2 From 1st April, 2021 to 28th February, 2022, 18 Reports of the C&AG of India were laid before the Parliament and 23 proposals of entrustment/re-entrustment of audit of various bodies to the C&AG of India were dealt by this Division.

2.10 PUBLIC DEBT MANAGEMENT CELL:

2.10.1 A Middle Office (MO) was set up in the DEA, MoF in September 2008 to advise the Government on public debt management. Subsequently, upon the announcement in Lok Sabha in April 2015 by Hon'ble Finance Minister, consultations were held with RBI and other stakeholders on establishment of Public Debt Management Agency in India and it was decided to initially set up a Public Debt Management Cell (PDMC) as an interim arrangement. This was considered necessary to ensure separation of debt management functions form RBI in a gradual and seamless manner, without causing market disruptions. Accordingly, a Public Debt Management Cell (PDMC) was set up in DEA on October 4, 2016. Formation of PDMC was also the first step towards consolidation of all components of public debt under one agency and consolidation of public debt related data at one point. It was also decided that the work for moving towards PDMA would be taken up in a phased manner.

2.10.2 Considering the extant legal provision, only advisory functions were assigned to PDMC to avoid any conflict with the statutory functions of RBI. In view of electronic infrastructure created by RBI, it was also agreed that the operations concerning Front Office, comprising of electronic auction system and Back Office, comprising of depository and registry services would continue to be housed with RBI even with an independent PDMA comes into being.

2.10.3 Since then, the PDMC has been playing important role in public debt management through planning the borrowing of GoI, formulating debt management strategy, cash monitoring and management, increased interaction with market participants etc. Cash management has become more important due to sharp fluctuations being seen in the Govt. receipts and payments for last two years.

2.10.4 Other major function undertaken by PDMC is dissemination of information on public debt through periodical reports. Towards ensuring the enhanced transparency in public debt management operations, the Government of India has been publishing a number of documents detailing overall debt position of the Govt., consolidated debt data relating to General Govt., debt management strategy of central government debt, etc. These publications include an annual Government Debt Status Paper (since 2010), Debt Management Strategy document (2015) and Handbook of Statistics on Central Government Debt (since 2013). Government has consolidated all these publications into this single report to bring complete Government Debt and its Management related information at one place. 'Status Paper on Government Debt' for year 2018-2019 was released last on May 22, 2020. The work on "Status Paper on Government Debt" for year 2019-20 and 2020-21 is already completed and will be released shortly. This report covers various facets of public debt including overall debt position of the country, assessment on aspects of debt sustainability, debt management strategy covering various risks, etc. This publication now brings all components of public debt under the Debt Management Strategy, thus widening its scope and acts as a guide to debt managers in carrying out day to day debt management. The PDMC also publishes quarterly report on Public Debt and is also responsible for uploading the public debt related data on National Summary Data Page.

2.10.5 The PDMC also prepares various internal MIS reports on the development in primary and secondary markets to keep the Government informed of these development and also initiate necessary action, if necessary.

2.11 BUDGET PRESS:

2.11.1 Budget Press is responsible for printing of all Budget Documents relating to the Union Budget including Detailed Demand for Grants of Ministry of Finance and Supplementary Demands for Grants. During the year 2021-22, the Budget Press contributed in execution of paperless Union Budget 2022-23 successfully presented on 1st Feb, 2022 in the Parliament amid Covid 19 pandemic which involved timely preparation & consolidation of total 24 documents in digital format and were uploaded in the Union Budget App in Hindi & English. Apart from this, 114 various documents including the speech of Hon'ble Finance Minister, delivered in Harvard Kennedy School, Cambridge on 12th October, 2021 were printed in all with as many copies required during 1.4.2021 to 14.03.2022. J&K Budget Documents for 2022-23 was also printed in the Budget Press during the month of March 2022.

2.11.2 Apart from above, the Budget Press printed First Batch, Second Batch and Third Batch of Supplementary Demands for Grants for the year 2021-22, Detailed Demands for Grants for the year 2022-23, Action Taken Report, Cabinet Note (Hindi & English) and Discussion Paper. The Annual Report 2021-22 was also printed during February-March, 2022.

2.12 HINDI BRANCH:

2.12.1 All Budget documents are presented to the Parliament in Hindi and English. Besides Budget documents, Hindi translation Branch has also prepared Hindi versions of Supplementary Demands, Economic Classification Report, Reports on Public Statistics and Status Report of External Debt, FRBM Half-Yearly Reports which were laid before the Parliament.

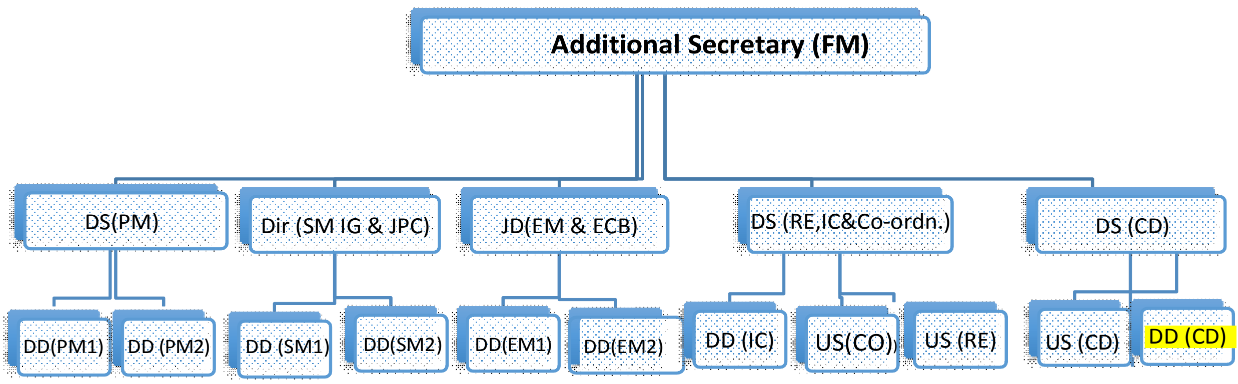
3. Financial Markets Division

3.1 Introduction

Financial Markets Division is primarily responsible for policy issues related to the development of the securities markets and matters incidental thereto. The Division is also responsible for policy matters relating to foreign exchange management. Since 2013, the Division is entrusted with the development of commodity derivative markets. The division looks after the administrative matters of the Securities and Exchange Board of India (SEBI), International Financial Services Centres Authority (IFSCA) and Securities Appellate Tribunal (SAT). The division facilitates the sovereign credit rating by various credit rating agencies and financial regulatory dialogues with USA, UK and Japan and EU.

FM Division is responsible for the administration of SEBI Act 1992, Foreign Exchange Management Act (FEMA) 1999, International Financial Services Centres Authority Act, 2019, Securities Contracts Regulation (SCRA) Act 1956, Depositories Act, 1996 and Section 20 of the Indian Trust Act, 1882 and related regulations and notifications thereunder. Issues related to erstwhile Forward Contracts (Regulation) Act, 1952 is also handled in the FM Division.

Organogram



3.2 Sections in Financial Market Division

The various Sections and their work allocation are given below (each of the sections handle the parliament questions, grievances, RTIs, court cases miscellaneous references etc. belonging to their work areas):

I. Primary Markets (PM) Section

1. Policy formulation on issues relating to initial and further issue of capital and related intermediaries engaged in the same such as
   (a) Mutual funds,
   (b) Collective investment schemes,
   (c) Alternative investment funds,
   (d) Domestic credit rating agencies,
   (e) Merchant Banks etc.
2. Matters related to Corporate Governance and Minimum Public Shareholding.
3. Policy issues related to Mergers, takeovers and acquisitions
4. Development of Corporate bond market
5. Financial literacy
6. Matters related to National Institute of Securities Market (NISM)
7. Policy articulation on agenda items of SEBI's Board meetings (primary responsibility)
8. SEBI Act and related rules and regulations
9. Investment Guidelines for Non Government Providen Funds, Superannuation Funds and Gratuity Funds
10. Coordinating DEA-NIFM Research Programme
11. Sectoral Charge of Ministry of Corporate Affairs.

II. Secondary Markets Section

1. Policy issues of Secondary Market and related Market Infrastructure Institutions (MIIs), Intermediaries and Participants (Stock Exchanges, Clearing Corporations, Depositories their participants, Trading Members, and Investment Advisors etc.), their ownership and governance issues etc.
2. Social Stock Exchange/SME Exchange/New Segments/ platforms for trading in securities /crowd funding platforms
3. Taxes and Stamp Duties in Securities Market
4. Skilling in securities market /capacity building initiatives

5. Delisting of companies and associated policy concerns
6. Creating a Single Demat Account for all financial assets
7. Database relating to Securities Markets
8. Monitoring of Stock Market Movements
9. Self-Regulatory Organizations
10. Cyber security related matters in context of Securities Market
11. Regulation of distributors /distribution of financial products in context of Sumit Bose Committee recommendation
12. Matters related to Investor Education and Protection
13. Policy on Frozen Demat Accounts
14. Ratification of UNIDROIT / Geneva Securities Convention
15. Securities Contracts (Regulations) Act, 1956 and related Rules and Regulations
16. Depositories Act, 1996 and related Rules and Regulations

III. Commodity Markets Section

1. Policy matters related to development of commodity derivatives market: Design of new products / contracts, entry of new players - domestic as well as foreign, harmonization of rules and procedures with securities market, encouraging hedging by government entities / farmers etc.
2. Notifying commodities for trading: Resumption/ suspension of futures trading in various notified commodities /Launch of Plain Vanilla Options Contract
3. Integration of Commodity spot and derivatives market:
4. Commodity derivatives trading related matters: cases of manipulation/speculation etc.
5. Representing DEA in futures market related matters in the inter-ministerial committees on Essential Commodities' price rise etc.
6. Representing DEA in Commodity Derivative Advisory Committee of SEBI - processing CDAC agenda items
7. Delivery arrangements in the market: Taking up matters related to warehouses accredited by stock exchanges with WDRA and Ministry of Consumer Affairs
8. NSEL scam related matters: holding inter-ministerial, inter-agency periodic review meetings on NSEL scam
9. Negative Oil price settlement related matters
10. Evaluation of relevant items in SEBI board Agenda

IV. External Markets (EM) Section

1. Foreign Portfolio Investment
2. Direct Listing of equity shares of Indian companies in overseas exchanges
3. American Depository Receipts/Global Depository Receipts/ Indian Depository Receipts
4. FEMA Regulations of RBI
5. Global Bond and Equity Indices
6. International Settlement of Indian G-Sec through ICSDs
7. Issuance of Bonds by Multilateral Institutions
8. Approval of foreign travel of Chief Ministers/ Ministers/MLAs/Administrators/Officers of States and Union Territories
9. Sectoral charge of Ministry of Law and Ministry of Parliamentary Affairs
10. Bilateral Trade arrangement with Iran

V. External Commercial Borrowings (ECB) Section

1. International Financial Service Centres and GIFT IFSC
2. External Commercial Borrowings, Trade Credits and Offshore Rupee denominated Bonds [Masala bonds]
3. Foreign Exchange Management Act
4. Currency Derivatives
5. Trade payments mechanisms with specific countries
6. FEMA Rules including Non Debt Instruments Rules and Current Account Rules
7. Approval for establishment of Liaison office / Branch office/ Project Office in India by Foreign entities
8. Approval for purchase of immovable property in India by foreigners/ non- residents
9. Approval for opening Non Resident Ordinary (NRO) and Non Resident Rupee (NRE) Accounts by foreigners/ non-residents

VI. Regulatory Establishment (RE) Section

1. Carrying out Board level appointments of Securities and Exchange Board of India(SEBI), appointment of Presiding Officer, Members and Registrar of Securities Appellate Tribunal (SAT) and administration of related Rules and Regulations
2. Constitution of the Financial Sector Regulatory Appointments Search Committee (FSRASC)

3. Establishment matters of SEBI like audit, appointment of CVO etc.
4. Establishments matters of SAT like residential accommodation, grant of budget to SAT and related matters, Grant of vehicle to the officers in SAT etc.
5. Strengthening of SAT - Creation of additional benches / creation of posts / creation of additional office space for SAT / Implementation of e-Court in SAT etc.
6. Administration of the Securities Appellate Tribunal (Salaries, Allowances And Other Terms And Conditions Of Presiding Officer And Other Members) Rules, 2003
7. Bilateral and multi-lateral MoUs between SEBI and securities market regulators of foreign countries.
8. Remittances from SEBI to the Consolidated Fund of India
9. Foreign visits of the Chairman of SEBI; Hosting of meetings of foreign delegations - obtaining the necessary clearances

VII. International Cooperation (IC) Section

1. Facilitating Sovereign Credit Rating of India (Fitch, Moody's, S&P, DBRS, JCRA, R&I)
2. Coordinating DEA - NIPFP Research Programme
3. Indo-US Financial Regulatory Dialogue /Indo-US Financial Initiative
4. Indo Japan Financial Regulatory Dialogue
5. India-UK Financial Market Dialogue
6. Indo-UK Financial Partnership
7. India-EU Financial Regulatory Dialogue
8. Other International matters
9. Interactions with financial analysts and economists

VIII. Joint Parliamentary Committee (JPC) and Investor Grievances (IG) Section

1. Matters related to Section 20 of Indian Trust Act 1882
2. Preparation of Progress Report on Action taken on recommendations of Joint Parliamentary Committee (JPC) on Stock Market Scams and matters related thereto.
3. Matters related to Nizam Trust
4. Handling of Investors' Grievances (Electronic & Physical) related to FM Division/ transferring of other representations to respective authority
5. Study/ Survey on reforms required in Investors' Grievance Redressal Mechanisms in context of Securities Markets
6. Internal Charge of 5 states (Bihar, U.P.,Uttarakhand, Himachal Pradesh & Jharkhand)

IX. Coordination Section

1. Internal Coordination within FM Division for providing periodical inputs /reports to various Departments /Ministries, submission of material for annual reports, economic survey etc.
2. Meeting on Senior Management Group (SMG) taken by Secretary (EA) to evaluate pending VIP reference, PMO reference and Parliamentary on Monday of every week. Management of e-Samiksha and portals in respect of FM Division related complaints, VIP/PMO references, cabinet notes, court cases, Senior Management Group Meetings etc.
3. Monthly summary in respect of activities, major achievement and important policy decisions taken in DEA are sent to Cabinet Secretariat
4. Work management /allocation issues within FM Division
5. Website management in respect of FM Division matters
6. Internship Management within FM Division

3.3 Recent Developments

I. <u>Primary Markets:</u>

A. Public Issue

The year 2021-22 so far has been an exceptional year for the primary markets with a boom in fundraising through IPOs by many new age companies /tech start-ups/unicorns. The exuberance associated with the listings manifested in huge oversubscriptions by retail, HNIs and institutional investors and stellar listing gains have pushed more and more companies to tap the markets. Huge investor demand for IPOs of several startups, which are yet to break-even is a positive development for domestic startup ecosystem which has so far been relying majorly on overseas listing.

Capital market, both debt and equity, has become increasingly important for India's growth story. On the equity side, the total funds raised through public issue [Initial Public Offering (IPO), Rights Issue, Preferential Issue, Qualified Institutional Placement] have touched Rs. 1.83 lakh crores till November, 30, 2021. On the debt side, the funds raised through corporate bonds this financial year till November, 30, 2021are around Rs. 3.7 lakh crores, which includes fund raising through both public issues and private placement. The Assets under Management (AUM) of mutual fund industry stood at Rs. 37.33 lakh crores upto 31st October, 2021.

The Corporate Bond Market is vital for financing the real sector, supporting alternate investment need apart from banks, diversifying risk and reducing financial markets fragility. The total debt amount consists of Public issue and private placement of Corporate Bonds which has been tabulated in Table 2 of Annexure A.

In order to increase the liquidity in corporate bond markets, SEBI has mandated mutual funds to undertake minimum 25% and 10% of their total secondary market trades by value (excluding inter scheme transfer trades) in corporate bonds and commercial papers respectively.

In the backdrop of global developments and the increasing focus on sustainability investing, the disclosure requirements under the Business Responsibility Report (BRR) were reviewed. SEBI radically improved the ESG-related reporting with the introduction of the Business Responsibility and Sustainability Report (BRSR) in May 2021. The BRSR is applicable to top 1,000 listed entities by capitalisation, for reporting on a voluntary basis for 2021-22 and on mandatory basis from 2022-23 onwards.

B. Mutual Fund Activities

The Assets under Management (AUM) of mutual fund industry stood at Rs. 37, 33,204 crore at the end of November 30, 2021. During 2021, important initiatives like alignment of interest of the asset management companies and its designated employees with the unit holders of the mutual fund schemes, introduction of silver ETFs etc., have been undertaken.

C. Policy Developments of Primary Market:

1. Debt Financing of InVITs and REITs: DEA as part of Finance Act 2021 has carried out amendments in the Securities Contract (Regulation) Act, 1957 [SCRA] and Securities and Exchange Board of India Act, 1992 [SEBI Act] to confer the power to Pooled investment Vehicles (PIV), which are defined to include AIFs, REITS, InvITS etc. whether registered as trusts or otherwise with SEBI, to borrow and issue debt securities, as per the relevant Regulations. It also specifies means to recover the defaulted amount and enforcement of security interests of PIV in case of any default. Consequential amendments are made to SARFAESI Act) and RDB Act.
2. SEBI vide Circular dated May 21, 2020 reduced the time period for restoring the ratings, if default is cured and the payments regularized, from the existing 365 days to 90 days.
3. SEBI fixed the role/accountability of investment manager and investment committee in Alternative Investment Funds (AIF) vide circulars dated 19.10.2020 and 8.01.2021.
4. DEA vide Gazette Notification dated 15.03.2021 has amended the Ministry of Finance Investment Guidelines for non-government provident funds, superannuation and gratuity funds, enabling them to invest up to 5 per cent in the units of Category I and Category II Alternative Investment Funds (AIFs), subject to certain conditions.
5. Government is engaged in an ongoing intensive effort to reduce the compliance burden on businesses and citizens by way of rationalizing the Laws, process etc of regulatory bodies like SEBI and RBI. Overall, 62 items have already been identified in respect of Securities laws and FEMA related provisions out of which 53 items have been completed. Other steps are in the pipeline.
6. SEBI has introduced a framework for 'Accredited Investors' in the Indian securities market, as a class of investors who may be considered to be well informed or well advised about investment products. Accredited Investors shall have flexibility to participate in investment products with an investment amount lesser than the minimum amount mandated in the Alternative Investment Funds (AIF) Regulations and Portfolio Managers (PMS) Regulations.
7. The SEBI has the revamped the framework of Innovators Growth platform (IGP) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, with an objective to make the platform more accessible to companies in view of the evolving start-up ecosystem.
8. On 18th June 2021 amendments were made to Rule 19(2)(b) of Securities Contracts Regulation Rules (SCRR), 1957 for relaxing the Minimum Public Shareholding (MPS) norms for large companies and Rule 19A(5) for tightening the MPS norms for listed companies going through Corporate Insolvency Resolution Process (CIRP)

Annexure A.

Table 1.: Primary Market Resource Mobilisation through Public and Rights Issues (Amount in ₹ crore)

Year	Total		IPOs (Main Board)		IPOs- SME /IGP		Rights		QIP		Preferential issues	
	No.of issues	Amount	No.of issues	Amount	No.of issues	Amount	No.of issues	Amount	No.of issues	Amount	No.of issues	Amount
2019-20	375	3,06,288	12	20,790	48	555	17	55,667	14	54,389	284	1,74,886
2020-21	341	2,14,766	29	30,814	26	216	21	64,059	31	78,738	234	40,940
2021-22#	349	1,82,560	36	89,756	39	437	18	22,659	23	26,704	233	43,004

 # till Nov. 30,2021
Source: SEBI

Table 2.: Data on corporate bond issuances

Year	Public Issues		Private Placement		Total	
	No.of issues	Amount (₹ crore)	No.of issues	Amount (₹ crore)	No.of issues	Amount (₹ crore)
2019-20	34	14,984	1,787	6,74,703	1,821	6,89,687
2020-21	18	10,588	1,995	7,71,840	2,013	7,82,428
2021-22#	20	9,132	851	3,62,458	871	3,71,590

 # Till November 30,2021

Table 3.: Trading in the Corporate Debt Market

Year	BSE		NSE		Total	
	No. of Trades	Traded Value (₹ crore)	No. of Trades	Traded Value (₹ crore)	No. of Trades	Traded Value (₹ crore)
2019-20	57,669	7,64,269	80,558	14,63,552	1,38,227	22,27,821
2020-21	69,095	6,60,214	69,659	12,12,504	1,38,754	18,72,718
2021-22#	57,016	4,32,795	42,431	7,13,851	99,447	11,46,646

 # Till November 30,2021

Table 4.: Resource Mobilization through Mutual Funds

Year	AUM (₹crore)	Gross resource moblisation (₹crore)	Gross Redemption (₹crore)	Net resource moblisation (₹crore)	No. of folios
2019-20	22,26,203	1,88,13,458	1,87,26,157	87,301	8,97,46,051
2020-21	31,42,764	86,39,167	84,24,424	2,14,743	9,78,65,529
2021-22#	37,33,702	58,64,573	56,10,534	2,54,039	11,69,91,489

 # Till November 30,2021

II. External Markets:

A. International Financial Services Centres Authority (IFSCA):

The vision of GIFT IFSC is to establish itself as a dominant gateway for global financial flows into and out of India, and simultaneously emerge as a major global financial hub. In pursuit of this vision, it aims to leverage domestic economy and Indian Diaspora, match tax regime with offshore jurisdictions, institutionalize a modern unified regulatory framework, develop networks/ connects with major financial hubs, and have a diversified range of financial products and services. These endeavors will enable the transition of GIFT IFSC into a globally competitive financial hub for international banking, insurance and capital market activities which serves both the Indian Economy and the region as a whole.

Pursuant to the passage of IFSCA Act in December 2019, the International Financial Services Centres Authority (IFSCA), a first of its kind unified regulator for the financial sector, has been established and made operational vide Gazette Notification dated 27th April, 2020. The Chairman and ex-officio members of the Authority have been appointed and all sections of the IFSCA Act have been notified in the Official Gazette. The following key initiatives and Notifications pertaining to IFSCA have been undertaken by DEA during the year 2021:

- **Signing of MMoU with IOSCO and IAIS**: The proposal for signing of Multilateral Memorandum of Understanding (MMoU) by IFSCA with International Organization of Securities Commissions (IOSCO) and International Association of Insurance Supervisors (IAIS) has been approved by the Cabinet in July 2021, thus paving way for deeper cooperation and information exchanges w.r.t regulation and enforcement.
- The Factoring Regulation Act 2011 has been included in the First Schedule of the IFSCA Act vide Notification dated 14th October 2021 to enable IFSCA to regulate factoring services in IFSCs.
- **Notification of Operating Lease as financial product**: Vide Gazette notification dated 14th December 2021, operating lease has been notified as a financial product to be regulated by IFSCA. The notification will fast track the development of GIFT IFSC into a global hub for leasing related financial activities.
- **Notification of Bullion Depository Receipt as 'securities':** Vide Gazette Notification dated December 15th, 2021, Bullion Depository Receipt (BDR) has been included in the definition of 'securities' under the Securities Contract Regulations Act 1956. This will enable trade of BDR, with bullion as underlying, at the International Bullion Exchange at IFSC Gandhinagar.
- IFSCA has introduced internationally benchmarked regulations to regulate Capital Market and Insurance Intermediaries, Market Infrastructure Institutions and Listing and Issuance of Securities in GIFT-IFSC.

- In order to bolster the Fintech ecosystem at GIFT-IFSC, Ministry of Finance has announced the 'Fintech Incentive Scheme' with a budgetary outlay of Rs 45.75 crores over three years in November 2021. The Scheme, to be implemented by IFSCA, envisages customised incentives to Fintech start-ups based in IFSC through various stages in their life-cycle such as ideation, incubation, proof of concept, prototyping, commercialization and market access for upscaling.
- The Government has approved a state-of-the-art Information Technology (IT) platform that would leverage technology to promote ease of doing business for the stakeholders, reduce the cost of compliance for supervised entities and position IFSCA as a progressive regulator with a best-in-class Supervisory Technology (SupTech) system with an estimated cost of INR 269.05 crores. The SupTech system shall cover administrative, compliance, supervision, and enforcement framework for its regulated entities. The SupTech system will enable IFSCA to collaborate with other sectoral financial regulators in India and abroad through Application Programming Interface (API) based machine to machine communication or integration, as need be.

Snapshot of External Market

B. Participation of Foreign Portfolio Investors (FPIs) in Securities Market FPI/FII Investment in India during calendar year 2021.

Calendar Year	INR Crores				
	Equity	Debt	Debt - VRR	Hybrid	Total
January	19473	-2518	-2306	-17	14631
February	25787	-6488	4364	350	24013
March	10482	-6492	13314	-281	17023
April	-9659	-118	342	599	-8836
May	-2954	-1706	1994	709	-1958
June	17215	-4829	883	-295	12974
July	-11308	-782	4817	-138	-7410
August	2083	12144	2232	97	16556
September	13154	12804	559	1239	27756
October	-13550	-1558	2830	-159	-12437
November	-5945	983	2466	-24	-2521
December	-19026	-11799	1391	-269	-29702

Source: NSDL, Up to December 2021

- FPI flows were in the positive territory for the first three months of 2021 with total net investment inflows of Rs. 55,667 cr. Thereafter, for a short period there were outflows in net FPI investment during April-May to the tune of Rs. -10,794 cr. There soon followed a strong rebound in FPI flows in the month of June 2021 largely driven by equity investment. FPIs made a net investment of Rs. 50,089 crores up to December 31st, 2021 with September witnessing a monthly high of FPI inflows at Rs. 27,756 cr.
- The Indian growth story continues to expand as is demonstrated by the trends in FPI flows that indicate and underline the faith of global investors in the strength and resilience of Indian economy.
- Morgan Stanley Capital International (MSCI), a leading provider of analytics and indices which are tracked by global investors, announced the addition of several Indian companies across its various Indices on November 10th, 2021. This was on account of rationalisation of foreign investment policy by DEA in the FEM (NDI) Rules 2019 whereby the statutory limit for aggregate FPI investment in a company was increased from 24% to the sectoral cap w.e.f 1st April 2020. These new additions are expected to significantly increase India's weight in MSCI Emerging Markets Indices and drive passive inflows into Indian capital markets.
- A large number of progressive reform measures have been undertaken in the recent years to improve ease of doing business for FPIs. These include simplification and rationalisation of the FPI regulations, increase in aggregate foreign investment limit, introduction of common application form (CAF) and opening up of new channels of debt investments like the Voluntary Retention Route (VRR) and Fully Accessible Route (FAR).
- The limits available under VRR, which requires FPIs to retain their investments for a minimum period of three years, has been enhanced to 2.5 lakh crores (from 1.5 lakh crores) in light of the sustained offtake witnessed under the route.
- The operational constraints in the G-Sec market have been progressively eased in May and June 2021 with longer window for reporting of OTC trades and facilitation of margin payments by AD-I Banks on behalf of FPIs.
- In order to enable debt financing of InVITs/REITs by FPIs, the Foreign Exchange Management (Debt Instruments) Regulations 2019 have been amended by RBI, in consultation with DEA, vide Notification dated 13th October 2021 thus providing access to newer asset classes to FPIs.
- In order to enable Resident Indian fund managers to benefit from the provisions of Section 9A of the Income Tax Act, 1961 , the SEBI (Foreign Portfolio Investors) Regulations, 2019 has been amended to permit Resident Indians (other than individuals) to be constituents of FPI provided: Such resident Indian (other than individuals) is an eligible fund manager of the FPI applicant, as per section 9A (4) of the Income Tax Act, 1961; FPI applicant is an eligible Investment Fund as per section 9A (3) of Income Tax Act, 1961 which has been granted approval under the Income Tax Rules, 1962.

C. External Commercial Borrowing in India:

The data for ECB net inflows since FY 2017-18 is presented as under:

2017-18	2018-19	2019-20	2020-21	2021-22 (Till October 2021)
2,305	13,180	29,399	4,248	6,730

** Data for latest month are as per the scheduled drawdown (indicated by borrowers in Form-ECB) in absence of ECB-2 Return.*

D. Foreign Exchange Management (Non–Debt Instrument Rules)

Pursuant to the amendments to FEMA 1999 through the Finance Act, 2015, Ministry of Finance had notified the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 vide Notification No. 3732(E) dated 17th October, 2019. With regard to NDI Rules, the following amendments have been notified during 2020-21:

i. FEM (NDI) (Amendment) Rules, 2021: Regarding Press Note 1 (2021) of DPIIT pertaining to the review of the Foreign Direct Investment (FDI) policy on downstream investments made by NRI was notified on 6th August 2021. The amendment inserted an explanation in sub-rule (7) of Rule 23 that investment made by an Indian entity which is owned and controlled by NRI(s), on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

ii. FEM (NDI) (Second Amendment) Rules, 2021: Regarding Press Note 2 (2021) of DPIIT pertaining to the review of Foreign Direct Investment (FDI) policy on Insurance Sector was notified on 19th August, 2021 whereby FDI limit in insurance sector has been increased from 49 % to 74% under automatic route.

iii. FEM (NDI) (Third Amendment) Rules, 2021: Regarding Press Note 3 (2021) of DPIIT pertaining to the review of Foreign Direct Investment (FDI) policy on Petroleum and Natural Gas Sector, notified on 5th October, 2021, whereby foreign investment up to 100% under the automatic route has been allowed in case an 'in-principle' approval for strategic disinvestment of a PSU has been granted by the Government.

iv. FEM (NDI) (Fourth Amendment) Rules, 2021: Regarding Press Note 4 (2021) of DPIIT pertaining to the review of Foreign Direct Investment (FDI) on Telecom Sector was notified on 12th October, 2021, whereby FDI limit in telecom sector has been increased from 49 % to 100 % under automatic route.

III. Secondary Markets:

Indian Market Performance

In the current year 2021, as on 30th November 2021, the NSE benchmark index NIFTY 50 and BSE Sensex gained 20 per cent and 21 per cent respectively while for the previous calendar year, Nifty 50 and Sensex increased by 16 per cent and 15 per cent respectively. Indian markets outperformed other emerging market during the calendar year 2021 (till November 30) (Table 1).

Among the developed markets, Nasdaq and S&P 500 Index rose by 21 per cent and 22 per cent, respectively during calendar year 2021 (till November 30).

Table 1: Performance of Major Markets in the World

Index	As on 31st December 2020	As on 30th November, 2021	Variation in CY 2020 (%) (till December 31st , 2020)	Variation in CY 2021(till November 30th , 2021)
Indian Markets				
Nifty 50	13,982	16,983	15%	21%
S&P BSE Sensex	47,751	57,065	16%	20%
Emerging Markets				
Brazil	1,19,017	1,01,915	3%	-14%
KOSPI, Korea	2,873	2,839	31%	-1%
Taiwan Taiex	14,713	17,428	23%	18%
Developed Market				
S & P 500, US	3,756	4,567	16%	23%
CAC-40, France	5,551	6,721	-6%	20%
DAX, Germany	13,719	15,100	4%	10%
FTSE 100, UK	6,461	7,059	-14%	7%
Hang Seng, Hong Kong	27,231	23,475	-3%	-14%
Nikkei 225, Japan	27,444	27,822	16%	1%

 # as on November 30 of the respective year.

Source: Refinitiv Datastream, NSE and BSE

Key Developments:

i) Social Stock Exchange (Budget Announcement 2019-20)

- In the Union Budget 2019-20, Government proposed to initiate steps towards creating a Social Stock Exchange (SSE), under the regulatory ambit of SEBI, for listing social enterprises and voluntary organizations working for the realization of a social welfare objective so that they can raise capital as equity, debt or as units like a mutual fund.
- Pursuant to initial discussions with various stakeholders, SEBI constituted a Working Group (WG) and Technical Group on Social Stock Exchange. Based on the recommendations of the expert groups (Working Group and Technical Group) and public comments received, the SEBI Board, in its meeting held on September 28, 2021, has approved the creation of SSE to be set up as a separate segment of the existing stock exchanges. The framework, inter-alia, envisages fund raising by social enterprises including voluntary organizations through various innovative instruments, most notably among them is a new proposed security "Zero coupon Zero principal instrument"(ZCZP) as well as a blended finance product "development impact bonds"(DIBs). The framework provides that social enterprises on SSE will be required to make annual disclosures on their social impact through an impact score card, which will be assessed by social auditors.

ii) Amendments in the Indian Stamp Act, 1899

- In order to rationalize the collection and allocation mechanism for stamp duty for securities market instruments and harmonize the rates across States, the relevant provisions of the Finance Act, 2019 amending the Indian Stamp Act, 1899 and the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 were notified simultaneously on 10th December, 2019 and it has come into effect from 1st July, 2020.
- Through the amendments in the Indian Stamp Act, 1899 and associated Rules, which came into effect from 1st July, 2020, the Central Government has created the legal and institutional mechanism to enable States to collect stamp duty on securities market instruments at one place by one agency on one instrument. It will facilitate ease of doing business, bring in uniformity of the stamp duty on securities across States and thereby build a pan-India securities market. So far, implementation of the reformed stamp duty regime has been working smoothly. In the sixteen months (July 2020 to October, 2021) alone, State Governments have collected nearly ₹3738.87 crores.

<u>IV. Commodity Derivatives :</u>

Commodity Derivatives Market :

1. Establishment of Gold Spot Exchange:

a. Hon'ble Finance Minister in her Union Budget Speech 2021-22 has made the following announcement :

"In the budget of 2018-19, Government had announced its intent to establish a system of regulated gold exchange in the country. For this purpose, SEBI will be notified as the regulator and Warehousing Development and Regulatory Authority will be strengthened to set up a commodity market ecosystem arrangement including vaulting, assaying, logistics etc. in addition to warehousing"

b. SEBI shall be the sole regulator for gold spot trading including the vault, assaying etc.

c. The proposed framework for Gold Spot exchanges has been issued and SEBI (Vault Managers) Regulations, 2021 has also been notified.

d. Electronic Gold Receipt (EGR) has also been declared as Securities under relevant provisions of the SCRA 1956 vide Notification dated 24-12-2021.

2. Strengthening Warehousing Development and Regulatory Authority (WDRA).

a. A working group was constituted under The Chairmanship of DFPD with representatives from DEA, WDRA, SEBI, Ministry of Commerce, DPIIT & Other such relevant commodity oriented departments/ministries as representatives to carry out the process of strengthening WDRA.

b. **DFPD** has granted in principle approval to WDRA for notifying non-agri commodities for metals and alloys viz. Aluminium, Brass, Lead, Nical, Zinc, Tin Steel and Iron ore. Draft amendment has been prepared and being consulted by DFPD.

3. Notifying additional commodities,

The commodities eligible for derivatives trading are notified by DEA, MoF in consultation with SEBI. At present, major agricultural commodities trading on derivatives platform include Barley, Castor Seed, Coriander, Cotton, Guar Seed. Major non-agri commodities traded on commodity derivatives platform in India are metals (Zinc, Aluminum, Copper, Gold andilver) and energy commodities (Crude Oil, Natural Gas).

SEBI has issued the following directions to National Commodity & Derivatives Exchange Limited (NCDEX), on 16 August 2021 and 8 October 2021 in respect of trading in Chana and Mustard seed contracts:

i. No new Chana, Mustard contract shall be launched till further orders.

ii. In respect of running contracts, no new position will be allowed to be taken. Only squaring up of position will be allowed.

iii. These directions will be implemented with immediate effect.

SEBI has issued similar directions on 20th Dec.,2021 as above, applicable for one year to Stock Exchanges having Commodity Derivatives Segment in respect of trading in derivative contracts in the following commodities:

1. Paddy (non-basmati)
2. Wheat
3. Chana
4. Mustard seeds and its derivatives
5. Soyabean and its derivatives (its complex)
6. Crude Palm Oil
7. Moong

At present, major agricultural comodities trading on derivatives platform include Barley, Castor seed, Coriander, Cotton, Guar Seed etc. Major non-agri commodities traded on commodity derivatives platform in India are metals (Zinc, Aluminium, Copper, Gold, Silver) and energy commodities (Crude Oil, Natural Gas).

The total turnover in commodity derivatives segment is distributed across exchanges as follows:

Table 1: Market share of exchanges year wise

Total Turnover	2017-18	2018-19	2019-20	2020-21	2021-22*	% variation of 2020-21 over 2019-20	% variation of 2021-22 over 2020-21
(in Rs. Crore)							
All-India	6,022,530	7,377,943.89	9,224,839	9,222,927	**7,312,278**	-0.02%	-20.72%
MCX	5,393,350	6,772,372.87	8689518	8,264,585	6,171,370	-4.89%	-25.33%
NCDEX	589,497	531587.96	442009	318,814	384,066	-27.87%	20.47%
ICEX	2,158	37,735.50	40,511.29	1,666	139	-95.89%	-91.66%
NSE		3,443.82	6,362.00	27,839	13,678	337.58%	-50.87%
BSE		32,803.75	46,438.72	610,023	743,025	1213.61%	21.80%

** includes data up to 31 December, 2021*
***Source:** SEBI Bulletin*

Table 2: Market share of exchanges in percentage

Market Share of Exchanges	(In Rs crore)		Share in percentage	
Exchanges	**2020-21**	**2021-22***	2020-21	**2021-22***
MCX	8,264,585	6,171,370	89.61%	84.40%
NCDEX	318,814	384,066	3.46%	5.25%
ICEX	1,666	139	0.02%	0.00%
BSE	610,023	743,025	6.61%	10.16%
NSE	27,839	13,678	0.30%	0.19%
Total	**9,222,927**	**7,312,278**	100%	**100.00%**

** includes data up to 31 December, 2021*
***Source:** SEBI Bulletin, January 2022*

Table 3: Segment wise share of commodity derivatives in exchanges

Segment wise share	(In Rs crore)		Share in percentage	
	2020-21	**2021-22***	2020-21	**2021-22***
Commodity Futures	8,307,433	5,415,763	90.07%	74.06%
Commodity Options	867,032	1,830,480	9.40%	25.03%
Index futures	48,463	66,034	0.53%	0.90%
Total	**9,222,927**	7,312,278	100%	100.00%

** includes data up to 31 December, 2021*
***Source:** SEBI Bulletin*

Table 4: commodity wise share in exchanges

Commodity wise share	(In Rs crore)		Share in percentage	
	2020-21	2021-22*	2020-21	2021-22*
Agricultural	429,687	482,524	4.66%	6.60%
Metals	1,574,998	1,201,507	17.08%	16.43%
Bullion	5,344,812	2,947,269	57.95%	40.31%
Energy	1,872,876	2,680,978	20.31%	36.66%
gems & stones	554	0	0.01%	0.00%
Total	**9,222,927**	7,312,278	100.00%	100.00%

** includes data up to 31 December, 2021*

Source: *SEBI Bulletin*

V. International Cooperation:

India's sovereign debt is rated by 6 major Sovereign Credit Rating Agencies (SCRAs). These are Fitch Ratings, Moody's Investors Service, Standard and Poor's (S&P), Japanese Credit Rating Agency (JCRA), Rating and Investment Information Inc., Tokyo (R&I) and DBRS MorningStar. The latest sovereign ratings issued by these agencies are given below:

Rating Agency	Date of affirmation of ratings	Foreign Currency		Local Currency	
		Ratings	Outlook	Ratings	Outlook
Moody's	05.10.2021	Baa3	Stable	Baa3	Stable
Fitch	16.11.2021	BBB-	Negative	BBB-	Negative
S&P	13.07.2021	BBB-	Stable	BBB-	Stable
JCRA	29.10.2020	BBB+	Stable	BBB+	Stable
R&I	14.07.2021	BBB	Stable	No ratings were given	
DBRS	19.05.2021	BBB (low)	Negative	BBB (low)	Negative

VI. Regulatory Establishment

Securities Appellate Tribunal (SAT) is established under Section 15K of the Securities and Exchange Board of India Act, 1992, to exercise the jurisdiction, powers and authority conferred on the Tribunal by or under the SEBI Act1992, PFRDA Act 2013, Insurance Act 1938 and any other law for the time being in force. It is also the designated Tribunal to hear appeal cases against the orders passed by International Financial Services Centres Authority (IFSCA) for matters related to securities, insurance, and pension under the Acts mentioned above.

As on 30.11.2021 770 appeals are pending before SAT and its duration wise breakup is as follows:-

Month & Year	Appeals filed under Act	Total Pendency	Pendency Less than One Year	Pendency (1yr.- 2 yrs)	Pendency (2yrs.- 3yrs)	Pendency more than three years	Total Disposal of cases upto Nov. 2021
Nov. 2021	SEBI	754	377	288	89	00	688
	IRDA	16	14	02	00	00	10
	PFRDA	00	00	00	00	00	03

4. Financial Stability and Cyber Security Division

4.1. Financial Stability and Development Council

4.1.1 The Financial Stability and Development Council (FSDC) was set up by the Government of India as the apex level forum in December 2010 with a view to strengthening and institutionalizing the mechanism for, inter-alia, maintaining financial stability, enhancing inter-regulatory coordination and promoting financial sector development. The Chairperson of the FSDC is the Finance Minister of India, and Members include Ministers of State for Finance, the heads of the financial sector regulators and Secretaries of the relevant Ministries/Departments of the Government of India.

4.1.2 The FSDC monitors macro-prudential supervision of the economy and deliberates on contextual issues covering financial stability, financial sector development, inter-regulatory coordination, financial literacy, financial inclusion, co-ordinating India's international interfaces with financial sector bodies like the Financial Action Task Force (FATF) and the Financial Stability Board (FSB). The Financial Stability and Cyber Security (FS&CS) Division in the Department of Economic Affairs provides secretarial assistance to the FSDC. The Division-Head in charge of Financial Stability & Cyber Security (FS&CS) Division, Ministry of Finance, Department of Economic Affairs is the Secretary of the FSDC.

4.1.3 Till 15th January, 2022, FSDC held 24 meetings. In 2021-22, the 24th meeting was held on September 3, 2021. The meeting deliberated on the various mandates of the FSDC, viz., Financial Stability, Financial Sector Development, Inter-regulatory Coordination, Financial Literacy, Financial Inclusion, and Macro prudential supervision of the economy including the functioning of large financial conglomerates etc. It was noted that there is a need to keep a continuous vigil by Government and all regulators on the financial conditions. The FSDC also, inter alia, discussed issues relating to management of stressed assets, strengthening institutional mechanism for financial stability analysis, financial inclusion, framework for resolution of financial institutions and issues related to IBC processes, banks' exposure to various sectors and Government, data sharing mechanisms of government authorities, internationalisation of Indian Rupee and pension sector related issues. The FSDC also took note of the activities undertaken by the FSDC Sub-Committee chaired by the Governor, RBI and the action taken by members on the past decisions of FSDC.

4.2 FSDC Sub-Committee (FSDC-SC)

4.2.1 The FSDC is supported by a Sub-Committee (FSDC-SC), chaired by the Governor RBI. Excluding the Chair of the FSDC and theMinisters of State for Finance all members of the FSDC are also the members of the FSDC-SC. Additionally, all four Deputy Governors (DG) of RBI, and Secretary (FSDC), are also the members of the FSDC-SC. Executive Director of RBI who is in-charge-of Financial Stability is the Member Secretary, and the Financial Stability Unit (FSU) of RBI is the Secretariat for the FSDC-SC. The FSDC-SC has met 28 times so far.

4.2.2 During the year 2021-22, FSDC-SC held the 28th meeting on January 13, 2022. The Sub-Committee reviewed the major developments in the global and domestic economy as well as in various segments of the financial system and discussed the assessments of members about the scenario emerging from the third wave of the COVID-19 pandemic.

The FSDC-SC also discussed various inter-regulatory issues and matters relating to the use of Aadhaar Based e-KYC and Aadhaar Enabled payment system by regulated entities. It reviewed the activities of various technical groups under its purview and the functioning of State Level Coordination Committees (SLCCs) in various states/UTs. The members resolved to maintain a close watch on the unfolding developments and act proactively to ensure that financial institutions and financial markets remain resilient amidst the challenges posed by the resurgence of the pandemic.

4.3 Financial Stability Board (FSB)

4.3.1 FSB is an international body established in April, 2009 under the aegis of G20 by bringing together the national authorities, standard setting bodies and international financial institutions. FSB is responsible for undertaking vulnerabilities assessment, policy development and coordination, implementation monitoring, and to act as a compendium of standards for financial sector regulation and reforms in members' jurisdictions.

4.3.2 India, as a member of the FSB, remains committed to adoption of the priority and other areas of financial sector reforms and international standards in a phased manner, calibrated to local conditions wherever necessary. Department of Economic Affairs is the nodal point for India to coordinate with the FSB and all India-specific information are regularly provided in consultation with the financial sector Regulators (namely, RBI, SEBI, IRDAI and PFRDA) while responding to various FSB questionnaires, surveys and reports. India also participates in the peer reviews, meetings and conference calls of FSB and presents its views and comments as a member.

4.3.3 The Plenary is the sole decision-making body of the FSB, the Steering Committee provides operational guidance between Plenary meetings to carry forward the directions of the FSB and prepare the Plenary meetings in order to allow the plenary to efficiently fulfil its mandate, Standing Committee on Standards Implementation (SCSI) is responsible for monitoring the implementation of agreed FSB policy initiatives and international standards, and the Standing Committee on Budget and Resources (SCBR) is responsible for assessments of the resource needs of the FSB Secretariat taking into account the current mandate, the work programme and emerging demands. The Regional Consultative Group on Asia (RCG Asia) is one of the 6 regional groups established by FSB in 2011 to expand upon and formalise the FSB's outreach activities beyond the membership of the G20 and to reflect the global nature of the financial system through interaction with the non-members. Secretary of the Department of Economic Affairs represents India in the FSB Plenary, Steering Committee (2021-2023) and in the two out of the four FSB standing Committees, namely, the Standing Committee on Standards Implementation(SCSI) and the Standing Committee on Budget and Resources(SCBR). Secretary (Economic Affairs) also represents India in the Regional Consultative Group on Asia (RCG Asia). Chairman (SEBI), and DG (RBI) are the other two members from India in the FSB Plenary as well as in the RCG Asia. DG (RBI) represents as a member from India in the other two Standing Committees of FSB, namely, Standing Committee on Assessment of Vulnerabilities (SCAV) and Standing Committee on Supervisory and Regulatory Cooperation (SRC). He also represents India in the Steering Committee that provides operational guidance between Plenary meetings to carry forward the directions of the FSB, promotes coordination across the Standing Committees and coordinates and conducts reviews of the policy development work of the international standards setting bodies.

4.3.4 During the year 2021-22, considering the travel restrictions relating to Covid-19, virtual meetings of the FSB Plenary were held on June 17 2021, June 22 2021, September 28, 2021 and October 18, 2021. The last meeting of the Plenory on November 18, 2021 was held in hybrid mode. SCSI virtual meetings were held on May 17, 2021, September 16, 2021 and October 6, 2021, November 4, 2021 and December 2, 2021.Besides, two virtual meetings of the RCG Asia was held on May 28, 2021 and November 29, 2021 and RCG Workshop on Libor Transition was held on September 29, 2021. FSB's EMDE's Forum meeting was held on November 17, 2021. All these meetings were attended by representatives of DEA at suitable levels.

4.3.5 In addition to these regular meetings, FSB also set up a working group on thematic peer review of corporate debt workouts to support COVID-19 response efforts by examining members' practices, experiences and lessons on out of court debt workouts (OCWs), and the implications for financial stability. Senior Economic Adviser (FS&CS) is a member from India in the peer review group and participated in various meetings of the group held during 2021-22. Continuous engagement was maintained through various virtual meetings/ conference calls of Plenary, SCSI, RCG, Thematic peer review group etc. and inputs on surveys and reports circulated by FSB were provided in consultation with the regulators.

4.4 Financial Sector Assessment Programme (FSAP)

4.4.1 FSAP is a quinquennial exercise jointly conducted by IMF and World Bank (WB) and involves a comprehensive and in-depth analysis of a country's financial sector to assess financial stability and financial sector development. India underwent its first FSAP exercise in 2011-12 and the second FSAP in 2017. Department of Economic Affairs, in close coordination with financial sector Regulators and Ministries/Departments concerned, facilitates and coordinates all matters related to FSAP undertaken for India, including following up on the recommendations of FSAP. Subsequent to the FSAP exercise in 2017, the IMF and the World Bank published their reports, including the Financial System Stability Assessment Report (FSSA) (along with IMF Press Release, Staff Supplement and Statement of India's Executive Director in IMF) and Financial Sector Assessment (FSA) report respectively in December, 2017 on their respective websites, followed by a few Detailed Assessment Reports (DARs) and Technical Notes on selected topics. Department of Economic Affairs has been following up with the Ministries/ Departments/ Regulators concerned for examination and suitable implementation of the recommendations.

4.5 Macro Financial Monitoring Group (MFMG)

4.5.1 The Macro Financial Monitoring Group has been set up in 2012 under the Chairmanship of the Chief Economic Adviser. The Group aims at keeping track of the macroeconomic and financial developments, identifying vulnerabilities, and providing early warning signals. The Group has held 24 meetings till date. The last meeting of the MFMG was held on August 25, 2021 under the chairmanship of the CEA which was attended by Senior officials of the Ministry of Finance; Senior Resident Representative, IMF India; and officials of financial sector regulators. The Group discussed several contemporary financial sector issues.

4.6 Computer Security Incident Response Team-Finance Sector (CSIRT-Fin)

4.6.1 In 2021-22, Computer Security Incident Response Team-Finance Sector (CSIRT-Fin) operating under the Indian Computer Emergency Response Team (CERT-In) within the Ministry of Electronics and Information Technology (MeitY), entered its second year of operations. CSIRT-Fin is assigned the responsibility for coordinating and supporting the response to a computer security event or incident within the financial sector. CSIRT-Fin is the incident response force which focuses on mitigation processes, providing on-site awareness, expertise, and recovery oversight. CERT-In is providing the requisite leadership for the operations of CSIRT-Fin under its umbrella.

5. Financial Sector Reforms and Legislation Division

5.1 Introduction

5.1.1 The Financial Sector Legislative Reforms Commission (FSLRC), set up on 24th March, 2011 for re-writing the financial sector laws to bring them in harmony with the current requirements, submitted its Report to the Government on 22nd March, 2013. The Report is in two parts: Volume I titled "Analysis and Recommendations" and Volume II titled "Draft Law" consisting of the draft Indian Financial Code (IFC). The Commission, *inter alia,* recommended a non-sectoral, principle-based legislative architecture for the financial sector, by restructuring existing regulatory agencies and creating new agencies, wherever needed, for better governance and accountability.

5.1.2 A new Division, namely, FSLRC Cell was created in the year 2013 to process the implementation of the FSLRC Report with the following mandate:

a. To firm up the views of the Government on the recommendations of the FSLRC following due consultative process with all the concerned stakeholders, Regulators/Ministries/State Governments/Union Territories and public at large;

b. To implement the recommendations of the FSLRC, duly approved by the Government; and

c. To deal with administrative and establishment matters relating to FSLRC.

5.1.3 In September, 2017, it was decided to rename the FSLRC Division as Financial Sector Reforms and Legislation (FSRL) Division with (i) Legislative Reforms and (ii) Financial Sector Reforms Sub-Divisions.

5.2. Financial Sector Legislative Reforms Commission- Main recommendations

5.2.1 The Report of FSLRC was placed in the public domain on 28th March, 2013. The same was examined and discussed in various meetings of the Financial Stability and Development Council (FSDC) chaired by the Finance Minister. The recommendations of the FSLRC can broadly be divided into two parts - Legislative and Non-Legislative. The legislative aspects of the recommendations relate to revamping the legislative framework of the financial sector regulatory architecture by a non-sectoral, principle-based approach and by restructuring existing regulatory agencies and creating new agencies wherever needed.

5.3. Recommendations on the Financial Regulatory Architecture

5.3.1 The Commission has recommended a seven agency regulatory architecture namely, Reserve Bank of India, Unified Financial Agency, Financial Sector Appellate Tribunal, Resolution Corporation, Financial Redress Agency, Public Debt Management Agency and Financial Stability and Development Council in the draft law- Indian Financial Code to replace a number of existing laws. The non-legislative aspects of the FSLRC recommendations are broadly of the nature of governance enhancing principles for stronger consumer protection and greater transparency in the functioning of financial sector regulators. It features following set of changes, which renders it implementable:

i. The RBI will continue to exist, although with modified functions;

ii. The existing SEBI, FMC, IRDA, and PFRDA will be merged into a new UFA;

iii. The existing SAT will be subsumed into the FSAT;

iv. The existing DICGC will be subsumed into the Resolution Corporation;

v. A new FRA will be created;

vi. A new PDMA will be created; and

vii. The existing FSDC will become a full-fledged statutory agency, with modified functions.

5.4. Implementation Status of the recommendations of the FSLRC

5.4.1 The status and next steps on the implementation of the recommendations of the FSLRC are as follows:-

i. As has been agreed to in the meetings of the FSDC, the financial sector regulatory agencies are implementing the governance enhancing, non-legislative recommendations of the FSLRC on voluntary basis. A MIS Portal was developed and inaugurated by FM in May, 2015 to put in place an appropriate mechanism to measure the benchmark compliance for each Regulator/ Board. The MIS Portal has been modified in consultation with the Regulators to remove several difficulties faced by the Regulators in updating the compliance status on the Portal. The Regulators have started submitting their responses on the MIS Portal.

ii. A Financial Sector Regulatory Appointment Search Committee (FSRASC) has been created for recommending names of suitable persons for appointment to board level positions of financial sector regulatory bodies with the approval of the ACC on 24th November, 2015. The FSRASC has been reconstituted on 9th June, 2017. This would bring about uniformity in the selection of board members of financial sector regulators, which was one of the recommendations of the FSLRC on the broad structure of such regulators.

iii. As regards the establishment of a unified financial agency for the organised trading, by way of an incremental reform effort, the Forward Markets Commission (FMC) has been merged with the Securities and Exchange Board of India (SEBI) with effect from 28th September, 2015 to achieve the convergence of regulations of the securities market and the commodity derivatives markets. FMC stands abolished and the Forward Contracts (Regulation) Act, 1952 has been repealed. However, there is no consensus on merging the existing financial sector regulators into a single Unified Financial Agency.

iv. The Task Forces for transforming the existing Securities Appellate Tribunal (SAT) into the Financial Sector Appellate Tribunal (FSAT) and for establishing new agencies namely, Resolution Corporation (RC), Public Debt Management Agency (PDMA) and Financial Data Management Centre (FDMC) were set up on 30th September, 2014. These Task Forces submitted their reports during June 2015. Another Task Force for creating a sector-neutral Financial Redress Agency (FRA) that was set up on 5th June, 2015 as announced in the Budget Speech 2015-16 submitted its Report on 30th June, 2016. Its Report is under examination.

v. Apart from inviting comments on the FSLRC Report and the Draft IFC, the Department of Economic Affairs in collaboration with the Institute of Company Secretaries of India (ICSI) organised a number of workshops and seminars on specific areas of the IFC for building consensus on the Draft. Work on fine tuning the Draft IFC with comments of stakeholders suitably incorporated to make it legally flawless was initiated and the Draft IFC was revised in the light of the comments received and hosted on the website of the Ministry of Finance on 23rd July, 2015, inviting comments of stakeholders by 8th August 2015. Moving the Indian Financial Code (IFC) recommended by the FSLRC in totality, after due consideration, is likely to take time. Key aspects of the IFC being fast-tracked are as follows:-

a. Financial Sector Appellate Tribunal:

The Securities and Exchange Board of India Act, 1992 was amended through the Finance Act 2017, for upgrading/ enhancing the capacity of the Securities Appellate Tribunal (SAT) to hear appeals relating to the Insurance and Pension sectors also and for providing for multiple benches. This would facilitate in moving towards a Financial Sector Appellate Tribunal, which was recommended to be the Appellate Tribunal for the entire financial sector.

b. Establishment of a comprehensive resolution framework for the financial sector:

An announcement was made in the Budget Speech of 2016-17 to frame a comprehensive Code on Resolution of Financial Firms and introduce it as a Bill in the Parliament during 2016-17. The Financial Resolution and Deposit Insurance Bill, 2017 (the Bill) was introduced in the Lok Sabha on 10th August 2017 and referred to a Joint Committee of Parliament for making a Report to the Parliament. The Bill provided for establishment of a specialized Resolution Regime for financial sector entities. The enactment of the Bill would have empowered the Resolution authority to contribute to the stability and resilience of the financial system by carrying out speedy and efficient resolution of financial firms in distress, providing deposit insurance to consumers of certain categories of financial services, monitoring the Systemically Important Financial Institutions and protecting the consumers of financial institutions and public funds to the extent possible. The FRDI Bill was withdrawn from the Parliament on 7th August, 2018 owing to concerns raised by the stakeholders' on certain provisions of the FRDI Bill for comprehensive re-consideration and re-examination.

Accordingly, work on consolidating all the laws relating to resolution of financial sector entities in one law and provide a specialised resolution mechanism to deal with bankruptcy situations in most of the financial sector entities, such as, banks, insurance companies, FMIs and select financial sector entities is under examination.

c. Establishment of an independent Financial Data Management Centre:

A centralised data centre named as Financial Data Management Centre (FDMC) is proposed to be set up under the aegis of the Financial Stability and Development Council (FSDC) that will be used for analysis of financial stability and related issues. Subsequent to the FSLRC recommendation on creation of a statutory Financial Data Management Centre (FDMC), Government constituted a Task Force on FDMC which, inter alia, recommended to establish the FDMC. Strengthening the institutional mechanism for financial stability analysis is under examination.

d. Establishment of an independent Public Debt Management Agency:

An independent Public Debt Management Agency (PDMA) is proposed to be set up for managing Government's debt and cash balance, etc. To this effect, the Government set up a Public Debt Management Cell (PDMC) on 4th October, 2016, as an interim arrangement before setting up of an independent and statutory debt management Agency namely, Public Debt Management Agency (PDMA) of India, in due course. This interim arrangement will allow separation of debt management functions from RBI to PDMA in a gradual and seamless manner, without causing market disruptions. A debt database will be required for proper handling of public debt related responsibilities. Phase-I of the work, involving preparation of FRS, SRS and Prototype is complete. Work on selection of vendor for development of application is being initiated by the Budget Division, DEA, which is assigned the task to initiate necessary steps for the setting up of PDMA.

e. Institutionalised and Statutory Monetary Policy Framework:

(i) FSLRC has recommended establishment of a statutory and an institutionalized framework to conduct monetary policy, including the creation of a Monetary Policy Committee that would determine the policy interest rate. The Reserve Bank of India Act, 1934 (RBI Act) has accordingly been amended by the Finance Act, 2016, to provide for a statutory and an institutionalized framework for a Monetary Policy Committee, for maintaining price stability, while keeping in mind the objective of growth. The Monetary Policy Committee is entrusted with the task of fixing the benchmark policy rate (repo rate) required to contain inflation within the specified target level. A Committee-based approach for determining the Monetary Policy will add value and transparency to monetary policy decisions. The meetings of the Monetary Policy Committee shall be held at least 4 times a year and it shall publish its decisions after each such meeting.

(ii) Provisions of the RBI Act relating to the chapter on Monetary Policy have been brought into force through a Notification in the Gazette of India Extraordinary on June 27, 2016. The Rules governing the Procedure for Selection of Members of Monetary Policy Committee and Terms and Conditions of their Appointment and factors constituting failure to meet inflation target under the MPC Framework have also been notified in the Gazette of India, Extraordinary on June 27, 2016. The Government, in consultation with the RBI, notified the inflation target in the Gazette of India Extraordinary dated August 5, 2016, for the first five-year period ending on the March 31, 2021. Keeping in mind the primacy of price stability in the wake of supporting macroeconomic policies to boost the economic recovery from COVID-19 induced slowdown, and to further strengthen credibility of monetary policy in guiding the inflation expectations in the economy, the Government, after consultation with the RBI, has decided to continue with the existing inflation target for the next five-year period starting from April 1, 2021 to March 31, 2026, as under:

Inflation Target	:	4 per cent.
Upper tolerance level	:	6 per cent.
Lower tolerance level	:	2 per cent.

The Inflation target has been notified by the Government in the Gazette of India, Extraordinary dated March 31, 2021.

(iii) As per the provision of section 45ZB of the RBI Act, 1934, out of the six Members of Monetary Policy Committee, three Members will be from the RBI and the other three Members of Monetary Policy Committee (MPC) will be appointed by the Central Government. Accordingly, the MPC was constituted and notified in the Gazette of India Extraordinary dated September 29, 2016. MPC was re-constituted and notified in the Gazette of India Extraordinary dated October 5, 2020 as follows:

a. Governor of the Bank—Chairperson, ex officio;

b. Deputy Governor of the Bank, in charge of Monetary Policy—Member, ex officio;

c. One officer of the Bank to be nominated by the Central Board—Member, ex officio;

d. Dr. Shashanka Bhide, Senior Advisor, Research Programmes, National Council of Applied Economic Research (NCAER), —Member

e. Dr. Ashima Goyal, Professor, Indira Gandhi Institute of Development Research (IGIDR), and Part Time Member, Prime Minister's Economic Advisory Council (PMEAC) — Member

f. Dr. Jayanth R. Verma, Professor, Indian Institute of Management (IIM), Ahmedabad — Member

(iv). The Members of the Monetary Policy Committee referred to in sub-paragraphs (d) to (f) above would hold office for a period of four years or until further orders, whichever is earlier.

(v). The Reserve Bank of India Monetary Policy Committee and Monetary Policy Process Regulations were framed and notified on July 14, 2017 for ensuring full operationalisation of the MPC. The Regulations were subsequently laid in the Lok Sabha on August 4, 2017 and Rajya Sabha on August 8, 2017.

5.5 Other Legislative Reforms

5.5.1 Providing a Legal Framework for Bilateral Netting of Qualified Financial Contracts

5.5.1.1 An unambiguous legal framework for enforceability of close-out netting reduces credit exposure of banks and other financial institutions from gross to net exposure, results in substantial capital saving on such exposure and reduces the overall systemic risks contributing to the financial stability. That is why many international standard setting bodies have recommended that a legal basis for close-out netting may be provided in law.

5.5.1.2 In the absence of any legally unambiguous basis for finality of bilateral netting for certain entities, bilateral netting of mark-to-market values arising on account of OTC derivatives is not permitted, forcing the banks to provide capital on gross exposure basis for such derivatives. Further, the emerging global consensus (in G20 and Bank for International Settlement) of imposing higher margins for non-centrally cleared OTC derivatives (NCCDs) might lead India to also adopt the global norms of risk mitigation and also to strengthen the resilience of the financial system. The exchange of margin for NCCDs on gross basis would be very inefficient and would seriously disrupt the OTC derivatives market, which account for about 40% of the total derivatives market.

5.5.1.3 Thus, with a view to address the inadequacies in the present legal framework, the Government formulated a Bill, namely, 'The Bilateral Netting of Qualified Financial Contracts Bill, 2020' to lay down the mechanism for close-out netting of the financial contracts. The Bill was passed by the Parliament in September, 2020. The Bilateral Netting of Qualified Financial Contracts Act, 2020 ("The Act") as published in the Gazette of India Extraordinary on 28th September, 2020. The Act has been brought into force with effect from 1st October, 2020.

5.5.1.4 The netting law for bilateral financial contracts would result in substantial capital saving for banks, which, in turn, would enable banks to provide price efficiency in offering hedging instruments to business in India, catalyse the corporate bond market (through developing the credit default swap market), promote ease of doing business and provide equal cost advantage to Indian financial sector. The market participants also expect that a bilateral netting law would further develop the financial market in India. The law will contribute significantly to strengthening the financial stability of the country and would facilitate in further developing the financial market, especially the financial derivatives market and corporate bond market.

6. Infrastructure Policy & Planning Division

6.1 Infrastructure Policy & Planning (IPP) Division is headed by Shri Peeyush Kumar, Joint Secretary. The Division has the following Units:

Finance Unit (FU)

Policy & Planning Unit (PPU)

Capacity Building Unit (CBU)

Each Unit is headed by Adviser/Director/Deputy Secretary and assisted by Deputy Director/Assistant Director etc.

1. Finance Unit (FU)

1.1 Major Functions:

Finance Unit deals with financing requirements of infrastructure including conceiving new initiatives related to infrastructure financing and promotion of investment in infrastructure sectors. The Unit deals with:

- Financial Sector Reforms for long-term availability of financing from Domestic sources & Foreign capital, Development Finance Institutions and Financial Markets.
- Infrastructure Financing from Fiscal resources, PSE's IEBR and Private sector, including from National Monetization Plan
- Matters related to infrastructure financing, including development of Infrastructure Instruments and promotion of investments in infrastructure sectors.
- Matters relating to Infrastructure Debt Funds (IDFs), Real Estate Investment Trusts (REITs)/ Infrastructure Investment Trust (InvITs), Tax Free Bonds, Municipal Bonds and other instruments meant for infrastructure financing.
- Matters relating to SPV for Credit Enhancement of Infrastructure Projects and New Credit Rating System for Infrastructure.
- All International engagement on infrastructure financing (other than PPPs).
- Matters relating to issues of Municipal Bonds by Urban Local Bodies (ULBs) for PPP and Non-PPP Projects.
- Model Tripartite Agreements (MTA) for sectors such as Road, Ports, Airports.
- Matters relating to Infrastructure Working Group (IWG) of G-20.
- Matters relating to meetings of Board of Directors of IIFCL, AIAHL, NIIFTL as JS (IPP) is Government nominee on its Board of Directors;

1.2 Major Policy Initiatives/ Achievements:

1.2.1 G20 Infrastructure Working Group (G20-IWG)

Infrastructure Working Group (IWG) is a working group under the G20 Finance Track that drives G20's infrastructure agenda. The IWG aims to provide analysis and advice to policymakers to address the impediments around the development of infrastructure as an asset class in order to facilitate investment flows from private and official sources into infrastructure.

Under G20 Italian presidency, 6 meetings of the Infrastructure Working Group were held. Apart from continuing previous work under IWG on quality infrastructure investment indicators, G20 action plan, infrastructure data initiative, etc. , the IWG worked on four new workstreams such as sustainable infrastructure-which included increasing emphasis on ESG and circular economy in infrastructure, inclusive infrastructure, maintenance and resilience, digital guidelines for financing Infrastructure. Key deliverables included the policy agenda on maintenance and resilience, digital guidelines for fostering broadband connectivity which were endorsed by the G20 FMCBG and leaders.

Further, the first G20 Infrastructure Working Group (IWG) meeting under the Indonesian Presidency was held on 20-21st January, 2022 virtually. Shri Peeyush Kumar, Joint Secretary, IPP Division, DEA being Head of the Indian Delegation at G20 IWG represented India at the said meeting and Shri Aman Garg, Deputy Secretary, IPP Division, DEA participated as a delegate.

1.2.2 BRICS Task Force on Public Private Partnership (PPP) and Infrastructure

India had assumed the chairmanship of the BRICS countries in 2021 and had also assumed the chairmanship of the BRICS Task Force on Public Private Partnership (PPP) and Infrastructure.

India hosted the first meeting of the BRICS Task Force on PPP and Infrastructure under India's Presidency on 9th April, 2021. 2nd meeting of the BRICS Task Force on PPP and Infrastructure was held successfully on 10th August, 2021. The meeting was held virtually and attended by the Ministry of Finance delegates from Brazil, Russia, China and South Africa.

During the Finance Ministers and Central Bank Governors meeting held on 26th August, 2021, the report titled 'Social Infrastructure: Financing and Use of Digital Technologies' was endorsed. The report has also been endorsed by the leaders at the BRICS leaders' summit held om 9th September, 2021.

1.2.3 Real Estate Investment Trusts (REITs)/ Infrastructure Investment Trust (InvITs)

REITs/ InvITs are trust-based structures that maximize returns through efficient tax pass-through and improved governance structures. Guidelines/Regulations for InvITs and REITs were notified by SEBI on 26 September, 2014. SEBI regulations permit InvITs/REITs to have a single tier structure comprising the Trust and Special Purpose Vehicle (SPV) or a two-tier structure comprising the Trust, Holdco (Holding Company) and SPV. As on date, 10 InvITs and three REITs have been successfully launched and have collectively raised around Rs.85,000 crore.

1.2.4 Infrastructure Debt Funds (IDFs)

IDFs were created essentially to act as vehicles for refinancing existing debt of infrastructure companies, thereby creating fresh headroom for banks to lend to fresh infrastructure projects. IDFs were expected to channelize long term funds from insurance and pension funds, sovereign wealth funds etc to supplement lending for infrastructure projects by commercial banks which are increasingly being constrained by their asset-liability mismatch and exposure limits.

IDFs are set up by sponsoring entities either as NBFCs – which are regulated by the RBI and as Mutual Funds which are regulated by SEBI. As on date, four IDFs under NBFC route and two under MF route are in operation.

2. Policy & Planning Unit (PPU)

2.1 Major Functions:

- Infrastructure Investment Policy
- Institutional Mechanism on the Harmonized Master List of Infrastructure Sub-sectors
- NIP planning, periodic review and updating (Aligning with Gati-Shakti vision, prioritizing the projects and Anchoring to India@2047 vision)
- NIP monitoring framework & NIP Implementation
- Analysing non-PPP investment proposals concerning Road Transport & Highways, Ports, Shipping, Inland Water Transport, Railways, Telecommunications, Civil Aviation & Urban Development sectors
- Institutions: National Industrial Corridor Development Corporation (NICDC) Limited (erstwhile Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) Limited), National Industrial Corridor Development and Implementation Trust (NICDIT) National Highways Authority of India (NHAI), Digital Communications Commission (erstwhile Telecom Commission).
- Ministries/Departments: M/o Road Transport & Highways, M/o Ports, Shipping & Waterways, M/o Civil Aviation, M/o Railways, M/o Housing and Urban Affairs, Dept. Of Telecommunications, and Dept. Of Posts.

2.2 Major Policy Initiatives/ Achievement:

2.2.1 Harmonized Master List of Infrastructure Sub-sectors

In April, 2021, "Exhibition-cum-Convention Centre" is included in the Harmonized Master List of Infrastructure Sub-sectors by insertion of a new item in the category of "Social and Commercial Infrastructure". The updated HML list now includes 35 Infrastructure sub sectors under 5 categories i.e. 1. Transport and Logistics, 2. Energy, 3. Water and Sanitation, 4. Communication and 5. Social and Commercial Infrastructure. The inclusion of any sector in the HML enables it to avail infrastructure lending at easier terms with enhanced limits, access to larger amounts of funds as External Commercial Borrowings (ECB), access to longer tenor funds from insurance companies and pension funds and be eligible to borrow from India Infrastructure Financing Company Limited (IIFCL) etc.

2.2.2 National Infrastructure Pipeline (NIP)

National Infrastructure Pipeline (NIP) National Infrastructure Pipeline aims to improve project preparation and attract investment into infrastructure. To draw up the NIP, a High-Level Task Force was constituted under the chairmanship of the Secretary, Department of Economic Affairs (DEA). The Final Report on National Infrastructure Pipeline for FY 20-25 of the Task Force was released by the Hon'ble Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman on 29th April, 2020.

NIP has been made on a best effort basis by aggregating the information provided by various stakeholders including line ministries, departments, state governments and private sector across infrastructure sub-sectors, as identified in the Harmonized Master List of Infrastructure. All projects (Greenfield or Brownfield, under conceptualization or under implementation or under Development) of project cost greater than Rs. 100 crore per project were sought to be captured. DEA works in close coordination with Invest India, line Ministries/Departments and State Governments to monitor the progress of projects under the NIP.

NIP was launched with 6,835 projects worth around 111 Lakh Crore, which has expanded to over 9,000 projects covering 34 sub-sectors. NIP portal is being maintained and regularly updated by Invest India Grid (IIG) in consultation with the stakeholders. The same may be accessed at: *https://indiainvestmentgrid.gov.in/national-infrastructure-pipeline.*

2.2.3 Accelerating capital expenditure by Infrastructure Ministries

Hon'ble PM has, time and again, stressed on the importance of infrastructure development as an indispensable cornerstone of India's progress. Hon'ble Finance Minister, while reviewing the capital expenditure performance of the Ministries and their CPSEs on 29.06.2021 emphasized that enhanced CAPEX will play a critical role in revitalizing the economy post-pandemic and encouraged the Ministries to front-load their capital expenditure. Ministries were also requested to aim to achieve more than their CAPEX targets.

Regular review meetings by line Ministries and Cabinet Secretariat have been undertaken to fast-track capital expenditure. Union Finance Minister also took review meetings of major infrastructure Ministries/ Departments on Capital Expenditure plans and suggested measures to expedite infrastructure investment, including front-loading of their capital expenditure. To step up investment, infrastructure and growth, Union Finance Minister interacted with Chief Ministers and Finance Ministers of States/ Lt Governors of UTs on 15.11.2021.

2.2.4 Investment Proposals

16 DIB/PIB Memorandum, 78 SFC/EFC Memorandum, and 13 CCEA/Cabinet/GoM Notes received from line Ministries/Departments have been examined during the year. All these Investment Proposals were related to a number of infrastructural projects implementation of which would play an important role in improvement in the infrastructure and would automatically bring socio-economic growth in the region where the project would be implemented.

3. Capacity Building Unit (CBU)

3.1 Major Functions:

A new Capacity Building Unit (CBU) has been created within IPP Division vide office order dated 25th September 2021. CBU is entrusted with the work related to Capacity Building in Central Ministries/State Governments and other Agencies through trainings/ workshops/seminars for project preparation, design and structuring, project appraisal, project financing, pre-project activities, procurement, implementation planning and management etc.

Considering the need for a larger programmatic approach to improve capacity it is desirable to provide training/workshop for officials executing projects and drafting concessions/contracts etc. in order to have rigorous understanding of the frameworks, principles, regulations guiding our Infrastructure ecosystem. Such a programmatic training design is required to not only enhance the appraisal of capacity of the officials working at the ground level but also support in better conceptualization and structuring of projects. This becomes much more important for Public Private Partnership (PPP) projects where expertise is required in areas such as PPP Structuring, Project Appraisal and Approval Process, Value for money, cost benefit analysis, Project Selection approaches, Data analysis and Legal bidding clauses etc.

The capacity building programmes are also instrumental in stirring necessary dialogue between Ministries and State Governments to learn from pitfalls and success of each other's project experiences.

7. Investment and Digital Economy Division

7.1. Investment Division : Investment Division comprises of four different sections. The major functions of the Investment Division are as under:

1. To provide policy support on Foreign/Domestic Investment policies including new policy initiatives in Foreign Direct Investment (FDI)/ Domestic Investment (DI) Policy besides FDI/DI policy clarifications & related matters
2. Foreign Exchange aspect related to Gold including Gold Monetisation Scheme, Indian Gold Coins etc.
3. To coordinate with Ministry of Steel, Ministry of Micro, Small & Medium Enterprises (MSME) , Ministry of Textiles, Ministry of Electronic and Information Technology, Department of Chemical and Petro Chemicals, Department of Investment and Public Asset Management (DIPAM), : Department for Promotion of Industry & Internal Trade (DPIIT), Department of Public Enterprises (DPE), Department of Commerce and Department of Heavy Industry on investment issues and also offering them comments / suggestions on various matters as per need of the Indian economy.
4. To negotiate and conclude Bilateral Investment Treaties (BITs) and Investment Chapter of FTAs/ CECA/CEPA with other countries and regional blocks on the basis of the revised Model Bilateral Investment Treaty (BIT) Text which was approved by the Cabinet on 16th December, 2015.
5. Matter related to equity investments from both domestic and international sources for infrastructure development in commercially viable projects, both greenfield and brownfield, including stalled projects through National Investment and Infrastructure Fund (NIIF).

7.2 Section-wise Allocation of Work

A) FDI and ODI (Foreign Direct Investment & Overseas Direct Investment) Policy Section

The main function of this section is to provide policy support on Foreign Investment policies including new policy initiatives in Foreign Direct Investment (FDI) Policy besides FDI policy clarifications & related matters. This Section primarily co-ordinates with DPIIT, DFS, RBI and SEBI on foreign investment issues and also offers them comments / suggestions on any amendment in FDI policy as per the need of the Indian economy. It also suggests measures for improving investment environment in India with respect to FDI policy.

To promote Foreign Direct Investment (FDI), the Government has put in place an investor-friendly policy which is transparent, predictable and easily comprehensible. Except for a small negative list, most sectors have been made open for 100% FDI under the Automatic route. FDI under the automatic route does not require prior approval either by the Government of India or the Reserve Bank of India (RBI). Investors are only required to notify and file documents with the concerned Regional Offices of RBI. Under the Government approval route, applications for FDI proposals are considered and approved by the respective subject matter Ministries on the Foreign Investment Facilitation Portal (FIFP), the new online single point interface of the Government of India for investors to facilitate Foreign Direct Investment.

DEA is entrusted with the power to approve FDI proposals (as per the extant FDI Policy, 2020) for:

(a) "Financial services which are not regulated by any Financial Sector Regulator or where only part of the financial services activity is regulated or where there is doubt regarding the regulatory oversight"; and

(b) Applications for foreign investment into a Core Investment Company or an Indian company engaged only in the activity of investing in the capital of other Indian Company/ies.

Government of India has reviewed the extant FDI policy on various sectors and has made following amendments (in the year 2021) in the extant Consolidated FDI Policy 2020 (FDI Policy), effective from October, 2020 and as amended from time to time:

a. Review of the FDI policy on downstream investments made by Non-resident Indians (NRIs):

GoI vide Press Note 1 (2021) reviewed FDI policy in relation to investments made by an Indian company owned and controlled by Non-resident Indians on a non-repatriation basis and in order to provide clarity on downstream investments.

b. FDI in Insurance Sector

The GoI vide Press Note 2 (2021) increased the permissible FDI limit from 49% to 74% in Insurance companies along with other applicable condition.

c. FDI in Petroleum and Natural Gas Sector

The GoI vide Press Note 3 (2021) permitted foreign investment up to 100% under the automatic route in cases where the government has accorded 'in-principle' approval for a strategic disinvestment of a PSU engaged in petroleum and natural gas sector.

d. FDI in Telecom Sector

GoI vide Press Note 4 (2021), has permitted 100% FDI in telecom sector through automatic route for all telecom services permitted by DoT except cases requiring prior government approval under the provision of para 3.1.1 in the extant FDI policy.

Consequently, FDI inflows have increased manifold in the past five years as shown in data:

S. No.	Financial Year (April-March)	FOREIGN DIRECT INVESTMENT INFLOWS (Amount in US$ Billion)				
		Equity Inflows		Reinvested Earnings	Other capital	Total FDI
		Automatic and Approval route	unincorporated bodies			
1	2016-17	43.48	1.22	12.34	3.18	60.22
2	2017-18	44.86	0.66	12.54	2.91	60.97
3	2018-19	44.37	0.69	13.67	3.27	62.00
4	2019-20 (P)	49.98	1.76	14.17	8.48	74.39
5	2020-21 (P)	59.64	1.45	16.93	3.95	81.97
6	2021-22 (P) (Up to September, 2021)	31.15	0.69	8.37	2.65	42.86
Cumulative FDI inflows in India since 2000 (up to September, 2021)		**563.66**	**19.35**	**179.60**	**44.06**	**806.69**

Source: DPIIT

B) INTERNATIONAL INVESTMENT TREATIES AND FRAMEWORK (IITF)

The main function of IITF Section is to negotiate and conclude Bilateral Investment Treaties (BITs) with other countries on the basis of the revised Model Bilateral Investment Treaty (BIT) Text which was approved by the Cabinet on 16th December, 2015 and to handle the Investor State Dispute Settlement (ISDS) notices/cases arising out from BIT/FTAs signed with foreign countries. The new BIT text aims to provide appropriate protection to foreign investors in India and Indian investors in the foreign country, in the light of relevant international precedents and practices, while maintaining a balance between investor's rights and Government obligations.

Achievements

2. Based on India's Model BIT 2015, India has signed the following Treaties/Agreement with other countries/Jurisdictions:

S.No.	Country and Name of Agreement	Date of Signing of the Agreement
1.	**Belarus**: Bilateral Investment Treaty	24th September, 2018
2.	**Brazil**: Investment Cooperation & Facilitation Treaty	25th January, 2020
3.	**Kyrgyz Republic**: Bilateral Investment Treaty	14th June, 2019
4.	**Taiwan**: Bilateral Investment Agreement between between India Taipei Association (ITA) in Taipei and Taipei Economic and Cultural Center (TECC) in India	18th December, 2018

3. India is currently discussing and negotiating Bilateral Investment Treaties at various stages with Iran, Morocco, UAE, Switzerland, Oman, Israel, Cambodia, Qatar, Tajikistan, Russia, USA , Saudi Arabia, Ukraine, Mexico, Hong Kong, Mauritius, San Marino, Argentina, Armenia, Azerbaijan, Ethiopia, Bolivia, Cote d'Ivoire, Kuwait, Uzbekistan, Philippines, Zimbabwe, Egypt, Thailand Australia, Zambia, Turkmenistan and others .

C) FOREIGN TRADE & SERVICES (FT) SECTION

The main function of Foreign Trade (FT) section of investment division is dealing with the Policy matters related to Gold viz. Gold Monetisation Scheme (GMS), Indian Gold Coin (IGC) and Gold Metal Loan (GML), Drafting Policy for promotion of Gold as a Financial Asset Class and providing advice on references received from Ministry of Commerce, Heavy Industries and MSME and coordination within Investment Division.

2. **Gold Monetization Scheme**: With a view to mobilize the idle gold held by households and institutions in the country; and put this gold to productive use, e.g., by making available gold for the gems and jewellery sector; and, over time to reduce the country's dependence on the import of gold, Government launched the Gold Monetisation Scheme on 5th November, 2015.

The Gold Monetization Scheme comprise of the 'Revamped Gold Deposit Scheme' and the 'Revamped Gold Metal Loan' scheme, linked together. The minimum deposit at any one time shall be 10 grams of raw gold (bars, coins, jewellery excluding stones and other metals). There is no maximum limit for deposit under the Scheme. Depositors may avail two options for deposit:

- Short term bank deposit (1-3 years) and
- Medium and Long Term deposit (5-15 year)

Till December 2021, approximately 25,080 kilograms of gold have been mobilised under GMS. The details are as under:

Details of Gold Mobilized under GMS (5^{th} Nov, 2015 to 31^{st} Dec 2021)

Sl.No.	Types of Deposit	Deposited gold as on 31.12 .2021 (in Kgs)
1	Cumulative Quantity of Gold (in kgs)	25,080.33
a	Short Term Gold Deposit	7,255.82
b	Medium Term Gold Deposit	6,125.58
c	Long Term Gold Deposit	11,698.92
2	Number of participating Banks	10
3	Number of depositors	**3,853**

3. Indian gold Coin

The Indian Gold Coin (IGC) is manufactured out of domestic gold (received under GMS) and is domestically manufactured (Make in India) standard gold coins/bars in different denominations. Till December, 2021, 793.1 Kgs of Indian Gold Coin has been sold out as per summary placed below:

IGC SALES Details (5^{th} Nov 2015 to 31^{st} Dec 2021)

	Turnover (In crores)	Weight Sold (In Kgs)	Qty. Sold (in Nos.)	Denomination-wise details (in number)		
				5 GM	10 GM	20 GM
Grand Total	265.3	793.1	87,740	38,202	38,865	10,673

D) DOMESTIC INVESTMENT& DIGITAL ECONOMY SECTION

A. National Investment and Infrastructure Fund (NIIF)

1. Background:

The establishment of the NIIF was announced vide para 47 of the Budget Speech on 28th February 2015 and approved by the Union Cabinet on 28July 2015. It was envisaged that the NIIF would attract equity investments from both domestic and international sources for infrastructure development in commercially viable projects, both greenfield and brownfield, including stalled projects. Anchored by the GOI with a 49% stake, the mandate for NIIF is also to raise the balance 51% from international and domestic institutional investors over time.

National Investment and Infrastructure Fund Trustee Ltd. ("NIIF Trustee Ltd."), a 100% Government of India (GOI) company, is the Trustee of NIIF managed funds.

As on date, three funds i.e. National Investment and Infrastructure Fund (Master Fund), NIIF Fund of Funds-I and National Investment and Infrastructure Fund-II (Strategic Opportunities Fund) have been established under the NIIF platform. The funds are registered with

SEBI as Category II Alternative Investment Funds and managed on a day-to-day basis by National Investment and Infrastructure Fund Ltd. ("NIIF Ltd."), a company registered under the Companies Act, 2013 and regulated by SEBI as a fund manager of these funds, with ~USD 4.5 billion in assets under management.

2. Investments

An overview of the three funds currently managed by NIIF Ltd. is as follows:

I. Master Fund

NIIF Master Fund (NIIF MF) is the largest India focused infrastructure fund. The Fund primarily invests in operating assets in core infrastructure sectors, such as transportation and energy, through its portfolio companies. It successfully achieved its final close in December 2020 and achieved a size of INR equivalent of USD 2.34 billion, exceeding its original target of USD 2.1 billion. Alongside GOI, the investors in the NIIF MF include Abu Dhabi Investment Authority (ADIA), UAE; Temasek, Singapore; AustralianSuper, Australia; Ontario Teachers' Pension Plan (OTPP), Canada; CPP Investments (CPPIB), Canada; PSP Investments, Canada; US International Development Finance Corporation (DFC), United States; and select domestic institutional investors such as HDFC Limited, HDFC Life Insurance, HDFC Asset Management Company, ICICI Bank, Kotak Life Insurance and Axis Bank.

The Fund's current portfolio consists of the following investments:

a. **Hindustan Infralog Private Limited**: NIIF MF and DP World, Dubai have set up a ports and logistics company, Hindustan Infralog Private Limited (HIPL), to consolidate and develop assets across the entire value chain from ports to inland logistics. In a span of three years, HIPL has become one of the largest players in inland container logistics in the country. HIPL's portfolio consists of ICDs/PFTs, FTWZs, container freight stations, cold chain facilities, container trains and CTO licenses.

b. **Ayana Renewable Power Limited**: NIIF MF, Green Growth Equity Fund (GGEF) and CDC, U.K. have invested jointly in this company focused on the renewable energy sector in India. The company currently has an operational capacity of approximately 1 GW and has another 2 GW under development/construction. Ayana has signed a Memorandum of Understanding with Greenstat Hydrogen India for acceleration of hydrogen technology development and to collaborate for the production of green hydrogen in India.

c. **Athaang Infrastructure Private Limited**: NIIF MF has incubated an in-house roads sector focused company and has built the initial management team for it. The company has recently acquired two road assets, including the Bangalore city-airport connector, and is evaluating many road projects pan-India.

d. **IntelliSmart Infrastructure Private Limited**: NIIF MF and Energy Efficiency Services Limited (EESL) have set up this company jointly for implementation and operation of energy smart meters across the country. ~8 million smart meters across 6 states are under installation, of which ~2million are operational. The company has recently won an order from the Assam government to install 0.6 million smart meters.

II. Fund of Funds

NIIF Fund of Funds (NIIF FoF) is one of the largest India-dedicated Fund of Funds. It is focused on building a portfolio of funds across investment strategies and in diversified sectors such as green energy, affordable and mid-income housing, healthcare, social infrastructure, technology, consumer, and financial services. NIIF FoF closed its fund raising in September 2021. Anchored by the GOI, it has received commitments from multilateral institutions including Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (ADB) and New Development Bank (NDB). The Fund's current portfolio consists of 5 portfolio funds:

a. **Green Growth Equity Fund**: NIIF FoF and Foreign Commonwealth and Development Office (FCDO) UK, anchored GGEF, India's first climate focused fund which is expected to achieve a final close at USD 740 million (~INR5,000 crore), exceeding its original target. GGEF is now the largest single-country climate-focused fund in emerging markets. The Fund is managed by EverSource Capital, a joint venture between Everstone Group and Lightsource BP. GGEF invests in growth-oriented entities in the green infrastructure space in India and has set up businesses in utility scale renewables, commercial and industrial distributed energy, waste management, e-mobility and waste-water treatment. Its companies have invested in electric buses in UP, a water treatment project in West Bengal under Namami Gange scheme, amongst other projects.

b. **HDFC Capital Affordable Real Estate Fund 2 (HCARE-2):** NIIF FoF has committed INR 660 crore to HCARE-2. The fund provides structured debt to developers in the growing mid-income and affordable housing sector and is managed by HDFC Capital Advisors. HCARE-2 has financed 78,000+ housing units, which are under various stages of development.

c. **Multiples PE Fund III**: NIIF FoF is an anchor investor in Multiples PE Fund III, a mid-market growth equity fund. NIIF FoF made a commitment of INR 878 crore to the Fund, catalysing capital from various multilateral agencies, pension funds, other fund of funds and family offices. The Multiples PE Fund III's mandate is to provide growth equity to mid-market companies across sectors such as healthcare, BFSI, education, technology, consumer etc.

d. **Somerset Fund II**: NIIF FoF has committed INR 125 crore to Somerset Indus Healthcare India Fund II (Somerset Fund II). The Fund focuses on providing growth capital to entrepreneurs of SME businesses operating in the affordable healthcare segment. Through this fund, NIIF has invested into hospitals in Tier 2 and 3 cities that are pioneering innovative models using technology to provide access to high quality healthcare solution. For example, the fund has invested in 4 hospitals in Rajasthan, including in Jaipur, Sawaimadhopur and Jhunujhunu. The fund has recently also invested in a pharmaceutical contract development and manufacturing organization ('CDMO') company.

e. **Arpwood Partners Fund I**: NIIF FoF is an anchor investor in Arpwood Partners' maiden fund and has committed approximately INR 600 crore to the Fund, which focuses on the mid-market buyout / control segment.

III. Strategic Opportunities Fund

NIIF Strategic Opportunities Fund (SOF) is targeting to invest in "national champion companies" in important high growth sectors. The Fund is currently raising funds and is in discussion with select international and domestic investors. So far, the Fund has raised commitments from GOI and State Bank of India (SBI). NIIF SOF has made three investments so far:

a. NIIF Infrastructure Finance Limited (NIIF IFL): NIIF SOF invested in NIIF IFL, a NBFC registered as an Infrastructure Debt Fund with the Reserve Bank of India. NIIF IFL provides long term refinancing solutions to operational infrastructure projects across the country that have completed at least one year of satisfactory operations.

b. Aseem Infrastructure Finance Limited (AIFL): NIIF SOF also invested in an NBFC-IFC, Aseem Infrastructure Finance Limited (AIFL), which invests in projects across the infrastructure spectrum with a mix of operating, brownfield and greenfield assets.

c. AIFL and NIIF IFL work complementarily to cover the full range of infrastructure debt financing in India. The total loan book size (across both NBFCs) is ~INR 14,500 crore as on November 30, 2021, and there is no NPA position across portfolios of both the companies.

d. Manipal Hospitals: The Manipal Group has 27 hospitals across India, with a key focus on tertiary and quaternary care. This investment will support Manipal Hospitals expansion plans in growing from a regional healthcare company to a leading pan-India hospital chain that provides quality healthcare services.

B. Special Window for Affordable and Mid-Income Housing (SWAMIH) SWAMIH:

I. Background:

The proposal to set up a 'Special Window' in the form of AIF to provide priority debt financing for the completion of stressed / stalled housing projects was approved by the Union Cabinet on November 06, 2019. The Special Window for Affordable and Mid-income Housing (SWAMIH) Investment Fund I ("Fund") has been formed to complete construction of stressed, brownfield, RERA registered residential developments that are in the affordable housing / mid-income category, are net worth positive and require last mile funding to complete construction.

The Government of India is the sponsor of the fund and has committed a fund infusion of up to INR 10,000 crores in the Special Window. Further investments will be brought in through institutional and private investors. The Fund has a target corpus of INR 12,500 crores with a greenshoe option of INR 12,500 crores. The Fund achieved a first closing with 14 investors and a capital commitment of INR 10,037.5 crores on December 06, 2019.

The Fund invests in RERA-registered housing projects where 90% of Floor space index (FSI) is dedicated for Affordable/ Mid-Income Housing, RERA carpet area of the units is less than 200 sqm and houses are priced below INR 2.0 crores in MMR, below INR 1.5 crores in NCR, Chennai, Kolkata, Pune, Hyderabad, Bangalore and Ahmedabad and below INR 1.0 crore in Rest of India. The projects also have to be net-worth positive and at least 30% of the project costs has to be completed.

II. Investment strategy of the Fund:

a. The Real estate market has bottomed out in 2017 and is now on an uptrend. Affordable and Mid-income housing has continued to clock sales and has also received considerable support from the government in terms of tax incentives. Thus, there is an opportunity to invest to complete construction of stressed projects. Market studies have shown that INR 55,000 crores are needed to complete construction of stressed net-worth positive projects. However, NBFC funding to the sector has dried up and thus there is a substantial deal flow of stressed projects that will need the capital provided by the Fund

b. The Fund has the opportunity to provide priority last-mile capital with seniority of charge on the asset and cash flows and to be repaid completely before any other projects debts are serviced. Thus the Fund will be able to generate significant returns for the reduced risk profile of it seniority in the capital structure.

c. The Investment Manager of the Fund is SBICAP Ventures Ltd. (SVL), an asset management company that is a wholly owned subsidiary of SBI Capital Markets Ltd. which in turn is a wholly owned subsidiary of State Bank of India.

III. Current Status of Swamih Investment Fund I

The Fund has made ten drawdowns as of December 27, 2021 and called for a total INR 3,021.7 crores and all investors have completed their capital contribution as required.

(a) Commitments and Investments by ALL Investors (as on 20.12.2021)

Investor	Committed Amount (INR Cr)
Government of India	5,000
State Bank of India	1,250*
Life Insurance Corporation	1,250*
Union Bank of India	500
Indian Bank	400
Punjab National Bank	400
Canara Bank	400
Bank of Baroda	400
Central Bank of India	400
HDFC Limited	250
Bank of India	100
Bank of Maharashtra	100
Punjab & Sind Bank	75
SBICap Ventures	5
Total	**10,530**

* Upto 10% of the Fund size

(b) All the investment and divestment decisions of the Fund are taken by an Investment Committee comprising of the CIO and CEO of SVL, and upto 5 external members. As of December 21, 2021, the Investment Committee (IC) has held 63 meetings and the investment team has analysed several proposals that meet the Fund's criteria and the overall status of the deals presented to the Investment Committee is as follows:

Particulars (as on Dec 20, 2021)	No. of deals	Deal amount (INR cr)	Project cost (INR cr)	Total units
Deals with Final IC approval	100	9,852	28,286	59,419
Deals with Preliminary IC approval	145	13,267	36,626	82,637
Total	**245**	**23,119**	**64,912**	**142,056**
Deals rejected	5	896	3,422	6,240

As on Dec 20, 2021, the Fund has disbursed INR 2,675.8 crores in 61 deals where the aggregate committed amount is in excess of INR 6,226 crores. This has activated construction at 63 project sites and would assist in completing more than 38,600 homes.

(c) Actual Status of Commitments and Investments made by Fund (as on 20.12.2021)

Sr. No.	Deal	Sanctioned Amount (INR cr)	Disbursed Amount (INR cr)	Project Cost (INR cr)	Total Units
1	CCI Projects Pvt. Ltd. *	123.3	123.3 *	1,215	710
2	Shree Naman Developers Pvt Ltd	165	58	393	423
3	Urban Land Management Pvt. Ltd	77	42	423	600
4	Virgo Realtors Pvt Ltd	34	21	104	249
5	Macrotech Developers Ltd	306	75	760	1,165
6	SS Group Pvt Ltd	166.3	85	448	670
7	Bini Builders Pvt Ltd.	60.5	26	120	123
8	TDI Infracorp (India) Ltd	242	168	880	1,318
9	Ramprastha Promoters and Developers Pvt. Ltd.	70	70	309	483
10	Subham Commercial Developers	23	20	62	113
11	A R AMBOLI DEVELOPERS PRIVATE LIMITED	52	25	103	227
12	Castles Vista Pvt Ltd	360	205	1,837	1,800
13	G R Realcon Pvt Ltd	89	50	241	353
14	Taruchaya Colonizers Pvt Ltd	55	31	140	376
15	Shree Vardhman Infrahome Pvt Ltd	31.3	26.5	259	575
16	KRP Industries Ltd	38.8	22	93.5	244
17	Newa Technocity (I) Pvt Ltd	41	20	119.2	108
18	Aegis Value Homes Ltd	90	37	153	877
19	Modest infra Ltd.	65	50	157.6	716
20	Magus Consortium Orchid Avenue Pvt Ltd	24.7	14.19	64.7	112
21	Parinee Contour Construction Pvt Ltd	39.5	28.5	240.5	289
22	Pyramid Infratech Private Limited **	135	40 **	441.4	2,068
23	Lotus Logistics and Developers Pvt Ltd	75	35	142.4	227
24	Sai Everest Builders and Developers Pvt Ltd	53.5	17	112.6	150
25	Swastik Homebuild Pvt Ltd	18	10	74.4	429
26	Prima Tera Buildtech Pvt Ltd	75	32	354	141
27	ATS Real Estate Builders Pvt Ltd	138.7	97	754.6	429
28	Oasis Realtech Pvt Ltd	147	95	299.1	1,262
29	RLF Infratech Pvt Ltd	25.5	14	33.5	212
30	Identity Buildtech Pvt Ltd	89	31.5	521.8	721
31	Ratnapuri Constructions Pvt Ltd	104.7	35	257.9	79
32	Auric Infratech Pvt Ltd	23.5	16	44	233
33	Windlass Developers Pvt Ltd	171	105	497.3	1,410
34	Pavitra Conbuild Pvt Ltd	64.4	32	104	306
35	Capital Infratech Homes Pvt Ltd	161.1	95	395.5	868
36	Vayuputra Builders and Infrastructure Pvt. Ltd.	36	12	71.5	66

37	Tridhaatu Morya Developers Pvt Ltd	156	76	340.8
38	Barmecha Realty Pvt Ltd	22.4	12	53.3
39	Imperia Structures Ltd	99.9	72	308.5
40	Asset Homes Pvt Ltd	19.8	7	55.2
41	Cybercity Mangadu Project Pvt Ltd	85.2	25	205.4
42	Oxirich Realtors Pvt Ltd	52.8	30	123
43	Paranjape Schemes Construction Ltd	80	30	155.1
44	Ravi Surya Affordable Homes Pvt Ltd	86.7	25	180.9
45	Arvij Builders & Developers Pvt Ltd	29.4	16.81	55
46	Raghavendra Construction Company Ltd	44	15	84.4
47	Samrin Infra Pvt Ltd	168	55	305.2
48	Pancharatna Buildcon Private Limited	50	18	149.7
49	Amrapali Stressed Projects Investments and Resolution Establishment (“ASPIRE”)	650	155	1,664
50	Undavalli Constructions Private Limited	182	30	229.1
51	Sri Sai Tirumala Constructions Pvt. Ltd.	50	20	79.5
52	Govind Kripa Infratech Pvt Ltd	33.3	7	95.9
53	Panchsheel Buildtech Pvt Ltd	248.4	70	677.1
54	JOP International Limited	80	20	127.5
55	Janapriya Projects Private Limited	136	25	300.1
56	VN Buildtech Pvt Ltd	73.5	19	153.4
57	Advance India Projects Limited	81.8	10	139.1
58	Shree SS Developers Pvt Ltd	74.2	10	107.9
59	Shubhankar Kalpak Builder Pvt Ltd	25.4	4	53.3
60	Sai Uma Constructions Pvt Ltd	137	40	513.9
61	Alliance Malls Developer Co Pvt Ltd	90	20	144.4
	Total	**6,226.6**	**2,675.80**	**18,528.2**

* The Fund invested INR 123.3 crore in CCI, and has redeemed INR 123.3 crore principal at 12% IRR

** The Fund has invested INR 40 crore in Pyramid, and has redeemed INR 25 crore principal at 12% IRR

(d) The Fund focusses not just on Tier 1 cities but everywhere in India where RERA is applicable. The geographical spread of the 245 projects that have received investment approval is as follows:

City	No of Projects
Northern Capital Region	80
Mumbai Metropolitan Region	82
Bengaluru	21
Pune	15
Chennai	7
Other Tier II cities	40

Other Tier II cities include cities such as Karnal, Mohali, Chandigarh, Amritsar, Panipat, Lucknow, Dehradun, Vrindavan, Jhansi, Ranchi, Ahmedabad, Surat, Kota, Jaipur, Jodhpur, Bhopal, Nashik, Nagpur, Hyderabad, Amaravathi, Vizag, Coimbatore, Thrissur, and Trivandrum.

IV. Other Significant Developments

(a) **Hon’ble Supreme Court (SC) directed project completion**: The Hon’ble Supreme Court passed an order dated September 1, 2020 in respect of the proposed funding by the Fund into the Amrapali Group. The Court has provided a broad framework for the Fund’s investment funding into the Identified Site(s) and had directed the Receiver and the Fund to formulate the precise modalities.

The Hon'ble Court has approved the funding of INR 650 crores in the 6 Identified site(s). The Court appointed Receiver has incorporated the Section 8 company - Amrapali Stressed Projects Investments and Resolution Establishment ("ASPIRE") for funding. A capital call of INR 250 crores was completed by the Fund towards the project on Sep 3, 2021. The Fund has begun disbursements in the project and has funded Rs 155 crores as of Dec 20, 2021.

(b) **Handover of first project – CCI Rivali Park:** Handover of the first project of SWAMIH – CCI Rivali Park was initiated on May 13, 2021 in a virtual event with Hon'ble FM's participation. Thus far, the Fund has received Part/Full Occupation Certificate (indicating completion of construction) in 9 projects totalling ~1,800 units.

(c) **Fully exited one project and commenced partial exit in 1 project:** The Fund has received full redemption proceeds of INR 123.3 crores of face value of NCDs invested in CCI Rivali Park along with redemption premium at an IRR of 12% aggregating to INR 137.51 crores as of October 26, 2021. The Fund has also received redemption proceeds of INR 25 crores of face value of NCDs invested in Pyramid Infratech along with redemption premium at an IRR of 12% aggregating to INR 26.65 crores as of September 30, 2021. A total of ~INR 164 crores has been distributed back by the Fund to all investors.

C. FinTech -

I. Steering Committee on Fintech: The Department of Economic Affairs constituted a steering committee under the Chairmanship of Secretary, DEA, to consider various issues relating to development of FinTech space in India with a view to make FinTech related regulations more flexible and generate enhanced entrepreneurship in an area where India has distinctive comparative strengths vis-à-vis other emerging economies. The other Members of the Committee were MSME, MeitY, DFS, CBEC, UIDAI, RBI, SEBI and Invest India. The committee submitted its report to the Hon'ble Finance Minister on 2nd September, 2019. The report was circulated to the concerned Ministries/Departments for taking necessary action on the recommendations made in the report. **Further, an Inter-Ministerial Steering Committee (IMSC) has been set up in Department of Economic Affairs for implementation of recommendations made in the report.**

The IMSC has met five times since. The efforts of the Government along with private players have brought new dimensions in the area of fintech. Fintech platforms are reshaping technology space and the year 2021-22 has witnessed launch of two such revolutionary fintech platforms under the initiatives of the Government. These are:

a) Launch of GeM SAHAY app (July 2021)

The GeMSAHAY app paves way for frictionless financing by leveraging fintech. MSMEs can now get a loan at the point of acceptance of an order on the #GeM platform. It will help in meeting the working capital needs and ensure "access to finance" for MSMEs. **Leveraging technology in credit and market access towards financial inclusiveness** is a **revolution in itself.** This new way to do business re-imagines an ecosystem, wherein every service provider can become a tech-enabled credit and product marketplace. Working in tandem with another initiative - the Account Aggregator (AA) framework - it allows cash-flow-based lending and last mile credit delivery to businesses and individuals at the bottom of the pyramid.

b) Account Aggregator System (September 2021)

Account Aggregator is a DAF (data access fiduciary) for Financial Data: a new class of NBFC approved by RBI to manage consent for financial data sharing from Financial Information Providers (FIPs) to Financial Information Users (FIUs), based on the consent from the customers.

II. Joint Working Groups on Fintech

India has two Joint Working Groups (JWG) on Fintech, with Singapore and the UK. A JWG with Philippines is underway. 4 meetings with Singapore and 2 meetings with UK held so far. A preliminary meeting with Japan held on 23.08.2021. The JWGs focus on regulatory collaboration, knowledge sharing, promote cross border remittances via real time payment systems and encouraging Fintechs ecosystem in both countries. A summary of the two JWGs is below -

1. Singapore

India and Singapore has collaborated to discuss on several possible areas: (i) SME digitization and finance, (ii) India Stack, (iii) collaboration on building capacity, (iv) concerns related to cyber-security, (v) and regulatory sandbox, RegTech and SupTech (vi) Payment linkages, (vii) Global Stack, (viii) SME initiatives, and (ix) Data corridor (x) Investment Facilitation, and (xi) Regulatory Collaboration.

Two working groups (1. To accelerate mutual trade btw India and Singapore; 2. India Singapore payment linkages) and 2 DGs (1. Cross border data corridor; 2. Green fintech) have also been formed under the JWG.

One of the successful outcomes of JWG has been the project announced by the Reserve Bank of India (RBI) and the Monetary Authority of Singapore (MAS) to link their respective fast payment systems viz. Unified Payments Interface (UPI) and PayNow. The linkage is targeted for operationalization by July 2022. The UPI-PayNow linkage will enable users of each of the two fast payment systems to make instant, low-cost fund transfers on a reciprocal basis without a need to get onboarded onto the other payment system. The UPI-PayNow linkage is a significant milestone in the development of infrastructure for cross-border payments between India and Singapore, and closely aligns with the G20's financial inclusion priorities of driving faster, cheaper and more transparent cross-border payments.

2. United Kingdom

The JWG has been constituted to share the areas in which both countries have made progress and the experience so far. The areas identified for collaboration are: (i) Remittance Corridor, (ii) Bilateral Fintech Investment, and (iii) Common Mobility Card. India proposed to explore potential real time payment linkages between NPCI from India and UK counterpart to enable inward remittances.

8. FB & ADB Division

8.1 Introduction

8.1.1 The FB & ADB Division is concerned with the policy matters of Multilateral Funding Institutions like World Bank Group, International Monetary Fund (IMF), Asian Development Bank (ADB) and related Institutions. FB & ADB Division is also the nodal point for facilitating and monitoring Externally Aided Projects (Central & State Projects all over India) which are being implemented through Multilateral Development Banks and other related Trust Funds / Loans / Grants. An online web portal has been developed by FB&ADB Division, with technical help from NIC for facilitating the entire process of availing an externally aided loan from Multilateral Development Banks (MDBs) and Bilateral Agencies by State Govt/UT/ Central Govt. Ministries/Departments/ Central Govt PSUs, to ensure paperless interaction between DEA and concerned stakeholders. The portal has led to greater transparency, better monitoring of project status and faster and uniform sharing of information with all the stakeholders.

8.2 World Bank Group

8.2.1 The World Bank is among the world's leading development institutions with a mission to fight poverty and improve living standards for people in the developing world by promoting sustainable development through loans, guarantees, risk management products and (non-lending) analytic and advisory services. The World Bank is one of the United Nations' specialized agencies. The World Bank concentrates its efforts on reaching the Millennium Development Goals aimed at sustainable poverty reduction.

8.2.2 India is a member of four institutions of the World Bank Group viz., International Bank for Reconstruction and Development (IBRD); International Development Association (IDA); International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA). India has been accessing funds from the World Bank (mainly through IBRD) for various developmental projects[1]. Fund Bank & ADB Division, DEA is the focal point for India being represented in the WBG meetings for international level deliberations to discuss policy issues pertaining to the World Bank Group and also to undertake projects with assistance from the World Bank (IBRD).

8.3 World Bank India Portfolio

8.3.1 The World Bank's India portfolio as of November 15, 2021 comprises of 97 projects with a net commitment of USD 21.2 billion. The World Bank projects are spread across sectors like Health, Transport, Education, Energy, Disaster & Risk Management, Agriculture, Water, Urban, Environment, Governance, Social Protection, Financial inclusiveness, Poverty etc. Major World Bank assisted projects are COVID-19 Emergency Response and Health Systems, National Rural Livelihoods Project, National Ganga River Basin Project, Eastern Dedicated Freight Corridor, Green National Highways Corridor Project, Atal Bhujal Yojana-National Groundwater Management Improvement etc.

8.4 Major activities pertaining to the World Bank in 2021-22

8.4.1 COVID-19 Assistance:

8.4.1.1 Government of India has signed five loans worth USD 3.40 billion with World Bank related to COVID-19 crisis response; COVID 19 Emergency Response and Health Systems Preparedness Project was signed on April 03, 2020 for USD 1.0 billion. Amount disbursed so far under this project is USD 812.92 million. Second Loan relating to economic stimulus measures worth USD 750 million was signed on July 06, 2020 as budgetary support to Government of India in order to support MSMEs under Atmanirbhar Bharat, this loan has been fully disbursed.

8.4.1.2 Two loans relating to social protection measures worth USD 750 million and USD 400 million were signed on May 15, 2020 and December 16, 2020 respectively as budgetary support to Government of India for 'Accelerating India's COVID-19 Social Protection Response Program' to support relief measures to beneficiaries under Pradhan Mantri Garib Kalyan Yojana (PMGKY). Both these loans have also been fully disbursed. These two loans are based on Government of India's overall strategy to fight COVID-19 pandemic. Another loan of USD 500 million as budgetary support to Government of India relating to social protection to strengthen the capability of the national and state governments in India to respond to the needs of informal workers through a resilient and coordinated social protection was signed on July 15, 2021. This loan has been fully disbursed.

8.4.2 Loans Signed & Disbursement:

8.4.2.1 Seven World Bank assisted projects were signed during April-November 2021, amounting to USD 1.55 billion of assistance. The projects signed during year 2021 included Gujarat Outcomes for Accelerated Learning, Mizoram Health Systems Strengthening Project, Creating a Coordinated and Responsive Indian Social Protection System, The Resilient Kerala Program, Second Dam Rehabilitation and Improvement Project, Punjab Municipal Services Improvement Project & Meghalaya Health Systems Strengthening Project. Total Disbursement for the period April to 15 November 2021 was approximately USD 2.25 billion. During December 2021 to March 2022, 7 projects worth USD 980 million are expected to be signed.

[1] *India was also a recipient from IDA till 2014. In 2014 (IDA 17) India transitioned to being a confident donor. However, it continued to receive transition support during IDA17 (2014-17). India became a donor only nation during IDA18.*

8.4.3 **Monitoring of the World Bank Portfolio:**

8.4.3.1 Portfolio performance has improved over the years as a result of regular review meetings such as Tri-partite Review Meetings for ongoing projects and Pipeline Review Meetings for pipeline projects. The meetings are organized jointly by Government of India and World Bank and attended by officials from Department of Economic Affairs (DEA), World Bank and Implementing Agencies of World Bank assisted projects. Under the chairmanship of AS (MBC) during April - November, 2021, a pipeline review meeting was held virtually on 8 September 2021 and a Tripartite Portfolio Review Meeting was held virtually from 15-17 November, 2021 for reviewing World Bank assisted ongoing projects of various sectors.

8.4.4 **India as donor to IDA:**

8.4.4.1 Since its founding in 1960, IDA has had 19 regular replenishments. In 2014 (IDA 17), India transitioned to being a confident donor. However, it continued to receive transition support during IDA17 (2014-17). India became a donor only nation during IDA18. As a commitment to India's shared objective of eliminating extreme poverty, reducing vulnerability and increasing resilience across countries, India decided to contribute USD 200 million to IDA 17 replenishment. In furtherance of its commitment towards the IDA countries, India announced a pledge of INR 12.25 billion as its contribution towards IDA 18 replenishment. During the IDA 19 replenishment, India committed INR 15.00 billion. For IDA 20, the pledging Session will take place in December 2021.

8.5 Meetings of Fund Bank

8.5.1 The Development Committee (DC) Meeting of World Bank Group (WBG) during Spring Meeting of WBG and IMF, 2021 were held virtually on April 9, 2021. From India, Hon'ble Finance Minister attended the DC Meeting as Speaker. AS (FB&ADB) and Director (FB) also attended the meeting. A Bilateral Meeting between Hon'ble FM and Mr. David Malpass, President of the WBG was held on April 13, 2021 to discuss various issues including COVID situation, WBG lending envelope, etc.

Ministerial Roundtable: Financing SDG2: Addressing Hunger and Malnutrition in The Wake was held on April 01, 2021. AS (FB&ADB) attended the meeting. Another High-level virtual forum on Solutions for Improved Air Quality and Green Recovery in South Asia was held on April 2, 2021. Director (FB) attended the meeting.

8.5.2 The Development Committee (DC) Meeting of World Bank Group (WBG) during Annual Meeting was held on October 15, 2021 in Washington DC which was attended by Hon'ble FM as Indian Governor of the World Bank. Further, a Bilateral Meeting between Hon'ble FM and World Bank Group President was also held on October 15, 2021 in Washington DC and another bilateral meeting was held between Secretary (EA) and World Bank Group MD (Operations) on October 14, 2021 in Washington DC.

8.5.3 Remote IDA Day Meetings held during April-November 2021 are as follows: -

IDA20 First Replenishment meeting was held on April 14-15, 2021. The meeting was attended by ED (India) World Bank, Senior Advisor to ED and Director (Fund Bank). IDA-20 2nd replenishment meeting was held from June 28-30, 2021 in which AS (MBC) participated as the principal speaker along with ED India World Bank, Senior Advisor to ED and Director (FB).

A meeting was held jointly by Ivory Coast and the World Bank on 15-Jul-2021 in Abidjan to discuss effective financing mechanisms for African Economies ahead of IDA-20 replenishment. This meeting was attended by Director (Fund Bank), DEA virtually. IDA-20 Replenishment 3rd meeting was held virtually from 20-22 Oct, 2021 which was attended by AS (MBC) as the principal speaker, World Bank ED (India), Director (Fund Bank) and Senior Advisor to ED (India).

8.6 International Finance Corporation (IFC)

8.6.1 International Finance Corporation (IFC), a member of the World Bank Group, focuses exclusively on investing in the private sector in developing countries. Established in 1956, IFC has 185 members. India is founding member of IFC. IFC is an important development partner for India with its operations of financing and advising the private sector in the country. India has a shareholding of 4.01%, the sixth largest along with that of the Russian Federation. India holds 3.82% of the voting power. India's Executive Director represents a constituency equal to 4.61% voting power. There are three other countries in India's constituency at the IFC, viz. Bangladesh, Bhutan and Sri Lanka. IFC has committed over USD 24 billion (including mobilization) in India since the first investment in 1958. Currently, IFC investments are spread over 500 clients in India. As of June 2021, IFC's own account committed portfolio in India stood at approximately USD 6.5 billion, making India IFC's largest portfolio exposure which accounts for about 11% of its global portfolio. India is also one of IFC's largest advisory client, as well as the IFC regional hub for South Asia. The IFC's investments in India are spread across priority sectors like infrastructure, manufacturing, financial markets and SMEs, affordable housing, renewable energy, low-income states, gender development and climate change. Keeping in alignment with the Country Partnership Strategy (CPS) of the World Bank Group, IFC uses its private sector expertise to support the economic growth that is inclusive, productive and sustainable. IFC continued to deliver over USD 1.5 billion in FY21 (July 2020-June 2021) with a commitment of USD 1.5 billion (including mobilised financing) in India. During July 2020-June 2021, DEA has approved a total of 33 Article III Notifications. Further, DEA has granted approval for two advisory engagements of IFC between July 2020 and June 2021.

8.7 International Monetary Fund

8.7.1 India is a founder member of the International Monetary Fund, which was established to promote a cooperative and stable global monetary framework. At present, 190 nations are members of the IMF. Since the IMF was established, its purposes have remained unchanged but its operations - which involve surveillance, financial assistance and technical assistance - have developed to meet the changing needs of its member countries in an evolving world economy. The Board of Governors of the IMF consists of one Governor and one Alternate Governor from each member country. For India, the Finance Minister is the ex-officio Governor on the Board of Governors of the IMF. There are three other countries in India's constituency at the IMF, viz. Bangladesh, Bhutan and Sri Lanka. Governor, Reserve Bank of India (RBI) is India's Alternate Governor.

8.7.2 **Meetings of Board of Governors:**

8.7.2.1 The Board of Governors usually meets twice a year viz. the Spring Meetings and the Annual Meetings of the IMF and World Bank to discuss the work of the respective institutions. At the heart of the gathering are meetings of the IMF's International Monetary and Financial Committee (IMFC).India is represented by the Hon'ble Finance Minister in IMFC and the joint World Bank-IMF Development Committee (DC), which discusses progress on the work of the IMF and World Bank.

8.7.3 The **Spring Meetings** of the IMF/ World Bank, meetings of G-20 and G-24 were held virtually from April 5 to April 11, 2021. The Hon'ble Finance Minister, Secretary, Department of Economic Affairs, Additional Secretary (FB and ADB), Director (IMF), Director (WB) and DD (IMF) represented India in these meetings. Hon'ble Finance Minister in her intervention emphasized the importance of universal availability of vaccines and medical solutions. The Hon'ble Finance Minister also informed the IMFC about India's commitment to address climate change concerns and stressed on the need to restore the quota-based nature of the Fund and expedite work on the 16th General Review of Quotas.

8.7.4 The **Annual Meetings** of the IMF/ World Bank, meetings of G-20 were held in a hybrid format from October 11 to October 18, 2021. The Hon'ble Finance Minister, Secretary, Department of Economic Affairs, Additional Secretary (MBC), Adviser (IER), Adviser (BC), Director (Investment) and DS (IMF) represented India in these meetings in person. Hon'ble Finance Minister emphasized that multilateral institutions can play an important role in overcoming the obstacles in universal vaccination access and coverage. Hon'ble Finance Minister highlighted India's continued measures to support the vulnerable sections of society, as well as micro, small and medium-sized businesses. On climate change, India emphasized the necessity of the IMF proceeding according to the principles laid out by the UNFCCC and the associated Paris agreement. India welcomes the continued commitment of IMF in providing timely financial support, particularly to the most vulnerable members.

8.7.5 **India and IMF:**

8.7.5.1 The membership of the Fund is committed to maintain a strong, quota-based, and adequately resourced IMF. IMF's total resources presently include the following:

a. ***Quotas:*** Primary source of financing for lending;

b. ***New Arrangements to Borrow (NAB)*** acts as the second line of defence i.e. after quota resources are exhausted substantially.

c. ***Bilateral Borrowing Agreements (BBAs)*** provide a third line of defence.

a). India's Quota and Ranking: The 2010 IMF Quota and Governance Reforms (including the 14th General Reforms of Quotas) came into effect on January 26, 2016. Consequent to this Quota increase, India's quota shareholding rose to 2.75%. With a quota share of SDR 13,114.40 million, India ranks 8th in terms of quota holding in IMF.

In February 2020, the Board of Governors of the IMF formally concluded the 15th GRQ with no increase in quotas or change in quota formula as the United States expressed its inability to contribute to any quota increase under the 15th GRQ. In February 2020, IMF Board of Governors has adopted a resolution that the 16th Round of GRQ should be concluded no later than December 15, 2023.

b). India's contribution to New Arrangements to Borrow (NAB): In April 2009, the G-20 agreed to increase the resources available to the IMF by up to $500 billion (which would triple the total pre-crisis lending resources of about $250 billion) to support growth in emerging market and developing countries, viz. through bilateral financing from IMF member countries; and by incorporating this financing into an expanded and more flexible New Arrangements to Borrow (NAB).

The **New Arrangements to Borrow (NAB)** constitutes a second line of defense to supplement IMF resources to forestall or cope with an impairment of the international monetary system. Through the NAB, a number of member countries and institutions stand ready to lend additional resources to the IMF. In January 2021, a reform of the NAB took effect following consents from 38 NAB participants, almost doubling the size of the NAB to SDR 361 billion (US$521 billion) for the period from 2021 to 2025. India is also one of the 38 creditor countries in NAB with a contribution of SDR 8.88 billion.

c). India's contribution to Bilateral Borrowing Arrangements (BBA): BBAs are used as a third line of defense after quota and NAB resources are exhausted substantially. At the Los Cabos G20 Summit in 2012, the IMFC and G20 jointly called for further enhancement of IMF resources for crisis prevention and resolution through temporary bilateral loans.

India had agreed to commit USD 10 billion to the BBA 2016 on August 10, 2017, which was set to expire in December 2019, however, the agreement was further extended for another year through December 31, 2020. India's commitment towards **Bilateral Borrowing Arrangements** is implemented through the mechanism of Note Purchase Agreement (NPA) between Reserve Bank of India (RBI) and the IMF.

The new round of bilateral borrowing agreements took effect on January 1, 2021. The BBAs now in effect with 42 creditors contribute a further SDR 138 billion (USD 195 billion) with India's contribution at USD 3.9 billion.

8.7.6 **South Asia Regional Training and Technical Assistance Center (SARTTAC) :**

8.7.6.1 A Memorandum of Understanding was signed between India and International Monetary Fund for setting up of South Asia Regional Training and Technical Assistance Center (SARTTAC) in India by the International Monetary Fund on March 11, 2016. The Centre was officially inaugurated on February 13, 2017. SARTTAC serves six member countries of Bangladesh, Bhutan, India, Maldives, Nepal & Sri Lanka. It provides training to government & public sector employees in order to enhance their technical and analytical skills and improve the quality of their inputs into policy making. It also provides technical assistance to governments and public institutes in various areas such as macroeconomic policy, macro & micro prudential regulation, financial sector supervision as well as national accounts statistics and forecasting.

8.7.7 India has contributed USD 32.8 million of which the first installment of USD 15 million to SARTTAC was paid in August, 2016 and the balance USD 17.8 million was paid in November, 2017.

8.7.8 **Article IV Consultations :**

8.7.8.1 Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year, to review the economic status of the member countries. Article IV consultations are generally held in two phases. During this exercise the IMF mission holds discussions with the RBI and various line Ministries / Departments of Central Government. The Article IV Consultations are concluded with a meeting of IMF Executive Board at Washington DC which discusses the Article IV Report. The Annual Article IV Mission with International Monetary Fund was held during July 12-28, 2021. Discussions were held on the State of the Indian economy, climate change issues, reform initiatives and growth prospects and Secretary (EA) chaired the Wrap Up session with the IMF Mission Team on July 28th, 2021. The outcome of these meetings in the form of the IMF India Article IV report was published on 15th October 2021.

8.8 Asian Development Bank

8.8.1 Membership of ADB:

8.8.1.1 India became a founding member of the Asian Development Bank (ADB) in 1966. ADB envisions a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty in the region. ADB assists its members, and partners, by providing loans, technical assistance, grants, and equity investments to promote social and economic development.

8.8.2 ADB has 68 members (including 49 regional and19 non-regional members), with its headquarters in Manila, Philippines. ADB's authorized and subscribed capital stock is US$163.12 billion, of which India's subscription is US$10.3 billion. India holds 6.32% of shares in ADB, equivalent to 672,030 shares (@US$12063.5 per share). India has 5.35% voting rights. Japan and the United States are the largest shareholders with15.57% each of shares. China and India are the third (6.43%) and fourth (6.32%) largest shareholders, respectively.

8.8.3 The Asian Development Fund (ADF) is a special fund of ADB, which is utilized for extending financial support to Group A (and selectively Group B) member countries, which have lesser credit worthiness and are prone to debt distress and other vulnerabilities. India became a donor to ADF in July 2014 and contributed US$30 million for the 11th Replenishment of ADF (ADF-XI) and US$41.74 million for ADF-XII. For ADF-XIII, India has pledged US$51.38 million. ADB provides concessional financing through ADF to its developing member countries (DMC) based on the agreed yardsticks.

8.8.4 ADB has a Board of Governors (BoG), a Board of Directors (BoD), a President, six Vice Presidents and specialized officers and staff in its headquarters and country offices. The BoG is ADB's highest policy-making body, which comprises one representative from each member nation including India. The Finance Minister of India is the designated Governor for India. The BoG exercises its powers and functions with the assistance of the BoD, which performs its duties full time at the ADB headquarters. The Directors supervise ADB's financial statements, approve its administrative budget, and review and approve all policy documents and all loan, equity, and technical assistance operations. India is represented in the BoD by an Executive Director (ED), who is nominated by the Government of India. ED is supported by officers from India (two advisers and one executive assistant).

8.8.5 Annual Meetings of BoG are held in a designated member country in early May. Annual meetings are occasions for the BoG to provide guidance on ADB administrative, financial, and operational directions. The meetings provide opportunities for member governments to interact with ADB staff, non-government organizations (NGOs), media, and representatives of observer countries, international organizations, academia and the private sector. Bilateral meetings are held between countries on the side lines of the Annual Meeting. The 46th Annual Meeting of ADB was hosted by India on 2-5 May 2013 in New Delhi. The 54th Annual Meeting was held virtually on 3-5 May 2021 due to the COVID-19 pandemic.

8.8.6 ADB assistance to India commenced in 1986.The ongoing sovereign lending portfolio of ADB projects in India consists of 63 loans worth $13.3 billion. ADB's annual sovereign lending in India increased to an all-time high of $3.92 billion in the calendar year 2020, including a $1.5 billion support to COVID-19 Active Response and Expenditure Support (CARES) Program to support the health sector in containing the infection, strengthen the health system's preparedness to improve services and its resilience against future outbreaks, and provide social protection for more than 800 million people, particularly the economically vulnerable sections of society. In the same year, ADB committed $356.1 million for its private sector investments in India. In 2021, sovereign annual lending is expected to increase to $5.1 billion including a $1.5 billion loan under Asia Pacific Vaccine Access Facility (APVAX)which will support government's rapid vaccination rollout to contain the ongoing pandemic and help reduce severity of a possible third wave and loss to life. The 2021 regular program of assistance included projects in transport, human development, urban, agriculture, and public sector management sectors. To enhance urban mobility, ADB supports rail-based urban mass transit system with linkages to multimodal transport network in combination with transit oriented urban development. The program also aims to rebalance support from "hard infrastructure" sectors to education and health, finance, and public sector management. This shift aligns with India's expansionary track toward human development and response to the COVID-19 pandemic. Portfolio performance has improved over the years as a result of regular review meetings such as tripartite portfolio review meetings (TPRM) for ongoing and pipeline projects. In 2021, three such TPRMs were held virtually under the pandemic environment.

8.8.7 ADB assistance to India supports the government's development priorities, evolving focus areas, and flagship initiatives. The India country partnership strategy (CPS) of ADB provides the overarching framework for ADB's operations in India. In line with the government's guiding principle that multilateral development partners add value beyond tangible investments, ADB leverages knowledge, supports capacity development, and incorporates innovation and best practice into its operations. The ADB's country partnership strategy (CPS), 2018-2022 for India was approved in September 2017.

8.8.8 The CPS for India aims to accelerate the country's inclusive economic transformation. ADB interventions in India are closely aligned with the government development priorities, and span six sectors of operation: transport; energy; urban infrastructure and services; finance; human development; and agriculture and natural resources. ADB's program of assistance is increasingly employing integrated, multi-sectoral approach while balancing toward human development sector.In the wake of the COVID-19 outbreak, ADB's program is adjusted to assist India in weathering the adverse impact of the pandemic, and support India's fast, green, and inclusive recovery in alignment with Atmanirbhar Bharat Abhiyan (Self-Reliant India), which envisages to make India a competitive, resilient, self-sustaining, and self-generating economy.

1. The ADB transport sector program aims to improve connectivity and accessibility, promote safe and environment-friendly practices, and enhance in-country and sub-regional trade corridors and facilities.
2. Energy sector initiatives focus on strengthening of power transmission and distribution networks in India. ADB supported initiatives aim to provide uninterrupted power supply to all, promoting smart grid technologies, and low-carbon solutions, including renewable energy and energy efficiency.
3. The urban sector program supports expanding the coverage, quality, and continuity of basic services to improve the urban quality of life. The program aims to contribute to sustainable urban development by supporting policy reform, institutional development, and improved governance of urban services.
4. The finance sector program endeavors to support leveraging of finance for infrastructure.
5. The agriculture and natural resources sector interventions provide assistance in the key areas of water use efficiency, climate resilience, and coastal protection.
6. The human development program encompasses interventions in the skills/ education and health sectors. Skills/ education interventions focus on improving employ ability of youth in the industries and

services essential to growth through stronger industry engagement and increased focus on quality and outcomes. The health sector program aims to contribute to heath sector development and reforms, health care finance, and health insurance and subsidized health programs. In the wake of the COVID-19 pandemic, the program, in support of the Pradhan Mantri Atmanirbhar Swasth Bharat Yojana (PM-ASBY, Health for All) scheme, will provide assistance in improving the health system, urban primary healthcare, health service infrastructure and digitization, and regional cooperation on health.

8.8.9 South Asia Sub-regional Economic Cooperation (SASEC) Program brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership. Under this flagship Program, ADB has been working with the SASEC countries to build cross-border power connectivity, to facilitate regional trade, and connect transport network for movement of goods and people. SASEC countries share a common vision of boosting intra regional trade and cooperation in South Asia, while also developing connectivity and trade with Southeast Asia through Myanmar, to the East Asia, and the global market. The SASEC Vision was launched in April 2017 in the SASEC Finance Ministers' Meeting in New Delhi. It articulates shared aspirations of SASEC countries, and set the path to achieve these through regional collaboration. The Vision document lays out a plan to transform the sub region by leveraging natural resources, promoting industry linkages for the development of regional value chains, and expanding the region's trade and commerce through the development of sub-regional gateways and hubs. SASEC Operational Plan presents the strategic objectives of the SASEC partnership, and the operational priorities of the four main SASEC sectors: transport, trade facilitation, energy, and economic corridor development. It is supported by a list of potential projects regularly updated by SASEC countries to be implemented during 2016-2025. As of end of October 2021, SASEC countries have signed and implemented 71 ADB- financed investment projects worth around $17.10 billion in the four focus areas. The transport sector accounts for most projects (44 projects worth a cumulative $12.32 billion), followed by energy (16 projects worth $2.92 billion), economic corridor development (six projects worth $1.75 billion), trade facilitation (three projects worth over $80.66 million), and ICT (two projects worth $20.80 million). Since 2002, the Government of India has signed 19 ADB-financed SASEC investment have projects worth around $6.17 billion. In addition to the projects, ADB-financed technical assistances have supported SASEC investment projects in India, regional cooperation forums and knowledge-sharing initiatives, and pilot projects since 2001. A total of 16 national technical assistance projects (cumulative worth around $18.11 million) have assisted India in project preparation, strategic planning, and capacity building.

ADB is assisting Government of India in extending project development support through project readiness financing (PRF) loans along with grant in the form of knowledge support technical assistance (KSTA) to northeastern region (NER) states. PRF enables quick response to continued demand for project development and finances project preparation and design activities for investments that are expected to be financed under one or more ensuing ADB-financed projects with quality project designs and a high level of implementation readiness.

PRF and KSTA in NER aim to support development of investment plans/projects for key sectors and preparation of feasibility studies, detailed designs, procurement process, and timely completion of pre-construction activities of priority projects. Building institutional capacity is one of the key components of PRF and KSTA, which intend to support infrastructure planning and implementation capacities of the line departments. Presently, Sikkim Road Sector PRF ($2.5 million) and Tripura Urban and Tourism Development PRF ($4.2 million) are under implementation and the Mizoram Urban Transport PRF ($4.5 million). Tripura Industry PRF ($2 million), Tripura City Infrastructure PRF ($3 million), Manipur Road Sector PRF ($5 million), and Nagaland Urban Infrastructure PRF ($2 million) are under processing. KSTA support is also being mobilized for developing sector investment plans in the state of Tripura and Assam (Road Sector and Urban & Rural Water Supply -Sanitation).

8.8.10 Building the capacity of various executing agencies has been an important element of ADB's assistance to India. The Capacity Development Resource Center (CDRC), which was established at ADB's India Resident Mission, collaborates with leading experts and national training institutes to develop and deliver training courses for executing agencies on operational, technical and substantive topics relating to ADB operations in India. In 2020, CDRC carried on its work despite the COVID-19 pandemic situation, through virtual training programs,

8.8.11 Technical Assistance (TA) program has also evolved in line with the loan program. TA helps DMCs enhance capacity, improve project preparedness and implementation, promote technology transfer, and undertake analytical studies.

8.8.12 ADB's Technical Assistance Special Fund (TASF) provides technical assistance improving capacity in the formulation, design and implementation of projects to facilitate effective use of external financing. India has been voluntarily contributing to TASF, since 1970.

8.9 Global Alliance for Vaccines and Immunizations (GAVI Alliance)

8.9.1 The GAVI Alliance (formerly the Global Alliance for Vaccines and Immunization) was founded in 2000 to reduce the historical gap in access to life saving vaccines and reduce child mortalities. GAVI's mission is to save children's lives and protect people's health by increasing access to immunization in poor countries.India is not only a recipient, but also a contributor to GAVI Alliance. As per 'Contribution Agreement' signed between Government of India and GAVI, India committed to contribute USD 3 million per annum to the GAVI Alliance during the replenishment cycle of five year i.e. 2021-25.

8.9.2 A proposal of MoHFW was received in 2020 for enhancement of India's contribution to the GAVI in the next replenishment cycle of five year i.e. 2021-25. It was decided with the approval of Hon'ble Finance Minister that the Govt. of India will make a contribution of US$ three million per annum to GAVI, i.e., a cumulative contribution of US$ 15 million for the next replenishment cycle of GAVI of five years. The Multi-Year Contribution Agreement towards the replenishment for the next five years (2021-25) was signed on 30th June, 2021 and first installment was made on 2nd July, 2021.

8.10 Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

8.10.1 The Global Fund to Fight AIDS, Tuberculosis and Malaria (The Global Fund / GFATM) is an international financing organization that aims to attract and disburse additional resources to prevent and treat HIV and AIDS, Tuberculosis and Malaria. The organization is public-private partnership with Secretariat at Geneva, Switzerland. The organization began operations in January 2002. GFATM supported programs have estimated to have saved 44 million lives since 2002.

8.10.2 As per the 'Multi-Year Contribution Agreement' signed between the Government of India and GFATM on 11th June, 2020, India committed USD 22 million to GFATM during the Sixth Voluntary Replenishment cycle (2020-22) as per following schedule (i) US$ 7 million in 2020 and 2021 each and (ii) US$ 8 million in 2022. India's second contribution to the GFATM for 2021-22 (USD 7 million) was paid in July 2021.

8.11 Global Facility for Disaster Reduction and Recovery (GFDRR)

8.11.1 GFDRR is a global partnership program administered by the World Bank Group. GFDRR supports developing countries to: (i) mainstream disaster risk management and climate change adaptation in development strategies and investment programs, and (ii) improve the quality and timeliness of resilient recovery and reconstruction following a disaster. The governance structure of GFDRR comprises: the Consultative Group (CG), the Secretariat, and the Trustee. The Consultative Group is the primary policy making body in GFDRR whose Chair is a World Bank representative while its Co-chair is selected from the member countries for a period of one year.

8.11.2 India became a member of GFDRR in 2013 by paying one time member fee of USD 500,000 in three installments during 2014-15. DEA vide its O.M. dated Oct 30, 2018 gave its no-objection to MHA which is the nodal ministry for GFDRR, for renewal of India's membership to GFDRR and as well as commitment on the financial support on making contribution of USD 5,00,000 as membership fee cumulatively over three years to GFDRR for the FY 2018-21. In October 2021, DEA agrees with the proposal of MHA on India's association with GFDRR in the observer status.

8.12 Multilateral Investment Guarantee Agency (MIGA)

8.12.1 Multilateral Investment Guarantee Agency (MIGA) was founded in 1988 to promote foreign direct investment (FDI) into developing countries. MIGA currently has 182 members. It provides investment guarantees to private sector investors and lenders, particularly in conflict affected countries. MIGA also provides technical assistance to developing countries as well as helps them in their efforts to attract foreign capital, technology, and know-how. With the approval of Cabinet Committee on Political Affairs, the MIGA Convention was signed by India on April 13, 1992 with a view to creating an environment for foreign direct investment (FDI) in India to provide guarantees to prospective investors and mitigating certain perceptions like non-commercial risks like inability to transfer profits from the host country, confiscation of assets, damages due to war or civil disturbances which were restraining FDI flows in India. India became member of MIGA on January 6, 1994. At present, India has 3.03% capital subscription with a voting power of 2.56% on the MIGA Board. As a constituency India has 7402 shares, comprising 3.39% of total voting power.

8.13 Global Development Network (GDN)

8.13.1 GDN was created as World Bank Initiative in 1999. GDN is a public international organization that supports high quality, policy-oriented, social science research in developing and transition countries to promote better lives. It supports researchers with financial resources, global networking, as well as access to information, training, peer review and mentoring. GDN acts on the premise that better research leads to more informed policies and better, more inclusive development. Through its global platform, #GDN connects social science researchers with policymakers and development stakeholders across the world. In 2001, GDN was established outside the World Bank as US NGO. GDN has 5 member countries namely Colombia, India, Spain, Sri Lanka and Hungary. GDN Agreement has not been ratified by 3 countries namely Egypt, Italy and Senegal for internal reasons. GDN is currently headquartered in New Delhi.

Position of ATNs – IMF Section
(FB & ADB Division, DEA)

Sl. No.	Year	No. of Paras/ PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to PAC
1	2014	Report 1 of 2014, Demand No.32, Para 3.16 (Annexure 3.14, Item 23 to 25)	-	-	Submitted
2	2014	Report No. 1 of 2014, Demand No. 32, Para 3.16 (Annexure 3.14)	-	-	Submitted
3	2015	Report No. 1 of 2015, Demand No. 33, Para 3.12 (Annexure 3.10 & 3.15, Annexure 3.13)	-	-	Submitted
4	2016	Report No. 34 of 2016, Demand No. 34, Para 3.16 (Annexure 3.13, Item 21), Para 3.17 (Annexure 3.14, Item 6)	-	-	Submitted
5	2016	Report No. 34 of 2016, Demand No. 34, Para 3.18 (Table 3.9, Item 3)	-	-	Submitted
6	2017	Reports No. 44 of 2017, Demand No. 29, Para 3.15 (Annexure 3.12, Item No: 13), Para 3.17 (Annexure 3.14, Item 4)	-	-	Submitted
7	2019	Reports No. 2, Demand No. 29, Para No. 3.3, Table 3.2, Item No. 9	-	-	Submitted

9. International Economic Relations Division

9.1. IER Division is one of the important Divisions of Department of Economic Affairs which deals with International Economic Relations. The major functions of IER Division are dealing with economic and financial matters related to:

1. G-20
2. G-7
3. G-24
4. BRICS
5. SAARC, SDF
6. ASEAN, Caribbean Union
7. World Economic Forum (WEF)
8. OECD, SCO
9. Asia Europe Meeting (ASEM)

10. BIMSTEC

12. External Charges-

a) South Asia (Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka), South East Asia (Brunei, Burma, Cambodia, East Timor, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam), North America(Mexico), East Asia (Mongolia, Hong Kong, Taiwan)

b) Matter relating to CIS countries (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan).

13. Sectoral Charge -

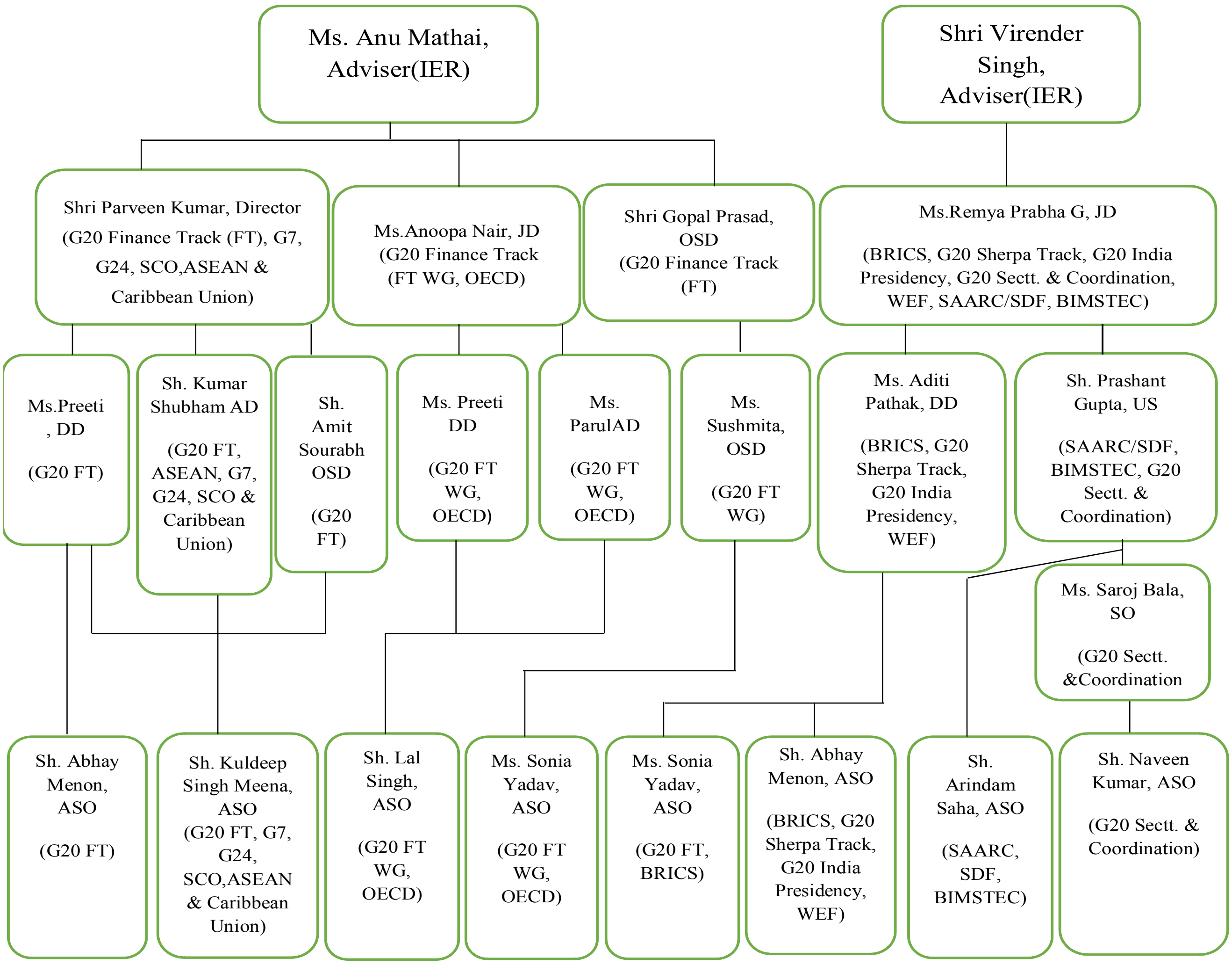
a) Ministry of Defence,

b) Ministry of Tribal Affairs

E- Governance:

As far as e-governance is concerned, IER division has fully operationalized E-file System and thrust are being given for optimal usage of Govt Email id for official communication in order to make decision swift, transparent, efficient and effective.

Organization Structure of IER Division



I. G-20

The G20 was formed in 1999, as a forum of Finance Ministers and Central Bank Governors, in recognition of the fact that there was a major shift in the global economic weight from the advanced economies to emerging market economies. However, G20 rose into prominence in 2008 when it was elevated from a forum of Finance Ministers and Central Bank Governors to that of G20 Heads of Nations in order to effectively respond to the global financial crisis of 2008 and insulate the world from major economic collapse.

The first G20 Summit was held in November 2008 in Washington DC under the shadow of the greatest financial crisis in the post-war era. This was followed by fourteen summits held in London (April, 2009), Pittsburg (September, 2009), Toronto (June, 2010), Seoul (November, 2010), Cannes (November, 2011), Los Cabos (June, 2012), St. Petersburg (September, 2013), Brisbane (November, 2014), Antalya (November, 2015), Hangzhou (September, 2016), Hamburg (2017) and Buenos Aires (2018), Osaka (2019) and Riyadh (2020). The 16th G20 Rome Summit was held under the Italian G20 Presidency in Rome, Italy on 30-31 October 2021. Indonesia assumed the G20 Presidency on 1st December, 2021 under the theme "Recover together, Recover Stronger". The 17th G20 Heads of State and Government Summit will take place towards the end of the year 2022 in Bali, Indonesia.

India joined the G20 Troika consisting of Indonesia, Italy, and India - the current, previous and next G20 Presidencies respectively, on 1st December, 2021. India will assume the G20 Presidency on 1 December, 2022 from Indonesia, and will organise the G20 Leaders' Summit for the first time in India in 2023. The Presidency of G20 is usually held for a year with various meetings taking place (across a range of policy issues) culminating into the G20 Leaders' Summit.

G20 issues are discussed through two parallel tracks, viz., Finance Track and Sherpa Track. Under Finance Track, issues such as international financial architecture, infrastructure financing, sustainable finance, sustainable and inclusive growth, international taxation and financial sector regulations, financial inclusion are deliberated. The highest level of meeting under Finance Track is G20 Finance Ministers and Central Bank Governors (FMCBG) Meeting which is held 3-4 times in a year. The G-20 member countries are represented by their Finance Ministers and Central Bank Governors (FMCBGs). Preceding every FMCBG Meeting, Finance and Central Bank Deputies (FCBD) Meetings are held to prepare for FMCBG Meeting. Secretary (Economic Affairs) is India's Finance Deputy. Technical level discussions are held through meetings of Working Groups. Discussions under the G20 Finance Track take place within the ambit of the following Working Groups/ areas:

a. Framework Working Group (FWG)
b. International Financial Architecture Working Group (IFA WG)
c. Infrastructure Working Group (IWG)
d. Sustainable Finance Working Group (SFWG)
e. Financial Sector agenda
f. Global Partnership for Financial Inclusion (GPFI)
g. International Taxation agenda
h. Joint Finance and Health Task Force

a. **Framework Working Group (FWG)** discusses issues relating to the global economy, risks and uncertainties, suitable policy responses, and promoting Strong, Sustainable, Balanced, and Inclusive Growth (SSBIG) across the G20. India along with the UK co-chairs this Working Group.

b. **International Financial Architecture (IFA) Working Group** deals with issues related to international financial architecture such as Global Financial Safety Net (GFSN), the role of the SDRs in the international monetary system; restructurings of sovereign debt, debt transparency and sustainability among others. The Working Group is co-chaired by South Korea and France.

c. **Infrastructure Working Group (IWG)** deliberates on quality infrastructure investments including innovation in mobilizing financial resources for infrastructure investment. The Working Group is co-chaired by Australia and Brazil.

d. **Sustainable Finance Working Group (SFWG)** is a newly established group under the G20 Italian Presidency co-chaired by the US and China. The Working Group deliberates on ways to mobilize sustainable finance as a way of ensuring global growth and stability and promoting the transitions towards greener, more resilient and inclusive societies and economies.

e. **Financial Sector issues** related discussions take place directly at the level of the Deputies and there is no separate Working Group for the same. The key areas of discussion have included strengthening prudential oversight, improving risk management, strengthening transparency, promoting market integrity, establishing supervisory colleges, enhancing cross-border payments, smooth LIBOR transition, and Central Bank Digital Currencies among others.

f. **Global Partnership for Financial Inclusion (GPFI)** works for advancing financial inclusion globally. Some of the work areas include ways to improve financial system infrastructure, pursue policies conducive to harnessing emerging technologies, facilitating remittance flows and reducing the cost of remittance transfers, financial literacy and consumer protection, digital financial literacy and bridging the digital divide among others.

g. **International Taxation** agenda in the G20 Finance Track is discussed directly at the level of the Deputies and there is no formal Working Group on taxation. The matters discussed under the group include addressing tax challenges arising from digitalization of the economy, fighting against tax evasion, ending bank secrecy and tax havens, exchange of information, and addressing tax avoidance by multinational corporations.

h. **Joint Finance and Health Task Force** was established during the G20 Rome Leaders' Summit, 2021. The Task Force is aimed at enhancing dialogue and global cooperation on issues relating to pandemic Prevention Preparedness and Response (PPR), promoting the exchange of experiences and best practices, developing coordination arrangements between Finance and Health Ministries, promoting collective action, assessing and addressing health emergencies with cross-border impact, and encouraging effective stewardship of resources for pandemic prevention, preparedness and response (PPR), while adopting a One Health approach.

Priorities of the G-20 in 2021 under Italian Presidency

The G20 Italian Presidency, 2021 focused on three broad, interconnected pillars of action: **People, Planet, Prosperity also referred to as 3Ps.** Within these pillars, Italy had taken a lead in ensuring a swift international response to the pandemic and building up resilience to future health-related shocks. Focus was also on undertaking efforts to ensure a rapid recovery from the crisis.

- For **People**, the focus was on overcoming inequalities and promoting equal opportunities in health, education, employment and human development, starting with the most vulnerable groups.
- For **Planet**, environmental sustainability including delivery on the commitments under the Paris Agreement and Sustainable Development Goals were targeted;
- For **Prosperity**, digital transformation was targeted such that it translates into opportunity for all and productivity growth.

Italy pursued **digitalization** and **green agenda** as cross-cutting themes across all the work streams under the Finance Track. The Italian Presidency also promoted adequate investment and **universal access to health.** The Finance Ministers continued to cooperate closely with the Health Ministers, with a view to strengthening the resilience, inclusiveness and response capacity of health systems. The Presidency strove to take collective actions to improve pandemic preparedness and response (PPR) and strengthen the international health architecture system.

The broad Finance track priorities under the Italian G20 Presidency in 2021 were as follows:

a. Ensuring health as a global common good and strengthening pandemic prevention, preparedness and response (PPR).

b. Supporting a strong, sustainable, balanced and inclusive recovery.

c. Supporting vulnerable economies and strengthening the international financial architecture.

d. Making the international tax system fairer and more transparent.

e. Protecting the planet while improving living conditions for all.

f. Developing a shared understanding on how to ensure growth and financial stability in the longer term.

g. Promoting infrastructure - including digital ones - as a way to foster social inclusion, reduce geographical disparities and improve environmental sustainability, including Investment in quality infrastructure.

h. Ways to mobilize sustainable finance as a way of ensuring global growth and stability and promoting the transitions towards greener, more resilient and inclusive societies and economies.

Key Outcomes of Rome Summit, 2021 under the G20 Finance Track

1. **Reflections on Global Economic Outlook-** Leaders recognized that over 2021, global economic activity has been recovering at a solid pace, due to the roll-out of vaccines and continued policy support, however, the recovery is highly divergent across and within countries, and exposed to downside risks, in particular due to the possible spread of new variants of COVID-19 and uneven vaccination paces. Leaders agreed that they would continue to sustain the recovery, avoiding any premature withdrawal of support measures, while preserving financial stability and long-term fiscal

sustainability and safeguarding against downside risks and negative spill-overs. Leaders also committed to advancing the forward-looking agenda set in the G20 Action Plan.

2. **Global Health:** Leaders agreed to advance their efforts to ensure timely, equitable and universal access to safe, affordable, quality and effective vaccines, therapeutics and diagnostics, with particular regard to the needs of low- and middle-income countries. Leaders reaffirmed their commitment to the Global Health Summit Rome Declaration as a compass for collective action and committed to strengthening global health governance. Leaders acknowledged that financing for pandemic prevention, preparedness and response (PPR) has to become more adequate, more sustainable and better coordinated and requires continuous cooperation between health and finance decision-makers. To that end, the Leaders established **a G20 Joint Finance-Health Task Force** aimed at enhancing dialogue and global cooperation on issues relating to pandemic PPR, promoting the exchange of experiences and best practices, developing coordination arrangements between Finance and Health Ministries, promoting collective action, assessing and addressing health emergencies with cross-border impact, and encouraging effective stewardship of resources for pandemic PPR, while adopting a One Health approach.

3. **Support to vulnerable countries:** Leaders welcomed the new general allocation of Special Drawing Rights (SDR), implemented by the International Monetary Fund (IMF), which has made available the equivalent of USD 650 billion in additional reserves globally. Leaders also welcomed the ongoing work to significantly scale up the Poverty Reduction and Growth Trust's lending capacity and called on the IMF to establish a new Resilience and Sustainability Trust (RST) - in line with its mandate - to provide affordable long-term financing to help low-income countries, including in the African continent, small island developing states, and vulnerable middle-income countries.

4. **Debt Service Suspension Initiative (DSSI) -** Leaders welcomed the progress achieved under the G20 Debt Service Suspension Initiative (DSSI) and the recent progress on the Common Framework for debt treatment beyond the DSSI. Leaders committed to step up efforts to implement the Common Framework in a timely, orderly and coordinated manner and looked forward to progress in the current negotiations under the Common Framework. They also affirmed the importance of joint efforts by all actors, including private creditors, to continue working towards enhancing debt transparency.

5. **International Financial Architecture-** Leaders reiterated commitment to strengthening long-term financial resilience and supporting inclusive growth, including through promoting sustainable capital flows, developing local currency capital markets and maintaining a strong and effective Global Financial Safety Net with a strong, quota-based, and adequately resourced IMF at its centre. Leaders also committed to revisiting the adequacy of IMF quotas and will continue the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, by 15 December 2023.

6. **Infrastructure Investment -** Leaders endorsed the G20 Policy Agenda on Infrastructure Maintenance and noted that in line with the G20 Roadmap for Infrastructure as an Asset Class, and building on the G20 Infrastructure Investors Dialogue, they would continue, in a flexible manner, to develop further the collaboration between the public and private investors to mobilise private capital. They also agreed to continue to advance the work related to the G20 Principles for Quality Infrastructure Investment and extend the Global Infrastructure Hub mandate until the end of 2024.

7. **Policies for the transition-**Leaders welcomed the introduction of a Pillar dedicated to Protecting the Planet in the G20 Action Plan and agreed on the importance of a more systematic analysis of macroeconomic risks stemming from climate change. They welcomed the constructive discussions held at the Venice International Conference on Climate and at the G20 High Level Tax Symposium on Tax Policy and Climate Change and recognized that the policy dialogue on the macroeconomic and fiscal impact of climate change policies could benefit from further technical work.

8. **Sustainable Finance-** Leaders welcomed the establishment of the G20 Sustainable Finance Working Group (SFWG) and endorsed the G20 Sustainable Finance Roadmap and the Synthesis Report. They welcomed the FSB report on the availability of data on climate-related financial stability risks and the FSB report on promoting globally consistent, comparable and reliable climate-related financial disclosures and its recommendations. Furthermore, the Leaders also welcomed the work programme of the International Financial Reporting Standards Foundation to develop a baseline global reporting standard under robust governance and public oversight, building upon the FSB's Task Force on Climate-Related Financial Disclosures framework and the work of sustainability standard-setters.

9. **Financial Sector -** Leaders welcomed the FSB final report on the lessons learnt from the COVID-19 pandemic from a financial stability perspective and the proposed next steps. Leaders committed to strengthening the resilience of the non-bank financial intermediation (NBFI) sector and also endorsed the FSB final report on

policy proposals to enhance money market fund (MMF) resilience. Further, Leaders also welcomed the progress reported against milestones set for 2021 by the G20 Roadmap to enhance cross-border payments, and endorsed the ambitious but achievable quantitative global targets for addressing the challenges of cost, speed, transparency and access by 2027 set out in the FSB report.

10. **Technological Innovation -** Leaders reiterated that no so-called "global stablecoins" should commence operation until all relevant legal, regulatory and oversight requirements are adequately addressed through appropriate design and by adhering to applicable standards. Further, Leaders encouraged the Committee on Payments and Market Infrastructures, Bank for International Settlements Innovation Hub, IMF and World Bank to continue deepening the analysis on the potential role of central bank digital currencies in enhancing cross-border payments and their wider implications for the international monetary system.

11. **Combating money laundering and terrorist financing -** Leaders reaffirmed their full support for the Financial Action Task Force (FATF) and the Global Network and further confirmed their support for strengthening the FATF recommendations to improve beneficial ownership transparency and called on countries to fight money laundering from environmental crime, particularly by acting on the findings of the FATF report.

12. **Globally fair, sustainable, and modern international tax system -** Leaders agreed that the final political agreement as set out in the Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy and in the Detailed Implementation Plan, released by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) on 8 October, is a historic achievement. Leaders called on the OECD/G20 Inclusive Framework on BEPS to swiftly develop the model rules and multilateral instruments as agreed in the Detailed Implementation Plan, with a view to ensure that the new rules will come into effect at global level in 2023.

13. **Digital Financial Inclusion -** Leaders endorsed the G20 Menu of Policy Options for digital financial literacy and financial consumer and MSME protection "Enhancing digital financial inclusion beyond the COVID-19 crisis", with the aim to provide a guide for policymakers in their efforts to lay the ground for new financial inclusion strategies in the post-pandemic world. Leaders also welcomed the 2021 GPFI Progress Report to G20 Leaders and the 2021 Update to Leaders on Progress Towards the G20 Remittance Target.

14. **Data Gaps:** Leaders took note of the work done so far by the IMF, in close cooperation with the FSB and the Inter-Agency Group on Economic and Financial Statistics (IAG) towards a possible new G20 Data Gaps Initiative and looked forward to its further development.

Contribution of India for the Summit

India constructively engaged in the discussions under various work streams of the Finance Track during the G20 Italian Presidency. We ensured that a strong voice is lent to the ongoing discourse that not only conveys India's position on the agenda issues but is also aimed at representing the views of the Emerging Market Economies (EMEs) in general.

As a co-chair of the Framework Working Group (FWG), India along with UK and the G20 Presidency worked alongside the FWG membership in drafting and finalizing all deliverables/outcome documents of the FWG viz.- (i) April update of Pillar 2 of **G20 Action Plan** and its progress reports in April and October respectively; (ii) **G20 Menu of Policy Options -** Digital Transformation and Productivity Recovery; and (iii) Enhancing **Risk monitoring and preparedness** frameworks.

India agreed for the final extension of the Debt Service Suspension Initiatives (DSSI) extension to allow beneficiary countries to mobilize more resources to face the challenges of the crisis and provide time to move to a more structural approach to address debt vulnerabilities through the Common Framework. India also constructively engaged in the discussions for effective and swift implementation of the Common Framework to address debt sustainability issues of low-income countries and supported the Presidency's continued work towards enhancing debt transparency. India also joined other G20 members to welcome the new general Special Drawing Rights (SDR) allocation which has made available the equivalent of USD 650 billion in additional reserves globally.

On climate related issues India constantly highlighted the need to mobilise climate finance commitments and technology transfer. India also participated in the 'High-level Tax Symposium' on the role of taxation in addressing climate challenges organized by the Italian Presidency and highlighted the challenges involved in using tax policy for climate objectives. India also supported the Presidency's initiative to establish the Sustainable Finance Working Group (SFWG) and endorsement of the Sustainable Finance Roadmap and Synthesis Report.

India supported the health agenda under the Italian Presidency and supported the establishment of the G20 Joint Finance-Health Task Force aimed at enhancing dialogue and global cooperation on issues relating to pandemic PPR, promoting the exchange of experiences and best practices, developing coordination arrangements between Finance and Health Ministries, promoting collective action, assessing and addressing health emergencies with cross-border impact, and encouraging effective stewardship of resources for pandemic PPR, while adopting a One Health approach.

India has been consistently engaged in the discussions in the BEPS Inclusive Framework in a constructive manner. India participated in the work on the two-pillar international tax reform and supported the Inclusive framework statement on 8th October, 2021.

India also supported the work towards the development of the Menu of Policy Options and shared perspectives on Indian initiatives towards promoting digitalization and financial inclusion in the reports prepared by OECD and the World Bank which have led up to development of the Menu.

India also contributed in bringing forward the monitoring of National Remittances Plans for the 2021 Update to Leaders on Progress Towards the G20 Remittance Target and supported the continued facilitation of the flow of remittances and the reduction of average remittance transfer costs.

India joined other G20 members in supporting and implementing the work under the Italian Presidency to ensure stability of the financial system. India actively supported the implementation of the G20 Roadmap to enhance Cross-Border Payments. Further, India has actively contributed its perspective through participation in the Financial Stability Board discussions.

Priorities of the G20 in 2022 under Indonesian Presidency

Under the Indonesian G20 Presidency in 2022, the work during the Indonesian Presidency will be closely coordinated among the Troika members - Indonesia, Italy and India (current, previous and incoming G20 presidencies) under the theme - **"Recover together, Recover Stronger".**

The priorities under the Indonesian Presidency in 2022 are structured around three main pillars- (i) Global Health Architecture; (ii) Sustainable Energy Transition; and (iii) Digital Transformation. The Indonesian Presidency will also focus on fighting for the aspirations and interests of developing countries and will also work towards building a **fairer world governance.**

Indonesia will continue to take the lead on ensuring equitable access to COVID-19 vaccines, promoting sustainable and inclusive economic development through MSMEs participation and digital economy. Focus will also continue on reforming efforts in global taxation, stronger cooperation in fighting corruption, deepening of infrastructure financing, and pushing for a more democratic, and representative international cooperation.

II BRICS

BRICS is the acronym for an association of five major emerging economies: Brazil, Russia, India, China and South Africa, comprising 41% of the world population, having 24% of the world GDP and 16% share in the world trade[1]. The key objective of the BRICS group is to build south-south cooperation and evolve a coordinated approach to address common concerns of the developing countries, such as international taxation, climate financing, reforms in governance structure of international financial institutions (IFIs) etc. The coordinated stance enables BRICS to be a formidable force voicing the concerns and aspirations of the EMDCs in some of the major global alliances such as the G20.

The leaders of BRIC (Brazil, Russia, India, and China) countries met for the first time in St. Petersburg, Russia, on the margins of G8 Outreach Summit in July 2006. In September 2006, the group was formalised as BRIC during the 1st BRIC Foreign Ministers' Meeting, which met on the sidelines of the General Debate of the UN Assembly in New York City. After a series of high-level meetings, the 1st BRIC summit was held in Yekaterinburg, Russia on 16 June 2009.BRIC group was renamed as BRICS (Brazil, Russia, India, China, South Africa) after South Africa was accepted as a full member at the BRIC Foreign Ministers' meeting in New York in September 2010. Accordingly, South Africa attended the 3rd BRICS Summit in Sanya, China on 14 April 2011.

India has actively participated in all the BRICS Summits held so far under chair ship of member countries and has adopted a pro-active stance for incorporation of critical issues in the BRICS Forum.

Ministry of External Affairs is the nodal Ministry overseeing and coordinating across all areas of BRICS cooperation. IER Division, DEA coordinate on the BRICS Financial Cooperation agenda in consultation with Reserve Bank of India and other key stakeholders from Government of India.

India assumed the rotating Chair ship of BRICS from January 2021 for one year. The year 2021 also marked the 15th anniversary of BRICS. The theme for India's Chair ship was **'BRICS @ 15: Intra-BRICS Cooperation for Continuity, Consolidation and Consensus'** which aimed at further deepening and institutionalizing intra-BRICS cooperation with the following 4 priorities: Reform of the Multilateral System;

[1] *From MEA website*
https://brics2021.gov.in/about-brics

Counter-Terrorism Cooperation; Technological and Digital Solution to SDGs; and People-to People cooperation.

BRICS Financial Co-operation

Financial Cooperation is one of the prominent areas of cooperation in the BRICS forum among a total of around 30 areas of cooperation that operate within the Track 1 of BRICS ranging from Finance to trade to agriculture and anti-terrorism.

Issues and initiatives under the BRICS financial cooperation are dealt by the **Ministries of Finance and Central banks of the BRICS nations** and such issues are discussed during the meetings of BRICS Finance Ministers and Central Bank Governors (FMCBG) assisted by their Finance and Central Bank Deputies. Secretary (EA) is India's BRICS Finance Deputy and Deputy Governor (RBI) is India's BRICS Central Bank Deputy.

BRICS 2021 Meetings & Outcomes

Under the BRICS India Chairship 2021, two meetings of BRICS Finance and Central Bank Deputies and two meetings of BRICS Finance Ministers and Central Bank Governors were held. The first meeting of the BRICS Finance and Central Bank Deputies was held virtually on February 24, 2021, wherein priorities and deliverables under the financial cooperation agenda set for the year 2021 were shared with member countries. The first Meeting of BRICS Finance Ministers and Central Bank Governors were held virtually on April 6, 2021, under the co-chair ship of Hon'ble Finance Minister and Governor, RBI. The discussions revolved around efforts needed to be made by BRICS in responding to the COVID-19 crisis through policy support and enhancing international coordination. The FMCBG took forward the discussions on the deliverables and outcomes on the issues that received agreement during the Deputies Meeting.

The second meeting of the BRICS Finance and Central Bank Deputies was held virtually on July 27, 2021. The meeting focused on discussing the progress made so far on the deliverables and outcomes envisaged under the BRICS Finance Agenda of 2021. The second meeting of BRICS Finance Ministers and Central Bank Governors (FMCBG) was held virtually on August 26, 2021 discuss and finalise the key deliverables and outcomes envisaged under the BRICS 2021 Finance Agenda. At the meeting, the ministers discussed the key areas of intra- BRICS cooperation that would be crucial in supporting the recovery of BRICS economies and maintaining macroeconomic stability, while protecting against future uncertainties and risks.

BRICS Finance 2021 Outcomes and Achievements-Ministry of Finance Issues

Global Economic Outlook: As Chair, India ensured that the BRICS Finance agenda for 2021 reflects India's vision for South-South co-operation and the issue relevant to the Emerging Market and Developing Economies (EMDEs). One of the major aspect of deliberations was the macroeconomic outlook and risks with a specific focus on how the BRICS economies are placed and responding to the evolving COVID-19 crisis. As an outcome, **BRICS Finance Ministers and Central Bank Governors** adopted a **Statement on Global Economic Outlook and responding to COVID-19 Crisis.** The Statement was first of its kind attempt during India's Chair ship under the BRICS forum.

The Statement also had an Annexure on Snapshot of policy experiences of BRICS countries to tackle the economic impact of COVID-19, both in the immediate as well as medium to long term; challenges confronted in the process of policy implementation; and potential areas of future cooperation.

Infrastructure Investment Issues: Social infrastructure with a special emphasis on use of digital technology was another priority area under the BRICS financial cooperation agenda. This agenda was pursued under the BRICS PPP and Infrastructure Task Force in collaboration with NDB where member countries engaged in knowledge sharing of financing and use of digital technologies in enhancing the quality of social infrastructure services. While BRICS countries may have different definitions of social infrastructure, an attempt was made to highlight the key defining characteristics of social infrastructure as compared to economic infrastructure.

As an outcome, BRICS FMCBG endorsed the **Report on 'Social Infrastructure-Financing and Use of Digital Technologies'.** The Technical report was one of the first endeavour to collate information and insights on BRICS countries' experiences in social infrastructure. The Report attempted to showcase how BRICS countries have leveraged digital technologies to enhance access and improve service delivery to meet the unprecedented challenges posed by the pandemic, especially in the health and education sectors.

Custom Cooperation: Finalisation and Agreement of BRICS members on the final text of **Agreement on Cooperation and Mutual Administrative Assistance (CMAA) in Customs matters** was another milestone achieved under BRICS chair-ship. The agreement aimed at creating a framework for BRICS Customs administrations to assist each other in proper administering of customs laws, detection and investigation of Customs offences. To utilize the expertise of BRICS Customs officials, India also shared a detailed plan for conducting a workshop/training at the BRICS Customs Training Centre in Bengaluru based on the areas of interest expressed by Member countries.

New Development Bank: Considering the significance of New Development Bank's membership expansion in the overall ambit of the Bank's operations; in terms of supporting the Bank's vision as well as enhancing the Bank's international standing, India has been seeking that the expansion process be carried out with a balanced list with a sufficient number of potential countries including non-borrowing countries is very crucial. The New Development Bank (NDB) established by BRICS in 2015 have grown to Nine (9) approved members with the admission of UAE, Uruguay, Bangladesh and Egypt as new members. With the approval of the Cabinet, the Host Country Agreement was executed in December 2020 between the NDB and India for establishing the Indian Regional Office (IRO) at GIFT City Gandhinagar, Gujarat. This will be the fourth NDB regional office followed by the other member countries namely, Brazil, South Africa and Russia. On NDB's General Strategy (2022-26), the members welcomed the ongoing process of its elaboration on the thematic priorities proposed by the Indian Chair which include unlocking and mobilizing private investments, promoting co-financing avenues with other major Multilateral Development Banks; exploring financing of social infrastructure with a special focus on use of digital technologies, and creating a knowledge hub on infrastructure financing.

Financial Services Cooperation: Another major outcome under the BRICS India Chair ship was the **documentation of 'Country-Specific Experiences of Fintech Applications in MSMEs'.** The case study showcases member countries' experiences on successful and effective utilization of technology and FinTech applications for the MSME sector, with the aim to understand how BRICS countries are making the best use of digital technology to shape their policies and to ensure effective credit flow to their respective MSME sectors, especially in a time of social distancing.

BRICS Finance 2021 Outcomes and Achievements-Central Bank Issues

a) Under the Financial Services Cooperation, the Report on Digital Financial Inclusion in BRICS was tabled. The Report, produced by a team of experts from all the BRICS central banks, covers the initiatives, innovations and reforms undertaken by the BRICS countries to deepen financial inclusion by leveraging on digital technology.

b) Under the Information Security Cooperation, two documents were tabled viz; 'e-Booklet of Information Security Regulations in Finance' and the 'Compendium on BRICS Best Practices in Information Security Risks: Supervision and Control' as comprehensive documents of regulations and best practices under the BRICS Rapid Information Security Channel (BRISC).

c) Under the Contingent Reserve Arrangement (CRA) mechanism, the successful completion of the fourth CRA test run and support the work to improve the framework for coordination between the CRA and the IMF was achieved.

d) The BRICS Economic Bulletin 2021 on the theme 'Navigating the Ongoing Pandemic: The BRICS Experience of Resilience and Recovery' and the first BRICS Collaborative Study titled 'COVID19: Headwinds and Tailwinds for Balance of Payments of BRICS'. The Bulletin covers various aspects of the BRICS economies, impacted by the COVID-19 pandemic, such as divergent economic recovery, inflation risks, fiscal stress, external sector performance, financial sector vulnerabilities and other macroeconomic risks. The Collaborative Study highlights the severe economic disruptions caused by the pandemic globally and in the BRICS economies, resulting in sharp current account adjustments both in value and volume terms, as also volatility in capital flows.

e) Another area of discussion was cooperation among the BRICS Payments Task Force (BPTF) and the 'BRICS Local Currency Bond Fund' initiative and its effective operation.

BRICS Summit 2021

Prime Minister, Shri Narendra Modi chaired the 13th BRICS Summit virtually on 13th September, 2021. The Summit saw the participation of all other BRICS Leaders - President Jair Bolsonaro of Brazil, President Vladimir Putin of Russia, President Xi Jinping of China, and President Cyril Ramaphosa of South Africa. The Leaders adopted the XIII BRICS Summit- New Delhi Declaration during the Summit.

III. G24

The Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development, or The Group of 24 (G-24) was established in 1971 as a chapter of the Group of 77 in order to help coordinate the positions of developing countries on international monetary and development finance issues, and to ensure that their interests are adequately represented in negotiations on international monetary matters. In particular, the G-24 focuses on issues on the agendas of the International Monetary and Financial Committee (IMFC) and the Development Committee (DC) as well as in other relevant International fora. Though originally named after the number of founding Member States, it now has 28 Members[2] (plus China, which acts as a Special Invitee since 1981).

[2]*G-24 member countries are: Algeria, Argentina, Brazil, Colombia, Congo (Democratic Republic of), Cote D'Ivoire, Ecuador, Egypt, Ethiopia, Gabon, Ghana, Guatemala, Haiti, India, Iran, Kenya, Lebanon, Mexico, Morocco, Nigeria, Pakistan, Peru, Philippines, South Africa, Sri Lanka, Syria, Trinidad and Tobago and Venezuela.*

The governing body of the G-24 meets twice a year, preceding the Spring and Fall meetings of the International Monetary and Financial Committee and the Joint Development Committee of the World Bank and the International Monetary Fund (IMF). The plenary G-24 meetings are addressed by the heads of the IMF and the World Bank Group as well as by senior officials of the United Nation (UN) System. Issues are first discussed by the Deputies and culminate at the Ministerial level by the approval of a document that sets out the consensus view of member countries. The Ministerial document is released as a public Communiqué at a press conference held at the end of the meetings. Decision making within the G-24 is by consensus.

The last G-24 Ministers and Governors Meeting was held virtually on October 11th, 2021. It was chaired by Governor of the Central Bank of the Islamic Republic of Iran and was followed by the adoption of a Communiqué. The discussions were focused on securing inclusive and sustainable growth for the global economy which will require international cooperation to provide widespread access to and distribution of affordable vaccines, ensure adequate external financial support to meet sustainable development goals and maintain financial market stability.

IV. OECD

The Organization for Economic Cooperation and Development (OECD), founded in 1961, is a global think tank that works on a host of economic and development issues. Today, there are 37 OECD members[3] spanning from South America to Europe and Asia Pacific including several advanced economies and three emerging market economies (Mexico, Chile, Turkey). All OECD members are signatories to1960 Convention on the OECD and are committed to democracy and market economy.

India engages with some of the key OECD bodies through participation in the meetings of committees, their related bodies and global fora. Additionally, India and OECD engage in bilateral activities, periodic reviews and sector- specific publications. OECD also publishes the OECD Economic Survey of India that is usually done on a two-year cycle. Till date, 5 Surveys have been published with the last one being released in December 2019.

[3]*The membership of OECD is constituted by **27 European countries** (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey and United Kingdom), **5 from America** (Canada, Chile, Colombia, Mexico, and the United States), **1 from West Asia** (Israel), **2 from East Asia** (Japan and South Korea), **2 from Asia Pacific** (New Zealand and Australia).*

V. SAARC & SDF:

Framework on Currency Swap Arrangement for SAARC Member Countries:

"Framework on Currency Swap Arrangement for SAARC Countries" was approved by the Government of India on March 1st, 2012. The Framework was formulated with the intention to provide a line of funding for short term foreign exchange requirements or to meet balance of payments crises till longer term arrangements are made. Under the facility, RBI offers swaps of varying sizes to each SAARC member country (Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka) depending on their two months import requirement and not exceeding US$ 2 billion in total, in US$, Euro or INR subject to a floor of USD 100 Million and a maximum of USD 400 million. Apart from the country specific limits, there is also a provision of 'Standby Swap' of USD 400 Million within the approved Framework to be operated from the unutilized balance available, within the overall size of the Facility of USD 2 billion.

Till date, the validity of the framework has been extended from time to time. The 'Framework on Currency Swap Arrangement for SAARC Countries' was last extended till 13th November, 2022. During FY 2021- till date, the facility has been availed by Maldives, Bhutan and Sri Lanka.

SAARC Development Fund: SAARC Development Fund (SDF), headquartered in Thimphu, Bhutan, was established and inaugurated in 2010 by the SAARC Member countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) to promote the welfare of people of the SAARC region, to improve their quality of life and to accelerate economic growth, social progress and poverty alleviation in the SAARC region. The Fund serves as the umbrella financial institution for SAARC projects and programmes. It is aimed to contribute to regional cooperation and integration through project collaboration. The projects that the SDF aims to fund fall under three broad categories/ windows namely, Social, Economic and Infrastructure. In India, IER Division of Department of Economic Affairs, M/o Finance is the Counterpart Agency for all SDF related matters.

Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC): BIMSTEC, a regional organization, came into being on 6th June 1997 through the Bangkok Declaration. It comprises of seven Member States lying in the littoral and adjacent areas of the Bay of Bengal - Bangladesh, Bhutan, India, Nepal, Sri Lanka, Myanmar and Thailand. DEA, Ministry of Finance handles the financial cooperation issues under the BIMSTEC Forum.

10. Aid Accounts & Audit Division :

10.1 AAAD under Department of Economic Affairs implements the financial covenants of external Loans/ Grants received by Government of India from various Multilateral and Bilateral donors. Main functions handled by this Division are processing the claims received from Project Implementing Authorities of externally aided projects, to draw down the funds from various external funding agencies and timely debt servicing liability of Government of India in respect of availed external loans. Besides, this Division is also responsible for maintaining loan records, external debt statistics, publication of external assistance brochure on annual basis, and framing of estimates of external aid receipts and debt servicing. In addition, audit of import licenses issued by DGFT offices for Export Promotion is also conducted by this Division.

10.2 Performance/Achievements During Financial year 2021-22 (as on 30th November, 2021)

10.2.1 Total of 1403 live loan/Grant are being handled by AAAD. Out of these, 387 loan/Grants accounts are in disbursement mode. Rest of the loans are live from debt servicing point of view.

10.2.2 External receipts of Loans on Government Account during financial year 2021-22 (upto 30th Nov. 2021) is ₹41144.91 crore. In addition to loan receipts, a sum of ₹116.85 Crore has been received as Cash Grant.

10.2.3 A comparative position of receipts and repayment/payment in the current year as on 30th Nov 2021 as compared to corresponding figures of previous financial are as under:

In ₹ crore

Sl. No	Description	2020-21 (Actual)	2020-21 (as on 30th Nov., 2020)	2021-22 (as on 30th Nov., 2021)
1	Receipts (Loans and Grants)	118448.15	70983.54	41261.77
2	Payment of (Principal and Interest)	43152.62	27317.33	25926.21
3.	**Net Transfer (1-2)**	**75295.53**	**43666.21**	**15335.56**

10.3 E-Governance

10.3.1 The Activities of AAAD have been fully computerized since April 1999. A software known as "Integrated Computerised System" (ICS) is working. This covers all the activities in the loan cycle i.e. preparation of Estimates for External Assistance for receipt as well as repayment, preparation of Annual External Assistance Brochure, processing of claims, repayment of debt and maintenance of Debt Records. All the Officers/Staff members of this Division are well versed with the functioning of this system.

10.3.2 IT-application is being promoted by way of accepting and processing/forwarding of the draw down claims from various PIAs. PIAs have been provided software support for processing the e-claims. Such software is being utilized by the PIAs to maximum extent. E-claims in the form of SOE/Interim unaudited Financial Report (IUFR) ensure faster disbursals. In case of World Bank, claims are processed in E-disbursement mode through the World Bank's software client connection from this Division to World Bank.

10.3.3 The customized software of this division (ICS) is being upgraded with a Technical Assistance (TA) from. Asian Development Bank (ADB). The system is being tested to check functional and user requirement. The testing is likely to be complete by January, 2022. After parallel run of new system for three months, system will go live by **May, 2022 middle or by June, 2022.**

10.4 Trainings & Facilitation

10.4.1 In order to familiarise the officers/staff of the Project Implementing Authorities, trainings on E-submissions are organized by this Division from time to time. As a result of initiatives taken by this Division more claims are being received in e-claim forms. In 2021-22, Training Programme could not be conducted due to Pandemic.

10.4.2 In order to increase the capacity of the officers and staff of this division. Nomination of the officer are sent to ISTM and other training centres for training. The areas covered under the trainings comprises of ethics in Governance and Administration, O&M, Cash and Budget and financial management.

10.4.3 This office facilitates other ministries, state officials; CPSUs in understanding the fund flow mechanism in case of externally aided projects. The data maintained by this division is shared with various Central and State Government organisations for use in different reports and analysis.

10.5 Standards & Improvements in service deliveries

10.5.1 All the activities of this division have been organised hierarchically and standards in terms of time span at each level for their accomplishment have been defined. The standards set out are being adhered to by close monitoring. Stakeholders of this division are well defined consisting of three broad groups i.e. Project Implementing Authorities External Funding Agencies and others. Service to be rendered to these groups is also well defined i.e. smooth and quick disbursal of the Loans/ Grants, timely debt servicing and to provide management information as and when required.

10.5.2 To ensure continuous improvement in the performance standards, Management Review Meeting (MRMs) are being held. In MRMs performance is critically reviewed. Methods/suggestions for maintenance/ improvement of the service delivery standards are discussed.

10.5.3 This division is ISO 9001:2015 certified division. This certification provides additional assurance to all the stakeholders with respect to the stated standards of this division. The terms and conditions of the certification are ensured through annual surveillance audit. Recertification of ISO Certificate of this Division was carried out by URS on 30.06.2021. Based upon their findings the ISO Certificate has been recertified.

10.6 Audit of Import Licences

10.6.1 AAAD carries out audit of Import Licenses issued by licensing offices of the Director General of Foreign Trade located at 26 stations for promotion of Export. Due to pandemic audit of Licensing Offices could not be undertaken. However during this period more thrust was on settlement of outstanding paras. As a result of settlement a sum of ₹154 lakh has been recovered till 30th November, 2021 compared to same period of previous year based upon audit findings recovery of ₹1420 lakh.

11. Administration Division

11.1 Functions

11.1.1 Administration Division is responsible for personnel and office administration, implementation of Official Language policy of the Government, implementation of the Right to Information Act, 2005, redressal of public grievances, training of officials, Record Retention Schedule, Complaints Committee on Sexual Harassment of Women Employees etc.

11.2 Staff Strength

11.2.1 The staff strength in Department of Economic Affairs and its attached/sub-ordinate offices/statutory bodies along with the representation of Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and persons with Disabilities (PwDs) therein is given in Annexure I & II respectively. The information regarding Pending ATN on PAC in respect of Admn.III is NIL.

11.3 Complaints Committee on Sexual Harassment of Women Employees

11.3.1 A Complaints Committee for considering complaints of sexual harassment of women employees in Department of Economic Affairs is in existence in the Department.

11.4 Training of Staff Members

11.4.1 Department of Economic Affairs deputes its officials for training to ISTM and other institutes to increase their efficiency and improvement in the quality of their work. During the period 1.1.2021 to 30.11.2021 a total of 316 officials were nominated for the trainings of different levels, which were conducted by the Institute of Secretariat Training and Management (ISTM), New Delhi, C-DAC, Hyderabad (on Cyber Security) and other Institutes.

11.5 Redressal Of Public Grievances:

11.5.1 A Centralized Public Grievances Redressal and Monitoring System (CPGRAM) is operational within the Government which attends to all the Public Grievances related to various Ministries/ Departments. During the year 2021, a total of 3238 fresh public grievance cases were received in the Department besides 274 brought forward from the previous year. Out of these 3512 cases, 3298 cases were disposed off during the year. Apart from these, 397 Covid-19 Public Grievances were also received and the same were disposed of. Further, 162 Appeals against the disposal of grievances were received and 155 Appeals were disposed of. Adviser (IER & Admn.) is functioning as the Nodal Officer for Public Grievances in Department of Economic Affairs.

11.6 Right To Information Act, 2005

11.6.1 In order to facilitate dissemination of information under the provisions of the Right to Information Act, 2005, Department of Economic Affairs has taken the following actions :

(i) An RTI Section is in operation in DEA to collect, transfer the applications under the RTI Act, 2005 to the Central Public Information Officers/ Appellate Authorities/Public Authorities concerned and to submit the quarterly returns regarding receipt and disposal of the RTI applications/ appeals to the Central Information Commission.

(ii) Details of the Department's functions along with its functionaries etc. have been placed on the

RTI portal of the Departments official website (www.dea.gov.in)as required under section 4(1) (b) of the RTI Act.

(iii) All Under Secretaries/Deputy Directors/Assistant Directors, Sr. Accounts Officers and Economic Officers level officers have been designated as Central Public Information Officers (CPIOs) under section 5 (1) of the Act, 2005 in respect of subject being handled by them.

(iv) All Deputy Secretaries/Directors have been designated as First Appellate Authorities in terms of Section 19 (1) of the Act, 2005 in respect of US/DD/AD and EO working under them and designated as CPIOs.

(v) The list of CPIOs and AAs is updated and uploaded time to time in the website of DEA for facilitation of the viewer and RTI applicants. To facilitate the receipt of applications under the RTI Act, 2005 a provision has been made to receive the applications at the facilitation counter of the Department at Gate No. 8, where RTI Cell has been shifted. The applications are received and further forwarded to the concerned CPIOs/Public Authorities.

(vi) The RTI application can be filed through online www.rtionline.gov.in. The RTI applicant can see their application status including reply of their question through the website. Further, transfer of application can also be done online. These all process has resulted in significant reduction in processing RTI application.

(vii) During the period from 1st January, 2021 to 30th November, 2021, 3219, RTI applications and 250 First Appeals were received in the Department. An amount of Rs. 4604/- (Rupees Four Thousand Six Hundred and Four only) has been collected as RTI fees and Documents fee under the RTI Act.

11.7 Use of Hindi in Official work

11.7.1 The progress of implementation of various programs under the Official Language Policy has been continuously reviewed during the year under report.

11.7.2 All documents were presented bilingual in Parliament. Section 3(3) of the Official Language Act, 1963 and Rule 5 of the Official Language Rules, 1976 made thereunder and other instructions issued by the Department of Official Language were fully followed. During the year, several steps were taken in the department to increase the use of Hindi in official work.

11.7.3 Due to Covid-19 lockdown many official language activities were disrupted. However, as soon as the conditions became normal, the official language related activities initiated in the department are as follows:

I. Hindi month

Like other years this year also during 1st September 2021 to 30th September 2021 'HINDI MONTH' was organised in the Department. On this occasion honorable Minister of state for Finance released a message on 14th September 2021, 'HINDI DIWAS' in the Ministry of Finance and its subordinate offices in which he appealed to all its officers and officials to do their work maximum in official language, Hindi. During this period many competitions were organised to encourage Hindi in their official work with maintaining social distancing as per government rules.

II. Bilingual Website

The website of the Department is bilingual. Besides other material, all budget document, economic survey and other publications and important circulars were uploaded simultaneously in Hindi and English.

III. Official language inspection

Inspection of Subordinate Offices: Security paper mill, Hoshangabad was inspected on 17-18 August, 2021 to ensure compliance with the Official Language Act, rules made thereunder and annual program and orders and instructions relating to the official language. Joint Director (OL), PPS and Section Officer participated in this inspection.

IV. Dispatch of quarterly progress report

Like every year this year too quarterly progress report from all sections/divisions were collected. Ministry's correspondence in Hindi is about 50%. The consolidated Quarterly Report sent to official language Department, MHA.

V. Official Language Implementation Committee meetings

However, due to Covid-19, Official Language Implementation Committee meetings could not be held regularly.

VI. Circulation of Annual Program

Annual Programme 2021-2022, issued by Official Language Department, MHA, was circulated among all sections/divisions of the Department along with subordinate offices and its link has been published on the dashboard of Department's e-office.

VII. Cleanliness awareness

On the occasion of organizing cleanliness awareness various competition like slogan, Essay and drawing competitions were organized in the month of November to create awareness among all the employees of the office. Prize distribution to the winner will be done this year.

VIII. Projected Schemes

(i) In the month of March, a Hindi workshop related to the Official Language will be organized with the objective of bringing the information about the Official Language Policy and the instructions related to it, as soon as the budget related work and economic review is done.

(ii) The scheme related to Original book writing in Hindi 2021-22 will be circulated in the department.

(iii) During the year, 11 RTI cases related to Hindi section were received and it has been completed.

(iv) Under official language activities, there is a plan to inspect all the sections/divisions of the department on official language usage.

IX. Hindi Translation work

All Budget documents are presented to the Parliament in Hindi and English. Besides Budget documents, Hindi translation Branch has also prepared Hindi versions of Supplementary Demands, Economic Classification Report, Reports on Public Statistics and Status Report of External Debt, FRBM Quarterly Reports which were laid before the Parliament.

The translation of other Official Documents as envisaged in the Official Languages Act, 1963 and Rules made there under was also under taken by the Hindi Branch during the year under report. These include agreements with Foreign Governments and international Agencies, Cabinet Notes, Parliament Questions/ Assurances, Notifications, Standing Committee Papers, Action Taken Reports, Monthly Summary for the Cabinet, Official letters and External Funding Report.

11.8 Finance Library & Publication Section

11.8.1 Introduction

11.8.1.1 Finance Library & Publication Section was established in 1945. Finance Library functions as the Central Research and Reference Library in the Ministry and caters to the needs of Officials of all the Departments of the Ministry of Finance, Ad-hoc Committees and Commissions set from time to time and research scholars from the various Universities in India as well as abroad. This Library also serves as the Publications Section of the Ministry, coordinating in the procurement and distribution of official documents with the various institutions/individuals on demand in India and abroad.

11.8.2 Collection

11.8.2.1 Library has specialized collection of around two lakh documents on Economic and Financial matters and subscribe to more than 800 periodicals/newspapers annually and databases like Agriwatch, CMIE, Indiastate and access to e-journals and back-filed collection through JSTOR is also available.

11.8.3 Services

11.8.3.1 Library provides different kinds of services viz. lending, inter-library loan, consultation, reprographic, circulation of newspapers and magazines, reference service, the Finance Library also undertakes the work of distribution of publications of Ministry of Finance and Reserve Bank of India to State Governments, Foreign Governments and renowned institutions in India as well as abroad.

11.8.4 Digital record

11.8.4.1 Indian Official Documents relating to Economic and Finance Subject (Center and State since independence) and Ministry of Finance Gazette Notifications published in the Pt. 2 Sec. 3 Sub-section (i) (ordinary) for the year 1955 to 1990 has been digitized. So far around 02 TB Data has been digitized and available in digital format.

11.8.5 Computerisation

11.8.5.1 The Library is fully automated. The Library uses LIBSYS Library package for database management, retrieval, Library automation and other in-house jobs. The internet facility is also available in the Library through which information is provided to the Officers of Ministry of Finance.

11.8.6 Other works

i. Modernization and infrastructure improvement was undertaken by the Library and 95% work has been completed.

ii. The work of reimbursement of newspapers and magazines of DEA is also undertaken by the Finance Library.

iii. This Library also serves specifically as the Publications Section of the Ministry; coordinating in the procurement and distribution of official documents with the various institutions/ individuals on demand in India and abroad.

12. Bilateral Cooperation & Sustainable Finance Division

12.1 Bilateral Cooperation & Sustainable Finance Division deals with the following functions:

a. **Bilateral Official Development Assistance Policy:** Bilateral Development Assistance from all G-8 countries, namely, USA, UK, Japan, Germany, France, Italy, Canada and Russian Federation as well as the European Union and Republic of South Korea and the policy relating to it.

b. **Lines of Credit (LoCs) extended by Government of India under Indian Development and Economic Assistance Scheme (IDEAS) and under Concessional Financing Scheme (CFS)**

c. **Economic Policy Dialogues and Forums:** BC Division deals with following dialogues/ meetings-

- India-UK Economic and Financial Dialogue
- India-US Economic and Financial Partnership
- Indo-French Bilateral Dialogue on Economic and Financial Issues
- India-Korean Finance Minister's Meeting
- India- Japan Strategic Dialogue on Economic Issues,
- India- Switzerland Financial Dialogue
- India-EU Macro-economic Dialogue
- India-China Financial Dialogue
- India- Australia Economic Policy Dialogue
- India-New Zealand Economic Policy Dialogue
- India-German Finance Ministry Senior Officers Meeting
- International Platform on Sustainable Finance
- India-Korea Working Group Meeting

d. **UNDP and Sustainable Finance**

e. **Short-term Foreign Training Courses:** The Division is the focal point for administering all short-term foreign training courses of the duration up to four weeks offered by various international agencies.

A. Bilateral Official Development Assistance Policy

12.2 Bilateral Official Development Assistance Policy:

12.2.1 India has been accepting external assistance from bilateral partners in the form of loans, grants and technical assistance for development of infrastructure, social sector and for enhancement of knowledge/skills of Indian nationals at both Centre and States level. As per the guidelines issued by this Department in 2005, bilateral development assistance can be accepted from all G-8 countries, namely USA, UK, Japan, Germany, France, Italy, Canada and the Russian Federation as well as from the European Commission. European Union countries outside the G-8 can also provide bilateral development assistance to India, provided they commit a minimum annual development assistance of USD 25 million.

12.2.2 A revised set of guidelines on Official Development Assistance for Development Cooperation with bilateral partners were issued in December, 2015. After issuance of revised guidelines, the Republic of South Korea has been recognized as bilateral partner country for accepting Official Development Assistance from them.

12.3 Bilateral Development Cooperation with Japan

12.3.1 Japan-Official Development Assistance:

12.3.1.1 Japan has been extending Official Development Assistance (ODA) to India since 1958. Japanese ODA in the form of loan assistance, grant aid and technical assistance to India is received through Japan International Cooperation Agency (JICA). Japan is the largest bilateral donor to India.

12.3.1.2 Government of Japan has committed JPY 276.296 billion (₹19,521 crore approx.) for 7 projects to India from January 1, 2021 to November 30, 2021. As on November 30, 2021, 72 loan projects are under implementation with Japanese loan assistance. The loan amount committed for these projects is JPY 3095.806 billion (₹1.88 lakh crore approx.). The cumulative commitment of ODA loan to India has reached JPY 6,515 billion on commitment basis till November 30, 2021.

12.3.1.3 The ODA loan disbursement to India from January 1, 2021 to October 31, 2021 was JPY 297.30 billion (₹21,374.24 crore).

12.3.2 Grant in Aid

12.3.2.1 The Government of Japan provides Grant in Aid to India under the following sectors and criteria:

i) Criteria:

a) Development impacts;

b) Utilization of Japanese technology/know-how and likelihood of its dissemination to other areas.

ii) Sectors:

a) Transport sector, including projects using information and communication technology (ICT) and road projects with slope protection measures (potential line ministries could include Ministry of Road Transport and Highways, Ministry of Housing & Urban Affairs, etc.)

b) Power sector, including small-scale hydro power projects and solar power projects (potential line ministries could include Ministry of Power, Ministry of New and Renewable Energy, etc.)

12.3.2.2 There are three (3) ongoing Grant-in-Aid projects viz. a) The Project for Implementation of Advanced Information and Management System in Core Bengaluru b) Construction of the International Cooperation and Convention Centre in Varanasi and c) The Economic and Social Development Programme (Provision of Medical Equipment)

12.3.3 Technical Cooperation Programme

12.3.3.1 Technical Cooperation aims at transfer of technology and knowledge in a bid to develop and improve human resources and thus contribute to the Socio-Economic Development of India. The Technical Cooperation covers a broad spectrum of fields ranging from basic human needs to Agriculture and Industrial Development.

12.3.3.2 The main components of Technical Cooperation are (i) Technical Cooperation Projects, (ii) Technical Cooperation by Experts, (iii) Technical Cooperation by Training, (iv) Technical Cooperation by Development Planning.

12.3.3.3 There are **14 ongoing projects** under Technical Cooperation Programme.

12.3.4 JOCV Programme

12.3.4.1 JICA's volunteer programs, such as Japan Overseas Cooperation Volunteer (JOCV), support a wide range of local activities by Japanese citizens who intend to cooperate in the economic and social development as well as in the reconstruction of emerging countries. Through these cooperation activities, participating volunteers can, not only contribute to the development of partner countries but also gain valuable experience in terms of international goodwill, mutual understanding and an expansion in their international perspectives.

12.3.4.2 During 1st January 2021 to 30th November 2021, 7 proposals were posed to Embassy of Japan and No-objection to 1 Volunteer was issued.

12.3.5 JICA Partnership Programme

12.3.5.1 Recognizing the growing importance of NGOs in international cooperation, the JICA Partnership Programme (JPP) was introduced in 2002. JPP is a technical cooperation program implemented by JICA to contribute to the social and economic development of developing countries at the grass-roots level, in collaboration with partners in Japan, such as NGOs, universities, local governments and public interest corporations while applying for JPP, Indian NGOs are advised to seek a Japanese partner to take part in the scheme. This has two components:

1. Japanese NGO / Institution / Local Government through JICA will support Indian organization with Japanese expert personnel, equipment provision and Financial support through FCRA route;
2. Japanese NGO / Institution / Local Government through JICA will provide training of Indian personnel in Japan.

12.3.6 Grassroots Funding

12.3.6.1 The Government of Japan also provides small assistance to Indian NGOs under its Grassroots Funding Programme through FCRA route on receipt of no objection from DEA.

12.3.6.2 During 1st January 2021 to 30th November 2021, DEA has cleared 9 GFP proposals.

12.3.7 Green Aid Plan

12.3.7.1 The Government of Japan (Ministry of Economy, Trade and Industry) provides technical assistance under Green Aid Plan through agencies like New Energy and Industrial Development Organization (NEDO), an organization of METI. The areas of cooperation are prevention of water pollution, air pollution, treatment of wastes and recycling and energy conservation and alternative energy source. Model projects are carried out by NEDO on the basis of the MoU signed by NEDO with Department of Economic Affairs, the concerned line ministry and the implementing agency. NEDO sends Japanese experts to Indian organizations to impart training and conducts training programmes in Japan.

12.4 Bilateral Development Cooperation between India and Germany

12.4.1 Germany, through their Ministry for Economic Cooperation & Development (BMZ) , has been providing both financial and technical assistance to India since 1958. In 2008, the German Ministry for the Environment, Nature Conservation and Nuclear Safety (BMUB) also initiated assistance under German Government's 'International Climate Protection Initiative (IKI)', which is an additional instrument of the German Government over and above and without undermining the existing sources of Official Development Assistance. Priority areas of Cooperation includes: Energy, Sustainable Urban Development as well as Environment and Management of Natural Resources.

12.4.2 Germany implements its financial assistance programmes through KfW, the German Government's Development Bank. The technical assistance programmes are implemented through GIZ (earlier GTZ) - a fully-owned corporation of German Government. Financial Assistance is provided as Reduced Interest Loan (EURIBOR-based loan) as well as Financing grants. The technical assistance is provided in the form of grant and services by project experts.

12.4.3 Major areas of cooperation:

(a) Indo-German Solar Partnership for transformation of energy generation through stronger utilization of solar energy.

(b) Indo-German Energy Forum: Green Energy Corridors for financing transmission infrastructure for integrating additional renewable energy capacities into the grid and ensuring grid stability.

(c) Sustainability Development to address the challenges and transform cities into sustainable living environment. The Smart City Mission envisages providing green, modern infrastructure services to Indian cities and their population.

(d) In light of the Indian Ganga Rejuvenation Mission, the cleaning of rivers was identified as one of the key areas of future strategic partnership as mentioned in the Joint Statement of Hannover in April, 2015.

(e) Indo-German Green Urban Mobility to finance projects for efficient public transport systems

12.4.4 Under bilateral development cooperation programme, apart from high-level visits, two annual meetings at the level of Joint Secretary/ Additional Secretary (Bilateral Cooperation) i.e. Indo-German Annual Consultations and Indo-German Annual Negotiations are held, generally during 2nd quarter and 4th quarter of the year respectively. In the Annual Consultations, apart from the policy issues, the discussion on ongoing projects and new projects and review of ongoing projects are made. In Annual Negotiations, the Government of Germany makes commitments of funds for new projects as well as for additional funding for ongoing projects. On an average Germany makes an annual commitment of Euro 1 billion. The Indo-German Annual Negotiation meeting 2021 was held through virtual mode on 24th November 2021. The total volume of funds committed by the German side for Technical and Financial Cooperation projects and programmes in 2021 amounts to EUR 1292.61 million (EUR 1235.5 million FC and EUR 57.11 million TC). The cumulative volume of commitment made by the Germany for bilateral Technical and Financial Cooperation till 2021 amounts to EUR 21.91 billion.

12.4.5 At present, there are 34 ongoing projects receiving financial assistance from KFW to the tune of 4.25 billion Euros from Germany. Some of the major ongoing projects funded by Germany include Nagpur Metro Rail project, Green Energy Corridor projects in various states of India, Environment friendly urban development in Ganga States, Climate Friendly Urban Mobility Integrated Water Transport Kochi etc. Germany had extended assistance to India in form of Euro 460 million DPL through KFW, Euro 40 million grant through UNICEF and Technical Assistance through GIZ during the COVID 19 pandemic.

12.5 Bilateral Development Cooperation with AFD, France

12.5.1 The Government of France has been extending development assistance to India since 1968.

12.5.2 In 2006, Government of France proposed to provide untied development assistance to India through the French Agency for Development (AFD). In this regard, an inter-governmental Agreement was signed between the two Governments on 25.01.2008 during the State visit of French President Mr. Nicholas Sarkozy to India.

12.5.3 AFD has been entrusted with a strategic mandate tailored to the Indian Government's priorities. It is implemented through three main focuses for cooperation: Promote sustainable and integrated urban development; Encourage energy efficiency and renewable energy development; Conserve the country's biodiversity and natural resources.

12.5.4 Since 2008, total net cumulated funding by AFD amounts to EUR 2.2 billion (equiv. to more than 16,800 cr INR), these funding were provided through ODA-compliant loans, on a sovereign and non-sovereign basis. On an average AFD makes annual commitment of Euro 250 million. In 2021, loan agreement worth Euro 250 million for Surat Metro Rail project was signed.

Major areas of ongoing cooperation are in the field of:

a) Cooperation in the field of public transport sector;

b) Smart City Mission and

c) Water, Environment and Biodiversity sector.

12.5.5 In addition to the loans it allocates in India, AFD can set up technical assistance programs which aim to build the expertise of its counterparties. AFD benefits from a close partnership with the European Union for this purpose in the context of fund delegations. At present there are 8 ongoing loans of AFD, both sovereign and non-sovereign loans under the Development Cooperation. A development policy loan for Euro 200 million on social protection measures for COVID 19 was arranged by Government of France through AFD.

12.5.6 French Government also provides technical assistance in the form of FASEP facility Scheme. FASEP facility is managed by the Treasury and Economic Policy General Directorate of the French Ministry of Economy, Finance and Industry. Under this facility, grants are provided to finance technical cooperation in the area of infrastructure projects (water, sanitation, solid waste, environment, transport, energy).

12.6 Bilateral Development cooperation with Republic of Korea:

12.6.1 In the Joint Statement for Special Partnership signed during the Prime Minister's visit to Republic of Korea (RoK) during May 18-19, 2015, it was agreed to upgrade the bilateral relationship between the two countries to a 'Special Strategic Partnership' and to expand it into a wide range of areas. Accordingly, RoK was accepted as bilateral partner for development cooperation during October, 2016. In the 5th India-Korea Finance Minsters' Meeting held on June 14, 2017 in Seoul, an Economic Development Cooperation Fund (EDCF) Agreement was signed between the two Governments for US$ 1 billion Official Development Assistance (ODA) to India.

12.7 European Union (EU) Development Cooperation

12.7.1 The European Union (EU) provides development assistance to India in the form of Grants. The priority areas include environment, public health and education. Since 2014, the financial component of development assistance from EU was discontinued, however technical cooperation and exchange of best practices remains active in three lines (i) in areas of mutual interest (ii) in areas relevant to the Sustainable Development Goals with civil society organizations and (iii) at a regional level to address global challenges.

12.7.2 Presently, the operational implementation phase of only ongoing technical assistance project, namely Support to Renewable Energy, Clean Technologies and Energy Efficiency in India has recently concluded on September 30, 2021 while the closure/execution phase of 24 months is undergoing.

12.8 European Investment Bank (EIB)

12.8.1 Investments in India by European Investment Bank (EIB)

12.8.1.1 The European Investment bank is the European Union's financing institution which was established in 1958 under the treaty of Rome (1957) to provide financing for capital investment. The members of the EIB are the member States of the European Union, who have all subscribed to the Bank's capital. Outside the European Union, EIB financing operations are conducted principally from the Bank's own resource but also, under mandate, from Union or Member States' budgetary resources. Under these arrangements, the EIB's funds are utilized to finance investments in countries signatory to Cooperation Agreement with the EU.

12.8.2 EIB in India:

12.8.2.1 EIB's activities in India emanate from the Joint Action Plan (JAP) of the Strategic Partnership between the EU and India. EIB intends to increase its lending activities focusing mainly on environmental sustainability and large infrastructure project through FDI, transfer of technology and know-how. EIB investments in India are governed by the Framework Agreement for Financial Cooperation. This agreement was signed between India and EIB on 25th November 1993 by the Charge d' Affairs of India at Brussels. The Framework Agreement was initially valid for a period of three years and later it was extended sine die vide amendment dated 24th November 1998.

12.8.3 EIB loan signed during 2021-2022 by DEA, GOI

12.8.3.1 DEA signed a Finance Contract for the second tranche loan of up to Euro 150 million with EIB for Pune Metro Rail Project on May 7, 2021

12.9 Bilateral Development Cooperation with United Kingdom

12.9.1 The United Kingdom (UK) has been providing development assistance to India since 1958. The assistance from the UK, through its Department for International Development (DFID), flows to mutually agreed government projects and programmes in the form of financial and technical assistance. The Development assistance is received mainly for achieving the Sustainable Development Goals (SDGs). Presently, Odisha, Madhya Pradesh and Bihar are the three focus states of DFID.

12.9.2 With effect from January 2016, all new development cooperation programmes by the UK Government have been either Technical Assistance (TA) programmes focused on sharing skills and expertise, or in investments in private sector under PSDI projects focused on helping the poor.

12.9.3 With effect from September 2, 2020, the UK side has informed that the Foreign and Commonwealth Office (FCO) and the Department for International Development (DFID) have ceased to exist. The Foreign, Commonwealth and Development Office (FCDO) will take on responsibility for Memorandums of Understanding and other contracts agreed by either the Foreign and Commonwealth Office or the Department for International Development.

12.10 Bilateral Development Cooperation with USA

12.10.1 U.S. Agency for International Development (USAID)

12.10.1.1 The United States of America bilateral development assistance to India started in 1951 and it is mainly administered through the USAID. Since its commencement, USAID has provided economic assistance of over US $ 17 billion to India in various sectors for over 555 projects. Currently, following seven projects are being implemented by USAID in partnership with GOI for which US $ 70 million (approx.) has been committed during this year:

i. Partnership Agreement for Agri. & Food Security Program;

ii. Partnership Agreement for Sustainable Forests and Climate Adaptation Program;

iii. Partnership Agreement for Water, Sanitation and Hygiene (WASH);

iv. Partnership Agreement for Renewable Energy Technology Commercialization & Innovation;

v. Partnership Agreement for Health Project;

vi. Disaster Management Support Project; and

vii. Partnership Agreement for the Energy Efficiency Technology Commercialization and Innovation Project.

12.10.1.2 USAID also extended support to India's fight against COVID-19 by providing 'in-kind' assistance under the Health Partnership Agreement. Assistance comprised of supplies like Oxygen Cylinders, Oxygen Regulators; Pulse Oximeters; Abbott RDKs; N-95 Face Masks.

12.10.2 United States Trade and Development Agency (USTDA)

12.10.2.1 USTDA promotes economic growth in emerging economies by facilitating the participation of U.S. businesses in the planning and execution of priority development projects in host countries. Since 1992, the U.S. Trade and Development Agency has supported over 100 priority development projects in India with public and private sector sponsors.

12.10.3 International Development Research Centre (IDRC)

12.10.3.1 The Canadian bilateral development assistance to India is received through IDRC - an entity created and funded by the Parliament of Canada. IDRC supports research activities in developing countries to promote growth, reduce poverty, and drive large-scale positive change. In India, IDRC extends grant assistance to various Govt. and Non-Govt. organizations for research projects in the field of agriculture, health and family welfare, etc.

B. Concessional Credit extended by Government of India under IDEAS and CFS

12.11 Lines of Credit (LoCs) extended to developing countries under Indian Development and Economic Assistance Scheme (IDEAS).

12. 11.1 Lines of Credit (LoCs) form an important component of India's diplomatic strategy and have been very useful in generating goodwill and building long term partnerships. GoI extends Lines of Credit to Developing African and Non-African Countries through Indian Development and Economic Assistance Scheme (IDEAS). This Scheme was initially known as "India Development Initiative" (IDI) and flows from the announcement made by the Finance Minister in the Union Budget for FY 2003-04. GoI has been extending Lines of Credit to developing countries under IDEA Scheme since 2005-06. Initially proposed to be operated for five years from 2005-06 to 2009-10, the scheme was granted first extension in 2010 from 2010-11 to 2014-15. Second extension to the scheme has been granted in 2015 for another five years i.e. 2015-16 to 2019-2020, with revised set of guidelines with a view to improve efficiency and make the system robust and transparent.

12.11. 2 LoCs are being operated through Export-Import Bank of India, which raises resources from the market and provides LoCs to recipient Governments at concessional rates. GoI backs the LoCs through a Deed of Guarantee in favour of the lending bank to guard against any default by the borrowing Government in payment of interest and principal to the lending bank. GoI also extends Interest Equalization Support (IES) to the lending bank for enabling it to lend on concessional terms.

12.11. 3 As on November 30, 2021, 310 LOCs have been extended to 66 countries for an amount of USD 31.18 billion. Out of this, value of contracts covered under the LOC by EXIM Bank is USD 11.99 billion and disbursements made are USD 8.90 billion. During FY 2021-22 (i.e. April, 2021 to November 30, 2021), 3 LoCs worth USD 257.29 million have been extended to developing countries.

12.12 Credit extended under Concessional Financing Scheme (CFS)

12.12.1 The Concessional Financing Scheme was introduced in September 2015 after obtaining the approval of CCEA to support Indian companies bidding for strategically important infrastructure projects abroad. The guidelines on CFS were revised on 10-08-2018 for the period from 2018-2023.

12.12.2 Under the Scheme, MEA selects the specific projects keeping in view strategic interest of India and sends the same to Department of Economic Affairs (DEA). The strategic importance of a project to deserve financing under this Scheme, is decided, on a case-to-case basis, by a Committee chaired by Secretary (DEA) and with members from Department of Expenditure, Ministry of External Affairs, Department for Promotion of Industry and Internal Trade (DPIIT), Department of Commerce, Department of Financial Services and Ministry of Home Affairs. The Deputy National Security Adviser is also a member of this Committee. Once approved by the Committee, DEA issues a formal letter to EXIM Bank conveying approval for financing of the project under CFS.

12.12.3 The Scheme is being operated through the Export-Import Bank of India, which raises resources from the market to provide concessional finance. GoI provides counter guarantee and interest equalization support of 2% to the EXIM Bank.

12.12.4 Till date, one Project, i.e., 2X660 MW Maitree Super Thermal Power Project of USD 1.6 billion in Rampal, Bangladesh has been approved under the CFS. The project is being implemented by Bangladesh India Friendship Power Company Pvt. Ltd.(BIFPCL), a joint venture of NTPC Ltd. and Bangladesh Power Development Board.

C. Economic Dialogues and Forums

12.13 During the year 2021-22, following dialogues/ meetings were held in the virtual format due to COVID pandemic:

12.13.1 India-UK Economic & Financial Dialogue

12.13.1.1 An agreement was signed between India and UK on Feb 05, 2005 establishing 'Indo-British Economic & Financial Dialogue' at the Ministerial level to be held on alternate basis between India and UK. India-UK Economic and Financial dialogue (EFD) is co-chaired by Finance Minister of India and Chancellor of Exchequer, UK. The first dialogue was held in 2007. So far 11 dialogues have been held and the 11th EFD was held in virtual format on 02.09.2021.

12.13.1.2 During the recently held 11th India-UK EFD concluded with adoption of Joint Statement by Indian Union Finance Minister and Chancellor of Exchequer of United Kingdom and release of the Joint Statement on Climate Finance Leadership Initiative (CFLI) India Partnership.

12.13.2 India-Korea Working Group Meeting:

12.13.2.1 India-Korea Working Group Meeting (WGM) serves as a platform for discussing all the issues pertaining to the financial package offered by Republic of Korea and progress of candidate projects etc. The 8th and 9th India-Korea WGMs were held virtually on July 22, 2021 and October 29, 2021 respectively under the co-chairmanship of Deputy Director General, DEA from Indian side and Director, Ministry of Economy and Finance from Korean side.

12.13.3 India-Australia Economic Policy Dialogue

12.13.3.1 India-Australia Economic Policy Dialogue was established in the year 2008, set-up at level of Joint Secretary, is an annual feature, hosted by both countries on alternate years. So far, nine dialogues have been held between India- Australia. The last dialogue between India-Australia was held in virtual format on 04 November 2020.

12.13.4 India-EU Macro-Economic Dialogue

12.13.4.1 Under the Joint Action Plan for India-EU Strategic Partnership adopted during the India-EU Summit in New Delhi in 2005, it was agreed to "Establish a regular Macro Economic dialogue' on matters of common interest, to exchange information and experience on economic developments in respective economies as well as policy context and global challenges. Accordingly, India-EU Macro Economic dialogue has been held annually since 2007 with venues alternating between New Delhi and Brussels. The first dialogue was held in New Delhi. So far 11 Macro Economic Dialogues have been held. The last dialogue was held on February 19, 2021 (Friday) through video conferencing. Secretary (Economic Affairs) led the Indian delegation, while the delegation from European Union was led by Mr. Maarten Verwey, Director General, Economic & Financial Affairs (ECFIN), European Commission.

D. UNDP and Sustainable Finance

12.14 United Nations Development Programme

12.14.1 UNDP is an agency of the United Nations working in the areas of human development, systems and institutional strengthening, inclusive growth and sustainable livelihoods, sustainable energy, environment and resilience. UNDP is led by the Executive Board which provides inter-governmental support to and supervision of UNDP activities. Currently, India is a member of the Board where the Permanent Representative of India to the United Nations represents India. India's annual contribution to the UNDP has been to the extent of US$ 4.5 million. Besides this contribution, India pays the local office expense to UNDP towards Government Local Office Contributions. DEA is the point of interface between UNDP and any other national or sub-national authorities and agencies in India. DEA decides the amount of voluntary contribution to UNDP and makes local office contribution. All projects implemented by UNDP in India are cleared by DEA.

12.15 Global Environment Facility

12.15.1 It was established on the eve of the 1992 Rio Earth Summit to help tackle earth's most pressing environmental problems. GEF's Secretariat is based in Washington D.C. GEF provides grants for projects related to biodiversity, climate change, chemical waste, international waters and land degradation. The GEF unites 184 countries in partnership with international institutions, civil society organizations (CSOs), and the private sector to address global environmental issues while supporting national sustainable development initiatives.

12.15.2 India is a founder member of GEF. The Executive Director of India in the World Bank Group represents the South Asian Constituency, which includes other South Asian countries, Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka, in the Council of GEF. India in GEF is represented by DEA as Political Focal Point (PFP) and by Ministry of Environment, Forest and Climate Change (MoEFCC) as Operational Focal Point (OFP). The PFP deals with the financing framework of GEF as per which the funds are contributed by the member countries to the GEF kitty. The OFP coordinates all GEF-related activities within a country. The OFP reviews project ideas, checks against eligibility criteria and ensures that new project ideas will not duplicate an existing project.

12.15.3 India is a donor as well as recipient member of GEF. Being the Political Focal Point for GEF, DEA decided voluntary contribution to GEF. India has contributed around USD 78 million to GEF since its inception in 1991. This includes committed voluntary contribution of USD 15 million under the current replenishment cycle i.e., GEF-7 that runs from 2018-2022. Under GEF-7, India has received a total allocation of USD 85.62 million.

12.16 International Platform on Sustainable Finance

12.16.1 International Platform on Sustainable Finance (IPSF) is an initiative taken by the European Commission in the year 2019 and was formally launched on 18th October 2019 at the International Monetary Fund Headquarters, Washington DC. India joined the IPSF as a founding member along with Argentina, Chile, China, Canada, Kenya, Morocco and the European Union. Later, Indonesia, Japan, New Zealand, Norway, Senegal, Singapore, Switzerland, Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong SAR of PRC), the United Kingdom and Malaysia also joined the IPSF. The IPSF includes, as observers: the Coalition of Finance Ministers for Climate Action, the European Bank for Reconstruction and Development, the European Investment Bank, the International Organisation of Securities Commissions, the Network for Greening the Financial System, the Organisation for Economic Co-operation and Development, European Development Finance Institutions, the United Nations Environment Programme - Finance Initiative, the International Monetary Fund, IFRS Foundation, the United Nations development Programme, and the World bank Group.

12.16.2 IPSF would act as a place of exchange for best practices on Sustainable Finance Initiatives. IPSF will enable India to participate in the process of global deliberations on the evolution of Sustainable Finance as a major line of financing for the future in India, in the crucial climate change management sector. The platform is designed as a member driven informal and inclusive entity to facilitate flow of private finance from various pension and public saving funds of EU into environmental sustainable projects, exchange and disseminate information for promotion of best practices among the countries investing in climate change management, etc. The Second Annual Report of IPSF was presented at the occasion of the IPSF Annual Event held on 4th November 2021. The Annual Report 2021 gives an overview of the work of the IPSF during the year, such as the work on taxonomies and disclosures.

12.17 India-UK Sustainable Finance Forum

12.17.1 India and UK have agreed during 10th India-UK Economic and Financial Dialogue to establish a bilateral Sustainable Finance Forum to drive forward deeper cooperation between the UK and India on sustainable finance. The Forum would draw members from finance ministries/treasury and other important stakeholders from both sides.

12.17.2 Two meetings of this Forum, in January 2021 and July 2021, have been held. In the 11th India-UK Economic and Financial Dialogue on 2nd September 2021, the Climate Finance Leadership Initiative (CFLI) India was launched. CFLI India aims to work with financial institutions, corporates, and existing sustainable finance initiatives, to accelerate efforts to mobilize private capital into India. The partnership will be led by the CFLI, a group of leading financial institutions responsible for $6.2 trillion of assets, chaired by Michael Bloomberg, and supported by the UK Government, Government of India, the Global Infrastructure Facility and City of London.

E. Foreign Training Courses/Programmes

12.18.1 Department of Economic Affairs is the nodal point for administering short term foreign training courses offered by some bilateral partner countries under bilateral cooperation programme and some multilateral agencies. These courses are intended for capacity building of the officers in various spheres/fields of activities including sectors such as Education, Health, Water Resources, Disaster Management, Governance, Natural Resources and Energy, Agriculture, Nature Conservation, Environmental Management, etc. Nominations are invited from all Ministries /Departments, State Governments/ Union Territories. The nominations are screened by a Selection Committee in DEA and thereafter recommended to the sponsoring Government/Agency for acceptance. During 2021-22 (upto November, 2021) DEA has processed trainings for 96 Short Term Foreign Training Programmes (less than four weeks) from Singapore Cooperation Programme Training Award (SCPTA), Japan International Cooperation Agency (JICA) and Malaysian Government as received and suitable applicants have been recommended for the purpose.

13. Integrated Finance Division

13.1 The Division is responsible for the following functions:

(i) Tendering financial advice & concurrence to proposals involving expenditure in respect of DEA and DFS as well as their attached and subordinate offices e.g. Security Appellate Tribunal (SAT)/ National Savings Institute/G-20 Secretariat /Office of Special Court, Mumbai/ Office of Custodian/ Debt Recovery Tribunals, Pension Fund Regulatory and Development Authority and Office of Court Liquidator, Kolkata

(ii) Exercising expenditure control and management, ensuring rationalization of expenditure and compliance of economy measures in accordance with the instructions of the Department of Expenditure including regular monitoring of expenditure through monthly/quarterly reviews and submission of reports to the concerned Secretaries.

(iii) The Division also administers two Detailed Demands for Grants i.e. Grant No.30-Department of Economic Affairs and Grant No.32-Department of Financial Services. This involves finalizing the Budget Estimates/ the Revised Estimates/estimating final requirements/ surrender of savings, re-appropriations and vetting of Head wise Appropriation Accounts

(iv) Coordination, Compilation, Printing and laying of the 'Detailed Demand for Grants (DDG)' and **'Output Outcome Monitoring Framework(OOMF)' for Central Sector and Centrally Sponsored Schemes costing less than ₹500.00 crore of the Ministry of Finance in Parliament.**

(v) Coordination of all matters relating to the examination of the DDG by the Parliamentary Standing Committee on Finance.

(vi) Monitoring of pending PAC/C&AG Audit Paras.

(vii) Coordination, Compilation, Printing and Presentation of Statements to be made by Hon'ble Finance Minister as required in terms of Rule 73-A, in Lok Sabha/Rajya Sabha in respect of implementation of Reports of the Standing Committee.

(viii) Budgetary position regarding the Grants administered by the Division is given below:

13.2 Budgetary allocation of the Grants (on net basis)

(₹ in crore)

Grant		BE 2021-22	RE 2021-22	BE 2022-23
30- Department of Economic Affairs	Revenue	4520.78	5090.52	6143.36
	Capital	56607.40	10525.58	8396.90
	Total	**61128.18**	**15616.10**	**14540.26**
32- Department of Financial Services	Revenue	3710.77	3037.87	1102.70
	Capital	25800.02	32034.00	4211.03
	Total	**29510.79**	**35071.87**	**5313.73**

The best practices followed for effective expenditure control includes:

(a) Expenditure progress reviewed quarterly with Major Head/Scheme wise details with concerned Secretaries

(b) The Major Head wise and Scheme wise expenditure progress as compared to BE figures, posted on the web-site of the Ministry of Finance.

(c) Strengthening of internal control mechanism by getting internal audits undertaken.

(d) Monthly monitoring of Major Schemes/Programmes of Department included in the Outcome Budget.

(e) Regular and close monitoring resulted in finalization of substantial number of cases of Action Taken Notes (ATNs) in respect of C&AG Audit Para during the year.

PARAS OF AUDIT REPORTS OF C&AG - Details of ATNs Audit paras pending with different Departments and their disposal status - as on **18.01.2022**

Name of the Ministry/Department : Ministry of Finance
(Department of Economic Affairs)

Sl. No.	No & Year of the Report	No. of Paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending.		
			No of ATN not sent by the Ministry even for the first time	No of ATNs Sent but returned with the observations and Audit is awaiting their re-submission by the Ministry.	No of ATNs which have been finally vetted by audit but have not been submitted by the Ministry to PAC
1.	44 of 2017	...	...	1	...
2.	4 of 2020	11	...	7	...
3.	7 of 2021	...	14	...	...

Summary of Important Audit Observations:-

Report No. 7 of 2021-Union Government (Civil)-Accounts of the Union Government for the year 2019-20

Tabled in the Parliament on: 29th November, 2021

This Report of the Comptroller and Auditor General of India (CAG) on the accounts of the Union Government analyses the Union Government Finance Accounts (UGFA and the Appropriation Accounts of Union Civil Ministries. The Report gives an overview on Union Government Finances for FY 20 and consists of observations of the CAG on the UGFA and the Union Government Appropriation Accounts for FY 20.

Chapter 1: Overview of Union Finances

- Estimates of revenue receipts were scaled down at the Revised Estimates (RE) stage as compared to Budget Estimates (BE) by ₹94,611 crore. However, actual revenue receipts were further lower than RE by ₹2,05,344 crore. This was primarily due to actual collections being less than RE in case of 'Taxes on income other than Corporation Tax' (₹66,652 crore), Corporation Tax (₹53,624 crore), Central Goods and Services Tax (₹19,929 crore), and Non-Tax revenue (₹57,349 crore). Estimates for revenue expenditure were reduced at RE stage by ₹79,776 crore, but actual revenue expenditure fell further short of RE by ₹38,445 crore. Heads under which actual revenue expenditure was lower than REs by a significant amount included Indian Railways-Commercial Lines Working expenses (₹28,639 crore), Interest Payments (₹8,740 crore) and General Education (₹4,764 crore).

- In the case of non-debt capital receipts, the actuals were lower than RE by ₹14,696 crore under "Miscellaneous Capital Receipts", which primarily consisted of proceeds from disinvestment and monetization of National Highways. In the case of capital expenditure, leaving aside savings under head for North East, the variation between actuals and RE (₹2,784 crore) was marginal, with RE having been increased over BE by ₹17,000 crore.

(Para 1.3)

- During FY 20, the Union Government mobilised total resources amounting to ₹1,21,07,987 crore. Gross revenue receipts consisting of tax revenue (₹20,10,059 crore), non-tax revenue (₹5,88,328 crore) and external assistance (₹373 crore) contributed 21 per cent of resources. Debt receipts (₹73,01,387 crore) constituted 60 per cent of total resource mobilization of the Government.

- Out of the total resources mobilised during the year, 83 per cent were deployed on committed expenditure, comprising repayment of debt (52 per cent), discharge of Public Account liabilities (17 per cent), interest payments (five per cent) and assignment of mandated portion of gross tax receipts to States (five per cent). From the balance, after accounting for Grants-in-aid to States/UTs and closing cash balance (four per cent), the Union Government was left with 17 per cent of its gross mobilisation to spend on its own activities.

(Para 1.4)

- Total receipts grew by 7.23 per cent (₹6,28,286 crore) YoY in FY 20. Non-debt receipts increased by 4.42 per cent (₹85,381 crore) and debt receipts increased by 8.03 per cent (₹5,42,905 crore).

- Tax revenues increased marginally by ₹40,371 crore (three per cent) over FY 19, while Non-tax revenues (NTR) grew by ₹1,01,940 crore (21 per cent) over the previous year. In the case of NTR, receipts from dividends/ profits increased by ₹72,715 crore (64 per cent), which was primarily due to higher receipt of surplus/dividend from Reserve Bank of India.

- Non-debt capital receipts declined compared to FY 19 due to lower premium received, lower Specified Undertaking of UTI (SUUTI) receipts and non-receipt of "Proceeds from Monetisation of National Highways".

- Revenue expenditure increased by ₹3,53,749 crore (15.64 per cent) in FY 20 over the previous year. Most of this increase was on account of higher expenditure on "Grants-in-Aid and Contributions" and "Social Services". On the other hand, the expenditure on capital account decreased by ₹11,779 crore (2.95 per cent) mainly due to reduction in expenditure on recapitalization of Public Sector Banks.

(Para 1.5)

- On the assets side, during the last two years, 34 per cent of the cumulative Capital expenditure consisted of investments of the Union Government in Government Companies, Statutory Corporations and Other Joint Stock Companies. The balance 66 per cent constituted cumulative expenditure for creation of infrastructure for transport sector, health, education, public works, etc. On the liabilities side, internal debt constituted around 87 per cent of total liabilities in FY 20 with internal debt increasing from ₹70,74,941 crore in FY 19 to ₹80,20,490 crore in FY 20.

(Para 1.6)

- Gross receipts showed an increasing trend during FY 16 to FY 20, but FY 20 showed the lowest growth of one per cent. Gross tax revenues showed a decreasing trend during FYs 17-19, with growth becoming negative in FY 20. Non-tax revenue showed a fluctuating trend during FYs 16-20, with FY 20 seeing a substantial jump primarily on account of increase under share of surplus profits from the Reserve Bank of India (₹79,988 crore).

- Non-debt capital receipts have declined in the last two FYs. Receipts from disinvestment, which is a major part of such receipts, fell from ₹72,620 crore in FY 19 to ₹48,234 crore in FY 20. Disinvestment receipts in the year pertained to Tehri Hydro Development Corporation (₹7,500 crore), National Thermal Power Corporation (₹6,165 crore), Oil and Natural Gas Corporation (₹5,719 crore), Coal India Ltd. (₹5,673 crore), North Eastern Electric Power Corporation Limited (₹4,000 crore), Power Grid Corporation of India Limited (₹3,850 crore), Kamarajar Port Limited (₹2,383 crore), IRCTC Limited (₹1,114 crore), Security Printing and Minting Corporation India Limited (₹821 crore), etc.

(Para 1.7)

- Of the total disbursements of ₹1,14,59,551 crore in FY 20, disbursements from CFI was 81.80 per cent (repayment of public debt was 55.20 per cent and total expenditure from CFI was 26.60 per cent) and the balance of 18.20 per cent was from Public Account. Of CFI disbursements, the shares of repayment of Public Debt and Loans and Advances were both on a declining trend while the share of Revenue Expenditure was on the rise in last three years.

- The sectoral share of expenditure has remained steady in the last five years. However, the highest YoY growth was seen in the case of Social Sector expenditure. The expenditure on Economic Sector witnessed an increase of ₹43,131 crore in FY 20 over FY 19. This was mainly due to increase in expenditure on 'Crop Husbandry' (primarily under PM Kisan Samman Nidhi) and 'Food, Storage and Warehousing' (Food Subsidy).

- Compared to FY 19, the expenditure on various explicit subsidies increased substantially in FY 20 with total expenditure on subsidy rising by 16.59 per cent. Expenditure on food subsidy was, however, significantly understated due to funding through loan from National Small Savings Fund.

(Para 1.8)

- As on 31 March 2020, the total outstanding Public Account liabilities were reported to be ₹8,79,325 crore, which included ₹5,74,881 crore of Small Savings and Provident Fund and ₹3,04,444 crore on account of other obligations. This, however, did not include liabilities of ₹9,99,409 crore corresponding to investment of NSSF in Special

State Government Securities (₹4,40,438 crore) and Government Undertakings (₹3,66,546 crore), investment of ₹82,963 crore relating to Post Office Insurance Fund, and accumulated deficit (₹1,09,462 crore) in NSSF.

(Para 1.9)

- Total debt of the Union Government grew from ₹66,51,365 crore as on 31 March 2018 to ₹73,44,902 crore as on 31 March 2019 and further grew to ₹83,19,740 crore as on 31 March 2020. Public Debt, however, remained within the band of 39-41 per cent of GDP in last three years. Market loans due for redemption within seven years amounted to ₹23,54,267 crore (around 37 per cent of market loans). ***(Para 1.10)***

- Actual Revenue Deficit exceeded the BE stage and RE stage by 37.43 per cent and 33.36 per cent respectively, which was attributed primarily to lower tax receipts (₹1,47,995 crore at RE stage) with expenditure not being commensurately compressed. Similarly, actual Fiscal Deficit (FD) as compared to BE stage and RE stage was higher by ₹2,43,970 crore and ₹1,69,001 crore, respectively, which was on account of lower than estimated miscellaneous capital receipts. Further, out of the FD of ₹10,31,126 crore, ₹6,67,237 crore was on revenue account in FY 20, with an YoY increase of 6.66 per cent.

  (Para 1.3 and Para 1.10.1)

Chapter-2: Observations on Finance Accounts

Issues of transparency and disclosures

- There was persistent use of Minor Head 800 by Ministries/ Departments of Government of India (GoI). During FY 20, expenditure totalling ₹39,838 crore was booked under 'Minor Head 800-Other Expenditure' under various Major Heads. Further, receipts of ₹16,892 crore were also booked under Minor Head 800-Other Receipts during FY 20.

  (Para 2.2 .1)

- A total of 254 footnotes had been inserted in 16 statements of the UGFA for disclosing additional information with respect to figures for transactions. These footnotes, though related to significant transactions, were brief and cryptic and in some cases were being repeated year after year without resolution.

  (Para 2.2.2 .4)

Issues relating to accuracy of accounts

- Suspense heads relating to Civil Ministries, Postal, Telecom, Defence and Railways only showed net balances under suspense heads and thus, did not disclose the real magnitude of separate credit and debit balances under these heads. This led to significant understatement of suspense balances in the UGFA both at Major and Minor Head levels. Resultantly, the balances were misrepresented by 8.3 per cent under PAO Suspense, 70.2 per cent under Suspense Account (Civil) and 35.5 per cent under PSB Suspense.

  (Para 2.3 .1.1)

- In FY 18 there was a balance of ₹1,76,688 crore left in the IGST at the end of the year. Of this, GoI had provisionally devolved ₹67,998 crore under IGST to the States/UTs adopting Finance Commission formula for devolution of Central Taxes. The issue of unapportioned IGST balance was commented upon in CAG's Report No. 2 of 2019 and further discussed in detail in CAG's Report No. 11 of 2019. Subsequently, in May 2020, the Government decided to apportion the balance IGST of ₹1,76,688 crore between Centre and the States on 50:50 basis and reverse the IGST devolved in FY 18, citing CAG's observations on the issue.

- To partially adjust the balance IGST, sanction was accorded for expenditure amounting to ₹33,412 crore in June 2020 towards transfer to GST Compensation Fund. Audit observed that the adjustment involving expenditure of ₹33,412 crore was approved only in FY 21 but incorporated in the accounts of FY 20 after the closure of accounts for the year through a Journal Entry, which violated laid down procedures. It was also noticed that the adjustment was made only with reference to the net impact of the transactions without any disclosures of implications in gross terms for various heads of accounts covered by these transactions either in the Journal Entry or in the relevant Statements of UGFA. Further, the amounts computed as paid in excess to States/UTs for FY 18 were adjusted against dues of IGST pertaining to that year, instead of compensation payable in FY 21 or later as provided in the GST Compensation Act 2017.

  (Para 2.3.3)

- In FY 20, against collection of cess of ₹95,553 crore, transfers to the GST Compensation Fund amounted to ₹1,53,910 crore, i.e. ₹58,357 crore was transferred in excess of collections. However, this excess included an amount of ₹33,412 crore transferred by way of a Journal Entry in June 2020 (after close of FY 20). Therefore, as on 31 March 2020, ₹24,945 crore was transferred in excess of actual collections from CFI during FY 20 as against short transfer by 31 March 2019 amounting to ₹47,272 crore. Thus, transfer of Compensation Cess collected in past years of ₹22,327 crore to GST Compensation Fund was yet to be done as on 31 March 2020.

  (Para 2.3 .4)

- An amount of ₹3,108 crore was written off during FY 20 on account of variation in exchange rate of External Debt. However, the same amount was depicted as Receipts of External debt during the year, which was contrary to the provision under Government Accounting Rules.

  (Para 2.3 .7)

Issues of Data Integrity and Completeness

- Accounting Authorities of three Ministries/ Departments (Chemicals and Fertilizers, Pharmaceuticals, Industry and Civil Aviation) failed to realize ₹2,027 crore towards guarantee fees during FY 20.

  (Para 2.4 .1)

- Statement 11 of UGFA contained incomplete information in respect of nature, investment, face value, number of shares, capital and percentage of the Union Government's investment in 45 entities, while in 22 entities percentage of equity share did not change from the previous year despite having investment/ disinvestment in FY 20. Further, in respect of three entities, there was mismatch in the disinvestment details furnished by Ministry of Finance (MoF) and as depicted in Statement 11.

  (Para 2.4 .3 and 2.4.4)

- Specified Undertaking of UTI (SUUTI) disposed of a part of shares held by it and transferred proceeds from the sale as well as income from investments to the Union Government during FY 20. The receipts amounting to ₹2,069.86 crore were accounted in UGFA as 'other receipts' (minor head 800) under major head 4000 'miscellaneous capital receipts'. However, these receipts should have been booked as Non-Tax Revenue.

  (Para 2.4 .7)

Issues relating to accounting of Cess/Levies

- Parliament had approved the transfer of Universal Access Levy (UAL) amounting to ₹8,350 crore to the Universal Service Obligation (USO) Fund in the BE of FY 20. Against the total collection of UAL amounting to ₹7,961.53 crore in FY 20, only ₹2,926 crore was transferred to the USO Fund, resulting in short transfer to the USO Fund by ₹5,035.53 crore.

  (Para 2.6.1)

- As per Statement 8 of UGFA for the period FY 10 to FY 20, the total cess on crude oil collected was ₹1,28,461 crore. Statement 9 of UGFA for the above-mentioned years showed that no funds out of the net proceeds of cess were transferred to Oil Industry Development Board. Further, only ₹15,506 crore had been spent in last five years on activities pertaining to development of oil industry by the Ministry as against collections of ₹72,384 crore by way of cess during this period.

  (Para 2.6.3)

- Though the new Health and Education Cess was levied at a composite rate of four per cent, BE and RE for FY 20 continued to provide for transfer of proceeds of this cess to the erstwhile Prarambhik Shiksha Kosh, and Madhyamik and Uchchatar Shiksha Kosh that were created for Primary Education Cess, and Secondary and Higher Education Cess, respectively. Further, no expenditure was envisaged for the health sector out of the cess nor was any dedicated fund created for the purpose.

  (Para 2.6.4)

- Statements 8 and 13 of the UGFA and information in budget statements revealed that Statement 13 continued to depict the Fund as Central Road Fund instead of Central Road and Infrastructure Fund (CRIF). Further, against total collection of cess of ₹1,22,440 crore under the CRIF Act, Parliament approved ₹1,22,369 crore for appropriation. However, actual transfer to the Fund was ₹90,252 crore only. Part of the short transfer was due to erroneous transfers of ₹17,250 crore and ₹4,380 crore to the Railway Safety Fund by Ministry of Railways and to 'Other Funds' by Ministry of Power, respectively.

  (Para 2.6.5)

Issues relating to Reconciliation and Improper Accounting

- Ministry of Road Transport & Highways transferred an amount of ₹5,000 crore to the Monetization of National Highways Fund in the public account through capital head 5054.80.797 instead of the approved revenue head 3054.80.797. Further, the expenditure of ₹5,000 crore incurred from the fund was booked under the head 5054.01.190-Investment in Public Sector & other Undertakings instead of the approved head 5054.01.337. Though there were no receipts on account of monetisation of National Highways in FY 20, funds were transferred through Gross Budgetary Support instead of from proceeds from monetisation. These funds were used for making capital expenditure in the form of investment in National Highways Authority of India instead of as Road Works.

  (Para 2.7.1)

- In FY 20, an amount of ₹1,882.40 crore towards receipts from sale of enemy properties was booked under head of account 4000.04.190.22.01.00-Custodian Property of India instead of the newly opened head of account 4000.05.101- Sale of Financial Assets. ***(Para 2.7.3)***

Chapter 3: Observations on Appropriation Accounts

- During FY 20, there was excess disbursement of ₹32,637.79 crore over authorization involving two Grants of Ministry of Defence and one Grant pertaining to Department of Revenue (DoR). In case of the excess relating to DoR, the excess amounted to ₹31,934.48 crore and was reported to be due to transfer of more funds to GST Compensation Fund in order to apportion balance IGST pertaining to FY 18. Audit examination revealed that the excess expenditure could have been avoided as the Government could have taken timely action to address the matter of short transfer of IGST. This matter had been reported in the Reports of the CAG, which were available with the Government since February/ July 2019, giving sufficient scope to have made required provision in the Supplementary Demand for Grant for FY 20.

  (Para 3.2.1)

- During FY 20, the total savings under all the grants and appropriations were ₹4,10,158.38 crore and constituted 3.97 per cent of total authorisations. Savings of ₹100 crore or more occurred in 74 segments of 61 Grants/Appropriations and amounted to ₹4,07,358.03 crore. Further, out of the 13 Grants/ Appropriations with savings of ₹5,000 crore or more in FY 20, six had such substantial savings in FY 19 and FY 18 as well

  (Para 3.2.2)

- Significant savings totaling to ₹1,65,250 crore were on account of regulation of expenditure comprising inter alia reduction of food subsidy to Food Corporation of India of ₹76,000 crore at RE stage, ₹50,000 crore due to non-release of Ways and Means Advance to FCI, short transfer of ₹27,473.27 crore to National Investment Fund/ Central Road and Infrastructure Fund, etc. In addition, savings of ₹94,289 crore represented gaps and shortfalls in performance in schemes and activities, while savings of ₹58,097 crore were attributable to unrealistic budget estimation. Further, there were savings of ₹21,300 crore due to non-transfer of funds to Reserve Funds.

  (Para 3.2.2.3)

- In 25 sub-heads under 14 Grants/Appropriations, supplementary provisions amounting to ₹2,168.90 crore were obtained during FY 20 in anticipation of higher expenditure, but final expenditure was even less than the original provisions.

  (Para 3.3)

- Scrutiny of Grants/Appropriations having surrenders/ lapsed amounts of ₹100 crore or more revealed that at least ₹1,70,103.02 crore relating to 33 Grants/ Appropriations was either surrendered on 31 March 2020 or was allowed to lapse.

  (Para 3.6)

- Under PSB Suspense head, there were accumulated balances of ₹9,745.49 crore pertaining to Civil Pension expenditure and ₹17,045.71 crore pertaining to Defence Pension expenditure. This was due to non-clearance of pension scrolls in the accounts of relevant financial year, resulting in understatement of expenditure and postponement of liability to subsequent year(s).

  (Para 3.9.1)

14. Coin and Currency Division

14.1 Coin and Currency Division is responsible for policy related to all aspects of the currency and coinage of India. The works of the Division is carried out in close coordination with Reserve Bank of India (RBI), Security Printing and Minting Corporation of India Limited (SPMCIL), Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL) and Bank Note Paper Mill India Private Limited (BNPMIPL). The Division has three Sections viz. Currency, Coin and SPMC Section. Responsibilities among these Sections are divided as follows:

14.2 Currency Section deals with all policy matters relating to design, form and material of currency notes/ banknotes including security features, and operational issues relating to production, planning of printing of bank notes, Currency related legislation, indigenization of bank note materials, expansion, up-gradation and modernization of Presses, Paper Mills, Ink factory, etc., administration of SBN (Cessation of Liabilities) Act, 2017 and Rules made thereunder, and policy issues on crypto assets including legislation and Central Bank Digital Currency.

14.3 Coin Section deals with policy matters relating to design, shape and size of circulation coins, fixation of fair selling price of coins, coins related legislations and issuance of Commemorative Coins, security products viz. passport, postal stamps, Non-Judicial Stamp Paper, production planning of coins and determination of indent of coins, expansion, diversification and modernization of Mints and Security Presses.

14.4 SPMC Section deals with matters related to SPMCIL, which is under administrative control of the Department. The Section deals with issues of this company relating to appointment to Board Level posts, MoU, residual establishment matters of its nine Units, and coordination of meetings of SPMCIL Board, SPMCIL Pension Fund Trust etc.

14.5 Major achievements of the Division are given below:

14.5.1 In order to stay ahead of the counterfeiting, Government of India, in consultation with RBI, has initiated the process for introduction of new security features in Indian banknotes. The Government has approved the recommendations of RBI's Central Board on revised matrix of security features in bank notes in terms of the provisions of section 25 of the RBI Act, 1934. RBI has initiated process for introduction of this revised matrix of security features. This revised matrix of new security features is expected to protect against counterfeiting of the currency notes.

14.5.2 Given the immense potential of Distributed Ledger Technology (DLT), the Division has been examining how best to mitigate risks posed by cryptocurrencies to financial integrity and macroeconomic stability while still facilitating DLT based innovation.

14.5.3 The production of banknotes by BRBNMPL and SPMCIL is monitored by this Division. The meetings of Strategic Planning Group and Production Planning Committee are also held regularly to review the indent and production of banknotes and coins & their uninterrupted supply to public. The cumulative production of notes by the currency presses during 2020-21 up to 06.12.2021 is given below:

Press	Total Indent allocated for 2021-22 (in mpcs)	Cumulative production 01.04.2021 to 06.12.2021	Production left for 2021-22
BRBNMPL	13,350	9,459.25	3,890.75
SPMCIL	8,900	4,488.82*	4,412.19
Face Value (Cr)			
BRBNMPL	4,29,750	2,80,858.25	1,48,891.75
SPMCIL	2,86,500	1,53,169	1,33,332

14.5.4 The trends in the Note In Circulation (NIC) are monitored. The Notes In Circulation (NIC) as on November 4, 2016 were ₹17,74,187 Cr. which have now increased to ₹29,61,044 Cr. as on November 19, 2021.

14.5.5 New Series of Coins which are friendly to visually impaired people: This Department vide Gazette notification dated 6th March 2019, has notified new series coins of One Rupee, Two Rupees, Five Rupees, Ten Rupees and Twenty Rupees easily identifiable to the visually impaired. Hon'ble Prime Minister on 7th March 2019 released the new series coins. The new features incorporated in the new series of coins include pattern of increasing size (i.e. diameter) from lower to higher denominations and weight in increasing order from lower to higher denomination. The theme of new series coins is 'Agriculture', represented with crop grains on the reverse side of the coins. RBI has commenced distribution of new design coins among public.

14.5.6 Furthermore, this Department vide Gazette notification dated 08th November, 2021 has notified a special series of circulatory coins of One Rupee, Two Rupees, Five Rupees, Ten Rupees and Twenty Rupees to celebrate 75th years of India's Independence under the Azadi Ka Amrit Mahotsav (AKAM) celebrations. These coins are part of the action plan of Department under AKAM. This special Series of coin will retain other existing features, including all the visually-impaired friendly features of the New Series of Coins, 2019.

14.5.7 The trends in Coins In Circulation (CnIC) are also strictly monitored. As on 31.10.2021, the CnIC of ₹26698.06 crore. CnIC has risen to ₹658.15 crore as compared to CnIC as on 11.02.2021.

14.5.8 As per the Coinage Act, 2011, commemorative coin means any coin stamped by the Government or any other authority empowered by the Government in this behalf to commemorate any specific occasion or event and expressed in Indian currency. Accordingly, the Government issues commemorative coins on eminent persons/ personalities/ institutions/ events/ programmes/ history, etc. that have a national or international nature and which have made a lasting contribution or impact. The contribution made by the individual/ organisation/ programme/ event should have transcended the barriers of partisan politics, region, community, language or religion. However, on an occasion to express sympathy/ grief/ exhibit respect for the sacrifice, Commiserative Coins' would be issued. The Guidelines in this regard has been issued on 29.09.2020.

14.5.9 During 2021-22 (Upto 30.1.2022), the Government issued Gazette Notifications for release of 4 Commemorative Coins viz. to mark the occasion of 400th Birth Anniversary of Guru Shri Tegh Bahadur Ji, to celebrate the occasion of 125th Birth anniversary of Srila A.C. Bhaktivedanta Swami Prabhupadji, Harcourt Butler Technical University Kanpur centenary celebrations, and 150th Birth anniversary of Kavi Muddana.

14.6 Security Printing and Minting Corporation of India Limited (SPMCIL)

14.6.1 SPMCIL, a Miniratna Category-I, Schedule-'A' Central Public Sector Enterprise, was incorporated on 13th January 2006 to manage four India Government Mints, two Currency Presses, two Security Presses and one Security Paper Mill, which were earlier being managed by the Government of India (Department of Economic Affairs, Ministry of Finance) directly. SPMCIL is wholly owned by the Central Government with Authorized Share Capital of ₹2500 crores and paid-up Share Capital of ₹987.50 crores as on 31.03.2021.

14.6.2 Bank Note Press (BNP), Dewas and Currency Note Press (CNP), Nashik supplies currency notes to Reserve Bank of India. The Ministry of External Affairs and Ministry of Home Affairs are customers for passports and visa stickers respectively and the State Governments for Non-Judicial Stamp Papers and allied stamps and the Postal Department for postal stationery, stamps, etc. which are supplied by Security Printing Press (SPP), Hyderabad and India Security Press (ISP), Nashik. These Security Presses also produce various security items like cheques, railway warrants, income tax return order forms, saving instruments, commemorative stamps, excise adhesive labels, certificates etc. for various customers. The four India Government Mints (IGMs) of the Company at Mumbai, Kolkata, Hyderabad and Noida supplies circulating coins to this Department for circulation by RBI. The Company has one Security Paper Mill (SPM) at Hoshangabad which manufactures Security Paper for use by Currency / Security Presses. The Company also has an Ink Factory at Dewas which manufactures Offset Ink, UV Ink and Quickset Intaglio Ink for use by the presses of SPMCIL.

14.6.3 SPMCIL is committed to aid the nation by manufacturing world class and highly secured banknotes, coins and security documents. SPMCIL, in its various forms, has almost 100 years of security printing experience and over two centuries of experience in minting.

14.6.4 The Company had produced 8288 million pieces of the Bank Notes and supplied 8764 million pieces of Bank Notes to Reserve Bank of India (RBI) during the year 2020-21. This is 15.64% lower than the production of 9824 million pieces of the Bank Notes during the last year. The Company had produced 2757 million pieces of the Circulating Coins and supplied 2963 million pieces of the Circulating Coins to RBI during the year 2020-21. This is 16% lower than the production of Circulating Coins achieved during the last year 2019-20. Over last 5 years, on an average, SPMCIL manufactured approximately 1,50,000 commemorative coins and medallions (per annum) for fulfilling domestic demand. The Company had produced 6870 Metric Ton (MT) of Security Paper and supplied 6742 MT of Security Paper to the printing presses during the year 2020-21. This is 2% lower than the production of Security Paper during the last year 2019-20. The Company had produced 600.42 Metric Ton (MT) of Security Inks in the year 2020-21 at Ink Factory, Dewas and supplied 595.97 Metric Ton Inks to printing presses during the year 2020-21. This is 29.44% lower than the production of Security Inks during the last year 2019-20. The Company had produced 6.15 mpcs of travel documents/passport booklets in the year 2020-21 and supplied 5.97 mpcs travel documents/passport booklets to MEA during the year 2020-21. This is 58.22% lower than the production of travel documents/passport booklets during the year 2019-20. The company had also produced 241.29 mpcs of Non-Judicial Stamp Papers (NJSPs) in the year 2020-21 and supplied 244.47 mpcs NJSPs to various State Governments during the year 2020-21. This is 29.32% lower than the production of 341.36 mpcs of NJSPs during the year 2019-20.

14.6.5 The Revenue from Operations of the Company has decreased to ₹4712.57 crores in 2020-21 from ₹5099.71 crores (regrouped) in the previous year 2019-20. The decrease in revenue is due to lesser production consequent to reduction in indent of products by the customers and lockdown due to COVID-19 pandemic. Total expenditure for the year 2020-21 is ₹4094.00 crores as compared to ₹4133.38 crores (regrouped) for the year 2019-20. Profit before Tax (PBT) from continuing operations for the year 2020-21 is ₹789.74 crores as compared to ₹1176.69 crores (regrouped) for the year 2019-20. The Company had achieved a Total

Comprehensive Income (TCI) of ₹395.99 crores in the year 2020-21 as compared to ₹745.07 crores (regrouped) in the year 2019-20. The consolidated TCI after taking into account the 50% share of Joint Venture Company, BNPMIPL is ₹523.78 crores in the year 2020-21 as compared to the Consolidated TCI of ₹875.64 crores (regrouped) in the year 2019-20.

14.6.6 The Company had paid the Final Dividend of ₹215.48 crores for the year 2019-20 and for the year 2020-21, the amount of Final Dividend ₹240.41 crores was paid to Government of India.

14.6.7 The Company had taken-up many modernization and capacity augmentation initiatives. The replacement of one complete Printing Line comprising of Offset, Intaglio, Numbering & Finishing machines has been completed at CNP, Nashik. CNP, Nashik has also done installation of Online Print Quality Inspection System for 03 Super Orl of Intaglio Machines. Further, the installation of one additional Intaglio Machine and replacement of One Numbering Machine are in process at CNP, Nashik. The installation, Commissioning, FAT and Training of one Bank Note Processing Machine was completed at BNP, Dewas resulting into enhancement of installed finishing capacity by nearly 1200 mpcs. Further, the Installation, Commissioning, Testing & FAT of one Intaglio machine was completed at BNP, Dewas resulting into increase in installed Intaglio printing capacity by around 1200 mpcs.

14.6.8 A state-of-the-art Corporate R&D Centre has been setup at CNP, Nashik to carry out research and development activities on currency, passport and security documents etc. at par with international standards. The R&D centre at ISP, Nashik is equipped with Digital Tear Resistance Tester, Cobb Tester, Digital Tensile Strength Tester, Digital Roughness/Porosity Tester, Digital Folding Endurance Tester, Brightness/ Opacity & Colour Tester, Crumpling Instrument and Digital Bursting Strength Tester. A full-fledged R&D Centre for Paper, Pulp etc. has been established at SPM, Hoshangabad. Latest testing equipment and machinery have been installed in the said R&D Centre.

14.6.9 SPMCIL has taken-up many CSR projects in the areas of education, healthcare, infrastructure, rural development, skill development, etc. in the year 2021. Under the Gram Uday Scheme, BNP, Dewas had adopted Kawaria village and SPM, Hoshangabad had adopted Chatua village for implementing projects under CSR. As per the instructions of Department of Public Enterprises (DPE) for giving preference to aspirational districts, SPMCIL had adopted Barwani District of Madhya Pradesh as the aspirational District.

14.7 Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL):

14.7.1 BRNMMPL is a wholly owned subsidiary of Reserve Bank of India, which runs two banknote printing presses in Mysuru and Salboni with a total capacity of printing 16 billion note pieces per year in two shift operations. BNPMIPL and the Ink Manufacturing Unit of BRBNMPL at Mysuru have brought Indian Currency Printing Industry to self-reliance. Presently, requirement of both Paper and Ink are met with domestic supply.

14.7.2 Colour Shift Intaglio Ink (CSII), one of the security features used in the Indian bank notes and imported earlier, is now being manufactured at in-house Ink Manufacturing Unit from February 2019. BRBNMPL is supplying entire requirement of CSII to both BRBNMPL and SPMCIL presses.

14.8 Bank Note Paper Mill India Private Limited (BNPMIPL):

14.8.1 BNPMIPL was incorporated as a 50:50 Joint Venture Company at Mysuru between SPMCIL and BRBNMPL in the year 2010 to manufacture banknote paper (CWBN paper) indigenously. By commissioning two lines of paper machines, the Paper Mill has total installed capacity of 12000 MT per annum.

14.8.2 During the year 2020-21, BNPMIPL has produced 14808 MT CWBN paper (123% of installed capacity) and supplied 14315 MT CWBN paper to all currency presses to meet their complete requirement. The Company is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, certified. The Company has also implemented the ERP system.

14.8.3 BNPMIPL has been taking various initiatives to inculcate a culture of continuous improvement in its processes by adopting latest technology to reduce cost of manufacturing. Some of the important measures like; Power purchase from Indian Energy Exchange (IEX), Reducing and optimising power demand, Installation of Variable Frequency Drives (VFD's), Upgrading water softener system, improving washing and flushing system of process lines, developing special machine parts indigenously, recycling of process water and achieving 'ZERO effluent discharge' etc., have contributed towards reduction of manufacturing cost. Due to efforts undertaken towards environmental protection BNPM has been able to recover, recycle and reuse rain water/ seepage water in the campus during the year 2020-21. The company has also initiated steps towards Research and Development with the support of ICAR-CIRCOT, Mumbai, SITRA, Coimbatore and CPPRI, Saharanpur to improve its processes. During the year the Company has received two safety awards from Department of factories, Boilers, Industrial Safety & Health for Best package Boiler and Best Safe Industry (Large scale industry category).

14.8.4 As part of Corporate Social Responsibility, BNPMIPL has been contributing in the areas of rural education, women empowerment, rural health, skill development, supporting homeless aged people, eliminating malnutrition, art and culture, environment protection, physically challenged, Wild life conservation, Disaster relief, etc.

15. Other Multilateral Institutions (OMI) Division

15.1 International Fund for Agricultural Development (IFAD)

15.1.1 International Fund for Agricultural Development (IFAD) was set up in 1977 as the 13th specialized agency of the United Nations. At present, IFAD has 177 members Countries.

List A- comprising the developed countries
List B- comprising the oil-producing countries
List C- comprising the developing countries

List C is further subdivided into the following sub lists:

C-I comprising Africa
C-II comprising Europe, Asia and the Pacific
C-III comprising Latin America and the Caribbean

India is a founder member of IFAD and a key contributor among the member Countries.

15.1.2 Composition of IFAD:-

15.1.2.1 IFAD is headed by a President elected for a four-year term and is managed through two main governing bodies viz. the Governing Council and the Executive Board. India is represented on the Governing Council by Secretary (EA) as Governor and Additional Secretary (MBC) as Alternate Governor. Joint Secretary (OMI) is the Director on the IFAD Executive Board.

15.1.3 IFAD Governing Bodies meetings in 2021-22:-

15.1.3.1 The 132nd, 133rd and 134th Sessions of the IFAD Executive Board were held in April, September and December 2021 respectively. India was represented in these sessions by JS (OMI) who is the Director from India in the IFAD Executive Board. The 25th Governing Council meeting of IFAD was held on 16th February, 2022 in which AS (MBC) represented GoI who is the Alternate Governor from India in the IFAD GC.

15.1.4 India's contribution to IFAD:-

15.1.4.1 IFAD funds are derived from member contributions (made in replenishment cycles), investment incomes and special funds. India has so far pledged US$ 258 million and contributed US$ 211 million to IFAD's Resources. In the 12th Replenishment cycle (IFAD12), India has pledged an amount of US$ 47 million as a core contribution. Apart from this, India has also pledged an amount of US$ 20 million as Concessional Partner Loan (CPL) to IFAD.

15.1.5 IFAD projects in India:-

15.1.5.1 India has received funding from IFAD for projects in rural development, tribal development, women's empowerment and micro-finance. Since 1979, IFAD has assisted in 32 projects in the agriculture, rural development, tribal development, women's empowerment, natural resources' management and rural finance sector with the commitment of US$ 1100 million (approx.). Out of these, 25 projects have already been closed. Presently, 7 projects with a total assistance of US$ 317.25/- million are under implementation and 1 project with assistance of US$ 104.85 million is at pipeline stage. In FY 2021-22, 1 project for assistance of USD 104.85 million has been posed to IFAD and 1 project with assistance of USD 38 million has been signed with IFAD.

15.1.6 IFAD' Loans Interest rate:-

15.1.6.1 Since 1st January, 2018, India is eligible for loans under ordinary terms. IFAD loans granted on ordinary terms shall have a rate of interest per annum equivalent to one hundred percent (100 %) of the variable reference rate, as determined semi-annually by the Executive Board of IFAD, and a maturity period of 15 to 18 years, including a grace period of 3 years, starting once the specified disbursement conditions have been met.

15.1.6.2 From 2013 to 2017, IFAD provided loans to India at a fixed interest rate of 1.25 percent plus a service charge of 0.75 percent per annum, and with a maturity period of 25 years including a grace period of 5 years. However, the projects which were signed up to 2013, IFAD loans are repayable over a period of 40 years including a grace period of ten years and carry no interest charges. A service charge at the rate of three-fourths of one percent (0.75%) per annum is levied on loan amounts outstanding.

15.2 Asian Infrastructure Investment Bank (AIIB)

15.2.1 The Asian Infrastructure Investment Bank (AIIB) is a Multilateral Development Bank (MDB). Headquartered in Beijing, it began operations in January 2016 as a USD100 billion MDB, to finance infrastructure for the development of Asia, from the Pacific to the Mediterranean. Article 59 of the AOA provides for the Articles to enter into force when at least ten countries with subscriptions totaling at least 50 percent of AIIB's total capital allocation have completed these procedures. The Bank commenced its operation on 16.01.2016 with the inaugural meeting of its Board of Governors. This was followed by the first meeting of its Board of Directors on 17.01.2016.

15.2.2 The bank was established with 57 founders (mostly countries from Asia and Europe) initially and has grown to 105 approved members worldwide in 2022.

15.2.3 Membership

15.2.3.1 The Bank has 105 members, including 89 members (of these 46 are Regional members and 43 Non-regional) and 16 prospective members (of these 4 are Regional members and 12 Non-regional). Prospective members are those whose applications for membership have been approved by Governors but have not been completed the requirements for membership yet.

15.2.4 Shareholding

15.2.4.1 The Authorized Capital Stock of the bank is USD100 billion, divided into 1 million shares of USD100,000 each. Twenty percent are paid-in shares (USD20 billion as paid-in capital made in five annual installments), and 80 percent are callable shares.

15.2.4.2 Currently, 96.76 percent of total capital stock of AIIB is subscribed of which India has subscribed shares 83673 (8.63%) of the total shares. AIIB's voting structure is tied to shareholding. Currently, India has a total voting power of 7.59%.

15.2.5 Financing Operations

15.2.5.1 The Bank provides the following Financing Products:

- Sovereign-Backed Financing
- Non-sovereign-Backed Financing
- Equity Investment
- Preparation Advances for Sovereign-Backed Financing

15.2.6 AIIB's Institutional Developments

15.2.6.1 Some of the institutional developments of the Bank include:

- **Permanent Observer Status in UNGA:** AIIB has been granted Observer Status in the UN General Assembly on December 20, 2018. Granting of Observer status has put the Bank on a par with more than ninety other organizations which enjoy Observer status;
- **AAA credit rating:** The Bank has maintained the 'AAA' credit rating over the last three years from all the premier credit rating agencies including Standards and Poor, Moody's and Fitch Ratings
- **Membership:** The Bank's membership increased to 105 members in 2022.

15.2.7 India's Position

15.2.7.1 India along with 20 other countries signed the Inter-Governmental Memorandum of Understanding (MOU) for establishing the AIIB on 24.10.2014 in Beijing. The President of India signed the Instrument of Ratification on 18.12.2015 and the said instrument was registered in the Depository of Peoples Republic of China on 11.1.2016. India is the second largest shareholder in the AIIB and has an independent and exclusive seat on the Board of Directors of AIIB. Finance Minister is India's Governor on the AIIB Board of Governors, and Secretary (EA) is the Alternate. Additional Secretary (MBC) is a Director on the Board of Directors and Joint Secretary (OMI) is the Alternate. Currently, Vice President and Chief Investment Officer of the AIIB is from India (Dr. Urjit R. Patel).

15.2.8 AIIB's projects and loans in India

15.2.8.1 As of 8th March, 2022, India was AIIB's top client in terms of the approved financing amount at USD 8.13 billion. India accounts for the Bank's largest net commitment at 24.17 percent. So far 33 Projects (23 Sovereign, 10 Non-Sovereign) have been approved by AIIB

15.2.9 COVID Crisis Recovery Facility (CRF) and India's share

15.2.9.1 The Asian Infrastructure Investment Bank (AIIB) has created a Crisis Recovery Facility to support AIIB's members and clients in alleviating and mitigating economic, financial and public health pressures arising from COVID-19. Since launch of the Facility and as of October 22, 2021, 4 projects totaling USD 2.25 billion have been approved for India under for Facility financing.

15.3 New Development Bank (NDB)

15.3.1 The proposal to establish a BRICS (Brazil, Russia, India, China and South Africa) Development Bank was first mooted by India during the 4th BRICS Summit held in New Delhi in March 2012 and was reflected during the Durban Summit in 2012, under the Leaders' declaration. The Union Cabinet on July 9, 2014 approved the proposal of the Department of Economic Affairs for signing the Inter-Governmental Agreement on the New Development Bank ('NDB' or 'Bank') and the Articles of Agreement during the Sixth BRICS Summit. The Inter-Governmental Agreement on the New Development Bank and the Articles of Agreement (AoA) were signed by the authorized signatories of the Governments of Brazil, Russia, India, China and South Africa in the presence of Leaders during the 6thBRICS Summit in Fortaleza, Brazil on July 15, 2014. Upon the ratification of the Inter-Government Agreement by all BRICS countries including India, the New Development Bank came into existence in July 2015. The agreed Minutes of the Ministers meeting of Fortaleza stated that the order of rotation of Presidents of the Bank will be India, Brazil, Russia, South Africa and China. Mr. Marcos Prado Troyjo from Brazil is currently serving as the second President of the Bank after Mr. K.V. Kamath. He took over the charge from July 7, 2020.

15.3.2 Governance and Management Structure

15.3.2.1 The Bank has a Board of Governors, a Board of Directors, a President and Vice-Presidents as decided by the Board of Governors, and such other officers and staff as considered necessary. Governors are at ministerial level, subject to the pleasure of the member appointing him. It was mutually decided that the first chair of the Board of Governors will be from Russia. Each member country is represented by a Governor and an Alternate Governor in the NDB Board of Governors. India is represented by Hon'ble FM as Governor and Secretary (EA) as an Alternate Governor in the Board of Governors.

The Board of Directors is a non-executive and non-resident body. Directors serve a term of two years and may be re-elected. Each member country is represented by a Director and an Alternate Director in the NDB Board of Directors.

15.3.3 Members and Shareholding

15.3.3.1 The initial authorized capital of the Bank is USD 100 billion. The initial subscribed capital subscribed in equal shares by each of the founding members (Brazil Russia, India, China and South Africa) is USD 50 billion, of which USD 10 billion is being paid in seven installments. Further, NDB announced the admission of 4 new perspective members namely Bangladesh, Egypt, UAE and Uruguay of which Bangladesh and UAE has formally joined NDB. Bangladesh has subscribed 1.83% and UAE has subscribed 1.08% of share capital.

15.3.4 Other Key Developments

15.3.4.1 Regional Office: As per the NDB Article of Agreement, the headquarters of the NDB was established in Shanghai, China and first Regional Office of the Bank was established in Johannesburg, South Africa. Further at the BRICS Ministerial Meeting held in Fortaleza, Brazil on 15 July 2014, it was resolved that the second Regional Office of the Bank shall be established in Brazil, followed by offices in Russia and in India. Recently, the Host Country Agreement for setting up NDB's Regional Office in India was approved by the NDB Board of Directors and India Regional Office has been announced. We expect the operationalization of the India Regional Office soon.

15.3.5 NDB projects in India

15.3.5.1 As of February, 2022, 19 Projects have been approved by NDB (17 Sovereign and 2 Non-sovereign) for financing of USD 7 billion.

15.3.6 NDB Assistance during COVID-19 Pandemic in India

15.3.6.1 As of February 2022, NDB has approved two projects namely Emergency Assistance Program in combatting COVID-19 of USD 1000 million and COVID-19 Emergency Program Loan for Supporting India's Economic Recovery from COVID-19 of USD 1000 million during COVID-19 Pandemic in India.

15.4 African Development Bank

15.4.1 The African Development Bank Group is a multilateral development finance institution comprising three distinct entities: the African Development Bank (AfDB), the parent institution, and two affiliates, a concessional window the African Development Fund (ADF) and the Nigerian Trust Fund (NTF). When the African Development Bank (AfDB) was established, only independent African countries were eligible to be shareholders of the Bank, and later in 1982, the memberships were opened to Non-African Countries. The Bank comprises 54 African countries known as regional member countries (RMCs) and 27 Non-African countries known as non-regional member countries (NRMCs). To become an AfDB member, non-regional members must first accede to ADF membership. India had joined the Bank on December 6, 1983. The Fund comprises, to date, 29 contributing countries (26 from NRMs and 3 from RMCs/State participants) and benefits 38 countries. The Fund's headquarters is at the Bank's headquarters, which is located in Abidjan, Côte D'Ivoire. India became a State participant/Donor of the ADF on May 6, 1982. All 81 AfDB members (54, RMCs & 27, NRMCs) are grouped into 20 constituencies (13 regional and 7 non regional). India had joined the Nordic Constituency comprising Norway, Sweden, Finland, Denmark and Ireland. India was allotted a total of 41,475 shares and holds 0.287 in AfDB and in ADF has 0.178% voting share. India participates in the BoG meetings which are held annually, and raises concerns during the BoD meetings via our constituency. India is represented in the Board of Governors by Hon'ble Finance Minister of India and the Alternate Governor is the Secretary of the Department of Economic Affairs, Ministry of Finance. As of December 2021, ₹601.9 crore and an additional USD 30.14 million Concession AfDB Donor Loans towards ADF replenishments, ₹31.33 crore towards Multilateral Debt Relief Initiative and ₹55 crores was pledged towards Technical Cooperation Agreements contributing to the Fund as a Donor for various development initiatives.

15.5 European Bank for Reconstruction and Development (EBRD)

15.5.1 EBRD, headquartered in London was established in 1991 to help the erstwhile economies of Central and Eastern Europe reconstruct their economies in the post-Cold War era, evolve into open, market-oriented economies, committed to the principles of multiparty democracy and pluralism. EBRD works in more than 30 countries from Central Europe to Central Asia and Southern and Eastern Mediterranean. The EBRD is the only Bank among MDBs that focuses mainly on the non-sovereign operations EBRD has an explicitly political mandate: firstly, to support democracy-building activities. Second, the EBRD does not have a concessional loan window. To date, the Bank has 70-member countries, as well as the European Union and the European Investment Bank. India had joined the EBRD in July 2018 as its 69th shareholder and currently holds 0.033% shareholding in the Bank. India is part of the Portugal Constituency in EBRD, which comprises Portugal, Greece, and San Marino. India paid Euro 1.79 Million (14.74 Cr INR) towards its paid-up portion and has an initial subscription of 986 shares India became the member of the Bank, comprising 179 paid-in shares and 807 callable shares. India is represented in the Board of Governors by Hon'ble Finance Minister of India and the Alternate Governor is the Secretary of the Department of Economic Affairs, Ministry of Finance.

Annexure-I (A)

DEPARTMENT OF ECONOMIC AFFAIRS (MAIN)

Representation of SCs, STs, and OBCs

(As on 31/12/2021)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2021									
					By Direct Recruitment				By Promotion			By Other Methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	192	30	5	30	30	5	1	8	23	1	1	0	0	0
Group B	243	35	33	44	20	3	0	10	0	0	0	1	0	0
Group C	197	70	6	29	2	0	0	1	6	2	0	1	0	0
TOTAL	**632**	**135**	**44**	**103**	**52**	**8**	**1**	**19**	**29**	**3**	**1**	**2**	**0**	**0**

Annexure-I (B)

DEPARTMENT OF ECONOMIC AFFAIRS (MAIN)

Representation of Persons With Disabilities (PWD)

(As on 31/12/2021)

					DIRECT RECRUITMENT							PROMOTION						
Groups	Number of Employees				No. of Vacancies reserved			No. of Appointments made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group A	192	0	0	1	0	0	0	1	0	0	1	0	0	0	0	0	0	0
Group B	243	0	1	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group C	197	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**632**	**0**	**1**	**9**	**0**	**0**	**0**	**1**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annexure-II (A)

NATIONAL SAVINGS INSTITUTE, NEW DELHI

Representation of SCs, STs, and OBCs

(As on 31/12/2021)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2021									
					By Direct Recruitment				By Promotion			By Other Methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Group A	3	1	0	0	0	0	0	0	0	0	0	0	0	0
Group B	18	2	0	4	0	0	0	0	0	0	0	0	0	0
Group C	34	7	4	10	0	0	0	0	0	0	0	0	0	0
Total	**55**	**10**	**4**	**14**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annexure-II (B)

NATIONAL SAVINGS INSTITUTE, NEW DELHI

Representation of Persons With Disability (PWD) SCs, STs and OBCs
(As on 31/12/2021)

					DIRECT RECRUITMENT							PROMOTION						
Groups	Number of Employees				No. of Vacancies reserved			No. of Appointments made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
Group A	3	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	18	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	34	0	0	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**55**	**0**	**0**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure-III (A)

SECURITIES APPELLATE TRIBUNAL, MUMBAI
Representation of SCs, STs, and OBCs
(As on 31/12/2021)

Groups	Number of Employees					Number of appointments made during the previous year i.e. 2021									
						By Direct Recruitment				By Promotion			By Deputation		
	Total	SCs	STs	OBCs	Others	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
Group A	5	0	0	0	5	0	0	0	0	0	0	0	0	0	0
Group B	7	1	0	0	6	0	0	0	0	0	0	0	0	0	0
Group C	12	2	0	4	6	0	0	0	0	0	0	0	0	0	0
TOTAL	**24**	**3**	**0**	**4**	**17**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annexure-III (B)

SECURITIES APPELLATE TRIBUNAL, MUMBAI
Representation of Persons With Disabilities (PWD) SCs, STs and OBCs
(As on 31/12/2021)

					BY DIRECT RECRUITMENT							PROMOTION						
Groups	Number of Employees				No. of Vacancies reserved			No. of Appointments made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
Group A	5	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	7	0	0	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	12	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**24**	**0**	**0**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure-IV (A)

SECURITIES EXCHANGE BOARD OF INDIA

Representation of SCs, STs, and OBCs
(As on 31/12/2021)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2021											
					By Direct Recruitment				By Promotion				By Other Methods			
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	OBC
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**
OFFICERS	900*	127	50	249	2	1	0	0	88**	13	5	26	3***	0	0	0
SECRETARIES	72	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0
JUNIOR ASST.	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MESSENGER/ COOK	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**975**	**128**	**50**	**252**	**2**	**1**	**0**	**0**	**88**	**13**	**5**	**26**	**3**	**0**	**0**	**0**

* *Includes four employees who are on contract/deputation*
** *Includes promotion within the Grade*
*** *On contract / deputation.*

Annexure-IV (B)

SECURITIES EXCHANGE BOARD OF INDIA

Representation of Persons With Disability(PWD) STs and OBCs
(As on 31/12/2021)

					DIRECT RECRUITMENT							PROMOTION						
Groups	**Number of Employees**				**No. of Vacancies reserved****			**No. of Appointments made**				**No. of Vacancies reserved**			**No. of Appointments made*****			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
OFFICERS	900	12	5	11	4	6	0	2	0	0	0	0	0	0	4	1	1	2
SECRE-TARIES	71	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JUNIOR ASST.	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MSNGR/ COOK	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**975**	**13**	**5**	**11**	**4**	**6**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**1**	**1**	**2**

* *Includes four employees who are on contract/deputation.*
** *Includes Backlog vacancy. Vacancies were advertised in the CY 2020; however due to COVID-19, the recruitment exercise got delayed and the newly recruited officers joined in CY 2021 post completion of recruitment exercise.*
*** *Includes promotion within the Grade for CY 2020.*

Annexure-V (A)

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED (SPMCIL)

Representation of SCs, STs, and OBCs
(As on 31/12/2021)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2021										
					By Direct Recruitment				By Promotion			By Other Methods			
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
Group A	358	58	19	69	25	2	1	5	0	0	0	0	0	0	0
Group B	927	140	75	170	17	2	0	1	50	13	1	3	1	0	0
Group C	5412	1050	498	824	94	3	0	23	315	85	22	3	1	2	0
TOTAL	**6697**	**1248**	**592**	**1063**	**136**	**7**	**1**	**29**	**365**	**98**	**23**	**6**	**2**	**2**	**0**

Annexure-V (B)

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED, (SPMCIL)

Representation of Persons with Disabilities (PWD)SCs, STs and OBCs
(As on 31/12/2021)

					DIRECT RECRUITMENT							PROMOTION						
Groups	Number of Employees				No. of Vacancies reserved			No. of Appointments made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
Group A	358	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group B	927	1	0	13	0	0	0	1	0	0	0	0	0	0	21	0	0	1
Group C	5412	23	48	121	1	0	0	13	1	0	0	0	0	1	119	0	0	3
Total	**6697**	**24**	**49**	**136**	**1**	**0**	**0**	**14**	**1**	**0**	**0**	**0**	**0**	**1**	**140**	**0**	**0**	**4**

Annexure-VI (A)

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

GOVERNMENT OF INDIA

Representation of SCs, STs and OBCs (as on 31.12.2021)

Groups	No. of employees in position				Appointment by Direct Recruitment				Appointment by Promotion			Appointment by other methods			
	Total	SC	ST	OBC	Total	SC	ST	OBC	Total	SC	ST	Total	SC	ST	OBC
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
Officers	57	4	1	9	34	4	1	7	1	0	0	22	0	0	2
Executive Assistants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi-Tasking Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**57**	**4**	**1**	**9**	**34**	**4**	**1**	**7**	**1**	**0**	**0**	**22**	**0**	**0**	**2**

Annexure-VI (B)

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

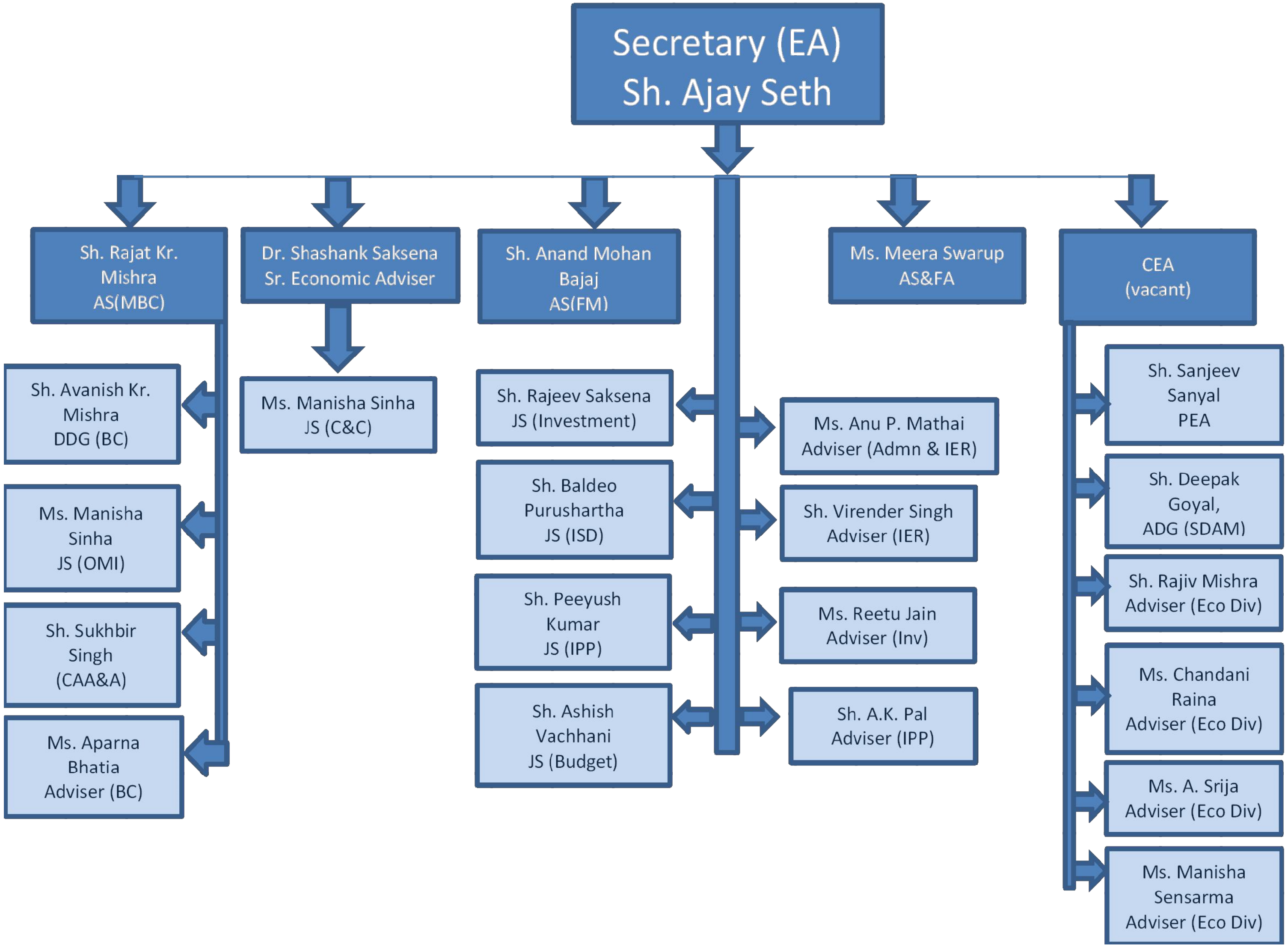
GOVERNMENT OF INDIA

Representation of SCs, STs and OBCs (as on 31.12.2021)

Groups					By Direct Recruitment								BY Promotion							
	Number of Employees				No. of Vacancies reserved				No. of Appointments made				No. of Vacancies reserved				No. of Appointments made			
	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**
Officers	57	1	0	0	1	1	0	0	34	01	0	0	0	0	0	0	0	0	0	0
Executive Assistants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi-Tasking Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**57**	**1**	**0**	**0**	**1**	**1**	**0**	**0**	**34**	**01**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

ORGANIZATION CHART IN THE DEPARTMENT OF ECONOMIC AFFAIRS

(as on 31.12.2021)



Chapter - II

Department of Expenditure

1. Personnel Division

1.1 The Personnel Division works under the Special Secretary (Personnel) and is responsible for administration of various financial rules and regulations including those relating to personnel matters of Central Government Employees such as regulation of pay and allowances, policy matters on pension, and staffing of Government establishments by creation and upgradation of posts, as also cadre reviews.

1.2 The Division also deals with proposals seeking to alter service conditions and other benefits to Government employees with significant recurring financial implication. Broad instructions on Expenditure Management, including economy measures and measures for improving quality of expenditure such as through Utilisation Certificates (UC) are issued by the Personnel Division.

1.3 This Division administers the General Financial Rules and the Delegation of Financial Powers Rules including issue of clarifications/ amendments thereto, and coordinates with Financial Advisors of all Ministries/ Departments of the Central Government. All legislative proposals with general financial implications are scrutinized in the Personnel Division.

1.4 The Department of Expenditure (DoE), Ministry of Finance (MoF) receives Capital Acquisition/works proposals from Ministry of Defence pertaining to Army, Navy, Air Force, DRDO and Coast Guard. These proposals are received in MoF after tender evaluation and price negotiations are done by MoD. Ministry of Finance is not involved in the appraisal procedure of these proposals although the proposals have significant financial implications. The position of Ministry of Finance is also unique because a large number of proposals needing approval of CCS originating from Ministries like MEA and MHA are also examined in Ministry of Finance. It is the endeavor of Ministry of Finance to ensure that no duplication of assets are created for meeting similar security environment wherein MoD, MHA or any other Ministry is a stakeholder.

1.5 Service matters pertaining to the Indian Audit and Accounts Service(IA&AS), Indian Civil Accounts Service (ICAS) and Indian Cost Accounts Service (ICoAS) are dealt with by this Division. Administrative assistance to the Finance Ministers' Office is also provided by this Division.

1.6 The Division also handles the overall administration of the Department of Expenditure and also controls the cadre for all Central Secretariat Service(CSS)/ Central Secretariat Stenographer Service (CSSS)/ Central Secretariat Clerical Service (CSCS) upto the level of Section Officers/ Private Secretaries in the Ministry of Finance, apart from coordinating Parliament work as well as Right to Information Act (RTI) matters for the Ministry of Finance as a whole.

1.7 Pay Research Unit (PRU)

1.7.1 The Pay Research Unit was established in 1968 and is 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 Administration. This unit brings out an Annual Publication titled "Annual report on Pay & Allowances of Central Government Civilian Employees". The brochure provides statistical information regarding expenditure incurred by the different Ministries/ Departments of the Central Government on pay and various types of allowances such as Dearness Allowance, House Rent Allowance, Overtime Allowance, Compensatory Allowance etc. in respect of its regular civilian employees. It also provides information on Ministry-wise/ Department-wise and Group-wise number of sanctioned posts and numbers of incumbents in position.

1.8 Expenditure Management Commission (EMC)

1.8.1 Expenditure Management Commission (EMC) was constituted on 04.09.2014 with a mandate to recommend ways to increase efficiency of public expenditure, review major areas of Central Government expenditure and suggest ways of creating fiscal space required to meet development expenditure needs, without compromising fiscal discipline. The Commission submitted its Report in four parts by March 2016. Out of the 181 actionable points in the EMC report found implementable now, 161 have already been implemented. The remaining recommendations have been taken up for implementation by the concerned Ministries/ Departments and implementation is on going.

1.8.2 As recommended by EMC, a data base of Autonomous Bodies (ABs) has been set up in the website of Department of Expenditure and 68 Ministries/ Departments have uploaded data relating to ABs under their administrative control. The information uploaded on the portal is used by various Ministries and NITI Aayog for review and decision making.

1.8.3 Department of Expenditure has also reviewed 231 Autonomous Bodies under 23 Ministries/Departments for rationalization. The review reports were sent to the respective Ministries/Departments for further action to implement the recommendations and reduce the number of autonomous bodies through merger, closure and disengagement.

1.9 RTI Cell

1.9.1 The Right to Information Act, 2005 is implemented in its true spirit and the information required to be disclosed under the Act has been uploaded on the website of the Department. The Central Public Information Officers (CPIOs) ensure timely supply of information to applicants and prompt action is taken on appeals by Appellate Authorities. The quarterly returns are submitted to the Central Information Commission by the Cell. Suo-Moto disclosure has been made mandatory as per orders of the Department of Personnel & Training.

1.9.2 RTI Cell works in close coordination with CIC and this Cell updates the CIC with quarterly report of the Department in the matter of RTIs and also receives CIC hearing notices of the officials of this Department for necessary action in the matter.During the year 2020-21 under RTI Act 2005, 1232 RTI applications and 48 appeals received in physical form and 5403 RTI applications and 298 appeals received online were disposed off in a time-bound manner.

1.10 Legal Cell

1.10.1 Legal Cell is the 'Nodal Branch' of the Department of Expenditure in Legal matters and coordinates on Legal matters/Court cases pertaining to 'Establishment Division' of the Department. The Cell receives the legal notices from various Courts and Government Counsels, receipts from the Government Counsels in connection with Professional Fee for their engagement and services, Collecting/compiling information on pending court cases, wherein Department of Expenditure is one of the respondents and submitting the same to the Secretary (Exp.) for follow up action thereon. It also maintains overall supervision on all legal matters and refers the Court cases received from the various Sections of 'Establishment Division' to Ministry of Law & Justice for advice. The Cell also coordinates with M/o Law & Justice in Legal matters pertaining to Department of Expenditure.

1.11 Staff Inspection unit (SIU)

1.11.1 The Staff Inspection Unit (SIU) was set up in 1964 with the objectives of securing economy in the staffing of Government Organizations consistent with administrative efficiency and evolving performance standards and work norms in Government offices and institutions wholly or substantially dependent on Government Grants. The Scientific and Technical Organisations are not within the purview of the SIU but a Committee constituted by the Head of the Respective Department, with a representative from SIU as Core Member, conducts study of such organisations.

1.11.2 The Financial Advisers (FAs) are main links between the SIU in the Department of Expenditure and other Ministries/ Departments/ Offices/ Organisations. All requests for staffing studies by the SIU are routed through the concerned FAs in the Departments. The Study Reports are issued after 'on the spot' work measurement study are conducted by the SIU Study Team which includes discussion with the senior officials of the organisations and finalization of the provision as assessment report of the SIU. The final report of the SIU is required to be implemented by the concerned organization within the stipulated period of three months as per the instructions in this regard.

2. Public Finance-State Division

2.1 Scheme for Special Assistance to States for Capital Expenditure

2.1.1 Considering the fiscal environment faced by the State Governments during 2020-21 due to the shortfall in tax revenues arising from the COVID-19 pandemic, 'Scheme for Special Assistance to States for Capital Expenditure', was approved wherein special assistance of Rs. 11,830.29 crore was provided to the State Governments in the form of 50-year interest free loan during financial year 2020-21. This Scheme of Special Assistance to States for Capital Expenditure has been extended for the financial year 2021-22 with an allocation of Rs. 10,000 crore. The Scheme for the financial year 2021-22 has three parts:

2.1.2 Part-I is for the 8 north eastern States i.e. Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim and Tripura, and for the hill States of Uttarakhand and Himachal Pradesh. The sum allocated for this part is Rs. 2,600 crore. Out of this amount, Rs. 1,400 crore is divided equally among 7 north eastern States while Rs. 1,200 crore is earmarked for Assam, Uttarakhand and Himachal Pradesh in equal shares (Rs.400 crore each).

2.1.3 Part-II is for all other States not included in Part-I. An amount of Rs. 7,400 crore is earmarked for this part. This amount has been allocated amongst these States in proportion to their share of Central Taxes as per the award of the 15th Finance Commission for the financial year 2021-22.

2.1.4 Part-III is for providing incentives to States Governments for privatization/disinvestment of the State Public Sector Enterprises (SPSEs) and monetization/ recycling of assets. Under this part, States will be provided additional funds as 50 years interest free loan over and above their allocation under Part-I/Part-II of the Scheme. An amount of Rs. 5,000 crore is allocated for this part of the Scheme.

2.1.5 As on 30.11.2021 capital expenditure proposals of Rs.6585.00 crore of 16 States have been approved and an amount of Rs. 3276.96 crore has been released to the States under the scheme.

2.2 Borrowings of the States

2.2.1 As per the recommendations of Fifteenth Finance Commission [XV-FC], higher normal Net Borrowing Ceiling of 4 percent of Gross State Domestic Product (GSDP) was allowed to States for 2021-22. The net borrowing of the States for the year 2021-22 has been fixed at Rs. 8,46,922 crore at 4% of GSDP of the States. Out of Net Borrowing Ceiling fixed for the year 2021-22, consent of Government of India under Article 293(3) of the Constitution of India amounting to Rs. 6,00,565 crore to raise open market borrowing (OMB) and Rs.55,532 crore for negotiated loan has been issued to the State Governments as on 30.11.2021.

2.2.2 The capital expenditure has a high multiplier effect, enhances the future productive capacity of the economy, and results in a higher rate of economic growth. Accordingly, out of the net borrowing ceiling (NBC) of 4% of GSDP for the States for 2021-22, 0.50 percent of GSDP was earmarked for the incremental capital expenditure to be incurred by the States during 2021-22. For this a target for capital expenditure was fixed for each State. To become eligible for incremental borrowing, States were required to achieve at least 15 percent of the target set for 2021-22 by the end of 1st quarter of 2021-22, 45 percent by the end of 2nd quarter, 70 percent by the end of 3rd quarter and 100 percent by 31st March 2022.

2.2.3 During the first review, eleven States namely, Andhra Pradesh, Bihar, Chhattisgarh, Haryana, Kerala, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Rajasthan and Uttarakhand have achieved the target set for the capital expenditure in the 1st Quarter of 2021-22 and these States have been granted permission to borrow an additional amount of Rs. 15,721 crore. During the second review, eight States namely, Chhattisgarh, Kerala, Madhya Pradesh, Manipur, Meghalaya, Punjab, Rajasthan and Telangana have achieved the target set for the capital expenditure upto 2nd Quarter of 2021-22 and these States have been granted permission by the Department of Expenditure to borrow an additional amount of Rs.16,781 crore. After two rounds of review of capital expenditure, total additional borrowing permission of Rs. 32,502 crore has been issued to States (till 30.11.2021).

2.2.4 Further, XV-FC has recommended performance based additional borrowing space of 0.50 percent of Gross State Domestic Product (GSDP) to States in the power sector. This additional borrowing of 0.50 percent of GSDP is over and above the normal net borrowing ceiling of 4 percent of GSDP fixed for year 2021-22. This would provide additional resources available to the States amounting upto Rs. 1,05,864 crore.The objectives of the additional borrowing space are to improve the operational and economic efficiency of the sector, and promote a sustained increase in paid electricity consumption. This special dispensation has been recommended for each year for a four year period from 2021-22 to 2024-25.

2.3 Loan to States in lieu of GST Compensation shortfall

2.3.1 In order to meet the shortfall in Goods and Services Tax (GST) compensation to be paid to States, the Government of India had set up a special borrowing window in the year 2020-21. An amount of Rs. 1,10,208 crore was borrowed through this window by the Government of India during 2020-21 on behalf of the States and Union Territories with legislative assembly and passed on to the States /UTs as loan on back to back basis to help the States/UTs to meet the resource gap due to non-release of compensation due to inadequate balance in GST compensation fund. All eligible States and UTs (with Legislature) have agreed to the arrangements of funding of the compensation shortfall under the back-to-back loan facility.

2.3.2 Subsequent to the deliberations in the 43rd GST Council meeting, Centre has borrowed Rs. 1.59 lakh crore from the market through special borrowing window in the current financial year 2021-22 and released the entire amount to States and UTs with Legislature as a back-to-back loan in three tranches i.e. Rs. 75,000 crore on 15th July, 2021, Rs. 40,000 crore on 07th October, 2021 and Rs. 44,000 crore on 28th October 2021.

2.4 Additional central Assistance for Externally Aided Projects

2.4.1 Additional Central Assistance for Externally-Aided Projects (EAPs) is passed on to the General Category States on back to back basis on the same terms and conditions on which these loans are received by the Union Government from donor agencies. However, in case of North Eastern and Himalayan States, special dispensation has been made whereby they receive the assistance for EAPs in grant: loan ratio of 90:10. Based on the recommendations of the Office of Controller of Aid, Account and Audit Division, Department of Economic Affairs, an amount of Rs. 16,449.74 crore has been released to the State Governments during 2021-22 (as on 30.11.2021) as against Budget Estimates (2021-22) of Rs. 49,750 crore.

2.5 Special Assistance to States

2.5.1 Post implementation of the 14th Finance Commission, States were empowered through the budget line 'Special Assistance to States' for meeting spill over committed liabilities for which Budget provision is not made after implementation of the 14th Finance

Commission recommendations and other need based assistance to the States. Accordingly, Rs. 6950.50 crore in 2017-18, Rs. 4680.81 crore in 2018-19, Rs. 1623.70 crore in 2019-20 and Rs. 1948.66 crore in 2020-21 were released to states as Special Assistance for meeting contextual needs. Now, in the first financial year of the 15th Finance Commission award period (from 2021-22 to 2025-26) Rs. 731.00 crore has been released (till 30.11.2021) as Special Assistance to the States of Goa, Gujarat and Sikkim.

2.6 Finance Commission Grants to States

2.6.1 Finance Commission Division (FCD) undertakes processing of and follow up action on the various recommendations of the Central Finance Commission including release of grants recommended by the successive Central Finance Commissions.

2.6.2 The Union Government on 01.02.2021 vide Explanatory Memorandum as to the Action Taken on the Recommendations made by the Fifteenth Finance Commission (XV-FC) in its Report for the award period VFC 2021-22 to 2025-26 inter-alia accepted the recommendations of the XV-FC. The XV-FC has recommended grants-in-aid amounting to Rs.2,33,233.77 crore to the States for the year 2021-22 for Post Devolution Revenue Deficit Grant, Grants to Local Bodies, Health Sector Grant and Disaster Management Grants. The details of allocation and releases of grants to State Governments under various components during 2021-22 are as under:

(` in Crore)

Sl. No.	Components	Allocation for 2021-22	Grants release during 2021-22 (Upto 30/11/2021)
1.	Post Devolution Revenue Deficit Grant	118452.00	78968.00
2.	Urban Local Bodies Grant	22114.00	6874.13
3.	Rural Local Bodies Grant	44901.00	25248.38
4.	Health Sector Grant	13192.00	12251.82
5.	Central Share of State Disaster Risk Management Fund/SDRF	22184.00	17747.20
6.	Central Share of National Disaster Risk Management Fund/NDRF	12390.77	3543.54
	Grand Total	**233233.77**	**144633.07**

2.6.3 The XV-FC have recommended Rs.22,114.00 crore for Urban Local Bodies Grants and Rs.44,901.00 crore for Rural Local Bodies Grants for 2021-22. The Commission has recommended that 60 per cent of the grants to Rural local bodies and for Urban local bodies in non-Million-Plus cities should be tied to supporting and strengthening the delivery of two categories of basic services: (a) sanitation, maintenance of ODF status (for Rural Local Bodies), solid waste management and attainment of star ratings as developed by MoHUA (for non-million plus cities; (b) drinking water, rain water harvesting and water recycling (both for Rural Local Bodies and Urban Local Bodies). Under the ULBs grants, for cities with million plus population (Million-Plus cities), 100 per cent of the grants are performance-linked through the Million-Plus Cities Challenge Fund (MCF).

2.6.4 To strengthen the hands of the State Governments in prevalent Pandemic situation, as a special dispensation, the Department of Expenditure, Ministry of Finance at the recommendation of the Ministry of Home Affairs had released in advance (April, 2021) 1st instalment of the Central Share of the State Disaster Response Fund (SDRF) of an amount of Rs.8,873.60 crore to all States for the year 2021-22. Similarly, the 2nd instalment of Rs 8,873.60 crore has also been released in advance to all States. During 2021-22 up to 50% of the annual allocation of SDRF amount may be used by the States for COVID-19 containment measures.

2.6.5 Health Sector Grants: The XV-FC has recommended Grants for Health to be channelised through Local Governments amounting to Rs. 13,192.00 crore for the year 2021-22 against this Rs.12,251.82 crore has been released. To strengthen and plug the critical gaps in the health care system at the primary health care level, XV-FC has also identified interventions that will directly lead to strengthening the primary health infrastructure and facilities in both rural and urban areas.

2.6.6 For 2021-22, recommendations of the XV-FC is being implemented. Upto 30.11.2021, a total of Rs.1,44,633.07 crore has been released to the State Governments for various components as recommended by the Commission. The remaining part of the recommended grants for the year 2021-22 will be released to the concerned States upon fulfilment of the stipulated conditions.

2.7 PFMS Unit

2.7.1 Public Financial Management System (PFMS) was started as a Central Sector/Central Plan Scheme and in December, 2013 was approved for national roll out for all States and Schemes for a period of four years which was later extended up to March, 2020. In September, 2019, it was decided that PFMS would cease to be a Central Sector and all activities of PFMS would be considered as a regular establishment activity of CGA.

2.7.2 A PFMS Unit was created in the Department of Expenditure in August, 2020. Subsequently, a dedicated PFMS Division was also created vide order dated 05th April, 2021 within the Office of Controller General of Accounts (CGA) to exclusively look after the work of Design, Development and Implementation of PFMS. The PFMS Division will report functionally to the Secretary (Expenditure) through the Additional Secretary/Joint Secretary in charge of PFMS unit in the Department of

Expenditure, as DoE's operational relationship with States/UTs and Central Ministries/Departments is likely to facilitate better monitoring and smooth implementation of PFMS.

2.7.3 Accordingly, following key actions have been taken by the Department of Expenditure during 2020-21:

- Webinar on PFMS- Enhancing usage, providing a Pleasing Experience: A Webinar was arranged on 5th March, 2021 by the Department of Expenditure alongwith the Office of CGA to revisit PFMS for constant improvement. The purpose of the webinar was to get feedback from a cross section of users of PFMS to make the system more user friendly, reduce manual processing and decrease the compliance burden. The areas covered during the webinar include issues and challenges in EAT module, Moving towards a Paperless PFMS, Issues facing users in Treasury Operations. Feedback and issues were received from cross section of users based on which action has been taken by the Office of CGA.
- New guidelines for releases under Centrally Sponsored Schemes: As one of the Public expenditure management initiative, a new procedure for release and monitoring of funds in CSS has been issued by the Government on 23.03.2021.This procedure is intended to reduce float of funds and just in time transfer of funds to Implementing agencies by State Governments. The procedure has come into effect from 01.07.2021. To facilitate smooth implementation of the revised procedure the Department of Expenditure has also issued a Frequently Asked Questions (FAQs) dated 7.7.2021 and Standard Operating Procedure (SOP) dated 30.7.2021.

3. Public Finance Central Division

3.1 Public Finance (Central) Division is primarily engaged with all issues relating to the Expenditure related proposals of the Government of India through various public funded programmes/ schemes/ projects of Central Government Ministries/ Departments.

3.2 This division is entrusted with the appraisal and approval of all public funded schemes and projects of the Central Ministries/PSUs. In respect of development schemes and projects, the focus has been on improving the quality of public Expenditure though better Scheme/ Project formulation, emphasis on outputs, deliverables, impact assessment and convergence approach.

3.3 A continuous endeavour is made to rationalize the Centrally Sponsored Schemes (CSSs) and Central Sector Schemes (CSs) for optimal and focused use of public resources.

3.4 Public Finance (Central) division deals with the financial restructuring of Central PSUs on the recommendations of the Bureau for Restructuring of Public Sector Enterprises (BRPSE). It is also engaged in working out modalities for financial assistance to CPSEs, quantification of their Internal and Extra Budgetary Resource (I&EBR) generation for preparation of budget, finalizing modernization of plants and machinery to ensure more efficiency in production. Review of Capex and IEBR of CPSEs is also done periodically.

3.5 Various issues relating to Food, Fertilizers, LPG and Kerosene subsidy, including their quantification and extension of assistance to the stake holders are also dealt within this division. This Division is actively involved along with the concerned Department/Ministry, in shaping subsidy policy of the government as to ensure effective targeting coupled with minimum burden on the Government.

3.6 The PFC division also deals with various issues of Direct Benefit Transfer (DBT) in coordination with the DBT Mission, Aadhaar based authentication of beneficiaries data base and use of the Public Financial Management System (PFMS) in order to have end to end digitized information on all central expenditures encompassing CSSs, CSs, subsidies and other expenditure.

3.7 This division is responsible for preparation of outcome budgets for all Central Ministries/Departments in consultation with the NITI Aayog. This output-outcome framework shall be for all CSSs and CSs dealing with identified measurable outcome in the relevant medium term framework,physical and financial outputs are targeted on a year to year basis. A consolidated Outcome Budget 2021-22 was presented in the Parliament as a part of the Budget Documents of 2021-22.

3.8 During the period from 1st April, 2021 to 30th November, 2021, the Expenditure Finance Committee (EFC) Chaired by Secretary (Expendiutre) recommended 131 investment proposal/schemes of various Ministries/ Department costing Rs.2,607,496.39 crores.

3.9 Also, during the period, Public investment Board (PIB) chaired by Secretary (Exp.) considered and recommended 18 proposal involving an amount of Rs. 1,57,634.68 crores.

3.10 In order to speed up the appraisal process, and online portal for uploading EFC/PIB/SFC/DIB proposals, marking proposals to relevant Ministries, receiving comments, fixing dates for the meetings and dispatching minutes after approval has been functional since August, 2017.

3.11 In August, 2021, revised format for appraisal and approval of new Public Funded Schemes were issued, to make it more informative, lucid and to incorporate output/outcome related targets in a logical framework. This will make the appraisal more structured and effective while placing enhanced emphasis on measurable outputs/ outcomes of public expenditure.

4. Procurement Policy Division

4.1 A Public Procurement Cell (PPC) was set up in this Department in June, 2011 to take follow up action on the Report of the Committee on Public Procurement (CoPP) and for related matters such as drafting of rules and setting up of a Central Public Procurement Portal. The Cell was gradually strengthened and a Division called Procurement Policy Division (PPD) was created.

4.2 Functions of PPD

The Division deals with the following items of work:-

i. Public Procurement legislation and rules, notifications, orders there under;

ii. Policies relating to Public Procurement including administration of General Financial Rules 2017 on procurement of goods and services and contract management; policies relating to mandatory or preferential procurement;

iii. Matters relating to standardization of procurement related documents;

iv. All matters related to Central Public Procurement Portal (CPPP) set up for publishing information relating to Public Procurement;

v. Matters relating to electronic procurement;

vi. Professional standards to be achieved by officials dealing with procurement and suitable training and certification requirements for the same;

vii. Interface with International bodies on matters relating to Public Procurement.

viii. Matters related to operational issues of Government e-Marketplace (GeM).

ix. Handling of proposals relating to Global Tender Enquiry (GTE) received from all Central Ministries.

4.3 Central Public Procurement Portal & e-Procurement

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

ii. Further, it has also been decided to implement e-Procurement in Ministries/ Departments of the Central Government and instructions have also been issued to all Ministries/ Departments to commence e-procurement in respect of all procurement with estimated value of Rs.2.50 lakh or more in a phased manner. Use of e-procurement has enhanced transparency and accountability and made procurement more efficient. This also helps in monitoring delays and reducing the procurement cycle.

iii. Currently, more than 1,00,000 tenders are floated per month using facility of CPPP (including States) which amounts to more than Rs.17 lakh crore per annum. Apart from it, many procurement organizations like Railways, PSUs like ONGC, BHEL etc. have their own e-procurement portals.

4.4 Government e-Marketplace (GeM):

i. It is mandatory to buy goods/ services available on GeM from GeM only.

ii. In order to promote greater discipline and timeliness in payment to vendors, it has been decided that whenever a CRAC is auto generated or issued by a buyer and payment is not made 10 days thereafter, the buyer organization will be required to pay penal interest @ 1% per month for the delayed payment beyond the prescribed timeline till the date of such payment.

4.5 Capacity Building:

It is imperative that the executives/ officers engaged in public procurement process have thorough knowledge of all the relevant rules, regulations and procedures of public procurement. For the purpose, one week Training Program on Public Procurement is conducted in ArunJaitely National Financial Management (AJNIFM), Faridabad with a view to educate and familiarize the concerned executives/ officers with all the relevant rules, regulations and procedures of public procurement. Around 2,000 officers per annum are being trained. So far, around 10,000 officers have already been trained in AJNIFM.

5. Official Language

5.1 Hindi Section of the Department of Expenditure is responsible for implementation of the provisions made under Official Language Act, 1963 and Official Language

Rules, 1976 as amended from time to time. Hindi Section is also responsible for coordinating follow-up action on the suggestions/ directions given by Kendriya Hindi Samiti, Committee of Parliament on Official Language, Hindi Advisory Committee and Central Official Language Implementation Committee. Other responsibilities of the section include implementation of various incentive schemes to enhance use of Hindi in official work, facilitation in nomination of officers/ employees for Hindi language training and organization of Hindi Diwas/week/fortnight. In addition to these, efforts for achieving annual targets set by Department of Official Language with regard to usage of Hindi in official work are made in association with the other Sections/Divisions/Offices in the Department.

5.2 To increase original correspondence with other Offices/individuals in Hindi, circulars are issued to Sections/Divisions/Offices from time to time. As per quarterly progress report for the quarter ended on 31st September, 2021 original correspondence in Hindi with Region "A", "B" and "C" is 69.66%, 67.5% and 54% respectively.

5.3 Virtual meetings of the Departmental Official Language Implementation Committee were held on 23rd June, 2021 and 23rd September, 2021 in which reports for quarters ending 31st March, 2021 and 30th June, 2021 received from the Sections/Divisions/Offices of the Department were reviewed. Quarterly Progress Reports regarding progressive use of Hindi received from Sections/Offices of the Department are reviewed in detail keeping in view the targets prescribed in the Annual Program. Wherever shortcomings were found, they are advised to rectify/improve usage of Hindi in official work.

5.4 Replies of letters received from members of Parliament and other VIPs were promptly sent and follow up action ensured. During the period under reference, replies to all the letters received in Hindi were compulsorily given in Hindi under Rule 5 of the Official Language Rules 1976. Also, official language inspection of 9 Sections/Divisions/Offices was conducted. During inspection their work was found satisfactory and suggestions were also given to them to further improve the progress of Official Language Hindi.

5.5 The Policy of the Government with regard to the propagation and spread of the Official Language is that the use of Hindi as Official Language may be increased with motivation, encouragement and goodwill."Hindi Week" was observed in the Department from 14-21 September, 2021 to motivate the employees for the progressive usage of Hindi in their day-to-day work. Several competitions viz. Hindi Essay Writing, Noting-Drafting, Poem Writing and 'What does the picture say?' were organized to encourage the employees to work in Hindi and create a conducive atmosphere. In addition, a Campaign was launched for undertaking more and more work in Hindi (minimum 2000 words) during the period from 01st to 30th September, 2021. Several officers and employees of the Department took part in these competitions/campaign enthusiastically.

6. Integrated Finance Unit (IFU)

6.1 The Integrated Finance Unit works under Special Secretary & Financial Adviser (Finance) and deals with the expenditure and Budget related proposals under Grant No.30 - Department of Expenditure which includes (i) Secretariat General Services covering the establishment budget for the Department of Expenditure (Main Secretariat), O/o Controller General of Accounts, O/o Central Pension Accounting Office, O/o Cost Accounts Branch and O/o Chief Controller of Accounts; (ii) Other Administrative Services covering the budget for Institute of Government Accounts and Finance, National Institute for Financial Management, Contribution to International Body (AGAOA) and the budget relating to payment of service charges to the Central Recordkeeping Agency for the New Pension Scheme.

6.2 This Unit also monitors the expenditure under Grant No.36 – Indian Audit & Accounts Department; and Grant No.39 – Pensions.

(₹ in crore)

Grant No.	Budget Estimates 2021-22			*Revised Estimates 2021-22		
	Revenue	Capital	Total	Revenue	Capital	Total
30 – Department of Expenditure	454.74	0.00	**454.74**	-	-	-
36 – Indian Audit & Accounts Department	5409.97	24.95	**5434.92**	-	-	-
39 – Pensions	56873.12	0.00	**56873.12**	-	-	-

**Yet to be received.*

The allocations under the respective Grants are as under:

6.3 The Integrated Finance Unit expeditiously examines and disposes the financial and expenditure proposals pertaining to the Department of Expenditure including the proposals for appointment of consultants, deputation of officers abroad, payments towards Course Fees (including grants-in-aid) to Arun Jaitley National Institute of Financial Management etc duly observing austerity instructions issued by the Govt. from time to time.

6.4 The expenditure trend of Grant No.30-DoE is monitored consistently and strict control has been exercised over the expenditure. A report of the review is regularly submitted to the Secretary (Expenditure) on monthly basis. Further, the Quarterly expenditure of Grant Nos. 36-IAAD and 39-Pensions is monitored and the report in this connection is submitted to Secretary (Expenditure) through DO letter.

7. Controller General of Accounts

7.1 The Controller General of Accounts (CGA), in the Department of Expenditure, Ministry of Finance, is the Authority to administer, manage and supervise departmentalized accounts of Government of India. It also provides advice to various Ministries/Departments of Government of India concerning Financial/Accounting matters and is responsible for establishing and maintaining a technically sound Payment and Accounting System.

7.2 The Office of Controller General of Accounts prepares monthly and annual analysis of expenditure, revenues, borrowings and various fiscal indicators for the Union Government. Under Article 150 of the Constitution, the Annual Appropriation Accounts (Civil) and Union Finance Accounts are submitted to Parliament. Along with these documents, an M.I.S Report titled ‘Accounts at a Glance’ is prepared and circulated to Hon’ble Members of Parliament.

7.3 Functions: **i)** Formulate policies relating to general principles, form and procedure of accounting for the Central and State Governments; **ii)** Administer the process of payments, receipts and accounting in Central Civil Ministries / Departments; **iii)** Prepare, consolidate and submit the monthly and annual accounts of the Central Government through a robust financial reporting system aimed at effective implementation of the Government fiscal policies; **iv)**Coordinate and assist in the introduction of Management Accounting Systems in Ministries/Departments with a view to optimizing the utilization of Government resources through efficient cash management and an effective Financial Management Information System (FMIS); **v)**Administer banking arrangements for disbursements of Government expenditures and collection of government receipts and interact with the Central Bank for reconciliation of cash balances of the Union Government; and **vi)**Establish a sound Human Resource Management System for recruitment, deployment and improve the career profile management of officers and staff, both at the supervisory level and at the operational level within the Indian Civil Accounts Service.

7.4 Financial Reporting - Monthly and Annual :- **i)** The office of the Controller General of Accounts is responsible for Monthly Consolidation of the Union Government Accounts, a detailed analysis of the monthly trends of receipts, payments, deficit and its sources of financing are presented to the Union Finance Minister every month. The documents has over a period of time evolved into an extremely useful tool for monitoring budgetary compliance and a handy MIS reference for decision making. In consonance with the Government’s policy towards transparency in public functioning, an abstract of the Union Government accounts is also released every month on the Internet. The data can be accessed at the website http://www.cga.nic.in; **ii)** With the advancement of technology this office has started providing weekly flash figures of receipts, payments and deficit to Ministry of Finance as a tool for quick management decision making. Daily flash figures are provided in the month of March, in order to monitor various financial parameters and targets; **iii)** In tune with the development in best practices, Controller General of Account’s Office also prepares Provisional Accounts of the Government of India within two months of completion of the financial year; **iv)**The Finance Accounts of the Union Government is submitted to Parliament under the provision of Article 151 of the Constitution of India. The Finance Accounts of the Union Government presents the accounts of receipts and disbursements for the purpose of the Union Government together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debt and the liabilities and assets are worked out from the balances recorded in the accounts; **v)** The Finance Accounts of the Central Government comprises of the accounts of the Central Government as a whole and includes transactions of Civil Ministries/Departments, Ministries of Defence and Railways and the Departments of Posts & Telecommunication. It presents the accounts of receipts and outflows of the Central Government for the year together with the financial results disclosed by different accounts and other data coming under examination. These accounts include the Revenue and Capital Account, Public Debt account and other liabilities and assets worked out from the balances in the accounts. It is supplemented by the accounts separately presented in the form of Appropriation Accounts for Grants and charged Appropriations.

7.5 Public Financial Management System(PFMS):

The Public Financial Management System (PFMS) is a web-based online software application designed, developed, owned and implemented by the Office of the Controller General of Accounts. Public Financial Management System aims to provide a sound Public Financial Management System for Government of India (GOI) by establishing a comprehensive payment, receipt and accounting network. It is aimed to achieve (i)"Just in time" transfer of funds and (ii) complete tracking of realization of funds from its release to its credit into the bank account of intended beneficiaries. Public Financial Management System makes a direct and significant contribution to the Digital India Initiative of Government of India by enabling electronic payment and receipt for Ministries/Departments in Government of India. Presently, Direct Benefit Transfer (DBT) payments in around 603 Schemes including state schemes are being made through PFMS. Almost all the Central Sector (CS) & Centrally Sponsored Schemes (CSS) are on PFMS and all the major banks including RBI are interfaced with Public Financial Management System.

7.5.1 Achievements of Public Financial Management System

i) Treasury Integration: All the 31 Treasuries integrated and are properly functional.

ii) External System Integration:

a) Receipt Expenditure Advance Transfer (REAT) integration completed for OPMS (Online Procurement Management System) for payment to farmers related to Telangana State.

b) REAT integration completed for Financial Accounting Package (FAP) of Food Corporation of India.

c) REAT integration completed for payment modules of Chhattisgarh CG Markfed Online Paddy Procurement software

d) REAT integration completed for OMMAS (Online Management, Monitoring and Accounting system) related to payment to beneficiaries under PMGSY (Pradhan Mantri Gramin Sadak Yojana)

e) REAT integration completed for Annajkharid portal of Government of Punjab

f) REAT integration completed for Food and Civil Supplies Department, Maharashtra

iii) Single Nodal Account (SNA) Implementation:

The Govt. of India, Ministry of Finance brought in new rules vide letter dated 23rd March, 2021 regarding procedure for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released. This resulted in tightening the procedure for grant of central funds besides heightening its scrutiny on fund utilization marking a big shift in the way Centrally Sponsored Schemes (CSS) will operate from now.

Over the years, Centrally Sponsored Schemes (CSS) had become one of the largest financial outgo for the Centre and several committees and finance commissions have recommended its heavy pruning and rationalization to make it more effective.

Accordingly new procedure for Centrally Sponsored Schemes (CSS) has been implemented since 01.07.2021 and Kerala became the first state in the country to successfully operationalize a state nodal account under Public Financial Management System (PFMS) for the smooth flow of funds for centre-sponsored schemes (CSS).After that all the 31 State/UTs (With Legislature) are successfully operationalizing the SNA under Public Financial Management System (PFMS). The leading State in the implementation of SNA are Kerala, Chhattisgarh, Tamil Nadu, Uttarakhand, Delhi, and Puducherry.

7.6 Technical Advice on Accounting matters

7.6.1 Article 150 of the Constitution provides that "The accounts of the Union and of the States shall be kept in such form as the President may, on the advice of the Comptroller and Auditor-General of India, prescribe." Note to Rule 3 of Government Accounting Rules, 1990 provides that "this function is exercised by the Controller General of Accounts, Ministry of Finance (Department of Expenditure) on behalf of the President of India."

7.6.2 Expenditures are classified according to the function, programme, and their economic nature using a fifteen digit numerical code. Receipts are classified according to their nature and source.

7.6.3 In terms of Rule 26 of GAR, 1990 Controller General of Accounts office administered the 'List of Major and Minor Heads of Account of Union and States (LMMHA)', which contains the classification of account heads upto Minor Head level (and also some Sub/Detailed Heads under some of them) in Government Accounts. Any amendment in this LMMHA is carried out on the advice of Comptroller and Auditor General of India (C&AG). In cases involving Accounting Procedure Budget Division of Department of Expenditure, Ministry of Finance is also consulted.

7.6.4 The Office of CGA developed the following New Head of Accounts:-New head of Accounts for Operation of '*National Disaster Mitigation Fund*', '*State Disaster*

Mitigation Fund' were opened; New head of Accounts were also opened for classification of Expenditure on '*Industrial Promotion*', '*Mineral Concession Fees*', '*Non-Mineral Sairat Sources*', '*Minor Mineral Concession Fees*';& for classification of Receipts on Accounts of '*Agricultural Infrastructure Development Cess*'.

7.7 Treasury Single Account (TSA)

7.7.1 The Expenditure Management Commission (EMC) vide Para 125 of its September 2015 report had recommended to gradually bring all Autonomous Bodies (ABs) under Treasury Single Account (TSA) system. Under Treasury Single Account (TSA) system, all Autonomous Bodies (ABs) in receipt of grants-in-aid from Central Government have to open assignment limit based account in RBI linked with Central Government Principal Accounts Offices Account at RBI. Thereby 'just-in-time' cash release is ensured against the assignment limit to Autonomous Bodies (ABs). The unutilized balances at the end of the financial year will be written back to Government Account by PAO. The main advantage of the project is towards financial gain on account of savings due to Just in time releases to Autonomous Bodies (ABs) resulting in reduction of Cash borrowings by the Government through RBI. The guidelines for implementation Treasury Single Account (TSA) System were issued by Department of Expenditure, Ministry of Finance.

7.7.2 Implementation of Treasury Single Account (TSA) has been extended to 40 group of (Autonomous Bodies) ABs, receiving funds amounting to more than Rs 200 crores each from BE 2021-22 vide Budget Division Ministry of Finance OM dated 22-02-2021.

7.8 Government Banking Arrangement (GBA)

7.8.1 Department of Financial Services, Ministry of Finance vide their letter No. 7/10/2012-BO.II dated 24th February, 2021 addressed to RBI removed embargo on the Private sector banks for doing Government Agency Business.

7.8.2 Subsequently, this Office vide OM No. R-23001/1/2021-GBA-CGA/761-852 dated 6th August 2021 has issued Criteria for selection of scheduled Private Sector Banks as Accredited Bank/Authorized Banks for fresh/additional government business (including government agency Business) in Central Ministries/Departments in respect of Government Agency Business Arrangement.

7.9 Monitoring Cell

Monitoring Cell, Office of the Controller General of Accounts, Department of Expenditure, Ministry of Finance is entrusted with the work of co-ordination of timely submission of Action Taken Notes (ATNs) on C&AG paras, Action Taken Replies (ATRs) on PAC paras and Explanatory Notes (ENs) on excess expenditure and savings of Rs. 100 crore and above as per direction of Public Accounts Committee. Submission of Action Taken Notes/Action Taken Replies and Explanatory Notes is being done through the upgraded version of Audit Paras Monitoring System portal, which facilitates online submission and helps avoid scanning or physical submission of ATNs/ATRs/ENs.

The number of CAG Audit para/ PAC paras/ Explanatory Notes that have been submitted/settled through the APMS portal to the LokSabha (PAC Branch) during 2020-21 are as under:-

S.No.	Subject	Paras submitted to LokSabha Secretariat during 01.04.2021 to 17.11.2021
1.	C&AG Audit Paras	197
2.	PAC Paras	141
3.	Explanatory Notes	29

7.10 Institute of Government Accounts and Finance (INGAF)

7.10.1 The Institute of Government Accounts & Finance (INGAF) is the training arm of the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, Government of India. Initially known as the Staff Training Institute, it was set up in February, 1992 to train personnel in specific areas of accounting, administrative matters and financial management. In the years following its inception, the Institute has evolved to become a premier training centre in the spheres of Government Accounting and Public Financial Management. In addition, the Institute has Regional Training Centres (RTCs) at Chennai, Kolkata, Aizawl and Mumbai.

7.10.2 Customized or Sponsored Training:**-** The Institute of Government Accounts & Finance (INGAF) is being regularly approached by various organization to provide in-depth training for their staff and officers from Group A, B & C such as Drawing and Disbursing Officers (DDOs)/Heads of Officers etc. on a variety of subjects. Over the last four years (2017-18 to 2020-21), this Institute has conducted training programs for the different organization whose duration spanned from one week to five weeks. Prominent of these include national Investigation Agency (NIA), National Sample Survey Organization (NSSO), Enforcement Directorate (ED), O/o Registrar General of India (ORGI) and so on.

7.10.3 International Cooperation:- The Institute of Government Accounts & Finance (INGAF) is a premier institute in the field of imparting training to participants from countries under ITEC programme in collaboration with Ministry of External Affairs. Besides this, the DPFM participants of Sri Lanka Institute of Development Administration (SLIDA), Sri Lanka have visited Institute of Government Accounts & Finance (INGAF) on several occasion for training on Public Financial Management.

In addition, several programmes on Public Expenditure Management/Public Financial Management as well as Internal Audit/Risk Audit have regularly been conducted for the participants from Royal Government of Bhutan, the Government of Bhutan, the Government of Afghanistan and Nepal. The Institute of Government Accounts & Finance (INGAF) has been functioning as the Secretariat for the Association of Government Accounts Organization of Asia (AGAOA) since November 2007.

8. Chief Advisor Cost

8.1 The Office of Chief Adviser Cost (CAC) is one of the divisions functioning in the Department of Expenditure, Ministry of Finance. CAC is advising Ministries and Government Undertakings on cost accounts matters and undertaking cost investigation work on their behalf. It is a professional body staffed by Chartered Accountants/Cost and Management Accountants.

8.2 The Office of Chief Adviser Cost is rendering advice to the Central Government Ministries/ Departments/Organizations on complex Price/Cost related issues and financial matters, which cover a wide spectrum of sectors/areas. It is currently engaged in the following major thrust areas viz. **i)**Vetting of claims under Price Support Scheme, Market Intervention Scheme and Price Stabilisation Fund for Perishable Agriculture produce and Cereals submitted by Implementing Agencies and State Governments; **ii)** Determination/ fixation of fair prices of the products and services supplied/rendered by PSUs to the Government. To name a few: Rails by SAIL, Traction Electrics by BHEL, Bank Notes and Coins by SPMCIL, Uranium Concentrate by UCIL, Nuclear Grade Ammonium Diuranate by IREL, Tear Smoke Munitions, Tear Gas Gun, Multi Barrel Launcher by BSF etc.; **iii)** Subsidy payable to Northern Railway for Catering Units functioning in Parliament House and Prime Minister's Office; **iv)** Representing in Revised Cost Committee of the various Ministries and Departments to identify the specific reasons behind time and cost overrun of projects and schemes; **v)** Participating in EFC/PIB and other Inter-Ministerial Committees; and **vi)**Examination of cost estimates, evaluation of the financial feasibility and other financial parameters of the High value Infrastructural Projects like Rail, Highways, Power, Education Sector etc. referred by DoE.

8.3 The Office of CAC is also cadre controlling office for the Indian Cost Accounts Service (ICoAS), which broadly encompasses Recruitment, transfer/posting and career progressions of ICoAS Officers. It also looks after training requirements of the officers for continuous up-gradation of their knowledge and skills, in addition to rendering professional guidance to the ICoAS officers working in different participating organizations.

8.4 Despite the limitations posed by outbreak of Covid-19 pandemic,the Office of Chief Adviser Cost completed 56 studies/reports during the period from December 2020 to November, 2021 following last annual report.The cost-price studies including vetting of claim/compensation completed during this period are detailed below:

(i) System Study/Pricing Methodology Study

a) Determination of Pricing Methodology for the Department of Atomic Energy of TBP (Tri Butyl Phosphate) & D2EHPA (Di2 Ethyl Hexyl Phosphoric Acid) supplied by Talcher and Baroda Unit of Heavy Water Board.

(ii) Determination of Fair selling price of products/ service where Government/Public Sector Undertaking is the Producer/Service provider as well as the user **:- a)**Fixation of fair price of rails supplied by Steel Authority of India Ltd. (SAIL) from Bhilai Steel Plant to Indian Railways for the year 2019-20; **b)**Fixation of rates of compensation for nuclear grade ammonium diuranate (NGADU) supplied by Indian Rare Earths Limited to Bhabha Atomic Research Centre for the years 2016-17, 2017-18 and 2018-19;**c)**Fixation of rate of compensation of Uranium Concentrate (U3O8) produced by Uranium Corporation of India Limited (UCIL) during the year 2018-19;**d)**Fixation of fair selling price of Tear Gas Gun (TGG) and Multi Barrel Launcher (MBL) manufactured by Central Workshop & Stores (CENWOSTO), BSF, Tekanpur, Gwalior for the year 2019-20; **e)**Fixation of fair price of Electronic Voting Machines consisting of 13,95,306 Ballot Units, 10,55,716 Control Units and 17,45,840 Voter Verifiable Paper Audit Trail (VVPAT) Units purchased for conducting LokSabha Elections – 2019;**f)**Fixation of Fair Price of Coins supplied by India Govt. Mints at Kolkata, Hyderabad, Noida & Mumbai to RBI for 2018-19;**g)**Determination of Fair Price of Bank Notes supplied by Bank Note Press (BNP) Dewas & Currency Note Press Nashik to Reserve Bank of India during the year 2019-20;**h**)Determination of Common Hourly Rates and Overhead Percentage in respect of Government of India Press, Mayapuri New Delhi for the year 2017-18, Government of India Press, Rashtrapati Bhawan New Delhi, Minto Road New Delhi, Mayapuri New Delhi and Temple Street Kolkata for the year 2018-19 and Government of India Press, Minto Road New Delhi for the year 2019-20;**i)**Fixation of Final Price of DDT 50% WDP Supplied by M/s HIL (India) Ltd. to NVBDCP for the year 2019-20;**j)**Vetting of price list of Ayurvedic and Unani medicines manufactured by Indian Medicines Pharmaceutical Corporation

Limited (IMPCL) for the year 2017-18; and **k)**Vetting of cost of homeopathic medicines manufactured by Goa Antibiotics & Pharmaceuticals Limited.

(iii) Determination of Fair selling price of products/ service charges for the services supplied/ rendered by a Govt. Department/Agency for others

a) Study on printing of Maps by Survey of India.

b) Pilot study on user charges of Tea-Board, Kolkata.

(iv) Determination of subsidy/Reimbursement of Losses:**- a)**Vetting of claims of NAFED for reimbursement of losses and recovery of Gains under Price Support Scheme (PSS) for various crops/commodities;**b)**Vetting of claims of NAFED, Food Corporation of India (FCI), State Trading Corporations (STCs) and Small Farmers Agri Consortium (SFAC) for reimbursement of losses and recovery of Gains under Price Stabilisation Fund (PSF) for various crops/ commodities; **c)**Vetting of claims submitted by Implementing Agencies and State Governments under Market Intervention Scheme for Perishable Agriculture produce (Onion & Garlic);**d)**Payment of establishment cost and subsidy claim in respect of canteen run by Northern Railway catering units functioning in PMO and Parliament House for various years; and **e)**Vetting of subsidy claims of Oil Marketing Companies (OMCs) relating to Direct Benefit Transfer to domestic LPG consumers under DBTL (PAHAL) Scheme, 2014.

(v) Other studies **:- a)**Remuneration to Department of Posts & Agency Banks for agency charges/ remuneration for operating Small Savings Schemes and other related issues; **b)**Revaluation of compensation payable to the prior allottees of Coal Blocks for 'Mine Infrastructure Other than Land' for various coal blocks;**c)**Finalisation of Proforma Balance Sheet and Income & Expenditure Account of Tear Smoke Unit, Tekanpur for the year 2019-20 & 2020-21; and **d)**Determination of Net Book Value/Present Value of BU, CU and VVPATs proposed to be transferred by the Election Commission of India to the State Election Commissions.

8.5. Revised Cost Estimates Committees Represented: In pursuance of Ministry of Finance, Department of Expenditure's Office Memorandum No. 24(35)PF-II/2012 dated 05th August, 2016, Office of Chief Adviser Cost has represented in 51 Committees for Revision of Cost Estimates in various Ministries/ Departments involving a total value of Rs. 46,809.45 crore during the current year. Proactive role of this Office in the Revised Cost Committee has facilitated rationalisation of revised cost estimates.

8.6 EFC/PIB Committee Represented: This Office has represented and offered comments in 16 Expenditure Finance Committee (EFC)/Public Investment Board (PIB) meetings in various Ministries/Departments involving a total value of Rs. 2,07,383.40 crore during the period December 2020 to November, 2021.

8.7 Other Major Committees Represented: Officers of Chief Adviser Cost's Office owing to their expertise in costing/finance/commercial accounting have also served as Chairman/Members on the following major multi-disciplinary Inter-Ministerial/ Expert Committees:- **a)**Expert Group to examine remuneration to Department of Posts & Agency Banks for agency charges/ remuneration for operating Small Savings Schemes and other related issues; **b)**Expert Group to formulate Final Guidelines for determination of Fees and all other charges in respect of Private Medical Institutions and deemed to be Universities; **c)**National Pharmaceutical Pricing Authority (NPPA), Department of Pharmaceuticals; **d)**Board of Governors and the society of the Arun Jaitely National Institute of Financial Management (AJNIFM), Faridabad;**e)**Governing Body of Tear Smoke Unit, BSF, Tekanpur, (Gwalior);**f)**Advisory Committee for consideration of techno-economic viability of major/medium, flood control and multipurpose projects, coordinated by Central Water Commission;**g)**Price Negotiation Committee for fixing unit price of 13,95,306 Ballot Units, 10,55,716 Control Units and 17,45,840 Voter Verifiable Paper Audit Trail (VVPAT) Units purchased for conduct of LokSabha Elections – 2019 - Ministry of Law and Justice;**h)**M/o Water Resources, RD&GR -Special Committee for Interlinking of Rivers;**i)**Working Group for reviewing the calculation of Benefit-Cost Ratio and Procedure for Revised Cost estimation for Major & Medium Irrigation Flood Control and Multi-purpose projects under the Chairmanship of Member (Water Projects & Planning), Central water Commission; **j)**9th Rate Structure Committee under the Chairmanship of AS&FA, Ministry of Information and Broadcasting for DAVP advertisement rates for Print Media; **k)**Committee to adopt Uniform Format of Accounts in 3 types of Health Institutions: Hospital, Health Research and Medical Colleges; and **l)**Committee for Ethanol Price to be paid to Ethanol suppliers for Ethanol supply year 2021-22 (01st December, 2021 to 30th November,2022) under the Ethanol Blended Petrol (EBP) Programme.

9. Arun Jaitely National Institute of Financial Management (AJNIFM)

9.1 Introduction about AJNIFM

9.1.1 AJNIFM was set up in 1993 as a Society. The

Union Finance Minister is the President of the AJNIFM Society and Secretary (Expenditure) is the Chairman of the Board of Governors.

9.1.2 It began with the core objective of training Officer Trainees (Probationers) of the 6 organised Accounts and Finance services. However, over the years, the Institute has expanded its activities with four long term programs and a dynamic repertoire of short-term programmes. A brief of some of the programmes is given below. In the process, AJNIFM has been able to carve a unique identity for itself as a premier institute of Ministry of Finance in professionalizing Public Financial Management and Public Procurement.

9.2 Key achievements

Due to the second wave of Covid-19, online classes for specified programmes could only be conducted. A total of 37 Management Development Programmes have been conducted online till October, 2021 and 1886 participants attended. The number of programmes scheduled from November, 2021 to March, 2022 including open as well as sponsored programmes is 65.

9.3 Significant developments - Training Programmes

9.3.1 AJNIFM conducts four long term programmes. These are **-**

a. Professional Training Course: for Officer Trainees of various Accounts and Finance Services (six months duration).

b. Post-Graduate Diploma in Management(Financial Management): A two-year AICTE approved programme for middle/ senior officers of Central and State Governments and the Defence Forces.

c. PGDM (Finance):This is a program with focus on Financial Analysis, Financial Modelling, and Financial products, Big Data Analytics, Financial Markets and Risk Management. It attracts participants primarily from the private sector as well as from the Central Government.

d. PGDGAIA (Post Graduate Diploma in Government Accounts and Internal Audit): A one-year programme to upgrade the technical skills of Group-B officers of the Civil Accounts Department under CGA.

9.3.2 Apart from its regular long term programmes,AJNIFM undertakes short term training programmes on various aspects of Finance and Public Financial Management. Participants include Central Government Officers, State Government Officers, Officers from Autonomous Bodies, PSUs, Defence Forces and Officers from the Private Sector as well. These short-term programmes deal with specific themes and are specially tailored with the needs of the participants and sponsoring organisations.

9.4 Collaboration with other Ministries/ Departments

a) The Memorandum of Agreement between AJNIFM and Department of Economic Affairs has been renewed for another period of two years (01.04.2021 – 31.03.2023).

b) The Institute also signed a Memorandum of Understanding with Microsoft Corporation India Ltd. commencing 30th June, 2021 to 30th June, 2022.The objective of the MoU is to conceptualize and explore building AI & emerging tech Centres of Excellence (CoE) with AJNIFM for MOF and associated Ministries with Fintech application subject to further deliberations and appropriate Microsoft internal processes and approvals.

c) Another Memorandum of Understanding has been signed between AJNIFM and ARTRAC for the conduct of Management Development Programmes on Public Procurement & Financial Management for the Officers of Indian Army under the aegis of Army Management Studies Board (AMSB). The MoU will be valid for a period of three years from financial years 2021-22 to 2023-24. The MoU will be valid till 31st March, 2024 (29 months).

9.5 Initiatives taken with reference to the Northeast region.

While the programmes run by AJNIFM draw participants from all over the country, recently, a special training programme of one week duration on Public Financial Management was organised for newly recruited State Civil Service Officers of Arunachal Pradesh during 20-25th September, 2021.

9.6 Initiatives undertaken for Disabled/ Handicapped and SC/ST as well as other weaker sections of Society

The AJNIFM campus is disabled friendly with retro fittings at most of places. Any grievance received in respect of SC/ST or other weaker sections are duly addressed. As on date, no grievance is pending with the Institute.

9.7 Inputs on E-governance

9.7.1 Dissemination of knowledge on new initiatives of the Government: Whenever there are new initiatives of the Central Government, AJNIFM has been mandated to launch special training drives to cover all Government entities. In fulfilment of this mandate, AJNIFM has run several training programmes on GeM.

9.7.2 Digital Governance: AJNIFM is a partner Institute under NeGD, and is successfully delivering capacity building and training programmes in e-Governance for all cadres of Government officials. Various training courses run at AJNIFM comprise a component on e-governance invariably.

10. Chief Controller of Accounts (Finance)

10.1 The Chief Controller of Accounts (CCA) is in overall charge of the payment and accounting set up of the Ministry and reports to SS&FA (Finance). He is supported by three Controller of Accounts, one Deputy Controller of Accounts, two Assistant Controller of Accounts, 37 Senior Accounts Officers and approximately 300 other staff members at various levels.

10.2 Function of the CCA (Finance)

- Payments and accounting functions of six Departments in Ministry of Finance viz., Department of Economic Affairs, Department of Expenditure, Department of Revenue, Department of Investment and Public Asset Management, Department of Financial Services and Department of Public Enterprises.
- Financial reporting to the Chief Accounting Authority (i.e. the Secretaries of the respective Departments) and to the Controller General of Accounts. The monthly accounts, Appropriation Accounts and Finance accounts pertaining to six Departments of the Ministry of Finance are sent to the office of the Controller General of Accounts for their consolidation into the Accounts of Government of India.
- The Scheme of Departmentalization of Accounts had envisaged a system of management accounting, O/o CCA prepares monthly and quarterly review statements for receipt and expenditure and submits the same for information of the Secretaries of the Departments. The summary statements are also uploaded on the Ministry's official website.
- Internal Audit is the responsibility of the O/o CCA. In the Ministry of Finance, the Internal Audit Wing undertakes the audit of all DDOs, attached and subordinate offices including Banks who are handling Government Schemes such as Public Provident Fund, Special Deposit Schemes and Senior Citizen Savings Scheme. There are about 137 auditee units within the jurisdiction of internal audit.
- Providing support staff to Controller of Aid Accounts and Audit (CAAA).
- Pension authorization under the Pension Rules to the officials retiring on superannuation, seeking voluntary retirement and to the families of deceased employees/pensioners.
- Pension payment to foreign pensioners residing in India on behalf of Sri Lanka, Singapore, UK and Burma.
- Accounting and monitoring of Loans advanced to foreign countries.
- Accounting of total receipts and payments in the entire Central Government under the CGEGIS (Central Government Employees Group Insurance Scheme) and calculation & accounting of interest liability of GOI under both the savings fund and Insurance fund components of this scheme.
- Provide support for the settlement of C&AG audit Para.
- Responsible for transfer of funds to and from CFI to Public Account. There are 14 such Funds in the Department of Economic Affairs, 2 in Department of Revenue, and 1 in Department of Expenditure.
- Formulation of detailed Accounting procedures in respect of the Funds maintained under Public Account of India.
- Settlement of the cases relating to combined pension, pro-rata pension, leave encashment, leave salary and pension contributions, revision of pre-2016 pension cases etc. of the absorbed employees of SPMCIL, after the corporatization of Mints and Presses, in coordination with the Corporate office of SPMCIL, field units and the administrative division in the Ministry.
- Internal debt accounting and reporting.

10.3 Achievements during the year:

a) Enrolment of N.S.I. and Indian Economic Service into Employee Information System (EIS).

b) Recovery of outstanding Penal Interest from Banks: Audit of the banks handling PPF-1968, SCSS- 2004 & Sukanya Samridhi Account-2016 scheme is conducted by Office of CCA (Finance) to check delayed remittances under these schemes. A total penalty of Rs. 22,71,70,325.66 has been imposed on banks so far.

Details of Delayed Penal Interest levied on the Banks for PPF, SCSS and SSA (as on 30/11/2021)

(Amount in Rs.)

	PPF	SCSS	SSA	Total
Outstanding as on 31/03/2020	**14019973.62**	**67918229.09**	**-**	**81938202.71**
Levied during 2020-21	93194761	84119558	-	177314319
Recovered during 2020-21	265996	31323278.87	-	31589274.87
Contested and dropped during 2020-21	65647	526922	-	592569
Total outstanding as on 31/03/2021	**106883091.62**	**120187586.22**	**4692425.00**	**227070677.84**
Levied during 2021-22 (upto 10/12/2021)	49740	16826002	0	16875742
outstanding as on 30/11/2021	**104043594.5**	**120365170.1**	**4692425**	**243946419.84**
Recovered during 2021-22 (upto 30/11/2021)	2889237.1	13886857.08	0	16776094.18
Contested and dropped during 2021-22 (upto 30/11/2021)	0	0	0	0
Net outstanding as on 10/12/2021	**101154357.4**	**106478313.1**	**4692425**	**227170325.66**

Name of the Schemes

PPF (Public Provident Fund-1968)

SCSS (Senior Citizen Saving Scheme-2004)

SSA (Sukanya Samridhi Account-2016)

c) PFMS has been implemented in all Pay and Accounts offices of the Ministry and all payments are being made through PFMS. Use of cheques as a mode of payment has been more or less eliminated. All payments are now being made electronically. The implementation of PFMS coupled with extensive training to the concerned officials and peer to peer knowledge sharing has resulted in less adaptation time, more organisational efficiency, less response time in payments, improved record keeping/tracking through digital logs and more transparency.

d) This Department has moved to Government e-Market Place for all the procurements. Officials were provided training on GeM and the procurements are being made through GeM. The procurement/process has now become more streamlined, efficient and transparent. This has considerably reduced the hurdles in the procurement process, providing the purchasing department with more choices and better recordkeeping as the bills are in digital format.

e) All pension cases of this department are being processed through the "Bhavishya Portal" resulting in the expeditious processing of pension related works. The check points in the "Bhavishya Portal" ensures procedural accuracy of the pension cases. Pension cases of Pre-2016 are being revised electronically on the E- portal eppo.nic.in/revision.

f) All work related to feeding of budget, supplementary, re-appropriation and surrender orders for each grant along with mapping of heads to each scheme on PFMS has been successfully done since 2020-21.

g) The Automation of Compilation and Consolidation of Monthly Accounts on PFMS was started from the Month of December, 2020 wherein the PAOs and Pr.AO are able to submit the accounts through their respective Digital Signature on PFMS.

h) Vide Gazette Notification No. S.O. 2718(E) dated 06.07.2021 issued by Government of India, wherein the Department of Public Enterprises has been made a part of the Ministry of Finance and the Finance advice charge of Department of Public enterprises, will be looked after by SS & FA, Ministry of Finance. The PAO (DPE) under Ministry of Finance was set up and PAO functions commenced w.e.f. 01.10.2021 in a record time of 3 months.

i) Replacement of rupee loan software with INDRAA in the year 2021-22: The existing Rupee Loan Software i.e. in house software was developed way back in 2003. Internal Debt of

Government of India was Rs. 12,75,973/- crores in the year 2004-05 which has increased to Rs. 42,40,767/- cores in 2013-14. For the Financial year 2021-22 it is estimated to be Rs. 69,03,225/- crores. This increase in the internal debt over the years has resulted in increased load on the existing Rupee Loan Software which is a stand alone software with limited hardware capacity. Hence, the new online software INDRAA i.e. Internal Debt and Recovery Advanced Application is being developed and expected to come in force from 01.4.2022.

11. Central Pension Accounting Office

11.1 The Central Pension Accounting Office (CPAO) was established w.e.f. 1st Jan, 1990 for Payment and Accounting of Central (Civil) Pensioners and Pension to Freedom Fighters etc. CPAO is a subordinate office under the Office of the Controller General of Accounts, Ministry of Finance, Department of Expenditure. It has been entrusted with the responsibility of administering the scheme of payment of pension to Central Government (Civil) Pensioners through authorized Banks. Its core functions are:

- Issue of Special Seal Authorities(SSAs) authorizing payment of pension in fresh as well as revision of pension cases to the CPPCs(Central Pension Processing Centers) of pension disbursing Banks;
- Preparation of Budget for the Pension Grant and accounting thereof;
- Audit of CPPCs of pension disbursing Banks;
- Maintenance of Data Bank of Central Civil Pensioners containing all details indicated in the PPOs and Revision Authorities;
- Handle the grievances of Central Civil Pensioners
- As an interim arrangement, payment of provisional pension to the pensioners/family pensioners covered under New Pension Scheme as per orders of Ministry of Finance

11.2 Achievements: The primary function of CPAO is to issue SSAs to the CPPCs of Banks in fresh and revision of pension cases. In the financial year 2021-22 (as on 30thNov, 2021), highlights are as follows: –

- 33,846 and 36,458 authorities were issued in fresh and revision of pension cases respectively.
- Projection or estimate for the remaining period:-
  - i) Fresh Pension Case- 17,000 (Approx.)
  - ii) Revision of pension case- 18,000 (Approx.)

11.3 To endeavour and improve the ease of living of pensioners and to bring about transparency in the pension authorization process, the recent initiatives taken by CPAO are as follows:

a) Consumption of e-PPO: The physical Pension Payment Orders (PPO) and e-PPOs were received from the PAOs which are using Pension Module of PFMS. The e-PPOs were being transmitted to the Authorized banks but their pension softwares were not ready to consume the e-PPOs. Now all the banks are ready to consume e-PPOs as a result of vigorous efforts of CPAO.

b) Sharing of e-SSA with Bhavishya: Pensioners can get their Special Seal Authorities (SSA) by post, from bank and from the website of CPAO after login. CPAO is also sharing e-SSA in PDF format as an additional facility to the pensioners and they can get it from the Bhavishya Portal.

c) Digilocker: In order to provide additional facilities to pensioners the e-PPO and e-SSA have been made available in digilocker through web service. The pensioner can now view and download their e-PPO and e-SSA from Digilocker.

d) Web Responsive Pensioner's Service (WRPS): WRPS has been developed to provide single point web solution for Pensioners to obtain comprehensive information relating to status of the pension processing and pension payments. WRPS also provides a facility for logging of grievances. The pensioners are provided an SMS at the stage of grievance registration and disposal. This ensures that they are fully informed of the status of the grievance.

e) Sharing of e-SSA with CGHS through web service: In order to avoid delay in issuing CGHS card to the pensioners, CPAO is sharing the e-SSA with CGHS department.

f) CPAO has been making an effort to ensure that pension authorization process becomes completely paperless. While the physical Pension Payment Order (PPO) booklets have not been discontinued, as a first step, all the Authorised Banks have been directed, w.e.f July 2021, to ensure that the credit of the first pension into the account of pensioner/family pensioner is carried out immediately on the basis of e-PPO and e-SSA received from CPAO. This is expected to lead to a significant reduction in delays experienced by the pensioners/ family pensioners in credit of first pension.

11.4 e-Governance Initiatives of CPAO

11.4.1 CPAO is a fully computerized office. A wide range of softwares/packages have been developed/ implemented in this office for streamlining pension authorization, accounting, Grievance Redressal etc. which include:-

i) Pension Authorization Retrieval & Accounting System (PARAS):- All the pension processing activities from receipt to dispatch are managed through PARAS. The web interface of PARAS provides the related information to pensioners; PAOs/Ministries & Banks. About 14.93 lakhs Central Civil pension cases have been processed by CPAO through this software thereby creating digital database of these pensioners. Various MIS reports are also generated by this software for the purpose of monitoring.

ii) Web Responsive Pensioners' Service (WRPS):- Digital India campaign of Government of India emphasizes that Governmentservices should be made available to the citizens electronically by improving online infrastructure and by increasing internet connectivity or by making the country digitally empowered in the field of technology. Under Digital India campaign, Central Pension Accounting Office (CPAO), M/o Finance took two important steps towards empowerment of Central Civil Pensioners and other stakeholders. The then Hon'ble Union Minister for Finance & Corporate Affairs, Shri Arun Jaitley launched "Web Responsive Pensioners' Service of CPAO on 14th Sep, 2016 and electronic-Pension Payment Order (e-PPO) on 1stMarch, 2018. This is a milestone for CPAO towards its commitment to efficiently & effectively serve the central civil pensioners.

WRPS provides various services including Pension & Payment information, online Pension Process Tracking & online Grievance Redressal and Tracking for the pensioners. Under Web Responsive Pensioners' Service (WRPS), facilities for pensioners' grievance redressal and uploading of list of retiring employees by Ministries/Departments have been provided. It is an important Digital India initiative for improving transparency, accountability and responsiveness in pension processing and disbursements. This facility ensures digital presence and availability of records for pensioner. An instruction video on Web Responsive Pensioners Service (WRPS) has been prepared and uploaded on CPAO Website to assist the pensioners. SMS on revision of the pension is being sent to the pensioners along with a link to download the revision authority.

- web link https://youtu.be/2yXIPZT8OqY

11.4.2 Pensioners can now avail the following services by registering on CPAO website using their PPO number and date of birth & date of retirement/date of death:

a) **Pensioner Profile**

b) **Digital Record of Pension & Revision Orders**

c) **Download Facility of Pension/Revision Orders Sent to Banks**

d) **Pension Processing Status Tracking**

e) **Monthly Details of Pension Payment**

f) **Grievance Redressal**

g) **SMS Facility**

h) **Links to JeevanPramaan, Bhavishya and CPENGRAMS Portals**

i) **Dashboards for Pensioners, Banks and Ministries/Departments**

j) **Social Media of CPAO**

Annexure-I

DEPARTMENT OF EXPENDITURE
Representation of SCs, STs and OBCs

Groups	Representation of SCs/STs/OBCs					Number of Appointments made during the previous calendar year														
						By Direct Recruitment					By Promotion					By Other Methods				
	Total	SCs	STs	OBCs	Others	Total	SCs	STs	OBCs	Others	Total	SCs	STs	OBCs	Others	Total	SCs	STs	OBCs	Others
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Group A	379	63	19	55	242	14	3	1	7	3	-	-	-	-	-	-	-	-	-	-
Group B	692	113	44	130	405	20	-	-	5	15	73	10	5	-	58	-	-	-	-	-
Group C	354	72	22	88	172	88	6	4	24	54	1	1	-	-	-	-	-	-	-	-
Total	1425	248	85	273	819	122	9	5	36	72	74	11	5	-	58	-	-	-	-	-

Annexure-II

DEPARTMENT OF EXPENDITURE
Representation of Persons With Disabilities

Group	Number of Employees				Direct Recruitment							Promotion						
					No. of vacancies reserved			No. of appointments made				No. of vacancies reserved			No. of appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group A	379	03	02	06	07			04	-	-	02	-	-	-	-	-	-	-
									Allocation on the basis of CSE-2020 awaited									
Group B	692	01	01	07	-	-	01	---	-	-	-	-	-	-	-	-	-	-
Group C	354	03	04	03	01	-	01	03	01	01	01	-	-	-	-	-	-	-
Total	1425	07	07	16	10			07	01	01	03	-	-	-	-	-	-	-

ANNEXURE-III

Summary of important Audit Observations

Sl.No.	Year	No. of Paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to PAC
1.	2021	0	1	0	6

ORGANISATIONAL CHART OF DEPARTMENT OF EXPENDITURE

- **Dr. T.V. Somanathan**, Finance Secretary & Secretary (Expenditure)
  - Special Secretary (Personnel) Ms. Annie G. Mathew
    - Joint Secretary – In-situ (E.Coord.) Shri Thanglemlian
  - Additional Secretary (Public Finance-Central) Shri Sanjay Prasad
  - Additional Secretary (Public Finance - States) Dr. Sajjan Singh Yadav
  - Special Secretary & Financial Adviser Ms. Meera Swarup
  - Controller General of Accounts Shri Deepak Das
  - Chief Advisor (Cost) Shri U.K. Shukla
  - Advisor (PPD) Shri Sanjay Aggarwal

Chapter - III

Department of Revenue

1. Organisation and Functions

1.1 The Department of Revenue functions under the overall direction and control of the Secretary (Revenue). It exercises control in respect of matters relating to all the Direct and Indirect Union Taxes through two Statutory Boards, namely, the Central Board of Direct Taxes (CBDT) and the Central Board of Indirect Taxes and Customs (CBIC). Each Board is headed by a Chairman who is also ex-officio Special Secretary to the Government of India. Matters relating to the levy and collection of all the Direct taxes are looked after by the CBDT whereas those relating to levy and collection of Goods and Service Taxes (GST), Customs and Central Excise duties, Service Tax and other Indirect taxes fall within the purview of the CBIC. The two Boards were constituted under the Central Board of Revenue Act, 1963. Each Board has a sanctioned strength of 6 (six) members.

1.2 The Department of Revenue administers the following Acts:

i. Income Tax Act, 1961;

ii. Black Money (Undisclosed Foreign Income & Assets) Imposition of Tax Act, 2015

iii. Benami Transactions (Prohibition) Act, 1988;

iv. Chapter-VII of Finance (No.2) Act, 2004 (Relating to Levy of Securities Transactions Tax)

v. Central Excise Act, 1944 and related matters;

vi. Customs Act, 1962 and related matters;

vii. Central Sales Tax Act, 1956;

viii. Custom Tariff Act, 1975

ix. Central Excise Tariff Act 1985

x. Narcotic Drugs and Psychotropic Substances Act, 1985;

xi. Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988;

xii. Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976;

xiii. Indian Stamp Act, 1899 (to the extent falling within jurisdiction of the Union);

xiv. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974;

xv. Prevention of Money Laundering Act, 2002;

xvi. Foreign Exchange Management Act, 1999.

xvii. Union Territory Goods & Services Tax Act, 2017

xviii. Goods & Services Tax (compensation to States) Act, 2017

xix. Central Goods & Services Tax Act, 2017

xx. State Goods & Services Tax Act, 2017; and

xxi. Integrated Goods & Services Tax Act, 2017

1.3 The Department looks after the matters relating to the above-mentioned Acts through the following attached/subordinate offices:

i. Commissionerates/Directorates under Central Board of Indirect Taxes and Customs;

ii. Commissionerates/Directorates under Central Board of Direct Taxes;

iii. Central Economic Intelligence Bureau;

iv. Directorate of Enforcement;

v. Central Bureau of Narcotics;

vi. Chief Controller of Factories;

vii. Appellate Tribunal under SAFEMA;

viii. Income Tax Settlement Commission;

ix. Customs and Central Excise Settlement Commission;

x. Customs, Excise and Service Tax Appellate Tribunal;

xi. Authority for Advance Rulings (for Income Tax and Central Excise, Customs & Service Tax);

xii. National Committee for Promotion of Social and Economic Welfare;

xiii. Competent Authorities appointed under Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 & Narcotic Drugs and Psychotropic Substances Act, 1985;

xiv. Financial Intelligence Unit, India (FIU-IND);

xv. Adjudicating Authority under Prevention of Money Laundering Act.

xvi. Revision Application Unit.

1.4 A comparison of the collection of Direct and Indirect taxes for the period of F.Y. 2020-21 and F.Y. 2021-22 (provisional) is as follows:

S. No.	Nature of Taxes	Amount collected	
		2020-21	**2021-22 (Provisional) (Up to Nov. 2021)**
1.	Corporate Income Tax	4,57,050.27	3,49,911.67
2.	Personal Income Tax (excluding STT & WT)	4,69,328.78	3,38,652.74
3.	Other Direct Taxes (WT, STT, etc.)	19,000.02	17,578.99
4.	**Total Direct Taxes (1+2+3)**	**9,45,379.07**	**7,06,143.40**
5.	GST (CGST, IGST & Comp. Cess)	5,48,777	4,51,328
6.	Non-GST (Customs, Central Excise & Service [Tax Arrears])	5,26,032	4,07,608
7.	**Total Indirect Taxes (5+6)**	**10,74,809**	**8,58,936**

Note: Total may vary on account of rounding off

1.5 The details of representation of SCs, STs and OBCs are at **Annexure-I.**

1.6 The details of representation of persons with disabilities are at **Annexure-II.**

1.7 The details of ATNs in respect of audit observations are at **Annexure-III.**

1.8 An Organisation Chart of Department of Revenue is given at **Annexure-IV.**

2. Central Board of Direct Taxes

2.1 Organization and functions

The Central Board of Direct Taxes (CBDT), created by the Central Boards of Revenue Act 1963, is the apex body entrusted with the responsibility of administering direct tax laws in India. The CBDT consists of a Chairman and six Members and is assisted by the following Directorates:

a) Principal Directorate General of Income Tax (Administration & Tax Payer Services)

b) Principal Directorate General of Income Tax (Systems)

c) Principal Directorate General of Income Tax (Training)

d) Principal Directorate General of Income Tax (Human Resource Development)

e) Principal Directorate General of Income Tax (Vigilance)

f) Principal Directorate General of Income Tax (Legal & Research)

Income Tax Department is the subordinate organization of the CBDT having jurisdiction across the country. It is divided into 18 regions headed by Principal Chief Commissioners of Income Tax, who are entrusted with the supervision and collection of direct taxes and taxpayer services. The Directors General of Income Tax (Investigation) supervise the investigation functions and deal with tax evasion and unearthing unaccounted income. The Director General of Income Tax (Intelligence and Criminal Investigation) supervises the intelligence gathering and investigation in tax related crimes. The Principal Chief Commissioner of Income Tax (Exemptions) supervises the work related to exemption and non-profit organizations/ trusts across the country and the Principal Chief Commissioner of Income Tax (International Taxation) supervises the work in the field of International Tax and Transfer Pricing.

The Principal Chief Commissioners of Income Tax are assisted by Chief Commissioners, Principal

Commissioners and Commissioners of Income Tax and Principal Directors General/ Directors General of Income Tax are assisted by Principal Directors/ Additional Directors General of Income Tax within their jurisdictions. Commissioners of Income Tax posted as Commissioners of Income Tax (Appeals) perform appellate functions and adjudication of disputes.

2.2 Media Centre, (M&TP)

The Commissioner of Income Tax (CIT)(M&TP), CBDT is in-charge of the Media Centre, set up in the CBDT in August 2006. The Media Centre disseminates information of public value relating to Direct Taxes through the Print and Electronic Media. During the year, various press releases were issued to bring important decisions, developments and issues related to Direct Tax to the public notice and to highlight different achievements of the CBDT and Income Tax Department.

Apart from the conventional means of communication, the Department also utilizes social media platforms to disseminate information to the public and also engage with it, especially through Twitter. The CBDT twitter handle @IncomeTaxIndia is being managed by the Media Centre in CBDT. A Social Media policy has been put in place and publicity campaigns through social media platforms are being undertaken since 2015. In the first phase, the presence on Twitter was restricted to dissemination of information of public value relating to Direct Taxes. From FY 2019-20, however, in addition to the activity of dissemination of information and awareness campaigns, the twitter handle started engaging directly with the taxpayers focusing on expeditious resolution of grievances and has more than 9,73,000 followers at present. CBDT instituted an Online Response and Reputation Management System. As part of such response management, the Department has been responding to the actionable tweets from taxpayers/ professionals since July 2019. The Twitter handle is being used not only for dissemination & promotion of the content of the Income Tax Department (ITD) to twitter users but also for response management and Online Reputation Management at present. Thus, the speed and convenience afforded by the Twitter platform is being effectively used to complement the formal channels of redressal for assisting the taxpayers and tax-professionals, thereby expanding and strengthening the e-Governance initiatives of the Department.

The potential of the Social Media platform was fully utilized in extensive dissemination of the relief measures to mitigate the hardships faced by the taxpayers due to the COVID-19 pandemic. Intensive information and awareness campaigns were launched via the Twitter handle to broadcast the broad set of measures rolled out by the Government in the form of substantially easing the compliances and enhancing the liquidity in the hands of the taxpayers. The Twitter handle was also effectively used for campaigns spreading awareness about the systemic reforms like Faceless Assessment, Faceless Appeal, Faceless Penalty etc. Going beyond mere spreading awareness, the feedback voiced by the stakeholders on the Twitter platform regarding various schemes was also expeditiously shared with the respective verticals within the Department.

For amplifying the Department's presence & messaging on Twitter, twitter handles have also been created by the regional offices of the Department at the level of the respective Principal Chief Commissioners of Income Tax. The 18 regional twitter handles operate in accordance with a detailed SOP to ensure adherence to the Government's Social Media Policy and are used for outreach programmes at the local levels, thereby ensuring the dissemination of information and awareness campaigns to the last mile in the communication chain. The Regional handles are using the Social Media platform for showcasing the activities and programmes carried out by the field formations as part of celebration of Azadi Ka Amrit Mahotsav initiative.

Apart from the above, the CIT(M&TP) and its office act as a coordinator between the field offices of CBDT and the CBDT, as also other Divisions of CBDT and other Ministries in so far as issues pertaining to media are concerned.

2.3 Direct Tax Collection

a) The net collection of direct taxes has increased from Rs.4,34,600.35 crores in Financial Year 2020-21 (upto 30.11.2020) to Rs.7,06,143.39 crores (provisional)* in Financial Year 2021-22 (upto 30.11.2021), i.e. a growth of 62.48% over the last Financial Year. The growth rate under Corporate Income Tax is 84.71% and growth rate under Personal Income Tax** is 44.98%. In Financial Year 2021-22, about 63.73% of the Budget Estimate of Rs.11,08,000 crores has been collected till 30.11.2021.

b) TDS collection for Financial Year 2021-22 (upto 30.11.2021) is at Rs.4,38,854.40 crores showing growth of 39.2% over last financial year for the corresponding period and constitutes 52.53% of the gross direct tax collection.

c) During the Financial Year 2021-22 (upto 30.11.2021), collection under Advance Tax is Rs.2,70,544.40 crores showing a growth of 63.4% over the last financial year for the corresponding period and constitutes 32.38% of the gross direct tax collection.

* Provisional (Source Pr.CCA, CBDT)

** Personal Income Tax includes STT

2.4 Some Recent Legislative Changes in Direct Tax Laws

a. Tax incentives:

i. Affordable Housing/Rental Housing

Keeping in view of the vision of 'Housing for All' and to promote affordable housing an additional deduction of 1.5 lakh available for the purchase of an affordable house has been extended for loans taken up till 31st March 2022 by the Finance Act, 2021. Further, to keep up the supply of affordable houses, affordable housing projects tax holiday has been extended for projects approved till 31st March, 2022. Also, to promote supply of Affordable Rental Housing for migrant workers 100% tax exemption will be available for notified Affordable Rental Housing Projects.

ii. Incentives for Start-ups

In order to incentivise start-ups in the country, the eligibility for claiming tax holiday for start-ups has been extended for start-ups incorporated -till 31st March, 2022 by the Finance Act, 2021. Further, in order to incentivise funding of the start-ups, the capital gains exemption for investment in start-ups has also been extended by one more year till 31st March, 2022. The threshold limit for eligible start-ups was earlier raised to Rs 100 crores from Rs 25 crores.

iii. International Financial Services Centre (IFSC)

Various tax incentives have been provided for units located in International Financial Services Centre (IFSC) in order to make it a hub for financial services in the world. Further incentives have been provided in the Finance Act 2021, like tax holiday for capital gains for aircraft leasing companies, tax exemption for aircraft lease rentals paid to foreign lessor, tax incentives for relocating foreign funds into IFSC and allowing tax exemption for the investment division of foreign banks located in IFSC.

iv. Strategic disinvestment of Air India

Finance Act, 2021 has amended the Act to facilitate the strategic disinvestment of Air India. It has been provided that:

- The transfer of capital assets from Air India Limited (AIL) to Air India Assets Holding Limited (AIAHL) shall not be considered as 'transfer' for the purposes of determining Capital Gains tax under the section 47 of the Act.
- No tax liability shall arise from the said transfer under the head Income from Other Sources.
- No tax is to be deducted on transfer of immovable property from AIL to AIAHL.
- AIL shall not be considered as seller for the purpose of collecting tax under section 206C(1H) of the Income-tax Act, 1961 (hereinafter 'the Act') for transfer of goods to AIAHL under a plan approved by the Central Government.
- AIAHL shall not be considered as buyer for deduction of tax under section 194Q of the Act for transfer of goods by AIL, to it under a plan approved by the Central Government.
- In addition to the above, through Press Release dated 10.09.2021 it has been announced that provisions of section 79 of the Act shall not apply to an erstwhile Public sector undertaking which has become so as a result of strategic disinvestment, subject to conditions.

v. Incentives for Sovereign Wealth Funds/ Pension Funds

In order to boost investment in infrastructure, Finance Act, 2020 provided 100 % tax exemption to certain income of Sovereign Wealth Funds (SWFs) and Pension Funds (PFs) arising from their investment in infrastructure in India. In order to ensure that a large number of such funds invest in India, Finance Act 2021 relaxed some of the conditions relating to prohibition on private funding, restriction on commercial activities, and direct investment in infrastructure. Since January 2021, 9 SWFs and 14 PFs have been notified to claim exemption under the said clause.

b. Ease of Compliance for Taxpayers

i. No ITR for specified senior citizens: Through Finance Act, 2021, a new section 194P has been inserted to the Act to provide that in case of senior citizens of the age 75 years or above having only pension income and interest income only from the account(s) maintained with a bank in which they receive such pension, then such senior citizen shall not be required to file their ITRs. The specified bank shall be responsible for computing their total income and deducting tax thereon after giving effect to various deductions allowable under chapter VI-A and rebate under section 87A of the Act.

ii. Relaxation to NRIs: When Non-Resident Indians return to India, they have issues with respect to their accrued incomes in their foreign retirement accounts due to a mismatch in taxation periods. Finance Act, 2021 has inserted specific section in the Act to provide relief to such taxpayers.

iii. Faceless Penalty- Faceless Penalty Scheme, 2021 was launched to impart greater efficiency, transparency and accountability to the procedure for imposition of penalty under Chapter XXI of the Act. The Scheme eliminates the interface between the income-tax department and the taxpayers and provides for optimal utilisation of resources and a team-based mechanism for imposition of penalty by one or more income-tax authorities with dynamic jurisdiction. The Scheme makes it possible for the taxpayers to submit replies and participate in the proceedings at their convenience. It also provides for peer review of orders which will result in orders that are qualitatively better, reasonable and fair.

iv. Faceless ITAT: The Finance Act, 2021 has empowered the Central Government to notify a scheme for the purposes of disposal of appeals by the Appellate Tribunal so as to impart greater efficiency, transparency and accountability by eliminating the interface between the Appellate Tribunal and parties to the appeal in the course of appellate proceedings to the extent technologically feasible, optimizing utilization of the resources through economies of scale and functional specialization and introducing an appellate system with dynamic jurisdiction. A National Faceless Income Tax Appellate Tribunal Centre shall be established for conduct of proceedings. All communication between the Tribunal and the appellant shall be electronic. In case where personal hearing is needed, it shall be done through video-conferencing.

v. Reduction in Time for Income Tax Proceedings: Finance Act, 2021 has reduced the time-limit for re-opening of assessment to 3 years from the earlier 6 years. Beyond the period of three years, only where there is books of account/documents/evidence of concealment of income of 50 lakh or more in a year represented in the form of an asset, the assessment can be re-opened up to 10 years with the approval of the Principal Chief Commissioner of Income Tax.

vi. Launch of integrated e-filing & CPC 2.0 project: With a view to provide a major fillip to e-governance in the Income Tax Department, Integrated e-Filing & Centralised Processing Centre (CPC) 2.0 Project has been launched, which is built upon the success and learning from e-filing 1.0 & CPC 1.0 projects. The project which was approved by the Union Cabinet on 16/01/2019, employs new processes, state of the art solutions and practices to radically transform and scale up the e-governance capability and performance of the Income Tax Department in delivering taxpayer services. The project envisions to redefine income tax filing and processing in India to provide a best-in-class experience to all taxpayers.

As part of our commitment to provide improved taxpayer services, the new Income Tax Portal www.incometax.gov.in was launched for better e- filing experience and faster processing of ITRs New facilities in the form of wizard based questionnaires and prefilled returns are being provided as help to the assessees. Constant monitoring for improvement of the present digital platforms is being done. Department has identified the issues being faced by different stakeholders and the Department has taken corrective measures through the service provider based on feedback from taxpayers and tax professionals. The first phase of the project for Centralized Processing Centre 2.0 was commenced in November 2020 and 6.27 Cr Income Tax Returns (ITRs) for AY 20-21 and 1.92 Cr ITRs for AY 21-22 have been processed in the new system since then till 19th Nov 2021. The broad objectives of this project are listed as under:

a. Faster and accurate outcomes for taxpayer

b. First time right approach

c. Enhancing user experience at all stages

d. Improving taxpayer awareness and education through continuous engagement

e. Promoting voluntary tax compliance

f. Managing outstanding demand.

The new income tax e-filing portal www.incometax.gov.in was launched as part of the Integrated E-filing and Centralized Processing Centre 2.0 Project. Over 2.63 crore ITRs and nearly 30 lakh statutory forms have been filed on the new portal till 19th Nov 2021. The average daily filing of statutory forms has gone up over 3 times from 9,055 in Sep to 31,963 since Oct till 19th Nov 2021.

a. Over 17.25 crore unique logins have been done by taxpayers till 19th Nov, 2021.

b. Over 24.77 lakh new registrations have been done and over 69.99 Lakh taxpayers have availed of the forgot password facility to obtain their passwords till 19th Nov, 2021.

c. Income Tax Return (ITR) filing has increased to 2.63 crore ITRs for AY 2020-21. 61% of these are ITR1 (1.59 crore), 8% is ITR2 (20.65 LAKH), 8% is ITR3 (21.14 lakh), 23% are ITR4 (60.08 LAKH), ITR5 (1.46 lakh), ITR6 (0.51 lakh) and ITR7 (0.08 lakh).

d. Over 54% of these ITRs are filed using the online ITR form on the portal and the balance are uploaded using the ITR created from the offline software utilities.

e. Nearly 2.31 crore ITRs have been verified till 19th Nov, 2021 for AY 21-22. Of this 1.99 crore were e-verified using Aadhar OTP.

f. Over 1.91 crore ITRs 1,2 & 4 for AY 21-22 have already been processed and 74.90 lakh refunds have been issued, out of the 2.31 Cr ITRs that have been verified by taxpayers for AY 21-22.

g. In Faceless Assessments, Appeals, Penalty proceedings 15.05 Lakh notices have been posted on the portal, of which responses have been received in 7.96 Lakh cases.

h. Over 0.81 Lakh ITRs have been filed by taxpayers for various prior years in response to Notices under 148, 153A/C of the Act.

i. Nearly 30 Lakh Statutory forms have been submitted including 14.84 Lakh TDS statements, 1.47 Lakh Form 10A for registration of Trusts/ institutions, 2.83 Lakh Form 10E for arrears of salary, 6.19 Lakh 15CA and 1.36 Lakh 15CB for foreign remittance, 5,435 3CA-CD, 56,598 3CB-CD, 46,084 Form 35 for Appeal, 34,731 DTVSV Form4 till 19th Nov 2021.

j. Over 27.52 Lakh new E-PAN have been allotted and 82.36 Lakh taxpayers have linked their PAN with Aadhaar online on the portal.

k. The digital signature registration (DSC), registration of non-residents has been enabled and overall 6.75 Lakh DSCs have been registered.

l. Over 39.36 Lakh Bank accounts have been validated and over 22.74 Lakh Bank Accounts have been enabled for E-verification. Refund re-issue requests have been submitted by 92,091 taxpayers and 1.21 Lakh taxpayers have responded to outstanding tax demand.

vii. **Taxpayers' Charter:** The Hon'ble Prime Minister has launched a 'Taxpayers' Charter'. The Charter reflects certain principal commitments of the Income Tax Department towards the taxpayer. The taxpayers' charter has been adopted by the CBDT as per the provisions of section 119A of the Act. With its adoption, India joins other major economies in the world like USA, UK, Canada and Australia which too have adopted and published Charter as a gesture of their commitment towards their taxpayers.

Taxpayers' Charter has a statutory mandate of the Act which has been implemented by the department w.e.f. 13-08-2020 and now it replaces the erstwhile Citizen Charter. It contains all the key service deliverables which were enshrined in the erstwhile Citizen Charter.

Consequent upon implementation of Taxpayers' Charter, Nodal Taxpayers' Charter Cells have also been created at each of the 18 Regions/ Zones under Pr. CCsIT. These Tax Payers Charter Cells have been mandated to act as the access point to taxpayers at field level for ensuring compliance of the commitments specified in the Taxpayers' Charter. The Directorate of Taxpayer Services (TPS)-1 has been designated as a Nodal Office of CBDT for overall monitoring and reporting of Taxpayers' Charter Cells. At initial phase 16 key service deliverables have been identified under the Tax Payers' Charter for compliance by the field authorities.

viii. **Pre-filling of Income-tax Returns:** In order to make tax compliance more convenient, pre-filled Income tax Returns (ITR) have been provided to individual taxpayers. The ITR form now contains pre-filled details of certain incomes such as salary income. The scope of information for pre-filing is being further expanded by including information such as interest, dividend and capital gains etc.

ix. **Reduction in Compliance**: A comprehensive study of Income-tax Act and rules had been undertaken to identify those compliance which can be reduced. Out of total 271 compliances which belong to Income-tax Act, 74 compliances have already been reduced. However, out of remaining 197 compliances, 152 are already online and 45 are offline. Out of these 45 offline compliances, 42 compliances will be made online by next year. 3 compliances will need to be manual due to the non-availability of the PAN in certain cases. Further efforts are continuously being made to provide online facilities to the taxpayers for ease of compliances. Recently a utility was released where taxpayers can check in quick time from PAN of their clients, if the client has filed return of income and therefore no extra tax to be deducted.

x. **Relief to Small Trusts:** To reduce compliance on small charitable trusts running educational institutions and hospitals relief by way of tax exemption to such trusts has been provided by the Finance Act, 2021 by increasing the existing threshold of annual receipts from Rs.1 crores to Rs.5 crores.

xi. **Removing the requirement of digital signature and e-verification to ease compliance in filing documents**: Government has clarified that E-verification and digital signature is not needed if documents are filed through e-filing account in faceless assessment proceedings.

c. Reduction in Litigation

i. **Vivad se Vishwas:** In the current times, a large number of disputes related to direct taxes are pending at various levels of adjudication from Commissioner (Appeals) level to Supreme Court. These tax disputes consume a large part of resources both on the part of Government as well as taxpayers and also deprive the Government of the timely collection of revenue. With these facts in mind, an urgent need was felt to provide for resolution of pending tax disputes which will not only benefit the Government by generating timely revenue but also the taxpayers as it will bring to close mounting litigation costs and efforts can be better utilized for expanding business activities. Direct Tax Vivad se Vishwas Act, 2020 was enacted under which the declarations for settling disputes could be filed up to 31st March, 2021 and payment without additional amount could be made up to 30th September, 2021. As on 30.11.2021 a total of 1,31,973 declarations have been received under the scheme covering tax arrears of Rs.99,677 crores.

ii. **Setting up of Dispute Resolution Committee:** Through Finance Act, 2021, a special mechanism for dispute resolution is being set up in order to reduce the disputes particularly for the small and medium taxpayers having taxable income of upto Rs.50 lakh and any disputed income of Rs.10 lakh can approach this committee under section 245MA of the Act. It will prevent new disputes and settle the issue at initial stage.

iii. **Retrospective part of 2012 amendment nullified:** In order to reduce litigation, attract investment and bring certainty in tax policy, the retrospective part of the amendment made by Finance Act, 2012 regarding taxation of indirect transfer of assets located in India has been nullified by the Taxation Laws (Amendment) Act, 2021 so as to provide that no tax demand shall be raised in future on the basis of the said retrospective amendment for any indirect transfer of Indian assets if the transaction was undertaken before 28th May, 2012 (i.e. the date on which the Finance Bill, 2012 received the assent of the President). It has been further provided that the demand raised for indirect transfer of Indian assets made before 28th May, 2012 shall be nullified on fulfilment of certain conditions such as furnishing of undertaking for withdrawal of pending litigation and furnishing of an undertaking to the effect that no claim for cost, damages, interest, etc, shall be filed. The refund arising on the amount paid in these cases shall be made without any interest thereon.

iv. **Window for settlement of cases**: In order to end litigation in the form of writs in various High Courts, the Government has allowed filing settlement application to eligible taxpayers till 30th September 2021.

v. Vide CBDT Circular No.17 of 2019 dated 08.08.2019, Monetary limit of filing department appeal to ITAT/High Court/Supreme Court were significantly enhanced to tax effect of Rs.50 lakhs, Rs.1 Crore and Rs.2 Crore respectively from earlier limits of Rs.20 lakhs, Rs.50 lakhs and Rs.1 Crore respectively.

d. Measures undertaken to promote digital transactions: Through the Finance Act, 2021, the monetary threshold for getting books of accounts audited has been increased to Rs.10 crores in case of businesses whose total turnover or gross receipts made in cash does not exceed 5% of the total turnover or gross receipts and the total expenditure including purchases made in cash does not exceed 5% of the total expenditure during the previous year.

e. Measures undertaken to curb Tax Evasion & widening of tax-base

Expansion of scope of TDS/TCS: For widening the net of Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) several new transactions were brought into its ambit. These transactions include huge cash withdrawal, foreign remittance, purchase of luxury car, e-commerce participants, sale of goods, acquisition of immovable property, etc. Further, in order to promote furnishing of income-tax returns, a special provision has been inserted in the Income Tax Act, 1961 to deduct/collect tax at higher rates in case of certain persons who have not filed their income tax return for both of the preceding two previous years and the tax deducted/collected was greater than Rs.50,000 in each of the two years. Further, TDS at the rate of 0.1% on payment made for purchase of goods by a buyer (having sales/ turnover of Rs.10 crore or more in the financial year preceding the year in which the sale is made) to a person during the financial year exceeding Rs.50 lakh has also been introduced by the Finance Act, 2021.

f. Relief Measures on account of COVID-19 pandemic

i. Tax exemption for medical treatment and ex gratia payment on account of Covid: It has been announced to provide Income-tax exemption to the amount received by a taxpayer for medical treatment from an employer or from any person for treatment of COVID-19 during financial year 2019-20 and subsequent years. The aim of this exemption is to provide relief to taxpayers who suffered on account of COVID-19 and had to incur sum for medical treatment of COVID-19 after taking help from employer or any person. Government also allowed incurring of Covid medical expenditure in cash without attracting penal provisions of the Income-tax Act.

Further, in order to provide relief to the family members of taxpayers who have lost their lives due to Covid-19, the Government has decided that income-tax exemption shall be provided to ex-gratia payment received by family members of a person from the employer of such person or from other person on the death of the person on account of Covid-19 during FY 2019-20 and subsequent years. The exemption shall be allowed without any limit for the amount received from the employer and the exemption shall be limited to Rs.10 lakh in aggregate for the amount received from any other persons.

ii. Various other relief measures have been provided on account of Covid-19, which are as under:

(i) The tax deduction rates for specified payments and tax collection rates for specified transactions was reduced by 25% during the period 14.05.2020 up to 31.03.2021. The measure was undertaken to provide additional disposable income in the hands of the taxpayers.

(ii) In order to give a boost to the real estate sector, through the Finance Act, 2021, the safe harbour limit in case of first- time residential unit buyer was increased from existing 10% to 20% till 30 June 2021. This is expected to benefit home-buyers where the circle rate is higher than the market value of the property.

(iii) In order to boost consumption, the benefit given to an employee in lieu of LTC on account of expenditure incurred by the individual or a member of his family during the specified period (12th October 2020 to 31st March 2021) on goods or services which are liable to tax at an aggregate rate of twelve per cent or above under various GST laws was provided tax exemption subject to fulfilment of prescribed conditions.

(iv) Time limits for various compliances by the taxpayers have been extended such as furnishing of statement of Deduction of Tax for the last quarter of the Financial Year 2020-21, Certificate of Tax Deducted at Source in Form No.16, application for registration by the charitable institutions, due dates for investment to claim capital gains exemption in Section 54 to 54GB of the Act, Quarterly Statement in Form No. 15CC, filing of country by country reports etc.

(v) Time limits for passing different orders under various sections of Income-tax Act were extended due to COVID-19 pandemic.

(vi) Last date of linking of Aadhaar with PAN has been extended to 31st March, 2022.

(vii) Last date of payments of tax (without extra amount) under Vivad se Vishwas was extended to 30th September, 2021 and with additional tax upto 31.10.2021.

(viii) Last date of filing income-tax returns have been extended to 31st December 2021 (for non-company, non-auditable and non-transfer pricing cases), to 15th February 2022 (for company and auditable cases) and to 28th February 2022 (for transfer pricing cases). Due date of filing tax audit report has been extended to 15th Jan 2022 and for TP report to 31st January 2022.

2.5 Foreign Tax and Tax Research Division

I. Negotiation of Tax Treaties - Multilateral Instrument (MLI), Double Taxation Avoidance Agreements (DTAAs) and Amending Protocols:

i. India has actively participated in the Base Erosion & Profit Shifting (BEPS) project of OECD/G-20 and endorsed the outcomes of the BEPS project, which were in the form of 15 action points for addressing tax avoidance by Multinational Enterprises. Under BEPS Action 15, the BEPS outcomes and minimum standards that all countries have agreed to, are being implemented by the signing of the Multilateral Convention for Implementation of Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, also called as Multilateral Instrument (MLI).

ii. Upon ratification on 25.06.2019, the provisions of the MLI were notified vide Gazette Notification S.O.2887(E), dated 9th August, 2019. The MLI entered into force in India from 01st October 2019. India had notified 93 tax treaties in its final MLI Position. With this India has taken necessary steps to make all of its 95 treaties compliant with the BEPS minimum standards on treaty abuse (BEPS Action 6) and dispute resolution (BEPS Action 14). As on 10th September 2021, 63 treaty partners have notified their tax treaty with India in their respective MLI positions. As a result, the MLI has modified/is expected to modify 63 tax treaties.

iii. India, as a member of Inclusive Framework on BEPS, is committed to implement the minimum standard under BEPS Action 6 and BEPS Action 14. The minimum standards are to be met in respect of Double Taxation Avoidance Agreements (DTAAs) with Inclusive Framework countries. Implementation of minimum standards under these BEPS actions will be subject to a peer review process by OECD as well. Minimum standards under both Action 6 and 14 can be met through MLI if the treaty partner has also signed and ratified the MLI and the respective DTAA is notified by both partners as Covered Tax Agreement (CTA). For some treaties, where the treaty partner has not signed the MLI or not notified its treaty with India, bilateral negotiations have been initiated with treaty partners to amend the concerned tax treaties in order to make them compliant with the minimum standards. India also participated in the 3rd meeting of the Conference of the Parties to the MLI on 23rd April, 2021 and has been elected as a member of the Steering Group to the Conference of the Parties.

iv. Besides, steps have been taken for bilateral revision of existing treaties to make it more relevant & updated by incorporating the provisions which will align the existing DTAAs with the present international standards and the positions taken by India under MLI.

v. DTAAs are an important area of bilateral cooperation to prevent double taxation and enhance economic cooperation between countries, without creating opportunities for tax avoidance or evasion. The key developments pertaining to DTAAs during FY 2021-22 are as follows:

- The Protocol amending the Agreement between India and Iran DTAA was signed on 17th February, 2018 and has entered into force on 29th September, 2020 and has been notified in the Official Gazette on 1st April, 2021.

- India has successfully negotiated and signed a DTAA with Chile (all procedures completed in India and awaiting response from the Chilean side).

- India is in the process of finalising an amending Protocol with Brazil.
- The Cabinet has approved the signing of the Agreement for the Exchange of Information and Assistance in Collection with Respect to Taxes (AEI&ACT) between the Government of India and the St. Vincent and the Grenadines on 23.6.2021. Coordination with MEA and the Saint Vincent and the Grenadines authorities is underway for signing of the Agreement.
- Negotiations were held with Germany, France and Netherlands to revise and update the existing treaties.
- Negotiations were held with Azerbaijan to finalise a DTAA.

II. Role of Tax Treaties in Prevention of Fiscal Evasion and Tackling of the Menace of Black Money

i. Double Taxation Avoidance Agreements (DTAAs),Tax Information Exchange Agreements(TIEAs), Multilateral Convention on Mutual Administrative Assistance In Tax Matters (Multilateral Convention) and SAARC Multilateral Agreement, create a legal obligation on a bilateral basis to exchange information in connection with administration of domestic laws concerning taxes.

ii. The following steps have been taken in the recent past for effectively utilizing the above mechanism of Exchange of Information:

a) The Central Action Plan issued by the Central Board of Direct Taxes (CBDT), read with Manual on Exchange of Information, explains the process and emphasizes the need to make exchange of information references seeking information under the tax treaties. The Central Action Plan also mandates that every Pr. CIT charge will organize training and sensitization programme for making proper references under tax treaties.

b) Regular virtual meetings have been held with various treaty partners to expedite the process of receiving information through tax treaties.

III. Tax Issues in G20

India is a leading contributor to the discourse on international tax related issues at G-20 in all its meetings at the level of Leaders (represented by Hon'ble PM), Finance Ministers, Central Bank Governors and Deputies. In recent times, International Tax issues have featured prominently in the G20 Agenda.

Following the Third Finance Ministers and Central Bank Governors Meeting, at Venice on July 10, 2021, the communique made reference to the work done on the issues in the area of international tax. The relevant paragraph stated that:

"After many years of discussions and building on the progress made last year, we have achieved a historic agreement on a more stable and fairer international tax architecture. We endorse the key components of the two pillars on the reallocation of profits of multinational enterprises and an effective global minimum tax as set out in the "Statement on a two-pillar solution to address the tax challenges arising from the digitalisation of the economy" released by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) on July 1. We call on the OECD/G20 Inclusive Framework on BEPS to swiftly address the remaining issues and finalise the design elements within the agreed framework together with a detailed plan for the implementation of the two pillars by our next meeting in October. We invite all members of the OECD/G20 Inclusive Framework on BEPS that have not yet joined the international agreement to do so. We welcome the consultation process with developing countries on assessing progress made through their participation at the OECD/ G20 Inclusive Framework on BEPS and look forward to the Organisation for Economic Co-operation and Development (OECD) report in October."

Subsequently in the 4th G-20 Finance Ministers and Central Bank Governors meeting held virtually in Washington DC on the October 13, 2021, the July agreement and the work towards a more stable and fair international tax system was again acknowledged as under:

"After the historic agreement reached in July on the key components of the two pillars on the reallocation of profits of multinational enterprises and an effective global minimum tax, we endorse

the final political agreement as set out in the Statement on a two-pillar solution to address the tax challenges arising from the digitalisation of the economy and in the Detailed Implementation Plan, released by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) on 8 October. This agreement will establish a more stable and fairer international tax system. We call on the OECD/G20 Inclusive Framework on BEPS to swiftly develop the model rules and multilateral instruments as indicated in and according to the timetable provided in the Detailed Implementation Plan, with a view to ensure that the new rules will come into effect at global level in 2023. We welcome the Organisation for Economic Co-operation and Development (OECD) report on Tax and Fiscal Policies after the COVID-19 Crisis. We note the OECD report on Developing Countries and the OECD/G20 Inclusive Framework on BEPS identifying developing countries' progress made through their participation in the OECD/G20 Inclusive Framework on BEPS and possible areas where domestic resource mobilisation efforts could be further supported. We look forward to further discussing, on a regular basis, the initiatives undertaken to follow up the recommendations included in the report."

The G-20 leaders in the Rome Summit from 30th -31st October, 2021 endorsed the work done in the finance track. The relevant part of the statement is as below:

"The final political agreement as set out in the Statement on a Two Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy and in the Detailed Implementation Plan, released by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) on 8 October, is a historic achievement through which we will establish a more stable and fairer international tax system. We call on the OECD/G20 Inclusive Framework on BEPS to swiftly develop the model rules and multilateral instruments as agreed in the Detailed Implementation Plan, with a view to ensure that the new rules will come into effect at global level in 2023. We note the OECD report on Developing Countries and the OECD/G20 Inclusive Framework on BEPS identifying developing countries' progress made through their participation in the OECD/G20 Inclusive Framework on BEPS and possible areas where domestic resource mobilisation efforts could be further supported."

IV. BEPS Inclusive Framework

i. In Ankara in September 2015, the OECD was mandated by the G20 Finance Ministers to build an inclusive framework for implementation and to report to them by early 2016. The architecture for the inclusive framework was agreed by G20 Finance Ministers in 2016. The G20 Finance Ministers also encouraged all relevant and interested jurisdictions to join the new inclusive framework on an equal footing. The work of Inclusive Framework includes consideration of the manner in which non-OECD countries will consider themselves committed to the agreed rules and their implementation. India continues to contribute to this important phase of the BEPS Project.

ii. As of November, 2021, a total of 141 members have joined the Inclusive Framework, whose mandate is, *inter alia*, to:

a. Review the implementation of the four BEPS minimum standards;

b. Gather data for the monitoring of the other aspects of implementation, including under BEPS Action 1 (on the tax challenges of the digital economy) and Action 11 (on measuring and monitoring BEPS);

c. Finalize the remaining technical work to address BEPS challenges; and

d. Support jurisdictions in their implementation of the BEPS package, including by providing further guidance on the standards and by developing toolkits for low income countries.

e. The Steering Group of the Inclusive Framework (IF) comprises of members from 24 countries. India has a representation in the Steering Group of the Inclusive Framework. India strongly supports the inclusive approach of the framework to monitor and review the success of implementation of the BEPS recommendations and collaborates with all the G-20, developing countries and international organizations to ensure that there is a level playing field amongst various economies.

f. India has played an active role in the Inclusive Framework and supported positive initiatives keeping in mind concerns of developing nations.

g. The major work being undertaken by the Inclusive Framework this year is with respect to taxation of the Digital Economy. The OECD/G20 Inclusive Framework on BEPS released a joint statement on tax challenges arising from the Digitalisation of Economy on 1st July, 2021. India joined the Statement and continued to engage with the members of the IF. Subsequently, after further discussions, a Joint Statement was finalised by the members of the IF on 8th October, 2021. 137 out of the 141 members have joined the Statement, including India.

V. Automatic Exchange of Information (AEOI)

On the request of the G20, the OECD, working with all non-OECD G20 countries, including India, developed a single uniform standard for Automatic Exchange of Information (AEOI), the Common Reporting Standard (CRS) on AEOI. This new global standard was endorsed by the G20 Finance Ministers in their meeting in Cairns on 21.09.2014 and by the G20 Leaders in their summit at Brisbane on 16.11.2014. In keeping with its leadership role in this area, India also joined a group of 49 countries as "early adopters" of the new standard and commenced exchange of information in 2017. As on date, 42 developing countries are yet to set the date for first the automatic exchange of financial account information. The current status of commitment for AEOI is tabulated below:

As of 16 November 2021

AUTOMATIC EXCHANGE OF INFORMATION (AEOI): STATUS OF COMMITMENTS[1]

JURISDICTIONS UNDERTAKING FIRST EXCHANGES IN 2017 (49)
Anguilla, Argentina, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Cyprus[2], Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Montserrat, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Turks and Caicos Islands, United Kingdom
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2018 (51)
Andorra, Antigua and Barbuda, Aruba, Australia, Austria, Azerbaijan[3], The Bahamas, Bahrain, Barbados, Belize, Brazil, Brunei Darussalam, Canada, Chile, China, Cook Islands, Costa Rica, Curacao, Dominica, Greenland, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Lebanon, Macau (China), Malaysia, Marshall Islands, Mauritius, Monaco, Nauru, New Zealand, Niue[4], Pakistan[3], Panama, Qatar, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Singapore, Sint Maarten[4], Switzerland, Trinidad and Tobago[4], Turkey, United Arab Emirates, Uruguay, Vanuatu
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2019 (2)
Ghana[3], Kuwait[5]
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2020 (3)
Nigeria[3], Oman[5], Peru[3]
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2021 (3)
Albania[3, 7], Ecuador[3], Kazakhstan[6]
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2022 (4)
Jamaica[3], Kenya[3], Maldives[3], Morocco[3]
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2023 (7)
Jordan[6], Moldova[3], Montenegro[6], Thailand[6], Uganda[3], Ukraine[3]
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2024 (1)
Georgia[3], Rwanda[3]
DEVELOPING COUNTRIES NOT ASKED TO COMMIT AND THAT HAVE NOT YET SET A DATE FOR THE FIRST YEAR OF EXCHANGES (42)
Algeria, Armenia, Belarus, Benin, Bosnia and Herzegovina, Botswana, Burkina Faso, Cabo Verde, Cambodia, Cameroon, Chad, Côte d'Ivoire, Djibouti, Dominican Republic, Egypt, El Salvador, Eswatini, Gabon, Guatemala, Guinea, Guyana, Haiti, Honduras, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mongolia, Namibia, Niger, North Macedonia, Palau, Papua New Guinea, Paraguay, Philippines, Senegal, Serbia, Tanzania, Togo, Tunisia, Viet Nam

For implementation of AEOI under CRS, as on 12th Aug 2021, 112 countries/jurisdictions have joined the Multilateral Competent Authority Agreement ("MCAA"), which provides a framework for exchange of information on automatic basis. After joining the framework of the MCAA, as above, countries/jurisdictions need to enter into bilateral/multilateral arrangements for exchanging information subject to confidentiality and data safeguards requirements in the recipient country/jurisdiction. India signed MCAA on 3rd June 2015.

As committed by India, the first exchanges have taken place in September 2017 and the same is reflected in the AEOI Report of the Global Forum. India has automatically exchanged information for the calendar years 2016, 2017, 2018, 2019 and 2020 on reciprocal basis with jurisdictions with whom AEOI has been activated. During this year, despite the continued COVID-19 pandemic related hiccups, India fulfilled its international obligations by transmitting AEOI information for the Calendar Year 2020 to its various exchange partners within the stipulated timelines.

VI. Inter-Governmental Agreement (IGA) with USA for purposes of FATCA

India entered into Inter-Governmental Agreement (IGA) with USA under the Foreign Account Tax Compliance Act (FATCA) on 9th July 2015. This obligates the Indian financial institutions to provide financial account information pertaining to US residents to Indian tax authorities, which is then transmitted to USA automatically. Similarly, under the IGA, the financial institutions of USA provide financial account information about Indian residents to USA tax authorities, which is transmitted to India automatically. Reporting of information under the IGA with USA began from 30th September, 2015 and information pertaining to the calendar year 2014, 2015, 2016, 2017, 2018, 2019 and 2020 has already been exchanged between the two countries. During this year, despite the continued COVID-19 pandemic related hiccups, India fulfilled its obligations by transmitting information for the Calendar Year 2020 to the USA within the stipulated timelines.

VII. India's Association with OECD

OECD is an organization of 38-member countries, who are signatories to the Convention on the Organization for Economic Co-operation and Development. Tax issues have always been an important part of OECD's overall activities and are undertaken by the Committee on Fiscal Affairs (CFA) and its subsidiary bodies. These subsidiary bodies carry out the work on a number of different topics, including development of the Model Tax Convention (Working Party 1), Tax Policy and Statistics (Working Party 2), Transfer Pricing (Working Party 6), Consumption Taxes (Working Party 9), Exchange of Information (Working Party 10) and Aggressive Tax Planning (Working Party 11).

In addition, the CFA has established a number of other subsidiary bodies such as the Forum on Tax Administration, the Forum on Harmful Tax practices, the Task Force on Tax Crime and Other Crimes, the Task Force on the Digital Economy and the Task Force on Tax and Development. The Centre for Tax Policy and Administration (CTPA) acts as the Secretariat to the CFA and its subsidiary bodies and provides technical expertise and support to the CFA.

The Indian delegates have been participating actively in the meetings of Working Parties and Task Force considering the prominent role of OECD in development of international standards in the areas of international taxation, transfer pricing and exchange of information.

Some of the areas of OECD's work related to taxation in which India was actively associated this year are summarized below:

(a) OECD Global Relations Training Programme (GRTP)

India has been nominating officers to the OECD GRTP every year, which has been an important tool for capacity building of our officers. During the year, due to the Covid-19 pandemic, the face-to-face training programmes were cancelled. Various courses were, however, held through the Knowledge Sharing Platform (KSP) of OECD and were conducted virtually. Many participants from India enrolled directly on the courses conducted on various topics such as tax treaties, transfer pricing, BEPS action points, exchange of information, etc.

(b) Forum on Harmful Tax Practices (FHTP)

Forum on Harmful Tax Practices (FHTP) was established following the publication of OECD's 1998 report on "Harmful Tax Competition: An Emerging Global Issue" to identify those preferential tax regimes that have harmful effects. Main work of FHTP is to review preferential tax regimes of member countries and to make recommendations to remove features that create harmful effect or to abolish the regime.

FHTP is presently undertaking work under Action 5 of Base Erosion and Profit Shifting (BEPS) Action Plan. Under Action Item 5 of BEPS Action Plan, FHTP is required to deliver three outputs (i) Finalisation of review of member/associate county regimes; (ii) A strategy to expand participation to non-OECD member countries; (iii) Revision of existing criteria.

During 2021, India's transparency framework under Action 5 of the Base Erosion and Profit Shifting was reviewed positively.

(c) Exchange of Information with No or Nominal Tax Jurisdictions (NNTJ)

NNTJs are now required to spontaneously exchange information on the activities of certain resident entities with the jurisdiction(s) in which the immediate parent, the ultimate parent and/or the beneficial owners are resident. A Standard Operating Procedure (SOP) is being formulated on the use of the information, in consultation with various stakeholders. India has started receiving information under the Standard in 2021.

(d) OECD's Working Party 1

The Working Party 1 on Tax Conventions and Related Questions was created on 1st May 1971 with the mandate to act as a forum for the discussion of issues related to the negotiation, application and interpretation of tax conventions, to examine proposals for the modification of the OECD Model Tax Convention and to draft appropriate recommendations for dealing with the issues it has examined and for periodic updates to the Model Tax Convention. Since then WP-1 has brought out multiple updates to the Model Tax Convention latest being 2017 update which was released on 18th December, 2017. Being an active participant to this forum, India has protected its source based taxation rights by successfully incorporating its consistent positions, wherever required, under various articles in the recently released 2017 update to the OECD Model Tax Convention. India's reservation to the Articles and commentary are recorded under the Chapter "Non-OECD Economies' positions on the OECD Model Tax Convention".

India has been regularly participating in the deliberations of WP-1 and contributing to working on issues related to tax treaties, model tax conventions and their commentaries, including all emerging issues requiring amendment to the model tax conventions and their commentaries. The work area of WP-1 also includes follow-up work undertaken in respect of Action 6 (Preventing Treaty Abuse), Action 7 (Preventing Artificial Avoidance of PE status) and Action 14 (Making dispute Resolution More Efficient) of the BEPS project, as identified in the final reports of these actions, which have already been endorsed by OECD and G-20 Countries including India.

In view of the ongoing work on taxation of digital economy, WP1 has also been tasked with carrying forward the work on building the consensus solution for addressing the tax challenges arising from digitalization of the economy especially in respect of Subject to Tax Rule and taxation of Extractives.

(e) OECD's Working Party 2

(i) Working Party No.2 (WP2) of OECD provides an opportunity to convey India's views on important subjects of tax policy. BEPS Action Point 11 has finalised report titled "Measuring and Monitoring BEPS". It inter alia involves:

a) Establishing methodologies to collect and analyses data on BEPS and the actions to address it:

b) Develop recommendations regarding indicators of the scale and economic impact of BEPS and ensure that tools are available to monitor and evaluate the effectiveness and economic impact of the actions taken to address BEPS on an ongoing basis.

(ii) WP2 is also the nodal body for conducting Economic Impact Assessment of Proposals being considered for Tax challenges of digitalization of the economy. The FT&TR division has coordinated with the WP2 in this economic impact assessment, giving inputs wherever necessary. The final report of economic impact assessment was presented before the Inclusive Framework in October, 2020 and has now been placed in public domain.

(f) OECD's Working Party 6:

The mandate of working party no. 6 is to work on transfer pricing issues and to amend the OECD Transfer Pricing Guidelines for multinationals and tax administrations as required. It is also entrusted with monitoring of the implementation of the OECD Transfer Pricing Guidelines. Further, Working Party 6 is closely associated in determination of principles regarding Amount B in the Pillar 1 solution proposed by the OECD on taxation of multi-national enterprises.

In addition of the above, Working Party- 6 is also involved in implementation of Country-by-Country reporting package developed under Action point 13 of the BEPS project of the OECD.

India has been regularly participating in the deliberation of Working Party 6 and has regularly put forth India's view regarding the principles that may govern transfer pricing of various transactions within a multinational group including in relation to the amendment of the OECD transfer pricing guidelines. Further, India has been a regular participant in the 2020 review of the Country by Country (CbC) report that was taken by the OECD to review the implementation of the CbC reporting framework and has provided inputs to modify the CbC report to make it more inclusive in respect of information required by the developing countries.

In addition to the above, as Working Party 6 has also been tasked with determination of principles governing Amount B under the Pillar 1 solution, proposed by the OECD, India has participated in deliberation of the Working Party 6 and has provided inputs in relation to the technical issues in the architecture of the proposed Amount B determination model.

(g) OECD's Working Party 10

The mandate of OECD Working Party 10 (WP 10) on Exchange of information and Tax Compliance is to provide support for improvements in the legal, practical and administrative framework to facilitate exchange of information and mutual administrative assistance between the countries with the view to improving tax compliance and ensuring protection of taxpayers' rights.

The meetings of the WP 10 were held virtually this year and were attended by the Indian delegates. The major work undertaken in WP 10 this year was as follows:

- Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy were finalized. Reporting Schems related changes were also discussed.
- Discussion on development of exchange framework for Virtual assets and E-money products. Review of the Common Reporting Standard for Automatic Exchange of Information.

(h) OECD's Working Party 11

WP11 is entrusted with the responsibility of addressing the following BEPS Action Points related to 'Aggressive Tax Planning' (ATP):

- Action Item No. 2 – Neutralize the effects of hybrid mismatch arrangements;
- Action Item No. 3 – Strengthening Controlled Foreign Corporation (CFC) Rules;
- Action Item No. 4 – Limit Base Erosion via Interest Deductions and other Financial payments; and
- Action Item No. 12 – Require taxpayers to disclose their aggressive tax planning arrangements [Mandatory Disclosure Regime (MDR)].

As part of the work being done for the consensus solution to address tax challenges posed by digitalisation, Working Party 11 was called upon to advance the work on Pillar Two liaising with other working parties as necessary. During the year, WP-11 has worked on the highly technical aspects of Pillar 2, including income inclusion rule(IIR), UTPR etc. These issues are of significance and relevance to both, the Indian tax authorities as well as the Indian taxpayers that are part of an MNE groups. India has been keenly looking at the scope that is being chalked out by WP-11 and has actively participated in the meetings throughout the year so that India is able to take an appropriate position on addressing remaining BEPS risks of profit shifting to entities subject to no or very low taxation.

(i) Global Forum

The Global Forum is the leading international body working on the implementation of global tax transparency and exchange of information standards around the world. Over the past 12 years, the Global Forum has achieved considerable progress in implementing the international tax transparency and exchange of information standards. Currently, the Global Forum has 163 member jurisdictions which include all G20 countries. Together they work on an equal footing to put an end to offshore tax evasion.

India is an active member of the Global Forum and holds leadership positions in its key bodies/ governance structure. Presently, India is a member of the Steering Group (20 countries) and Vice Chair of the Peer Review Group (30 countries). India is also a member of the AEOI Peer Review Group (34 countries). India sends more than 1000 exchange of information requests under tax treaties to various jurisdictions annually, inter alia, requesting information regarding undisclosed foreign assets/income of Indian taxpayers. India is also exchanging financial account information with various jurisdictions under automatic exchange of information mechanism. The Global Forum has been a partner in this fight against black money stashed abroad by its work on the implementation of international standards on transparency and exchange of information for tax purposes. India's active engagement with the Global Forum helps in maintaining a mutually beneficial relationship.

In FY 2020-21, the Global Forum set up a Task Force on Risk to identify, examine and analyse existing as well as new and emerging risks to Transparency and Exchange of Information for Tax Purposes. India has provided an Expert for the Task Force on Risk. During the year, numerous meetings of the Steering Group were held in which India participated actively. Meetings of the Peer Review Group and the AEOI Peer Review Group were also held to discuss and adopt peer review reports on the implementation of the international standards on Exchange of Information on Request (EOIR) and Automatic Exchange of Information (AEOI) of various jurisdictions. Various meetings of the Task Force on Risk were also held during the year to discuss and finalize the methodology to be followed for the work of the Task Force and risk scenario forms/inputs provided by the Global Forum members as well as relevant inputs gathered by the Global Forum Secretariat from other sources. India also provided Expert Assessors for peer reviews of Russia, Portugal and Armenia. India also participated in various trainings/workshops conducted by the Global Forum which include India's participation as a presenter in the Global Forum's 1st workshop on establishing and running Exchange of Information (EOI) Units.

(j) Tax Inspectors without Borders (TIWB)

India is an active participant as a Partner Administration in TIWB programme which is a joint initiative of UNDP and OECD. Currently, India is providing its Tax Experts for the TIWB programmes with Eswatini, Sierra Leone, Seychelles and Bhutan as a Partner Administration in the field of transfer pricing and international taxation. India is also providing its Tax Experts for TIWB-CI (Criminal Investigation) programmes with Uganda and Kenya in the field of tax crime investigations.

VIII. Coordination with other Multilateral Agencies

India is an Associate member of Centre for Inter American Tax Administration (CIAT), a multilateral organization. The efforts of CIAT are focused on cooperation between the tax administrations of different jurisdictions with a view to work jointly against international tax evasion. To fulfil this objective, CIAT organizes different activities, studies, workshops, seminars etc. wherein tax administrations can share their suggestions, practices, experiences etc. In 2021, India participated in the General Assembly meeting held by CIAT virtually. India also participated in the meeting of the CIAT regarding 'Tax Administration and COVID-19 crisis'.

India has been an important member of Commonwealth Association of Tax Administrators (CATA) since 1979. CATA's activities include organizing annual technical workshops, high quality training programmes for tax officials, in country training programmes tailored to meet specific needs of members, publication of a quarterly newsletter, provision of consultancy services and research facilities for members upon request, supply of information to members, etc.

IX. Cooperation with BRICS Countries on Tax Matters

BRICS is an important multilateral block that seeks to represent the interests of the developing countries. The BRICS countries represent Asia, Africa, Europe and Latin America and together account for 30% of the global land, 43% of the global population and 21% of the world's GDP.

India has successfully hosted BRICS Tax Experts and Tax heads meetings in 2021 when India held Chairship of BRICS. Under India's leadership, the communiqué released after the meetings committed BRICS nations to discuss transformation of tax authorities so as to evolve the best practices that would enable us to grow together in the spirit of Cooperation for Continuity, Consolidation and Consensus.

India, in association with CATA, have facilitated successfully hosting of the 'International Seminar on the Modern Techniques of Investigation and Intelligence Gathering' at National Academy of Direct Tax (NADT), Nagpur in 2017, 2018 and 2020 and currently in talks for organizing its 2021/22 edition.

X. India's Collaboration with Forum on Tax Administration (FTA)

Forum on Tax Administration is a forum for co-operation between revenue bodies and was created in July, 2002 at the initiative of Committee on Fiscal Affairs (CFA) of the OECD, with the aim of promoting dialogue between tax administrations and of identifying innovative tax administration practices to increase efficiency, effectiveness and fairness of tax administration and reduce compliance burdens. Presently, the FTA consists of 53 OECD and non-OECD countries including members of the G20. The work of the FTA is overseen by the FTA Bureau, which comprises heads of revenue administrations of 14 of the member countries. India is member of the FTA Bureau and the Revenue Secretary, being head of revenue administration in India, is FTA Commissioner from India and represents India in the FTA Bureau.

Being a member of the FTA and its Bureau, India is an active participant in the work programme of the FTA.

The work programme of the FTA is delivered by a range of collaborative networks, knowledge sharing Communities of Interest (CoI) and a number of time-limited projects and reports undertaken by smaller groups of tax administrations together with the FTA Secretariat. All of these work streams operate under the sponsorship of lead Commissioners. India has been actively participating in the FTA projects such as:

- Effective taxation of platform sellers in sharing & gig economy.
- Effective use of information received under Common Reporting Standard (CRS).
- Online Cash registers.
- Expansion of Common Transmission System (CTS).
- Tax Debt Management.
- Joint International Task force on Shared Intelligence and Collaboration (JITSIC) etc.

Under current work programme of the FTA, India is a member of project group for following projects:

- Small and Medium sized Enterprises (SMEs): improving tax compliance and reducing burdens.
- BEPS Impacts and inputs.
- Tax administration 2030.

India has been regularly participating in these projects through emails and virtual meetings and wherever required, comments/inputs are being sent to the FTA Secretariat from time to time. Since 1st April, 2021, India has been regularly participating in FTA Meetings virtually. The Meetings attended by India this year include 2 FTA Bureau Meetings in May and October, 2021, Meeting of the FTA Community of Interest on Small and Medium Enterprises. FTA Meeting on Tax Administration 3.0, FTA Deputies Meeting prior to the FTA Bureau Meeting, FTA Meeting on Assistance to Vietnam on introduction of a Large Taxpayer Programme.

XI. Mutual Agreement Procedure

i. Multinational Enterprises (MNEs) operating across the world are subjected to transfer pricing audit in various countries to ensure that their related party international transactions are priced at arm's length. Sometimes, the income of the group is taxed in various jurisdictions and disputes arise due to economic double taxation of the same income in the hands of different taxpayers of the same MNE group. Similarly, MNEs also face juridical double taxation where the same income is taxed in the hands of the same taxpayer in different jurisdictions. To resolve such disputes, the Double Taxation Avoidance Agreements (DTAAs) provide a mechanism through the "Mutual Agreement Procedure" Article of such DTAAs. Under this mechanism, the competent authorities of countries having a DTAA between them may consult each other and reach an understanding to avoid double taxation.

ii. India has a wide network of DTAAs and has been able to successfully resolve double taxation issues with various treaty partners by effectively using the Mutual Agreement Procedure (MAP) Article. The largest number of tax disputes is with the United States of America, which is not surprising because both countries have a very high volume of trade and American MNEs have significant business presence in India. This calls for a constant and deep engagement by the Indian competent authority with the American competent authority. India also has a number of tax disputes with United Kingdom, Japan, China, Netherlands, Canada, Switzerland, Australia, Denmark, Sweden, Finland, Germany, etc. Both the Joint Secretaries in the Foreign Tax and Tax Research (FT & TR) Division of CBDT (JS, FT & TR-I and JS, FT & TR-II) are the two Indian competent authorities. While JS, FT & TR-I is the competent authority for North American and European countries, JS, FT & TR-II is the competent authority for the rest of the world.

iii. New procedures and new systems were put in place for continuing APA and MAP work, in view of the challenges faced due to CoVID-19 pandemic. During the year, multiple discussions through emails and letters were held with competent authorities of many countries mainly, USA, UK, Sweden, Switzerland, Netherlands, Germany and Denmark etc. to resolve the tax dispute cases pending under the Mutual Agreement Procedure (MAP) provided in the Double Taxation Avoidance Agreements.

iv. Two Competent Authority meetings have been held between India and USA virtually to discuss and resolve Mutual Agreement Procedure (MAP) and bilateral Advance Pricing Agreement (BAPA) cases as per provisions of Double Taxation Avoidance Convention (DTAC) between India and USA. Further, Competent Authority Meetings have also been held virtually with UK and Netherlands during the year.

v. The Competent Authorities of India and Japan have been discussing virtually to resolve Mutual Agreement Procedure (MAP) and bilateral Advance Pricing Agreement (BAPA) cases as per provisions of Double Taxation Avoidance Convention (DTAC) between India and Japan.

vi. A virtual bilateral meeting was held between the Competent Authority of India and Singapore in October 2021 to discuss bilateral APA/MAP cases.

vii. A virtual bilateral meeting between the Competent Authority of India and Korea to discuss MAP/APA cases is scheduled in December 2021.

viii. During the year, the Competent Authorities of India and Australia have also been discussing virtually to resolve Mutual Agreement Procedure (MAP) and bilateral Advance Pricing Agreement (BAPA) cases.

ix. During the period January 2021 to November 2021, in aggregate, approximately 110 TP MAP cases (assessment years) were closed with treaty partners in North America and Europe. During the period from April, 2014 till December, 2021, more than 900 cases (assessment years) have been closed under MAP, which resulted in significant reduction of litigation in India.

x. During the year, in aggregate, 27 non-TP MAP cases (assessment years) have been closed/ resolved from 1st April, 2021 till November 2021 with United Kingdom, and 6 with the United States.

XII. Advance Pricing Agreements

i. The Advance Pricing Agreement (APA) programme of CBDT, which was introduced more than eight years ago, is one of its foremost initiatives for promoting a non-adversarial and investor-friendly tax regime in India.

ii. The APA programme has contributed significantly to the Government's mission of promoting ease of doing business, especially for MNEs which have a large number of cross-border transactions within their group entities. By virtue of being founded on principles of mutual trust and cooperation between taxpayers and revenue authorities, the programme has helped in shaking off the image of India being a jurisdiction where the tax administration ran an aggressive transfer pricing regime. Further, by providing tax certainty to taxpayers, it has contributed immensely in prevention/resolution of costly and protracted tax disputes which would have otherwise clogged the judicial system, and has helped in sending across the signal that the Government wants taxpayers to invest and grow.

iii. Besides successfully running the unilateral leg of the APA programme, CBDT has also vigorously engaged with its various tax treaty partners to negotiate and enter into Bilateral APAs, which provide the taxpayers an added benefit of relief from any double taxation.

iv. The programme has been accepted well by taxpayers and tax consultants, which is evinced by the fact that 376 APAs (320 Unilateral APAs and 56 Bilateral APAs) have been entered into till November 2021 by CBDT. In 2020-21 and 2021-22, CBDT put in place remote signing protocol for signing of APAs due to challenges posed by Covid-19. All the APAs during this period have been signed following this protocol.

2.6 Investigation Division

During the Financial Year 2020-21, the Government has taken several steps, by way of policy-level initiatives and more effective enforcement actions on the ground to tackle the issue of black money. These steps include legislative and administrative measures, creation of more advanced systems and processes with due focus on capacity building and greater use of information technology.

i. Search and seizure and survey actions:

During F.Y. 2020-21, search and seizure actions were carried out against more than 569 groups leading to seizure of assets worth over Rs.880 crores and admission of undisclosed income of over Rs.4145 crores. Whereas, during F.Y. 2021-22* (upto November, 2021), search and seizure actions were carried out in over 364 groups. The actions in these cases led to seizure of assets worth over Rs.557 crores and an admission of undisclosed income of over Rs.3461 crores.

Further, during F.Y. 2020-21, over 426 surveys were conducted leading to detection of undisclosed income of over Rs.5111 crores. Whereas, during F.Y. 2021-22* (upto October, 2021), over 233 surveys were conducted leading to detection of undisclosed income of over Rs.3430 crores.

**Figures are provisional*

ii. Prosecutions & compounding:

Various measures have been taken by the Income-tax Department (ITD) in the recent past to strengthen the prosecution mechanism with a view to identify the deserving prosecutable cases at the earliest and pursue the same with due seriousness.

During F.Y. 2020-21, over 173 prosecution complaints were filed and 16 persons were convicted. Whereas, during F.Y. 2021-22* (upto August, 2021), 51 prosecution complaints have been filed and 2 persons have been convicted.

** Figures are provisional.*

iii. Actions under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 ("the BM Act"):

Recognizing the limitations of the Income Tax Act, 1961 in dealing with black money stashed abroad, the Government enacted a comprehensive and a more stringent new law that has come into force w.e.f. 01.07.2015. As an outcome of the actions taken by the Income-tax Department under the BM Act, as on 31.03.2021, undisclosed foreign assets and income valued at over Rs.36,100 crores (subject to fluctuations in currency conversion) have been detected. Further, as on 31.03.2021, more than 104 prosecution complaints have been filed under the BM Act.

Whereas as on 31.10.2021, undisclosed foreign assets and income valued at over Rs.38,650 crores (subject to fluctuations in currency conversion) have been detected. Further, as on 31.10.2021, more than 110 prosecution complaints have been filed under the BM Act.

iv. Actions under the Prohibition of Benami Property Transactions Act, 1988 ("the Benami Act"):

With a view to bridge the gaps and put in place appropriate effective legislation, the existing Act was amended through Benami Transactions (Prohibition) Amendment Act, 2016, and came into force w.e.f. 1st November 2016. The amended Act defines benami transactions and benami property. It provides for consequences of entering into a prohibited benami transactions, which includes attachment of the benami property, confiscation and prosecution of both the benamidar and the beneficial owner. The ITD has set up 24 Benami Prohibition Units across India for taking effective action under the Benami Act.

As an outcome of unabated actions taken by ITD, during F.Y. 2020-21, show cause notices for provisional attachment of benami properties were issued in over 190 new cases and provisional attachment was made in over 195 cases. The value of properties under attachment was over Rs.623 crore. In more than 152 cases, references were made to the Adjudicating Authority under the Act. Further, in 112 cases, the Adjudicating Authority confirmed the orders of provisional attachment passed by the ITD. Moreover, during the F.Y. 2021-22 (upto October, 2021), show cause notices for provisional attachment of benami properties were issued in 154 new cases and provisional attachment has been made in 107 cases. The value of properties under attachment is over Rs.1594 crore. In 220 cases, references have been made to the Adjudicating Authority under the Act. Further, in over 78 cases, the Adjudicating Authority has confirmed the orders of provisional attachment passed by the ITD.

v. Investigation in foreign assets cases:

In HSBC bank accounts cases, as an outcome of investigation, undisclosed income of about Rs.8466 crore has been brought to tax on account of deposits made in unreported foreign bank accounts. Further, concealment penalty of about Rs.1294 crore has been levied in 171 cases. So far, 204 prosecution complaints in HSBC cases have been filed in 89 cases.

In International Consortium of Investigative Journalists (ICIJ) cases, sustained investigations conducted have led to detection of more than Rs.11,010 crore of credits in the undisclosed foreign accounts and 101 prosecution complaints have been filed before criminal courts.

In Panama paper cases, as on 31.10.2021, search & seizure action conducted in 83 cases; assessment proceeding u/s 10 of the BM Act has been issued in 71 cases; criminal prosecution complaints have been filed in 46 cases and undisclosed credits of Rs.20,082 crore approx. (Foreign – Rs.14,093 crores & Domestic – Rs.5,989 crores) have been detected.

In Paradise paper cases, as on 31.10.2021, search & seizure and/or survey conducted in 32 cases; notices under section 10 of the Black Money Act issued in 59 cases; criminal prosecution complaints have been filed/initiated in 13 cases and undisclosed credits of Rs.271 crore approx. (Foreign – Rs.77 crores & Domestic– Rs.194 crore) have been detected.

Further, for efficient and effective handling of information being received in relation to foreign assets/income, a dedicated set up in the form of Foreign Assets Investigation Units (FAIUs) are being set up by diverting the existing posts in the Income Tax Department. Accordingly, with the approval of the Hon'ble Finance Minister, 29 FAIUs have been created in the Investigation Directorates across India.

3. Central Board of Indirect Taxes and Customs

The Central Board of Indirect Taxes and Customs or CBIC (erstwhile Central Board of Excise & Customs) is a part of the Department of Revenue under the Ministry of Finance, Government of India. It is the apex body for indirect tax administration. It is involved in policy formulation concerning levy and collection of Customs, Central Excise duties, Central Goods & Services Tax (CGST) and Inter-state Goods & Services Tax (IGST), prevention of smuggling and administration of matters relating to Customs, Central Excise, CGST, IGST and Narcotics to the extent which is under CBIC's purview. The CBIC also plays an active role in GST Council meetings and the associated activities of Law Committee which deliberates on all matters brought before the GST Council.

The CBIC constituted under the Central Board of Revenue Act, 1963 consists of a Chairman and six Members who are Special Secretaries to the Government of India. The CBIC personnel supervise the functioning of the subordinate formations which includes Directorates and field formations of Customs, GST Commissionerates and Narcotics formations such as Opium factories and the Central Revenues Control Laboratory.

The field formations are mainly engaged in collection of revenue and are spread across the country. The tax payer's grievances are attended to by these field units of the CBIC on a day to day basis.

The Board is assisted by 19 Directorates who act as adjunct offices and assist the Board in policy formulation. Each Directorate has been assigned with a specific responsibility. The Directorate General of Revenue Intelligence (DRI) is the premier intelligence and investigation agency which collects and collates intelligence relating to Customs duty frauds and smuggling. Similarly, the Directorate General of GST Intelligence is tasked with investigation of GST and Central Excise/ Service Tax matters. Another important directorate is the Directorate of Human Resource Development (DGHRD) which handles all HR matters of CBIC.

After the introduction of GST in 2017, the Directorate of Analytics and Risk Management (DGARM) was created. The DGARM is engaged in data analytics and data mining. The results of the data analytics has helped in detecting large number of fake invoice cases and has helped in augmenting GST collection. The performance of this Directorate has been commendable in the previous two years. The Directorate of Performance Management is tasked with evaluation of performance of the field formations based on laid down parameters. The Directorate of Audit is mandated to carry out audit which is an important tool of compliance verification.

The motto of CBIC is **"Desh Sevarth Kar Sanchay".**

3.1 GOODS & SERVICE TAX

The Constitution was amended vide the 101st Amendment Act, 2016, to provide concurrent powers to both Centre & States to levy GST on goods and Services both. Subsequent to the amendment, the GST Council comprising of the Union Finance Minister, MoS, Finance and Finance Ministers of all States, is empowered to make recommendations on matters related to GST Law and tax rates. More than 17 taxes and 13 cesses have been subsumed in GST making India - "One Nation One Tax". The taxes subsumed in GST include erstwhile Central Excise duty (except on 5 petroleum products & tobacco/ tobacco products) and Service Tax.

GST has completed more than 4 years, since its implementation. GST has revolutionized the indirect taxation regime in India and has allowed India to achieve the goal of One Nation, One Tax. However, like every other law, GST is also an evolving law and Government has been sensitive towards the requirements of the trade and industry and is making necessary changes required in law and procedures under GST to address the concerns of the trade so as to make in India a favourable destination for investment and to enable India in achieving the Goal of "AtmaNirbharbharat".

Following decisions have been implemented/ proposed to be implemented in GST during 2021-22:

(i) Vide notification No. 15/2021-CT dated 18.05.2021 a proviso has been inserted to Rule 90(3) to exclude the time period from the date of filing of the refund claim in **FORM GST RFD-01** till the date of communication of the deficiencies in **FORM GST RFD-03** by the proper officer, from the period of two years as specified under sub-section (1) of Section 54, in respect of any such fresh refund claim filed by the applicant after rectification of the deficiencies. Further, a new provision has been introduced allowing the applicants to withdraw the refund application filed in **FORM GST RFD-01** (sub-rule (5) and (6) of rule 90). A new form has been notified for withdrawal of refund application **(FORM GST RFD-01W).**

(ii) It has been clarified vide Circular No. 160/ 16/2021-GST, dated 20.09.2021 that only those goods which are actually subjected to export duty i.e., on which some export duty has to be paid at the time of export, will be covered under the restriction imposed under section 54(3) of CGST Act from availment of refund of accumulated ITC.

(iii) Vide notification No. 15/2021-CT dated 18.05.2021, Rule 138E has been amended to prescribe blocking of e-way bill only in respect of supplies made by the person who fails to file their **FORM GSTR-3B** returns for a consecutive period of two months or more or statement in **FORM CMP-08** for two quarters or more, or statement of outward supplies in **FORM GSTR-1**for any two months or quarters; and not in respect of supplies made to such defaulting taxpayer as recipient. With this amendment, issuance of e-way bill by the compliant supplier will not be blocked, in respect of supply made to recipient, including a recipient who has defaulted in furnishing two consecutive returns. This would ensure that business of compliant suppliers is not adversely affected.

(iv) Electronic invoicing system was introduced for taxpayers with turnover of more than Rs. 500 crores from 01.10.2020 for B2B transactions and for export invoices. The same was extended for taxpayers with turnover of more than Rs. 100 Crores from 01.01.2021. Vide notification No. 05/2021 dated 08.03.2021, the same has been extended for taxpayers with turnover of more than Rs. 50 Crores from 01.04.2021.

(v) Requirement of issuing e-invoices by government departments and local authorities has been exempted vide notification No. 23/2021 dated 01.06.2021.

(vi) E-wallet Scheme was further deferred up to 31.03.2022. Exemption from IGST and Cess on the imports made under the AA/ EPCG/EOU schemes was further extended up to 31.03.2022.

(vii) It has been clarified vide Circular No 160/ 16/2021-GST, dated 20.09.2021 that there is no need to carry the physical copy of tax invoice in cases where invoice has been generated by the supplier in the manner prescribed under rule 48(4) of the CGST Rules.

(viii) Provisions have been made in GST Rules to specify QR code on tax invoices. It has been provided that the invoice shall have dynamic QR code for all B2C invoices for the taxpayers having annual aggregate turnover of more than Rs. 500 crores, except SEZ unit, w.e.f. 01.12.2020. Further, to ensure the smooth roll out, vide notification No. 28/2021 dated 30.06.2021, penalty for non-compliance of QR code provisions was waived during the period 01.12.2020 to 30.09.2021. Vide Circular No. 146/02/2021-GST dated 23.02.2021 and Circular No. 156/12/2021-GST dated 21.06.2021, clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification No. 14/2020 dated 21.03.2020 have been issued.

(ix) Requirement of filing FORM GST ITC-04 for the period July, 2017 to March, 2019 was waived subject to certain conditions. W.e.f. 01.10.2021, **FORM ITC-04** is required to be filed on half yearly basis by the taxpayers having AATO in the preceding FY of more than Rs. 5 crore and on annual basis by other taxpayers.

(x) GST Council in its 45th meeting held on 17.09.2021 had recommended that refund to be disbursed in the bank account, which is linked with same PAN on which registration has been obtained under GST.

(xi) Tenure of National Anti-profiteering Authority, established to deal with the anti-profiteering issues, has been further extended up to November, 2022.

(xii) Vide notification No. 19/2021 dated 01.06.2021-CT read with notification no. 33/ 2021-CT dated 29.08.2021, amnesty has been given for the returns for the period from July, 2017 to April, 2021 wherein the amount of late fee payable for **FORM GSTR-3B** has been capped at Rs. 500/- (Rs. 250/- + Rs. 250/-) for each return if the tax liability was zero for that period. For all other cases, it has been capped at Rs. 1,000/- (Rs. 500/- + Rs. 500/-) for each return. The said amnesty will be available only if the returns are furnished between 01.06.2021 to 30.11.2021.

(xiii) Maximum late fees for delay in filing GSTR-1 and GSTR-3B for returns of period from June, 2021 or quarter ending June, 2021 onwards has been capped based on turnover / tax liability.

(xiv) Vide notification No. 21/2021 dated 01.06.2021 maximum late fee for delay in furnishing **FORM GSTR-4** has been capped. This would be applicable for return for FY 2021-22 onwards. Maximum late fee would be Rs. 500/- (Rs. 250/- + Rs. 250/-) per return for NIL return and Rs 2000/-(Rs. 1,000/- + Rs. 1,000/-) in other cases.

(xv) Vide notification No. 22/2021 dated 01.06.2021, late fee payable for delayed furnishing of FORM GSTR-7, from the tax period of June, 2021, has been reduced to Rs 50/- per day (Rs. 25/- + Rs. 25/-) subject to a maximum of Rs 2,000/- (Rs. 1,000/- + Rs. 1,000/-) per return.

(xvi) Simplification of Annual Return for Financial Year 2020-21:

a. Amendments in section 35 and 44 of CGST Act made through section 110 and 111 of the Finance Act, 2021 to be notified. This would ease the compliance requirement in furnishing reconciliation statement in FORM GSTR-9C, as taxpayers would be able to self-certify the reconciliation statement, instead of getting it certified by chartered accountants. This change will apply for Annual Return for FY 2020-21 (notification No. 29/2021 dated 30.07.2021);

b. The filing of annual return in FORM GSTR-9 / 9A for FY 2020-21 to be optional for taxpayers having aggregate annual turnover up to Rs. 2 Crore (notification No. 31/2021 dated 30.07.2021);

c. The reconciliation statement in FORM GSTR-9C for the FY 2020-21 will be required to be filed by taxpayers with annual aggregate turnover above Rs. 5 Crore (notification No. 30/2021 dated 30.07.2021).

(xvii) Retrospective amendment in section 50 of the CGST Act with effect from 01.07.2017, made vide section 112 of the Finance Act, 2021, providing for payment of interest on net cash basis, has been notified w.e.f 01.06.2021 (notification No. 16/2021 dated 01.06.2021).

(xviii) Instructions dated 22.09.2021 have been issued by CBIC for issuing show cause notices (SCNs) by GST officers under section 73 or 74 in a time bound manner.

(xix) Guidelines for disallowing debit of electronic credit ledger under Rule 86A of the CGST Rules, 2017, dated 02.11.2021 has been issued by CBIC.

(xx) COVID Relief Measures in GST Compliance

In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliances under GST law due to the outbreak of the second wave of COVID-19, the Government has issued notifications, dated 1st May, 2021, 1st June, 2021 and 29th August, 2021providing various relief measures for taxpayers. These measures are as follows:

a. Reduction in rate of interest:

Concessional rates of interest in lieu of the normal rate of interest of 18% per annum for delayed tax payments have been prescribed in the following cases-

- **For registered persons having aggregate turnover above Rs. 5 Crore:** However rate of interest of 9 per cent for the first 15 days from the due date of payment of tax and 18 per cent thereafter, for the tax payable for tax periods March 2021, April 2021 and May 2021 payable in April 2021, May 2021 and June 2021 respectively.
- For registered persons having aggregate turnover up to Rs. 5 Crore (for both normal taxpayers and those under QRMP scheme):

  Nil rate of interest for the first 15 days from the due date of payment of tax and 9 per cent for the next 45 days, 30 days and 15 days for the tax payable for the periods March, April and May, 2021 respectively.
- For registered persons who have opted to pay tax under the Composition scheme:

  NIL rate of interest for first 15 days from the due date of payment of tax and 9 per cent for the next 15 days, and 18 per cent thereafter for the tax payable for the quarter ending 31st March, 2021.

b. Waiver of late fee:

- **For registered persons having aggregate turnover above Rs. 5 Crore:** Late fee waived for 15 days in respect of returns in FORM GSTR-3B furnished beyond the due date for tax periods March, 2021, April, 2021and May 2021, due in the April 2021, May 2021 and June, 2021respectively;

- **For registered persons having aggregate turnover up to Rs. 5 Crore:** Late fee waived for 60 days, 45 days and 30 days in respect of the returns in FORM GSTR-3B furnished beyond the due date for tax periods March, April and May, 2021 respectively.

- For registered persons filing **FORMGSTR 3B** on quarterly basis, Late fee waived for 60 days beyond the due date for period Jan-March, 2021.

c. Extension of due date of filing GSTR-1, IFF, GSTR-4 and ITC-04:

- Due date of filing **FORMGSTR-1** and **IFF** for the month of April, 2021 and May, 2021 extended by 15 days.

- Due date of filing **FORM GSTR-4** for FY 2020-21 extended from 30th April, 2021 to 31stJuly, 2021.

- Due date of furnishing **FORM ITC-04** for Jan-March, 2021 quarter extended from 25th April, 2021 to 30th June, 2021.

d. Certain amendments in CGST Rules:

- **Relaxation in availment of ITC:** Rule 36(4) i.e. 105% cap on availment of ITC in FORM GSTR-3B to be applicable on cumulative basis for period April, May and June, 2021 to be applied in the return for tax period June, 2021 or the quarter ending in June, 2021. Otherwise, rule 36(4) is applicable for each tax period.

- The filing of **GSTR-3B and GSTR-1/ IFF** by companies using electronic verification code has already been enabled for the period from 27.04.2021 to 31.05.2021. This has been further extended vide notification No. 27/2021-CT dated 01.06.2021 to 31st August, 2021 and vide notification No. 32/ 2021-CT dated 29.08.2021 to 31st October, 2021.

e. Extension in statutory time limits under section 168A of the CGST Act:

- Time limit for completion of various actions, by any authority or by any person, under the GST Act, which falls during the period from **15th April, 2021 to 30th May, 2021,** extended upto **31st May, 2021**, subject to some exceptions as specified in the notification. This has been further extended vide notification No. 24/2021-CT dated 01.06.2021 wherein the time limit for completion of various actions, by any authority or by any person, under the GST Act, which falls during the period from **15th April, 2021 to 29th June, 2021**, has been extended upto **30th June, 2021**, **subject to some** exceptions as specified in the notification.

- The timeline for making an application of revocation of cancellation of registration where registration has been cancelled under clause (b) or (c) of sub-section (2) of section 29 of CGST Act and the time limit for submission of such application falls during the period from 01.03.2020 to 31.08.2021 has been extended up to 30.09.2021 vide notification No. 34/2021-CT dated 29.08.2021.

3.2 Customs

Indian Customs has always been at the forefront when it comes to adopting cutting edge technology for providing better services in respect of both cargo and passengers. The policy adopted by Customs is directed towards the twin goals of "Make in India" and "Atma Nirbhar Bharat". The tariff structure has been calibrated so as to achieve furtherance of economic activity and employment generation in the domestic market. There is a special emphasis on providing a level playing field and rational protection to MSMEs who are contributing immensely in employment generation.

3.2.1 Reforms carried out by Customs for the year-2021-22:

- Indian Customs has expedited Customs clearances for goods imported relating to COVID 19 pandemic, including oxygen related equipment etc, enabling the essential goods to reach the beneficiary in the least possible time.

- Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme is another scheme implemented recently by Customs through a simplified IT System. This enables issue of Export Rebate in the form of a transferable duty credit/ electronic scrip (e-scrip) which will be maintained in an electronic ledger by the Central Board of Indirect Taxes & Customs (CBIC). This revamped end-to-end automated scheme aims to provide a boost to Indian exports by providing a level playing field to domestic industry abroad.

- Several other key trade facilitation measures undertaken includes decrease in number of goods subjected to Examination by leveraging technology, Revamping of Direct Port Delivery Scheme leading to more importers availing the scheme, Risk based processing of Drawback Claims, digital applications for AEOs, dispensing with certain periodic renewals etc.

- Various agreements/MoUs were signed by Indian Customs with countries like Maldives, USA, BRICS etc on various Customs related matters for mutual co-operation. This will facilitate movement of goods across the countries.

3.3 Tax Research Unit:

All issues pertaining to rate of taxes (Customs, GST, Central Excise), including exemptions, are handled by the Tax Research Unit of CBIC.

Tax Research Unit-I (Goods) & Tax Research Unit-II (Services)

A. General policy direction as regards Customs duty rates to give impetus to economic growth:

A1. In recent years, the Customs duty rate structure has been guided a conscious policy of the government to:

- Incentivize domestic value addition under make in India initiative, which inter alia envisages imposition of lower duty on raw materials and providing reasonable tariff barrier on goods being manufactured in India;
- Put in place phased manufacturing plan in respect of significant products like mobile phone, other electronic goods like TVs, electric vehicles, batteries, solar panel etc. The BCD rate are calibrated in such a manner that encourages deepening of value addition gradually. For example, in respect of mobile phones, initially the parts were placed under nil BCD while duty was imposed on mobiles. Gradually, duty has been raised on parts in phased manner as their production began in India.
- Providing level playing field to farmers with adequate tariff barrier on agricultural produce.
- Have a graded duty structure so as to avoid duty inversion on value added products.
- Calibrated customs duty structure in such way that incentivizes investment in key areas like petroleum exploration, electronic manufacturing etc.
- Strategic imports like defense goods not produced domestically are allowed imports at concessional duty.
- The import of non-essential items is discouraged.
- To prescribe trade remedial duties, like anti-dumping duty, CVD, safeguard duty on dumped and subsidized imports causing injury to the domestic industry.
- Encourage exports, by making available the raw material without the imposition of customs duty and allowing refunds of duty/taxes on inputs, besides fiscal incentives. Prominently, gems and jewellery sector, textiles, pharma, leather goods, electronics, fisheries, agriculture have been benefitted by such initiatives relating to exports.

A2. Basic Customs Duty structure consequent to adoption of the above guiding principles for inducing economic growth in India:

- The basic customs duty rates in general are Nil/ 2.5%/5%/7.5% on the inputs/ intermediate products [industrial chemicals, ores and concentrates, fuels, textile fibres and yarns etc.] used in industries for manufacturing.
- Finished items of consumption attract higher duty, e.g., items like mobile, television, air-conditioner, refrigerators, washing machine, furniture, jewellery, including imitation jewellery, watches, toys attract higher BCD. Footwear, certain textile articles etc. attract BCD at the rate of 25%. Most of these changes have been made in the last 3 Budgets.
- The BCD has been increased in past few budgets on items like oils, pulses, wheat, sugar, fruit juices, edible oils and miscellaneous edible preparation to safeguard the interest of farmers.
- Concerted efforts have been made to remove inversions in duty structure. Tariff Commission and DPIIT examines the issues of inversion/ negative effective protection to the domestic industry. In majority of cases Tariff Commission did not find any inversion. Appropriate corrections made in few cases recommended by them. The inversion now being spoken about essentially emanates from FTA and ITA, the review of which lies in the domain of Department of Commerce.

B. Rate related changes in Goods and Services Tax:

B1: GST on Goods

- **GST rates on all renewable equipment** including solar, wind etc were increased from 5%

to 12% in October, 2021 in order to remove the inverted duty structure present in the industry and provide a fillip to domestic manufacturing of renewable equipment.

- With respect to the **ores such as those of iron, copper, manganese, tungsten, nickel, cobalt etc.** where metals attract 18% GST, the GST rates were raised from 5% to 18% to remove the inverted duty structure from the ore concentrate industry and ensure a smooth flow of ITC.

- **GST rates on all railway goods** were raised and standardized at 18% to remove the duty differential and correct the inverted duty structure.

- A concessional GST rate of 5% was fixed for **Bio-diesel** supplied to Oil Marketing Companies for blending with High Speed Diesel with a view to incentivize Bio-diesel production and reduce dependence on fossil fuels.

- **The GST rates on finished products like textile apparel and footwear** have been increased from 5% to 12% (effective from 1st January 2022) in order to remove inversion and prevent blocking of working capital.

B2: GST on Services

Following measures have been taken towards rationalization of GST rates, Atma- nirbhar Bharat, Make-in-India and promotion of ease of doing business during the FY 2021-22:

I. Rationalization of GST Rates of Services:

i. Changes have been made so to make it clear that land owner promoters could utilize credit of GST charged to them by developer promoters in respect of apartments that are subsequently sold by the land promotor and simultaneously allowing the developer promotor to pay GST relating to such apartments any time before or at the time of issuance of completion certificate.

ii. Notification has been issued to extend the same dispensation as provided to MRO units of aviation sector to MRO units of ships/ vessels so as to provide level playing field to domestic shipping MROs vis a vis foreign MROs and accordingly, (a) GST on MRO services in respect of ships/vessels is reduced to 5% (from 18%) (b) PoS of B2B supply of MRO Services in respect of ships/ vessels would be location of recipient of service.

iii. GST rate on Printing and reproduction services of recorded media where content is supplied by the publisher has been changed to 18 % from 12% to bring it on parity with Colour printing of images from film or digital media.

iv. GST Exemption on leasing of rolling stock by IRFC to Indian Railways has been withdrawn so as to open the ITC chain.

v. E Commerce Operators are being made liable to pay tax w.e.f.1.1.2022 on following services provided through them

(a) transport of passengers, by any type of motor vehicles through it [w.e.f. 1st January,2022]

(b) restaurant services provided through it with some exceptions [w.e.f. 1st January, 2022]

vi. Relaxations have been made in conditions relating to IGST exemption relating to import of goods on lease, where GST is paid on the lease amount, so as to allow this exemption even if (i) such goods are transferred to a new lessee in India upon expiry or termination of lease; and (ii) the lessor located in SEZ pays GST under forward charge.

vii. GST rate has been increased from 12% to 18% on Licensing services/ right to broadcast and show original films, sound recordings, radio and television programmes [to bring parity between distribution and licencing services].

II. Exemption from levy of GST

i. GST exemption on transport of goods by vessel and air from India to outside India has been extended upto 30.9.2022.

ii. GST exemption has been provided on services by way of grant of National Permit to goods carriages on payment of fee. Earlier it was charged @18%.

iii. GST exemption has been provided on Skill Training for which Government bears 75% or more of the expenditure. Earlier, exemption was available only if Govt funded 100% expenditure of the training programme.

iv. GST exemption has been provided on Services related to AFC Women's Asia Cup 2022.

III. Issuance of Clarification: It has been clarified by way of Circular that-

i. services supplied to an educational institution including Anganwadi (which provide pre- school education also), by way of serving of food including mid- day meals under any midday meals scheme, sponsored by Government is exempt from levy of GST irrespective of funding of such supplies from government grants or corporate donations.

ii. services provided by way of examination including entrance examination, where fee is charged for such examinations, by National Board of Examination (NBE), or similar Central or State Educational Boards, and input services relating thereto are exempt from GST.

iii. supply of service by way of milling of wheat/ paddy into flour (fortified with minerals etc. by millers or otherwise)/rice to Government/ local authority etc. for distribution of such flour or rice under PDS is exempt from GST if the value of goods in such composite supply does not exceed 25%. Otherwise, such services would attract GST at the rate of 5% if supplied to any person registered in GST, including a person registered for payment of TDS.

iv. GST is payable on annuity payments received as deferred payment for construction of road. Benefit of the exemption is for such annuities which are paid for the service by way of access to a road or a bridge.

v. services supplied to a Government Entity by way of construction of a rope-way attract GST at the rate of 18%.

vi. services supplied by Govt. to its undertaking/PSU by way of guaranteeing loans taken by such entity from banks and financial institutions is exempt from GST.

vii. coaching services to students provided by coaching institutions and NGOs under the central sector scheme of 'Scholarships for students with Disabilities" is exempt from GST

viii. services by cloud kitchens/central kitchens are covered under 'restaurant service', and attract 5% GST [without ITC].

ix. Ice cream parlours sells already manufactured ice- cream. Such supply of ice cream by parlours would attract GST at the rate of 18%.

x. overloading charges at toll plaza, being akin to toll, are exempt from GST.

xi. the renting of vehicle by State Transport Undertakings and Local Authorities is covered by expression 'giving on hire' for the purposes of GST exemption

xii. services by way of grant of mineral exploration and mining rights attracted GST rate of 18% w.e.f. 01.07.2017.

xiii. admission to amusement parks having rides etc. attracts GST rate of 18%. The GST rate of 28% applies only to admission to such facilities that have casinos etc.

xiv. alcoholic liquor for human consumption is not 'food and food products' for the purpose of the entry prescribing 5% GST rate on job work services in relation to food and food products.

C: Central excise duty on Diesel and petrol

C1 Excise duty rates: Diesel and petrol duty increases are depicted below

- The relevant factors, for retail sale price of petrol and diesel are international prices of crude and the rupee exchange rate.
- The increasing international prices of crude have led to a sharp rise in retail selling price of petrol and diesel. This necessitated a reduction in Excise Duty on petrol and diesel.
- The Road and Infrastructure Cess (RIC) was reduced by Rs 5 per litre for Petrol and Rs 10 for Diesel as depicted in the table below. These prices came into effect from 04.11.2021.

Commodity	Duty rates applicable upto 02.02.2021 (Rs. per litre)					Duty rates applicable with effect from 04.11.2021 (Rs. per litre)				
	BED	SAED	RIC	AIDC	Total	BED	SAED	RIC	AIDC	Total
Petrol (unbranded)	1.40	11	18	2.5	**32.90**	1.40	11	13	2.5	**27.90**
Petrol (branded)	2.60	11	18	2.5	**34.10**	2.60	11	13	2.5	**29.10**
Diesel (unbranded)	1.80	8	18	4.0	**31.80**	1.80	8	8	4.0	**21.80**
Diesel (branded)	4.20	8	18	4.0	**34.20**	4.20	8	8	4.0	**24.20**

BED: Basic Excise Duty
SAED: Special Additional Excise Duty
RIC: Road and Infrastructure Cess

D. Other measures taken by CBIC/already in force related to Covid-19

COVID-19 Relief Measures taken (April, 2021 onwards)

D.1 Exemption/ Reduction in Basic Customs Duty on import of COVID-19 relief goods

TABLE-1

S.No.	Description of goods	Valid till	Reference
1.	Remdesivir Active Pharmaceutical Ingredients (API)	31.10.2021	Notification No. 27/2021-Customs dated 20.04.21, as amended *vide* notification No. 29/2021-Customs dated 30.04.21
2.	Beta Cyclodextrin (SBEBCD) used in manufacture of Remdesivir, subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.	31.10.2021	
3.	Injection Remdesivir.	31.10.2021	
4.	Inflammatory Diagnostic (marker) kits, namely- IL6, D-Dimer, CRP(C-Reactive Protein), LDH (Lactate De-Hydrogenase), Ferritin, Pro Calcitonin (PCT) and blood gas reagents	31.10.2021	
5.	Medical Oxygen	30.09.2021	Notification No. 28/2021-Customs dated 24.04.21, as amended *vide* notification No. 31/2021-Customs dated 31.05.21 and No. 41/2021-Customs dated 30.08.21*
6.	Oxygen concentrator including flow meter, regulator, connectors and tubings.	30.09.2021	
7.	Vacuum Pressure Swing Absorption (VPSA) and Pressure Swing Absorption (PSA) oxygen plants, Cryogenic oxygen Air Separation Units (ASUs) producing liquid/gaseous oxygen.	30.09.2021	
8.	Oxygen canister.	30.09.2021	
9.	Oxygen filling systems.	30.09.2021	
10.	Oxygen storage tanks	30.09.2021	
11.	Oxygen generator	30.09.2021	
12.	ISO containers for Shipping Oxygen	30.09.2021	
13.	Cryogenic road transport tanks for Oxygen	30.09.2021	
14.	Oxygen cylinders including cryogenic cylinders and tanks	30.09.2021	
15.	Parts of goods at S.No.6 to 14 above, used in the manufacture of equipment related to the production, transportation, distribution or storage of Oxygen, subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.	30.09.2021	
16.	Any other device from which oxygen can be generated	30.09.2021	

17	Ventilators, including ventilator with compressors; all accessories and tubings; humidifiers; viral filters (should be able to function as high flow device and come with nasal canula).	30.09.2021	
18	High flow nasal canula device with all attachments; nasal canula for use with the device.	30.09.2021	
19	Helmets for use with non-invasive ventilation.	30.09.2021	
20	Non-invasive ventilation oronasal masks for ICU ventilators.	30.09.2021	
21	Non-invasive ventilation nasal masks for ICU ventilators.	30.09.2021	
22	COVID-19 vaccine.	30.09.2021	
23	Amphotericin B	30.09.2021	
24	Specified API/excipients for Amphotericin B	31.08.2021	Notification No. 35/2021-Customs dated 12.07.21
25	Raw materials for manufacturing COVID-19 testing kits	30.09.2021	

* Exemption from BCD and Health Cess

D.2 Exemption/ Reduction in GST/ IGST on import of COVID-19 relief goods

TABLE 2

S.No.	Description of goods	Reduced GST rate	Valid till	Reference
1.	All goods covered under Customs notification 27/2201 and 28/2021 (listed in Table 1 above), imported by State Government or agency authorised by it, free of cost for free distribution.	Nil	31.08.2021	Ad hoc exemption Order (AEO) No. 4/2021-Customs dated 03.05.2021, as amended by AEO No. 5/2021-Customs dated 31.05.2021
2.	All goods covered under Customs notifications 27/2201 and 28/2021 (listed in Table 1 above), imported and donated to Central/ State Government or relief agency recommended by State Government, for free distribution.	Nil	31.08.2021	Notification No. 32/2021-Customs dated 31.05.2021

3	Medical Grade Oxygen	5%	30.09.2021	Notification No. 05/2021-Central Tax (Rate) dated 14.06.2021
4	Tocilizumab	Nil	30.09.2021	
5	Amphotericin B	Nil	30.09.2021	
6	Remdesivir	5%	30.09.2021	
7	Heparin (anti-coagulant)	5%	30.09.2021	
8	Covid-19 testing kits	5%	30.09.2021	
9	Inflammatory Diagnostic (marker) kits, namely- IL6, D-Dimer, CRP (C-Reactive Protein), LDH (Lactate De-Hydrogenase), Ferritin, Pro Calcitonin (PCT) and blood gas reagents.	5%	30.09.2021	
10	Hand Sanitizer	5%	30.09.2021	
11	Helmets for use with non-invasive ventilation	5%	30.09.2021	
12	Gas/Electric/other furnaces for crematorium	5%	30.09.2021	
13	Pulse Oximeter	5%	30.09.2021	
14	High flow nasal canula device	5%	30.09.2021	
15	Oxygen Concentrator/ generator	5%	30.09.2021	
16	Ventilators	5%	30.09.2021	
17	BiPAP Machine	5%	30.09.2021	
18	Non-invasive ventilation nasal or oronasal masks for ICU ventilators Canula for use with ventilators	5%	30.09.2021	
19	Temperature check equipment	5%	30.09.2021	
20	Ambulance	12%	30.09.2021	

E. AMENDMENTS IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

	AMENDMENTS			
E.1	**Tariff rate changes for Basic Customs Duty [to be effective from 02.02.2021, unless otherwise specified] * [Clause [95 (i)] of the Finance Bill, 2021]**		**Rate of Duty**	
S. No.	**Heading, sub-heading tariff item**	**Commodity**	**From**	**To**
		Chemicals		
1.	2803 00 10	Carbon Black	5%	7.5%

		Plastic items		
2	3925	Builder's ware of Plastics	10%	15%
		Gems and Jewellery Sector		
3	7104	Cut and Polished Synthetic stones, including Cut and Polished Cubic Zirconia	10%	15%
		Electrical and Electronics Sector		
4	8414 30 00	Compressors of a kind used in refrigerating equipment	12.5%	15%
5	8414 80 11	Compressors of a kind used in air-conditioning equipment	12.5%	15%
6	8504 90 90	Printed Circuit Board Assembly [PCBA] of charger or adapter (All goods under this tariff item, other than above, will continue to attract the existing effective rate of BCD at 10%)	10%	15%
		Parts of Automobiles		
7	7007	Safety glass, consisting of toughened (tempered) or laminated glass. (All goods under this heading, other than those used with motor vehicles, will continue to attract the existing effective rate of BCD at 10%)	10%	15%
8	8512 90 00	Parts of Electrical lighting and signaling equipment, windscreen wipers, defrosters and demisters, of a kind used for cycles or motor vehicles	10%	15%
9	8544 30 00	Ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	10%	15%
10	9104 00 00	Instrument Panel Clocks and Clocks of a similar type for vehicles, Aircraft, Spacecraft or Vessels	10%	15%

E.2	Tariff rate changes (without any change in the effective rates of Basic Customs Duty)		Rate of Duty	
No.	Heading, sub-heading tariff item	Commodity	From	To
1.	8414 40	Air compressors mounted on a wheeled chassis for towing	7.5%	15%
2.	8414 80 (except 8414 80 11)	Gas Compressors (other than of a kind used in air-conditioning equipment), free-piston generators for gas turbine, turbo charger and other compressors	7.5%	15%
3.	8501 10 to 8501 53	Electric Motors	10%	15%
4.	8536 41 00 and 8536 49 00	Relays	10%	15%
5.	8537	Boards, panels, consoles, etc. for electric control or distribution of electricity	10%	15%
6.	9031 80 00	Other instruments, appliances and machines	7.5%	15%
7.	9032 89	Electronic automatic regulators and other controlling instruments or apparatus	10%	15%

F. <u>OTHER PROPOSALS INVOLVING CHANGES IN BASIC CUSTOMS DUTY RATES IN RESPECTIVE NOTIFICATIONS [with effect from 2.2.2021, unless specified otherwise]</u>

S. No	Chapter, Heading, sub-heading, tariff item	Commodity	From	To
		Agricultural Products and By Products		
1.	2207 20 00	Denatured Ethyl Alcohol (ethanol) for use in manufacture of excisable goods	2.5%	5%
2.	23	All goods except dog and cat food and shrimp larvae feed	Nil/ 5%/ 10%/ 15%/ 20%/ 30%	15%

		Minerals		
3	2528	Natural borates and concentrates thereof	Nil/5%	2.5%
		Fuels, Chemicals and Plastics		
4	2710	Naphtha	4%	2.5%
5.	2907 23 00	Bis-phenol A	Nil	7.5%
6.	2910 30 00	Epichlorohydrin	2.5%	7.5%
7.	2933 71 00	Caprolactam	7.5%	5%
8.	3907 40 00	Polycarbonates	5%	7.5%
9.	3908	Nylon chips	7.5%	5%
10.	3920 99 99	Other plates, sheets, films, etc. of other plastics	10%	15%
		Leather		
11.	41	Wet blue chrome tanned leather, crust leather, finished leather of all kinds, including splits and sides of the aforesaid	NIL	10%
		Textiles		
12.	5002	Raw Silk (not thrown)	10%	15%
13.	5004, 5005, 5006	Silk yarn, yarn spun from silk waste (whether or not put up for retail sale)	10%	15%
14.	5201	Raw Cotton	Nil	5% + 5% AIDC*
15.	5202	Cotton waste (including yarn waste or garneted stock)	Nil	10%
16.	5402, 5403, 5404, 5405 00 00, 5406, 5501 to 5510	Nylon Fibre and Yarn	7.5%	5%
		Gems and Jewellery Sector		
17.	7106	Silver	12.5.%	7.5%+ 2.5% AIDC
18.	7106	Silver Dore	11%	6.1% + 2.5% AIDC
19.	7108	Gold	12.5%	7.5%+ 2.5% AIDC

20	7108	Gold Dore	11.85 %	6.9%+ 2.5% AIDC
21	7107 00 00, 7109 00 00, 7111 00 00	Base metals or precious metals clad with precious metals	12.5%	10%
22	7110	Other precious metals like Platinum, Palladium, etc.	12.5%	10%
23	7112	Waste and scrap of precious metals or metals clad with precious metals	12.5%	10%
24	7112	Spent catalyst or ash containing precious metals	11.85 %	9.17%
25	7113	Gold or Silver Findings	20%	10%
26	7118	Coin	12.5%	10%
		Metals		
27	7204	Iron and steel scrap, including stainless steel scrap [up to 31.03.2022]	2.5%	Nil
28	7206 and 7207	Primary/Semi-finished products of non-alloy steel	10%	7.5%
29	7208, 7209, 7210, 7211, 7212, 7225 (except 7225 11 00) and 7226 (except 7226 11 00)	Flat products of non-alloy and alloy steel	10% /12.5%	7.5%
30	7213, 7214, 7215, 7216, 7217, 7221, 7222, 7223, 7227 and 7228	Long product of non-alloy, stainless and alloy steel	10%	7.5%

31	7225	Raw materials for use in manufacture of CRGO steel [up to 31.03.2023]	2.5%	Nil
32	7404	Copper Scrap	5%	2.5%
33	7318	Screw, bolts, nuts, etc. of iron and steel	10%	15%
		Capital Goods		
34	8430	Tunnel boring machines	Nil	7.5%
35	8431	Parts and components for manufacture of tunnel boring machines with actual-user condition	Nil	2.5%
		IT, Electronics and Renewable		
36	8544 (other than 8544 70 and 8544 30 00)	Specified insulated wires and cables	7.5%	10%
37	39, 74 and 85	Former, bases, bobbins, brackets; CP wires; P.B.T.; Phenol resin moulding powder; Lamination/ EI silicon steel strips for use in manufacture of transformers (entry at S.No. 198 of 25/1999-Customs)	Nil	Applicable rate
38	Any Chapter	Inputs or parts for manufacture of Printed Circuit Board Assembly (PCBA) of cellular mobile phone (w.e.f. 1.4.2021)	Nil	2.5%
39	Any Chapter	Inputs or parts for manufacture of camera module of cellular mobile phone (w.e.f. 1.4.2021)	Nil	2.5%
40	Any Chapter	Inputs or parts for manufacture of connectors of cellular mobile phone (w.e.f. 1.4.2021)	Nil	2.5%
41	Any Chapter	Inputs or raw material for manufacture of specified parts like back cover, side keys etc. of cellular mobile phone (w.e.f. 1.4.2021)	Nil	2.5%
42	Any Chapter	Inputs or raw material (other than PCBA and moulded plastics) for manufacture of charger or adapter of cellular mobile phones	Nil	10%
43	8504 90 90 or 3926 90 99	Moulded plastics for manufacture of charger or adapter	10%	15%

44	Any Chapter	Inputs or parts of Printed Circuit Board Assembly of charger or adapter of cellular mobile phones	Nil	10%
45	Any Chapter	Inputs or parts of Moulded Plastic of charger or adapter of cellular mobile phones	Nil	10%
46	Any Chapter	Inputs or raw materials (other than Lithium-ion cell and PCBA) of Lithium-ion battery or battery pack (w.e.f. 1.4.2021)	Nil	2.5%
47	Any Chapter	Parts or components of PCBA of Lithium-ion battery or battery pack (w.e.f. 1.4.2021)	Nil	2.5%
48	Any Chapter	Inputs or raw materials of following goods: - (i) Other machines capable of connecting to an automatic data processing machine or to a network (8443 32 90) (ii) Ink cartridges, with print head assembly (8443 99 51) (iii) Ink cartridges, without print head assembly (8443 99 52) (iv) Ink spray nozzle (8443 99 53) (w.e.f. 1.4.2021)	Nil	2.5%
49	Any Chapter	Inputs and parts of LED lights or fixtures including LED Lamps	5%	10%
50	Any Chapter	Inputs for use in the manufacture of LED driver or MCPCB (Metal Core Printed Circuit Board) for LED lights or fixtures including LED Lamps	5%	10%
51	9405 50 40	Solar lanterns or solar lamps	5%	15%
52	8504 40	Solar Inverters	5%	20%
53	9503	Parts of Electronic Toys for manufacture of electronic toys	5%	15%
		Aviation Sector		
54	Any Chapter	Components or parts, including engines, for manufacture of aircrafts or parts of such aircrafts, by Public Sector Units under Ministry of Defence subject to condition specified.	2.5%	0%
		Medical devices		
55	9018-9022	Medical Devices imported by International Organization and Diplomatic Missions	Health Cess @ 5%	Health Cess @ Nil

		Goods imported under Project Import Scheme		
56	9801	High Speed Rail Projects being brought under project imports	Applicable Rate	5%
57	8714 91 00, 8714 92, 8714 93, 8714 94 00, 8714 95, 8714 96 00, 8714 99	All goods other than Bicycle parts and components	10%	15%

G Pruning and review of customs duty concessions/ exemptions:

G.1 Review of concessional rates of BCD prescribed in notification No. 50/2017 – customs dated 30.6.2017: The BCD exemption hitherto available on certain goods are being withdrawn by omitting following entries of notification No. 50/2017-Customs dated 30.6.2017.

S. No	S. No. of Notfn	Description/ CTH
1.	209	Diphenylmethane 4, 4-diisocyanate (MDI) for use in the manufacture of spandex yarn
2.	230	Ink cartridges, ribbon assembly, ribbon gear assembly, ribbon gear carriage, for use in printers for computers
3.	229 [w.e.f 1.4.2021]	71 items like wax items, wood polish materials, prints for photo frames, velvet fabric/paper, handles/blades for cutlery, jigat, wine tools etc.
4.	311 [w.e.f 1.4.2021]	35 items like fasteners, zippers, shoulder pads, buckles, rivets, Velcro tape, toggles, stud, elastic cloth and band, bobbin, hooks, anglets etc.
5.	312 [w.e.f 1.4.2021]	42 items like buckles, buttons, stamping foil, sewing thread, Loop rivets, Glove Liners, shoe laces, inlay cards etc.
6.	313 [w.e.f 1.4.2021]	18 items like lace, Velcro tape, curtain hooks, Tassel, Beads, Sequins, sewing threads, poly wadding materials, quilted wadding materials etc.

G.2 Customs duty exemptions, including those which have been granted through certain other stand-alone notifications, have also been reviewed by rescinding the notification:

S. No.	Notification No.	Notification Subject
1.	1/2011-Customs, dated the 6.1.2011	Exemption to all items of machinery, instruments, appliances, components or auxiliary equipment for initial setting up of solar power generation project or facility
2.	34/2017-Customs dated 30th June, 2017	This notification provided exemption to tags or labels (whether made of paper, cloth, or plastic), or printed bags (whether made of polyethene, polypropylene, PVC, high molecular or high density polyethene) imported for fixing on articles for export or for the packaging of such articles. Similar exemption exists at S. No.257 of notification No. 50/2017-Cus. These have been merged in the said S. No.257 and notification No 34/2017-Cus has been omitted.
3.	75/2017-Customs dated 13th September, 2017	Exemption for goods imported for organizing FIFA Under-17 World Cup, 2017.

H. IMPOSITION OF AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS ON IMPORT OF CERTAIN ITEMS [to be effective from 02.02.2021] [Clause [115] of the Finance Bill, 2021]

An Agriculture Infrastructure and Development Cess (AIDC) has been proposed on import of specified goods. To ensure that imposition of cess does not lead to additional burden in most of these items on the consumer, the BCD rates has been lowered. This cess shall be used to finance the improvement of agriculture infrastructure and other development expenditure. The list of items on which cess has been imposed and the applicable duty and AIDC on them would be as follows:

S. No	Heading, sub-heading tariff item	Commodity	Basic customs duty	AIDC
1.	0808 10 00	Apples	15%	35%
2.	1511 10 00	Crude Palm Oil	15%	17.5%
3.	1507 10 00	Crude Soya-bean oil	15%	20%
4.	1512 11 10	Crude Sunflower seed oil	15%	20%
5.	0713 10	Peas (Pisum sativum)	10%	40%
6.	0713 20 10	Kabuli Chana	10%	30%
7.	0713 20 20	Bengal Gram (desichana)	10%	50%
8.	0713 20 90	Chick Peas (garbanzos)	10%	50%
9.	0713 40 00	Lentils (Mosur)	10%	20%
10	2204	All goods (Wine)	50%	100%
11	2205	Vermouth and other wine of fresh grapes, flavoured	50%	100%

12	2206	Other fermented beverages for example, Cider, Perry, Mead, sake, mixture of fermented beverages or fermented beverages and nonalcoholic beverages	50%	100%
13	2208	All goods (Brandy, Bourbon whiskey, Scotch etc.)	50%	100%
14	2701	Various types of coal	1%	1.5%
15	2702	Lignite, whether or not agglomerated	1%	1.5%
16	2703	Peat, whether or not agglomerated	1%	1.5%
17	3102 10 00	Urea	Nil	5%
18	3102 30 00	Ammonium nitrate	2.5%	5%
19	31	Muriate of potash, for use as manure or for the production of complex fertilisers	Nil	5%
20	3105 30 00	Diammonium phosphate, for use as manure or for the production of complex fertilisers	Nil	5%
21	5201	Cotton (not carded or combed)	5%	5%
22	7106	Silver (including imports by eligible passengers)	7.5%	2.5%
23	7106	Silver Dore	6.1%	2.5%
24	7108	Gold (including imports by eligible passengers)	7.5%	2.5%
25	7108	Gold Dore	6.9%	2.5%

In the wake of rising prices of edible oils, the duties on crude as well as refined edible oils were reduced in multiple tranches from June 2021 onwards. After the last duty reduction, which was made on 21st December, 2021, the current BCD and AIDC rates on edible oils is detailed as below:

BCD & AIDC Rates on Edible Oils		**On 02.02.2021**		**On 21.12.2021***	
Tariff Item or HSN	**Description of goods**	**BCD**	**AIDC**	**BCD**	**AIDC**
1511 10 00	Crude Palm Oil	15%	17.5%	Nil	7.5%
1507 10 00	Crude Soya-bean oil	15%	20%	Nil	5%
1512 11 10	Crude Sunflower seed oil	15%	20%	Nil	5%
1511 90	Refined Palm Oil & its fractions	54%	-	12.5%	-
1507 90 10	Refined Soya-bean oil	45%	-	17.5%	-
1512 19 10	Refined Sunflower seed oil	45%	-	17.5%	-

Applicable upto 31.03.202

I. Amendment in Chapter 27 of the Fourth Schedule to the Central Excise Act, 1944.

Tariff items 2709 10 00, 2709 20 00, and the entries are being substituted relating thereto as under: [to be made effective from 01.04.2021] [Clause [96(i)] of the Finance Bill, 2021]			
Tariff Item	**Description of goods**	**Unit**	**Rate of duty**
2709	Petroleum oils and oils obtained from bituminous minerals, crude		
2709 00 10	---petroleum crude	Kg.	Nil
2709 00 20	---other	Kg.	…..

J. IMPOSITION OF AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC) ON PETROL AND DIESEL

An Agriculture Infrastructure and Development Cess (AIDC) as an additional duty of excise has been proposed on Petrol and High-speed diesel vide Clause [116] of the Finance Bill, 2021. This cess shall be used to finance the improvement of agriculture infrastructure and other development expenditure. The details of the cess are as under

S. No.	Commodity	Rate of AIDC [Clause [116] of the Finance Bill,2021]
1	Motor spirit commonly known as petrol	Rs. 2.5 per litre
2	High speed diesel	Rs. 4 per litre

3.4 Anti-Smuggling Unit

A. Matters related to Logistics:

i. Drive Through Container Scanner (Rail): The approval of the competent authority has already been conveyed to Directorate of Logistics (DoL) in June, 2021 for procurement of one DTRS at JNPT. The work order has been issued to the vendor. The expected date of operationalization of the DTRS is by the end of 2022.

ii. Mobile X-ray Container Scanner: The procurement of five Mobile X-ray Container Scanners (MXCS) is at advanced stage. At present, the matter is with IFU for financial concurrence.

iii. Mobile Container Scanners procured by IPA: The Indian Port Association (IPA) procured eight (8) Mobile X-ray Container Scanners. The Board has accorded in-principal approval for taking over the ownership of these scanners in accordance with the decision of CoS in 2019 that Customs Department should be given responsibility for operating the Container Scanners. The Board has accorded approval for tripartite agreement amongst CBIC, IPA and the vendor to ensure the contractual obligations of the vendor during warranty period and post warranty.

iv. Revalidation of various sanction in respect of 90 Videoscopes, 74 Videoscopes, 86 XBIS, 76 XBIS, Fixed container Scanners, Mobile container Scanners, XMISs, PRDs & RIDs etc.

B. Matters related to Central Revenue Control Laboratory (CRCL)

i. Vide letter dated 12.11.2021, all the field formations and the Narcotics Control Bureau was informed that the CRCL, Vadodara has also developed testing facilities for NDPS substances and has received accreditation by National Accreditation Board for Testing and Calibration Laboratories (NABL). Therefore, it is advised that the said facility may also be utilised for testing Narcotics Drugs and Psychotropic Substances.

ii. Revalidation of various sanctions in respect of various types of CRCL equipment.

C. Matters related to ICD/CFS

i. This office vide Circular No. 02/2021-Customs dated 19.01.2021 has issued a comprehensive guideline on posting of customs officer on cost recovery basis. The guidelines prescribe staffing norms at various customs facilities, payment of cost recovery charges for the officers and staff deployed and the conditions for the waiver of cost recovery charges.

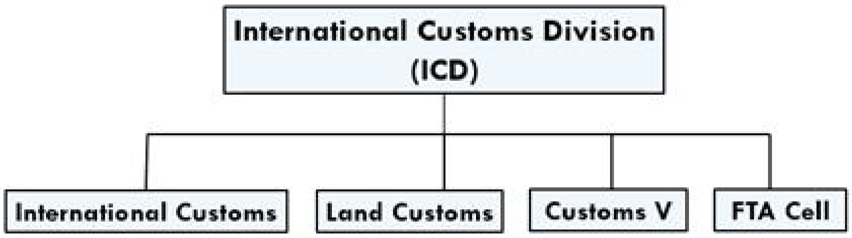
ii. Considering the lack of clarity/ hardships being faced by the trade, this office vide Circular No. 20/2021-Customs dated 16.08.2021 has issued a clear and simplified comprehensive guideline enabling the exit/ de-notification provisions for ICDs/CFSs/ AFSs.

D. Notification of Port/Airport

Kushinagar Airport has been declared as a Customs notified airport, vide notification no. 72/2021- Customs (N.T.) dated 13.09.2021.

3.5 International Customs Division (ICD)

The organizational structure of International Customs Division is as under:



There are four Sections in ICD, viz. International Customs Desk, Land Customs, Cus V and FTA Cell. Further, in light of e-governance, all the files in this Division are dealt on e-office. Also, CPIOs and Appellate authority for the abovesaid four Sections have been appointed. Brief of the functions and achievements of the Sections are below.

Achievements:

I. **CMAA between India and UK:** The Agreement between the Government of the Republic of India and the Government of the United Kingdom of Great Britain and Northern Ireland on Customs Cooperation and Mutual Administrative Assistance in Customs Matters was signed in May, 2021. The exchange of information between the Customs Administrations will provide for assistance between Customs Administrations by sharing information and intelligence to facilitate proper application of Customs law and prevention, detection, investigation and combating of Customs offences, especially in critical areas such as under-valuation of imports, origin frauds, over-valuation of exports and the consequent fraudulent availment of export incentives. The CMAA also provides for sharing information on sensitive commodities, exchange of information to support risk profiling and capacity building activities.

II. **Pre-arrival information exchange between Customs administrations:** The CBIC and the Maldives Customs Service have signed an MoU for cooperation in exchange of pre-arrival information for facilitation of trade and customs control on goods traded between the two countries, on 22.07.2021. Automated advance exchange of Customs data between two Customs administrations is a path breaking global initiative of the CBIC. The information exchanged under the MoU will be used for trade facilitation, risk management and tax compliance, including checking the goods declaration, authenticity and investigations. When implemented, this would result in a transformational change in Customs working with resultant enhancement of revenues, trade facilitation and risk mitigation.

III. **Finalization of BRICS CMAA:** Under India's chairmanship of BRICS in 2021, CBIC has successfully concluded the negotiations on the BRICS Customs Mutual Administrative Assistance Agreement (CMAA). These negotiations were underway for the last 7 years and required persistent efforts to resolve the impasse over critical issues. This milestone has been highlighted as a key achievement during the BRICS Leaders' Summit on 09.09.2021 and also duly acknowledged in the BRICS Leaders' Declaration, 2021.

IV. **Operationalization of BRICS Joint Enforcement Network:** During the 3rd BRICS Customs Cooperation Committee meeting, held at Brussels in June 2018, it was agreed to establish BRICS Custom Joint Enforcement Network (JEN) to foster collaboration among Member States in Customs Enforcement matters. During India's chairmanship in 2021, CBIC has successfully steered this agenda and operationalized the BRICS-JEN. The task was accomplished through several rounds of discussions among the respective enforcement agencies, led by Directorate of Revenue Intelligence (India). The JEN is now active for conducting joint enforcement activities and exchange of information. In the first such international operation conducted under the aegis of BRICS JEN named "Operation SCABBARD" in the month of October 2021, more than 20 instances of Narcotics/ Precursors/ controlled substances seizures were reported by member countries.

V. **BRICS Capacity Building Workshop:** During the 3rd BRICS Customs Cooperation Committee meeting, held at Brussels in June 2018, Customs Training Centers in China, Russia and India were endorsed as the BRICS Customs Training Centers. During the BRICS Customs Experts meeting held on March 16, 2021, India proposed to conduct a workshop/training at the BRICS Customs Training Centre in Bengaluru (NACIN, Bengaluru), bringing together the expertise of Customs officials from all BRICS members. The National Academy of Customs, Indirect Taxes and Narcotics (NACIN), Bengaluru, CBIC has successfully conducted the capacity building workshop, from 22nd to 26th November, 2021, through virtual mode.

VI. Assisting Maldives Customs in lab testing: During the visit of Chairman, CBIC to Maldives in July 2021 for signing of MoU on customs data exchange, Maldives Customs expressed difficulties in conducting lab testing of import/ export goods and sought India's assistance. CBIC responded positively to Maldives' request and offered services of CRCL (Central Revenue Control Laboratory), India. Subsequently, in a virtual meeting held on 27.09.2021 between CBIC and MCS, modalities for testing in India were finalized. CRCL New Delhi has now started testing of samples from Maldives Customs. The first test report was sent to Maldives in the first week of Oct 2021.

VII. Training of Maldives Customs officers by CRCL: In addition to conducting lab testing in India, CBIC has also undertaken to train Maldives Customs officers in this area, as a part of an MoU on Capacity Building signed between CBIC and MCS in 2019. A group of 10 MCS officers attended a 5 days' training programme on chemical analysis and narcotics drugs and psychotropic substances (NDPS) testing from 18th to 22nd Oct, 2021 at the CRCL New Delhi, which is also a WCO Regional Customs Laboratory.

VIII. India's participation in the International Customs Forum: On invitation of Federal Customs Service (FCS) of Russia, Chairman CBIC attended the International Customs Forum (ICF), 2021 held in Moscow on 21-22 Oct. The event brought together Customs administrations across the world to deliberate on best practices and future visions. In the ICF 2021, CBIC presented its 25 years journey of leveraging IT for trade facilitation and law enforcement. The Indian delegation showcased recent advancements made by CBIC in this direction, particularly Faceless Customs and Compliance Information Portal. These developments were well received by other Customs administrations and also evinced interest to emulate Indian template. On the sidelines of ICF 2021, India held bilateral meetings with Russian Federation, Uzbekistan, South Korea and Tajikistan in which issues of mutual interest, such as initiating pre-arrival data exchange, development of electronic origin data exchange system (EODES), cooperation in capacity building and law enforcement were discussed.

IX. Launch of ECTS (Electronic Cargo Tracking System) for movement of dutiable goods to bonded warehouses:

In order to ensure swift and secure movement of dutiable goods from port of import to customs warehouse, CBIC has launched the use of ECTS (Electronic Cargo Tracking System) in Oct 2021. The first truck carrying bonded goods was flagged off from ICD Tughlakhabad on 14.10.2021. This concept is borrowed from transshipment procedure for cargo meant for neighboring countries. This pilot has been conceived for moving dutiable goods from port to bonded warehouses and from bond to bond. It makes use of transparent, paperless and secure documentation and also prevents theft/pilferage.

X. Signing Letter of Exchange (LoE) with Bhutan:

In the Commerce Secretary Level Meeting held on 03.11.2021, on recommendations of CBIC, Letters of Exchange were signed by India and Bhutan to include the following additional entry/exit points to the Protocol of the India-Bhutan Agreement on Trade, Commerce and Transit:

i) Nagarkata Land Customs Station without commodity restriction;

ii) Agartala Land Customs Station as an entry/exit point;

iii) Pandu port (Guwahati Steamerghat) as an entry/ exit point, subject to cross border control at Dhubri;

iv) Jogighopa riverine port as an entry/exit point, subject to cross border control at Dhubri

v) Asian Highway 48 connecting Torsha tea garden in India and Ahllay in Bhutan as an additional route corresponding to the Land Customs Station at Jaigaon;

vi) Kamardwisa as an entry/exit point; and

vii) Birpara as an entry/exit point.

XI. Reducing compliance burden for authorized couriers:

As a part of reducing compliance burden of stakeholders, CBIC, vide notifications no. 85/2021-Customs (NT) and 86/2021-Customs (NT) both dated 27.10.2021, has introduced changes in Courier Regulations of 1998 (manual mode) and 2010 (electronic mode). In brief, these amendments have provided for lifetime validity of registration as well as its voluntary surrender. These amendments are expected to bring greater certainty to the authorized couriers and support them to focus on their core business and spur trust-based compliance.

XII. Launch of ECCS (Express Cargo Clearance Systems) at ICT Kolkata:

With the launch of ECCS at Kolkata in Oct 2021, all International Courier Terminals (ICTs) having courier work load, have now been brought under electronic clearance mode. ECCS had migrated from WIPRO data centre to CBIC data centre on 29.07.2020. At the time of migration, ECCS was operational only at three locations i.e. Bangalore, Mumbai and Delhi. During the last one year, the enhanced version of ECCS has been rolled out at 5 additional locations viz. Chennai, Cochin, Ahmedabad, Jaipur and Kolkata.

3.6 CENTRAL EXCISE

The Central Excise and Service Tax Wing deals with the policy issues related to Central Excise and legacy issues of Central Excise & Service tax. With the implementation of GST w.e.f. 01.07.2017, the Chapter V of the Finance Act, 1994, is omitted and the Central Excise Act, 1944 (except as respects goods included in entry 84 of the Union List of the Seventh Schedule to the Constitution), is repealed and there are only 6 Commodities viz. (5 Petroleum Products) Crude Oil, Diesel, Petrol, Natural Gas, Air Turbine Fuel and Tobacco Products on which Central Excise duty is being levied.

The Wing overviewed the implementation of the Sabka Vishwas-Legacy Dispute Resolution Scheme, 2019, which aimed at liquidating the legacy cases of Central Excise and Service tax whereas the amnesty components could bring the non-compliant tax payer/tax evaders under the tax net. Presently, the wing is dealing with the Writ Petitions and clarifications regarding the said scheme.

The Budgetary Support Scheme under GST was notified by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry and is being implemented by CX Wing in CBIC. It covers the Himalayan States (J&K, Himanchal Pradesh, Uttarakhand) and North Eastern States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura) including Sikkim. It provides budgetary support to the eligible units under erstwhile Area-based Exemption Scheme and were availing benefits under the respective central excise exemption notification in the erstwhile regime of Central Excise taxation.

During the Special campaign drive for cleanliness during the period 2nd October to 31st October, 2021, old records/files have been reviewed and a total of 1059 files of the CX & ST wing have been weeded out. Further, during the cleanliness drive electronic scrap and other waste material has been weeded out.

During the current financial year, the Notifications/Circulars/Instructions issued by the Wing are as follows:

S. No.	Notification No. & Date	Subject
1.	02/2021-CX(NT), dt. 10-11-2021	Notification for allowing Centralised registration for Petroleum Crude.

S.No.	Circular No. & Date	Subject
1.	Circular No. 1079/03/2021-CX, dt. 11-11-2021	Clarification in respect of the Master Circular No. 1053/02/2017-CX dated 10.03.2017

S.No.	Instruction File No. & Date	Subject
1.	F.No. 116/40/2021-CX-3 Dt. 10-11-2021	Procedures for refund of excise duty on purchase of petrol/diesel/fuel oil by Diplomatic Missions and their officers for their official /personal use - regarding.
2.	CBIC-90206/1/2021-CX-IV Section-CBEC Dt. 18-11-2021	Audit Para No. 501 to 5018 of Chapter V of Audit report no. 01 of 2021 of SCNs and Adjudication process in CBIC-reg.

3.7 Drawback Division

I. Functioning of Drawback Division

Drawback Division in CBIC aims to facilitate trade and enhance ease of doing business while balancing the need for compliance and enforcement of Customs laws. It performs the following functions:

(i) Fixation of All Industry Rates under Duty Drawback scheme, which is a key scheme to rebate the incidence of Customs and Central Excise duties on export products so as make country's exports zero-rated and competitive in international markets.

(ii) Monitoring of sanction and disbursal of drawback by the field formations; and

(iii) Monitoring along with DGFT of the functioning of all Export Promotion schemes except SEZ, EOU and Gems and Jewellery schemes, which are monitored by the DGEP.

(iv) Fixation of rates for other schemes like Rebate of State and Central Taxes and Levies (RoSCTL) and Remission of Duties and Taxes on Exported Products (RoDTEP).

II. Important items of work accomplished by the Drawback Division of CBIC during the period 01.01.2021 to 31.10.2021 are as follows:

a. Notification No. 23/2021-Customs dated 31st March, 2021 issued to extend the exemption from Integrated Tax and Compensation Cess upto 31.03.2022 on goods imported against AA/EPCG authorizations.

b. Circular No.15/2021-Customs dated 15th July 2021 has been issued by this Division regarding implementation of second phase of Risk Management System (RMS) w.e.f. 26.07.2021 wherein RMS will process the shipping bill data after the Export General Manifest (EGM) is filed electronically and provide required output to ICES for selection of shipping bills for risk-based processing of duty drawback claims. The above measure is expected to reduce the processing time taken for drawback claims, enable quick disbursal of exporters and rationalise the Customs' workload.

c. **RoDTEP scheme:** Government had constituted a committee for determination of ceiling rates under Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. Joint Secretary (Drawback) was designated as the Secretary to the Committee and Drawback Division served as its secretariat. It being a DoC's scheme, ceiling rates/ caps under the RoDTEP scheme were notified by Department of Commerce / DGFT based on recommendations of the RoDTEP Committee and discussions with DoR. The RoDTEP Committee submitted its first phase report on 24.12.2020 which was submitted to DoC on 11.01.2021. Thereafter, the RoDTEP Committee submitted its final report on 15.03.2021 which was subsequently sent to DoC on 06.04.2021. Notifications No. 75/2021-Customs (N.T) dated 23.09.2021 notifying the Electronic Duty Credit Ledger Regulations, 2021 and No. 76/2021-Customs (N.T) dated 23.09.2021 has been issued by this Division notifying the manner to issue duty credit for goods exported under RoDTEP scheme and also specifying certain conditions and restrictions. Further, Circular No. 23/2021-Customs dated 30.09.2021 has also been issued for clarifications regarding the scheme.

d. **RoSCTL scheme:** Earlier, it was intended to subsume the RoSCTL scheme w.e.f 01.01.2021 in the RoDTEP scheme. However, later Government decided to have independent RoSCTL scheme w.e.f 01.01.2021 to 31.03.2024. In this regard, consequent to notification by Ministry of Textiles, Notification No. 77/2021-Customs (N.T) dated 24.09.2021 was issued by Drawback Division, notifying the manner to issue duty credit for goods exported under RoSCTL scheme and also specifying certain conditions and restrictions. Further, Circular No. 22/2021-Customs dated 30.09.2021 has been issued for clarifications regarding the scheme.

e. **Formulation of Budgetary mechanism:** As per directions from Ministry, Drawback Division has successfully brought all the scrip based export promotion schemes under budgetary mechanism.

3.8 Customs Investigation Wing

Investigation-Customs Wing of CBIC is entrusted with Policy related matters such as disposal of seized/ confiscated goods, prosecution and various types of complaints/ references and PMO Complaints etc.

Important Initiatives taken

a) Explosives and war like material lying at various Custom formations since a very long time were disposed of under Operation "Vishphotak Mukt Bandargah",

b) Data for available stock in warehouses (e-Malkhanas) and stock of safety measure of warehouses undertaken successfully,

c) A new dashboard for DIGIT for centralized data of SCNs, Order in Originals and other relevant information for proper monitoring has been prepared,

d) After a series of long litigation, Department could get possession over 56 Kgs gold successfully which were seized by local police in 1965.

Initiatives under process

a) New Policy on the behest of Hon'ble FM for disposal of seized/confiscated gold by Customs is prepared in consultation with RBI & SPMCIL,

b) Formulation of Customs Controlled Delivery Regulations is at advance stage of finalization;

c) Delegation of Customs power to Assam Rifles and BSF to prevent smuggling activities in the border areas is under process.

d) Apart from currently functional IEC alert, the alert system for Shipping Bills wise are being developed to check fraudulent exports and exchange of data between CBIC and DGFT is being further enhanced.

3.9 GST Investigation Wing

GST Investigation wing of CBIC was created by Instruction No. 01/2018 on 10th September, 2018. Its main work is related to deal with policy issues including legislative matters concerning enforcement aspect viz. search, seizure, arrest, prosecution and compounding under CGST Act, 2017 which eventually refers to GST Policy wing for further implementation. It monitors the work of DGGI and GST field formations in respect of investigation of cases booked and related reports. It also coordinates with DGARM and DGGI in analysing and disseminating intelligence to filed formations.

Government has taken several effective measures to curb the menace of fraudulent Input Tax Credit (ITC) availment based on fake invoices which essentially is an invoice raised without actual supply of goods and/or services. Considering the large-scale impact of this menace on Income Tax collection, bank finance and money laundering besides denting GST revenue, a country wide special drive measure to stamp out fake invoice issuance and availment of fraudulent credit on its strength is being carried out w.e.f. 09th Nov. 2020 which has, till 7th Nov. 2021, resulted into detection of 5485 cases involving an approx. amount of Rs. 37900 crore. Besides, an amount of Rs. 1967 crore has been recovered and 539 people have been arrested so far.

Prior to introduction of GST, offence data related to cases of indirect taxes of Central Excise and Service Tax were being recorded manually in a register called 335-J. However, with the present digital age, and focus of the Govt. towards digitisation, the need to capture offence data of newly introduced GST cases booked by the field formations digitally was felt. Accordingly, an online portal DIGIT which aims to create a simple, easily accessible and transparent interface for the officers of DGRI/DGGI and Customs/CGST & C. Ex. field formations in storing and retrieving data on cases registered by them, has been introduced on full scale basis. This Module assists in keeping track of the various cases detected and the progress made and status of each case by way of recording of the details of the cases at various stages of investigation, adjudication, appeal, prosecution and rewards. This System can be used for various purposes, including for generating reports for analysis and MIS.

Based on DIGIT data, CBIC recently launched a platform/ dashboard called 'Drishyam" having details of the macro data of offence cases for monitoring of progress of cases with a facility to track individual case. Drishyam is a read-only application which shall not have any effect in the data entry of DIGIT applications.

Further, Since GST Investigation is not an en-cadred formation and hence information with respect to other points may be treated as not applicable.

3.10 The Directorate General of Performance Management (DGPM)

I. Directorate General of Inspection (Customs and Central Excise) was constituted in 1939, as part of the Board's office for conducting periodical inspections and to advise the Board on technical questions, standardization of organization & procedures in Custom Houses and Central Excise Commissionerates. It became an attached office on 1st April, 1946. On August 13, 2015, the name has been changed to Directorate General of Performance Management (Customs, Central Excise and Service Tax). Besides the Directorate's headquarter in New Delhi, 05 regional units are functioning at Mumbai, Kolkata, New Delhi, Chennai and Hyderabad.

II. Mandate of DGPM:

(a) Nodal Agency for implementation of e-office.

(b) Cadre Controlling Authority for all Group 'B' and 'C' staff cadres of 18 Directorates under CBIC and the Junior/ Senior Hindi Translators posted in CBIC all over India.

(c) To carry out inspections to determine whether the working of the field formations is as per Indirect Taxes & Customs procedures and to make recommendations in respect to the procedural flaws, if any noticed.

(d) Work related to Tax Arrear Recovery.

(e) Nodal office for implementation of the Rajbhasha Policy in the field formations.

III. Performance during the year:

(a) Cadre controlling Authority: DGPM is the cadre Controlling Authority for all Group 'B' and 'C' staff cadres (Executive, Ministerial and Non-Technical) of 18 Directorates under CBIC in respect of 19 posts ranging from MTS (Group C) to Superintendent (Group B, Gazetted). It is also CCA for the Junior Hindi Translator and Senior Hindi Translators posted in CBIC across the country.

Highlights of work done in 2021-22

(i) Recruitment Rules of Group C posts of Steno Gr.I & II, LDC, Head Havaldar, Havaldar and MTS were finalised.

(ii) 84 dossiers of candidates for the post of Steno Gr.I, 10 in the grade of Steno Gr.II and 120 in respect of Tax Assistants were received for recruitment through SSC Examination, 2018. The joining fromalities and postings to various directorates were done.

(iii) DPCs in the grades of Sr.PS. PS, AO, EA, Steno Gr.I, Tax Assistant, LDC and Head Havaldar, and Senior Translation Officers were conducted timely and 71 officers were promoted.

(b) Inspection of Field Formations: DGPM is tasked with inspection of field Commissionerates to ensure that the field offices are working as per CBIC's policy guidelines. This is ensured through a periodic review of Commissionerate records, making an assessment of how the formation is performing and issuing inspection note, highlighting the specific shortcomings with observed trends, if any. A copy of the inspection report is also sent to the zonal Chief Commissioner. The inspected formation is required to send its compliance to ensure that the shortcomings are removed in a time bound manner.

Acheivements of 2021-22

(i) As per norms dated 12.05.10, DGPM is to inspect the Commissionerate headquarter once in three years. Additional inspections would be based on careful profiling of the risk parameters. Each Commissionerate is inspected each year by either DGPM or jurisdictional Chief Commissioners. For this DGPM formulates annual inspection allocation plan for inspection of the107 GST Commissionerate and 57 Customs Commissionerates. The details of the inspection to be conducted by DGPM in year 2021-22 is given below:

Commissionerate	DGPM HQ	WRU	ERU	SRU	CRU	NRU	Total
CGST	10	6	5	6	4	8	39
Customs	6	4	3	3	3	2	21
Total	16	10	8	9	7	10	60

(ii) With the advent of GST and changes in Customs, the existing Inspection Template was revised with deliberations with RU's of DGPM and inputs from Policy Wing of CBIC. The same is being used by DGPM. All Pr. CC/CC were also informed to use New Template in their inspections.

(iii) A compendium based on important observations made in the Inspection Reports (IRs) of the inspections conducted by DGPM during the FY 2020-21 was prepared indicating common short comings noticed during inspections.

(c) Compilation and Analysis of Part V of Monthly Performance Report (MPR): As per the CBIC's instructions issued under F.No.296/236/2014-CX.9 (Pt.II) dated 17.09.2015 and Member's DOF No. 296/236/2014-CX.9 dated 24.12.2014, the Directorate General of Performance Management (DGPM) is the Functional Owner of the reports prescribed under Part V of the MIS Monthly Performance Report (MPR) of Customs, Central Excise & Service Tax, covering Key Areas viz. Adjudication, Call Book, Provisional Assessments, Refund-Rebate & miscellaneous. These monthly reports are downloaded from MIS web-based utility, complied and analysed every month. A note containing our analysis and comments on the performance of various Zones on the above mentioned Key Areas is sent to the Members.

(d) Tax Arrears Recovery (TAR): Tax Arrears Recovery (TAR) was constituted by the CBIC with a view to coordinate, facilitate, monitor and oversee the efforts of the Central Excise, Service Tax, CGST & Customs field formations towards recovery of arrears. Apart from regular monitoring of performance of each Zone and keeping track of achievement of all India targets, it regularly analyses zone-wise data and brings the deficiencies to the notice of the respective Zonal Chief Commissioner with suggestions for taking necessary corrective measures. It provides all necessary inputs and assistance to the DGPM and the CBIC in matters relating to points raised by CAG and other Parliamentary Committee's (including PAC). It is the nodal agency between CBIC and FIU-India and is also Nodal Officer to verify the claims submitted with DGFT under Target Plus Scheme.

Acheivements of 2021-22

(i) After introduction of GST as well various changes in law, the existing instructions were consolidated and updated in form of a Master Circular for effecting recovery of arrears.

(ii) The status of recovery of arrears during the last 3 years is as below:

Recovery of Arrears (Year-wise)									
									[Rs in Crores]
Year	Target	Recovered	Total Arrears	Not recoverable due to					Clearly Recoverable
				Litigation	Restrained (BIFR/DRT/ OL etc)	Appeal Period Not Over	Write-off	Units Closed/ Defaulers Not Traceable	
2019-20	9253	6819	272914	206068	24897	11405	222	20168	10151
2020-21	10151	6108	269234	201478	19805	14411	252	25548	7741
2021-22 [Upto 30.11.21]	7741	2056	294541	215434	21154	20823	276	27418	9436

(e) Nodal Office for implementation of Official Language Policy -Hindi

Acheivements of 2021-22

(i) Eighty-five (85) Official Language inspections of different formations under CBIC proposed to be conducted.

(ii) Five meetings of Hon'ble Committee of Parliament on Official Language was coordinated and attended. Full assistance was provided to the inspected office in preparation of questionnaire.

(iii) Indraprastha, the departmental e-Magazine was published and uploaded on the website of DGPM as well as circulated to all the field formations under CBIC through e-office.

3.11 The Directorate General of Human Resource Development (DGHRD)

With a view to providing a more focused cadre management including time bound career progression in all grades and infrastructure expansion in order to catalyse the Human Resource functions as an engine of progress, the Directorate of Human Resource Development (HRD) was set up in November, 2008 by merging the erstwhile Directorate of Organization & Personnel Management and Directorate General of Housing &Welfare. The new formation was operational w.e.f. 1st December, 2008. Presently, there are four wings in DGHRD namely HRM-I, HRM-II, Infrastructure & Welfare (I&W) and Expenditure Management Cell (EMC).

Major Achievements of Infrastructure Wing, DGHRD, for the Year 2020-21

I. Construction projects sanctioned/revalidated during F.Y. 2021-22

S. No.	Proposal in brief	Project cost (Rs. in Cr.)	Amount released (Rs. in Cr.)	Date of Sanction/ revalidation
1.	**Revalidation** for construction of office building cum Guest House for Customs Department at the site of Shore Guard, Dwarka, Jamnagar	1.24	0.50	07.06.2021
2.	**Revalidation** for construction of New Academy of NACIN at Palasamudram (V), (Hindupur)Ananthpur Dist., Andhra Pradesh (Consultancy work)	2.00	2.00	15.06.2021

3.	**Revalidation** for construction of office building at Jamnagar	43.66	8.00	18.06.2021
4.	**Revalidation** for construction of boundary wall by DRI Zonal Unit, Lucknow	0.98	0.58	18.06.2021
5.	**Revalidation** for construction of office building for CGST Commissionerate Kolhapur, at Tarabai Park, Kolhapur	42.44	6.00	18.06.2021
6.	**Revalidation** for construction of new office building for Udaipur CGST office at Udaipur including GH	42.06	8.00	18.06.2021
7.	**Revalidation** for construction of office building including boundary wall at allotted land for CBIC offices in Ghaziabad	116.42	10.00	18.06.2021
8.	**Revalidation** for construction of 3 Div. offices and 14 ranges offices on plot bearing Nos P-34 at MIDC, Boisar.	33.24	10.00	22.06.2021
9.	**Revalidation** for construction of compound wall & office building at Mamidipally, Near Shamshabad Airport, Hyderabad.	1.30	0.60	23.06.2021
10.	**Revalidation** for construction of office building for DRI Kolkata Zonal Unit at Kolkata	64.5	10.00	25.06.2021
11.	**Revalidation** for Construction of Office complex at Customs Enclave Plot, Wadala, Mumbai through CPWD	495.50	5.00	25.06.2021
12.	Construction of office building of DRI Zonal Unit at Trustpuram Kodambakkam, Chennai	31.38	0.10	29.06.2021
13.	**Revalidation** for construction of office building CGST division Bhilwara	9.72	4.52	29.06.2021
14.	**Revalidation** for construction of New Academy of NACIN at Palasamudram (V), (Hindupur)Ananthpur Dist., Andhra Pradesh (boundary wall & gate complex)	15.14	2.44	02.07.2021

15.	Payment for providing in new load of 1408KW having BP No. 907775367 at Plot No. 1, Retail Business Centre, Nangal Raya, Janakpuri, New Delhi	3.99	3.99	16.07.2021
16.	Construction of boundary wall on plot allocated to CGST and CX Division Raebareilly, CGST & CX Commissionerate, Allahabad.	0.29	0.29	04.08.2021
17.	**Revalidation** for construction of office building and 02 nos. residential quarters for CGST Ranges office at Pandharpur, Distt. Solapur, Maharashtra	2.05	1.50	04.08.2021
18.	**Revalidation** for construction of office building for CGST Comm'te, Cus. Div. and Agartala Audit Circle at Agartala	28.04	8.00	13.08.2021
19.	**Revalidation** for construction of boundary wall with concertina wire fencing around the land at Solina, Srinagar for construction of office and residential buildings of Customs & CGST Division, Srinagar.	4.14	0.50	18.08.2021
20.	**Revalidation** for construction of office building at Anantapur, Andhra Pradesh.	7.07	1.30	18.08.2021
21.	Construction of office building for DRI (HQ.) at Vasant Kunj, Delhi	74.80	0.10	03.09.2021
22.	Construction of boundary wall along with levelling work & Borewell for office building and staff quarters for CGST Division and ranges at Kadapa	0.64	0.64	01.10.2021
23.	Proposal for addl. payment for electricity connection charges at Nangal Raya, New Delhi.	0.04	0.04	01.10.2021
24.	Construction of compound wall along with gat for GST office building and staff quarters at Tirupati Comm'te	0.33	0.33	13.10.2021
25.	**Revalidation** for construction of residential qtrs. at Dwarka	227	40.00	07.06.2021

26.	**Revalidation** for construction of RCC retaining wall in GST Colony along with back Nallah at JLN Marg, Jaipur	1.16	0.88	15.06.2021
27.	**Revalidation** for construction of residential quarters in the campus of C.R. quarters at Anna Nagar, Chennai	348.77	80.00	15.06.2021
28.	**Revalidation** for construction of residential accommodation for CBIC at Nungambakkam, Chennai	49.02	10.00	18.06.2021
29.	**Revalidation** for construction of 187 nos. residential qtrs. at Kharghar by NBCC.	110.11	25.00	18.06.2021
30.	**Revalidation** for construction of residential quarters at Customs Enclave Plot, Wadala, Mumbai through CPWD	480	5.00	25.06.2021
31.	**Revalidation** for construction of 7 Nos. Type-IV Quarters and Guest House for Kurnool (Tirupati Comm'te), Andhra Pradesh	3.95	0.25	06.08.2021
32.	**Revalidation** for construction of Residential complex at Land Customs Station jogbani.	7.99	1.00	18.08.2021
33.	**Revalidation** for construction of 21 nos. of staff quarters, guest House/ Multi-purpose Hall and Boundary wall at LCS, Raxual	11.85	4.66	18.08.2021
34.	Demolition of dilapidated 08 Nos. Type III Quarters (G+3 Building 01 block bearing Q. No. 117 to 124) at Custom Colony, Headland Sada, Vasco, Goa	0.09	0.09	29.09.2021
35.	Construction of office building at Jamnagar	43.67	Nil*	18.11.2021
36.	Construction of office building of RTI NACIN at Attapur, Hyderabad	46.71	Nil*	18.11.2021
37.	Construction of additional residential quarters (T-II, T-III & T-IV) at Port Area, Tuticorin	1.62	Nil*	18.11.2021

** The subject proposals for revalidation have been sanctioned on 18.11.2021. The funds are yet to be released by EMC*

II Land projects sanctioned/revalidated during F.Y. 2021-22

S.No.	Proposal in brief	Amount (in Rs.)	Date of Sanction/ revalidation during 2021-22
1)	Demand of Rs. 5,02,38,349.76 (Rupees Five Crore Two Lakh Thirty Eight Thousand Three Hundred Forty Nine and Paise Seventy Six only) for renewal of lease of plot allotted to Central Excise Department for the purpose of residential houses in Sector-V, Bokaro Steel City by SAIL Bokaro	5,02,38,349.76/-	09.07.2021
2)	Demand of Rs. 3,85,43,171.60/- (Rupees Three Crore Eighty-Five lakh Fourty-Three Thousand One Hundred Seventy One and paise sixty only) towards payment for renewal of lease along with other charges to SAIL Bokaro in respect of plot allotted to Central Excise Department for the purpose of Office premises in Sector-IV, Bokaro Steel City by SAIL Bokaro.	3,85,43,171.60/-	20.07.2021
3)	Permission for vacating 1.0730 acres of land and Administrative approval & Financial sanction for acquisition of 0.8035 acres of land from Cochin Port Trust (CPT) on lease basis at Fort Kochi – reg;	2,44,27,291/- + Rs. 3000/- yearly payment of nominal lease rent	08.09.2021
4)	Grant of a/a & e/s for payment of Annual Ground Rent in respect of purchase of land on lease basis for 99 years for construction of office building for DGGI Chandigarh Zonal Unit and DRI Ludhiana Zonal Unit – reg.	1,56,40,063/-	16.09.2021
5)	Grant of administrative approval and expenditure sanction for purchase of land from Government of Jharkhand at core capital area, Dhurwa, Ranchi for construction of CGST office building at Ranchi, Jharkhand.	5734506/-	18.10.2021
6)	Acquisition of departmental land for construction of improvement / widening of 2 Lane with pave shoulder/4 lane of NH-40 between Shillong to Dawki Road	562868/-	01.11.2021

III. Preservation of Heritage Buildings

INTACH (Indian National Trust for Art and Cultural Heritage) has been appointed by CBIC as consultancy agency for restoration and conservation of the following departmental heritage buildings.

1. The proposal for renovation/ up-gradation of the Custom House, heritage building Kolkata by INTACH is sanctioned for an amount of Rs. 62,86,10,000/- and the work is under progress.
2. The proposal for renovation/ up-gradation of the Old Light House in Puducherry (Heritage building) by INTACH is sanctioned for an amount of Rs. 3,32,36,000/- and the work is under progress.
3. Goa, Customs building (a.k.a. Blue Building) has been converted into a museum and the proposal for its restoration and renovation by INTACH is sanctioned for an amount of Rs. 1,88,70,445/- with the work being under progress.

Customs & Central Excise Welfare Fund

The Customs & Central Excise Welfare Fund and Special Equipments Fund were created after the sanction of the President of India in 1987 for the purpose of financing various welfare schemes for promotion of welfare of staff and their families and for acquisition of anti-smuggling equipment of a specialized nature within the shortest possible time. The Funds are financed by transfer of 10% of the sale proceeds of confiscated goods credited to the Government and Customs/Excise Duties, fines, penalties in offence cases realized and sustained in appeal/revision etc. The funds are allocated in the ratio 1:1 between the two funds. A Governing Body consisting of the following members is centrally administering the Customs & Central Excise Welfare Fund: -

1. Chairman, CBIC	……	Convener
2. All members of the CBIC	……	Members
3. Financial Adviser	……	Member
4. Additional Director General (I&W) Wing, DGHRD	……	Member-Secretary

The Governing Body is vested with the authority for administering the funds in accordance with the policies and procedures laid down by the Government and the Rules for administration of the Welfare fund. The Special Equipments Fund is being looked after by Directorate of Logistics.

The following Schemes are being implemented for staff welfare under the aegis of Customs & Central Excise Welfare Fund are as under:

a) Financial assistance for medical expenses which could not be fully reimbursed under CGHS/ CS (MA) Rules.

b) Ex-gratia financial assistance in cases of death of departmental officials while in service.

c) Financial assistance for Promotion of Adventure Sports.

d) Cash Awards for winning medals/civilian awards in sports and financial assistance for participation in sports events/ competitions.

e) Cash Awards to the meritorious children of Departmental officials on the basis of performance in the 10th & 12th Board Exams.

f) Setting up/ refurbishing of Departmental Guest Houses.

g) Setting up/ refurbishing of Departmental Gyms/ Recreation/ Sports centres.

h) Setting up/ refurbishing of Departmental Canteens/ Kitchenettes.

i) Setting up / refurbishing of crèche facilities.

j) Setting up of Hostel facilities.

k) Financial Assistance for Preventive and Welfare measures for fighting against COVID-19.

Highlights of the Performance and Achievements under flagship schemes being implemented during 2021-22 (till November, 2021):

- Ex-gratia: 196 requests of the next of kin of the deceased/ permanently disabled Departmental officials sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund involving an amount of Rs 10.39 crore have been disbursed during the year 2021-22 (till November, 2021).
- Financial assistance for fighting against COVID-19 in CBIC: 103 HoDs have been granted a total financial assistance of Rs. 1.84 crore under the Scheme for grant of financial assistance for preventive and welfare measures for fighting against COVID-19 in CBIC during the year 2021-22 (till November, 2021).
- Medical: 97 requests for medical expenses of the Departmental officials not reimbursed under CGHS/ CS (MA) Rules sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund involving an amount of Rs1.0 crore have been disbursed during the year 2021-22 (till November, 2021).
- Cash Awards: 75 Cash Awards have been sanctioned to the meritorious children of Departmental officials on the basis of their performance in 10th and 12th Board Exams, by the Governing Body of the Customs & Central Excise Welfare Fund during the year 2021-22 (till November, 2021) involving an amount of Rs. 8.38 Lakhs.

- Guest Houses: In 2 proposals from the field formations for setting up/ refurbishing of the Guest Houses sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund involving an amount of Rs.20.48 Lakh have been disbursed during the year 2021-22 (till November, 2021).
- Gym/ Sports/ Re-creation Centre: One proposal from the field formations for setting up of Gym/ Sports/ Re-creation Centre sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund involving an amount of Rs.6.53 Lakh have been disbursed during the year 2021-22 (till November, 2021).
- Canteen facility: One proposal from the field formations for setting up of Canteen has been sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund involving an amount of Rs.6.53 Lakh have been disbursed during the year 2021-22 (till November, 2021).
- Crèche facility: One proposal from the field formations for setting up of Crèche has been sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund involving an amount of Rs. 2.86 Lakh have been disbursed during the year 2021-22 (till November, 2021).
- Financial assistance for the Subsidized transport facility for the Staff posted at JNCH, Nhava Sheva, Raigarh: As reimbursement under the Scheme for partial funding of the subsidized transport facility for the officers/staff posted at JNCH, Nhava Sheva, Raigarha total amount of Rs. 15.88 Lakh was sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund have been disbursed during the year 2021-22 (till November, 2021).
- Cash Award to Sport persons: An amount of Rs. 5.25 Lakhs was granted to Shri Jagdish Tanwar, Supdt., Customs (Prev.) Jodhpur for winning Silver medal in ITF Young Senior World Tennis Championship, 2019 held in Miami, USA in October, 2019 sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund has been disbursed during the year 2021-22 (till November, 2021).

Significant developments/ Policy decisions taken during 2021-22 (till November, 2021):

a) **The CBIC** through the DGHRD has devised and administered a number of scheme for the welfare of its staff from time to time, so it was decided to e-publish **'Compendium of Welfare Schemes'** which is comprehensive guide of all the Welfare Schemes being implemented from the Customs & Central Excise Welfare Fund. The compilation and designing work of 1st Edition of **'Compendium of Welfare Schemes'** was done in the year 2020-21, however it has been formally released by Chairman (CBIC) on the occasion of GST Day (01.07.2021).

b) **A new Scheme for Grant of Financial Assistance for Preventive and Welfare measures for fighting against COVID-19 was launched w.e.f. 01.04.2020** for the Preventive and Welfare measures for fighting against COVID-19 has been approved by Governing Body of Welfare Fund on 31.03.2020 (within a week from the declaration of National Lockdown by Hon'ble Prime Minister on 24.03. 2020). Three instalments- first @ of Rs. 2,25,000/- per Customs Commissionerate, Rs. 1,50,000/- per GST Commissionerate and Rs. 75,000/- (per HoD) for Directorates, and 2nd and 3rd @ Rs. 3,00,000/- per Customs Commissionerate, Rs 2,00,000/- per GST Commissionerate and Rs. 1,00,000/- (per HoD) for Directorates have been sanctioned by the Governing Body of the Welfare Fund during 2020-21 and 2021-22.

c) **A new scheme for Annual Medical Examination for Group 'B' and Group 'C' officials of age 40 years and above was implemented w.e.f. 01/04/2021 after approval by the governing body of the welfare fund.** The Scheme covers all the tests which are presently available to the Group 'A' officers under Annual Medical Examination being implemented by DoPT, subject to ceiling of Rs 2000/- and Rs 2200/- for men and women respectively or whichever is less.

d) **CBIC's Aashvaasan - CBIC's COVID Response and Outreach Programme:** The programme envisaged of a coordinated response by CBIC to the COVID-19 pandemic and its fall out for medical aid and humanitarian assistance both in financial terms and by way of supplies of essentials including food and transport to all members of the CBIC fraternity. Under the programme, the Response Teams were set up at three tiers viz. National, Zonal and Ground-level COVID Response Teams. The Names and Contact details of the set members of the teams have been compiled and displayed on DGHRD's website for wide circulation for the help of the needy departmental officials.

e) **Publication of Shraddhanjali:** A booklet of obituaries 'Shraddhanjali' in the fond memory of the all the departmental officials who lost their lives due to COVID-19 has been published by DGHRD. It was formally presented to the Hon'ble Finance Minister on 30.06.2021.

f) An **online facility** has been developed on the DGHRD's website **for real-time updation and monitoring of the data of the vaccination**

against COVID-19 in respect of the **Departmental officials of CBIC in the wake of 2nd wave of pandemic.**

g) **A new scheme for Persons with Disability (being Departmental officials or their dependent family members) for purchase/ fitting of aids/appliances devices** has been framed. The scheme is devised to help persons with dependent disability (PWD) for procuring durable, scientifically manufactured, modern sophisticated and standard Assistive Device to promote their psychological physical, social, rehabilitation by reducing their physical and mental effects of **disabilities and at the same time enhance abilities.**

h) The **posters of the 5 flagship Welfare Schemes** being implemented from the Customs & Central Excise Welfare Fund have been prepared and designed by the Welfare Division and have been e-published during the year 2020-21, for popularizing these Schemes and spread awareness to the grass-root level of the Department, so that maximum benefits can be reaped by the Departmental officials.

Initiatives undertaken for welfare for SC/ ST during 2021-22 (till November, 2021):

Relaxation in Cash Award Scheme:

Cash Awards are granted to children of Department officials on the basis of their performance in the Board Examination in 10th and 12th standard. The Eligibility criterion (i.e. minimum percentage of marks obtained in Board Exam at 10th and 12th level) has been **relaxed by 10% and 5% for SC/ST** category and OBC categories respectively. During the year 2021-22 (till November, 2021), out of 75 total Cash Awards granted, 15 **Cash Awards (i.e. 20%)** involving an amount of Rs. 1.74 Lakhs have been granted to the children of Departmental officials belonging to SC/ST categories.

Initiatives undertaken for Woman Empowerment during 2021-22(till November, 2021):

1) <u>Ex-gratia assistance for widows of Departmental officials:</u>

Financial assistance is granted from the Welfare Fund as ex-gratia financial assistance to the next of kin of the Departmental officials (in case of death during anti-evasion/ anti-smuggling/ anti-narcotics operations or death in harness). During the year 2020-21 (till November, 2021), a total of Rs.9.54 crore has been disbursed as ex-gratia financial assistance in 182 cases to the widows of the employees, who died while in service.

2) <u>Relaxation in Cash Award Scheme for girls:</u>

Under the revised Cash Award Scheme, the girl children of departmental officials are granted enhanced amount of Rs. 12,000/-as compared to Rs. 10,000/- granted to boys.During the year 2020-21 (till November, 2021), out of total 75 Cash Awards granted, 44 Cash Awards (i.e. 58.67%) involving an amount of Rs. 5.28 Lakhs have been granted to the girl children of Departmental officials.

3.12 The Directorate General of Taxpayer Services (DGTS)

i) **An introductory para about the functions/ working of the organization and set-up of the Division including its various Advisory Boards and Councils, if any; in a brief and concise note from; Organization Chart of the Department/Division;**

In terms of Board's Order No. 02/Ad.IV/2015 dated 27.8.2015, the Directorate General of Taxpayer Services (DGTS) is entrusted with the task of coordinating taxpayer services and publicity and information dissemination requirements of the CBIC. It is headquartered at New Delhi with zonal offices at Ahmedabad, Bengaluru, Chennai, Kolkata and Mumbai.

ii) **Para highlighting the performance and achievements under the key/flagship programmes being implemented by Divisions/Department during the year**

PUBLICITY

Publicity Activities till 30.11.2021 in F.Y. 2021-22

a) The Compliance Information Portal provides free access to all the Customs regulatory compliance and import-export procedures for about 12,000 tariff entries. To highlight the positive effects this Directorate has prepared 02 short- videos (01 Launch of the portal and 01 tutorial video).

b) GST regime completed 04 successful years on 01.07.2021, to publicize this occasion and make public aware about the latest achievements under GST regime, this Directorate produced 06 short-videos on the occasion of completion of 4 years of GST along with a logo and 10 creatives, circulated to field formations and social media platforms.

c) 02 short videos were prepared on Baggage rule for international passengers.

d) 12 testimonial videos were prepared highlighting the point of view of trade and industry from various sectors/ walks of life throughout the country on GST.

e) 01 short video highlighting the measures taken by CBIC to help the industry during COVID-19 was also produced/ released.

f) The Government, in an initiative to encourage local manufacturing, revamped the Manufacturing & other operation in Warehouse Regulation (MOOWR) scheme. To ensure greater public awareness this Directorate has prepared 01 short video on MOOWR.

g) A module for Scheduling Examination of the containerised cargo at ICDs/Ports was launched on 11.11.2021 and to highlight the benefits this directorate prepared 01 short video on Module for Scheduling Examination.

h) DGTS has worked as an interface between the Board and field formation in organizing the Azadi ka Amrit Mahotsav (AKAM) commentating the 75 years of Independence of India. In this regard approx. 50 creatives were prepared and shared with field formations on various events i.e. Hosting Air Balloon; Commemorating the martyrs of the Jalianwala Bagh massacre; World Environment day; International Yoga Day; Quit India Movement etc.

i) For educating and increasing taxpayers' awareness in an effective manner, webinars are conducted regularly by DGTS Zonal units in association with field formations and trade organization (FICCI, ASSOCHAM, CII, etc.). Some of the topics covered are:

- AEO program
- Recent GST Relief Measures for Taxpayers
- Latest up dates in GST
- Refund in GST and Process of Error rectification
- RoDTEP Scheme and RoSCTL Schemes, Implementation and functionality
- e-Filing of GST Appeal on GSTN Portal & Recent Changes in GST Refund Module
- Manufacturing in Customs Bonded Warshouse

DGTS has organized more than 50 Webinars in a span of last 8 months time.

Publicity Activities to be undertaken in the latter part of the F.Y.2021-22

1. Publicity of decisions taken by the 46th GST Council.
2. Publicity of initiatives undertaken by CBIC in the later course of the Financial Year.
3. Publicity of Government of India's initiative Azadi ka Amrit Mahotsav (AKAM) in the later part of the financial year.

CBIC Website

Recognizing the speed and reach of internet and also popularity of CBIC website, extensive use of CBIC website was made for publicity, awareness and information dissemination. Information available on this site includes GST Acts & Rules, notifications, circulars, orders, Public Notices, Press Releases, GST Fliers, General FAQs, Sectoral FAQs, Overview of GST, Anti-profiteering etc.

Social Media (As on 30.11.2021)

Considering the importance of social media as a powerful means of instant communication with citizens, the Department has effectively used this platform namely Facebook page (CBICINDIA), twitter handle (@CBIC_India) and Youtube channel (GST_India). Over 330 Creatives were released through social media sites Twitter and Facebook covering varied topics related to AEO; Azadi ka Amrit Mahotsav (AKAM); Clarification on GST; CMP-08; COVID 19; Deferred Payment; e-Invoice; GST Refunds; HSN Code; QR Code; Section 46 of the Customs Act; GST Returns; Trade Friendly Initiatives by CBIC; Special Refund and Drawback Drive by Customs ensuring liquidity during COVID 19; Turant Customs; 43rd, 44th and 45th GST Council Meeting; GST Day etc.

(Projection till 31.03.2022)

Regular reminder of filing GST Returns/ Deferred payment of Customs Duty/ filing of Central Excise Return/ payment of duties will be issued along with any amendments/ legislative changes/ new initiative introduced by CBIC. This Directorate will also carry out publicity campaign to educate the taxpayers/ public at large about the punitive actions with respect to fake invoices and making them aware about frauds committed in name of GST/ Customs officers. As the Country is celebrating 75 years of independence "Azadi ka Amrit Mahotsav" (AKAM) all the Creatives issued by this directorate carrying the logo of AKAM, we will also be preparing few AKAM oriented Social media Campaign.

RTI AND PUBLIC GRIEVANCES

This Directorate is the nodal agency under CBIC to monitor the progress of filing of quarterly returns by public authorities under CBIC on the website of Central Information Commission (CIC) as required under Section 25(2) of the RTI Act, 2005. It was ensured that all the field formations under CBIC uploaded their RTI Quarterly Returns on the CIC website. During the period, applications received under the RTI Act, 2005 were efficiently handled. Public Grievances received by this Directorate were processed/ forwarded to the appropriate formations for further action.

TAXPAYER SERVICE CENTRES

One of the mandates of DGTS has been to set up Taxpayer Service Centres in all Commissionerates. Vigorous follow-up has ensured setting up of Taxpayer Services Centers in the Commissionerates of Central Tax, Customs & Central Excise.

PUBLIC GRIEVANCE OFFICERS

Public Grievance Officers have been designated in all the Commissionerates across the country and details are available on CBIC website. The Citizens' Charter provides for appeal to superior officer in the event of unsatisfactory response from Public Grievance Officer. Accordingly, contact details of the superior officer have also been posted on the website for the benefit of taxpayers.

PUBLICATIONS

The Directorate brought out following publications at the behest of CBIC and other formations:

Taxpayer Information Publications (till 30.11.2021):

Compendium of welfare scheme; Shraddhanjali Booklet; Swachta Uday Booklet; WTO agreement on Trade Facilitation; CIP Portal and Faceless Customs; Athithi App; IGCR Rules; MOOWR scheme; RoDTEP Scheme; RoSCTL Scheme; Composition Levy Scheme; QRMP Scheme; e-Way Bill; Job work under GST; Refund in GST; e- Invoice; Initiatives for MSME sector etc.

3.13 National Academy of Customs, Indirect Taxes & Narcotics (NACIN)

i. National Academy of Customs, Indirect Taxes & Narcotics (NACIN) is the apex institute of Government of India for capacity building in the field of indirect taxation. It also plays a vital role in international capacity building by imparting training to officers of various countries in the field of Customs, drug laws and environment protection. NACIN is the World Customs Organization (WCO) Regional Training Centre (RTC) for the Asia Pacific Region. United Nations Environment Program (UNEP) has designated NACIN as a collaboration center for capacity building in the field of environment protection. In collaboration with United Nations Office on Drugs & Crime (UNODC), NACIN is imparting training on drug law enforcement to various Asian nations. The Government of India has entrusted NACIN the responsibility of knowledge exchange, experience sharing and training with various countries of the world.

ii. The charter of functions of NACIN issued by CBIC mandates training of not only the officers working under CBIC but also of the officers from other departments, ministries, and other stakeholders. NACIN's flagship program is to conduct the Induction Training of newly recruited IRS (C&IT) Group 'A' officers selected through Civil Service Examination conducted by UPSC. Since last two decades NACIN is conducting complete professional training of Officer Trainees of IRS (C&IT).

iii. In addition, NACIN through its 18 Zonal/ Regional Campuses in 15 state capitals, and 03 major cities, conducts the training programs for the capacity building as well as enhancing of skills in-service officers.

iv. NACIN also conducts the Mid-career training programs at regular time intervals for the officers to enable them to discharge their responsibilities effectively as per their changed roles and positions. The zonal/ regional campuses of NACIN also provide induction training to the newly recruited Group B and C officers.

v. NACIN was also mandated by the Government to provide GST training to all officers under CBIC and officers from States, Union territories and other stakeholders at the time of the introduction of GST.

3.13.1 Achievements:

The following are the major milestones in NACIN's journey towards excellence in FY 2021-22:

I. Officer Trainee (OT) Cell

a. Officer Trainees (OTs) of the Indian Revenue Service (Customs & Indirect Taxes) undergo Induction Training which comprises of classroom training as well as functional modules in the area of Customs, Central Excise & Service Tax, Goods & Service Tax, Narcotics and matters pertaining to various allied Acts. The Induction Training also comprises of attachments with various agencies such as CRPF Academy Gurugram, Wildlife Institute of India Dehradun, Central Bureau of Narcotics Gwalior, National Law School of India University Bhopal, Coast Guard, etc. where the OTs learn from domain experts to tackle the future challenges of their service. The training programme has been revamped with more focus on participative approach in place of theoretical classroom training to enable the OTs become functionally competent with skill sets required to discharge their duties. In furtherance of this objective, the OTs after conclusion of their classroom training and attachment programmes are sent to GST & CX field formations for On-the-Job Training (OJT) with aim to acclimatize them with hands-on working of the Department.

b. The onslaught of second wave of COVID-19 confronted the Academy with unique challenge as Induction Training of 72nd Batch of IRS (C&IT) was underway at that time. The Academy took the challenge head-on and responded in proactive and dynamic way by realigning components of the training programme. Most of the training components were moved online during the COVID wave in order to ensure that sufficient time is available later on to complete the practical exposure (given by way of attachments in the field formations) as and when the COVID wave subsided. Ultimately, the classroom training and the attachments were completed in such a manner that frequent travel could be avoided without compromising on learning and exposure of the Officer Trainees. The Academy in its endeavour to give the OTs the best possible learning exposure went a step further and introduced as well as conducted for the first time a new attachment with National Intelligence Academy (NIA), Dwarka, New Delhi for the 72nd Batch in order to sensitize the OTs on the important issues concerning national security, terror funding, secret enquiry, security perspective of foreign investment, etc.

c. The Academy trains two Batches of IRS (C & IT)-previous Batch and current Batch simultaneously. The previous Batch (71st) of the OTs after completing their On-the-Job Training joined back the Academy to complete their Furbisher Course from 06.12.2021 to 24.12.2021. The idea behind the Furbisher Course inter alia is giving the OTs a platform to have interactions with eminent personalities from important walks of life. The Furbisher Course was completed with fulfilment of planned objectives culminating with Passing-out Parade on 24.12.2021 which was attended by the Chairman and Members of the CBIC along with other senior officers of the Department.

II. <u>In-Service Training & Short online training sessions</u>

a. In-service training is a vital component of all trainings conducted by NACIN. It is here that individual topics are covered in much detail, helping the officers in their day-to-day work. NACIN conducts demand-driven, short duration courses of 1 to 5 days in contemporary and emerging areas for CBIC officers along with Indian Audit and Accounts Service (IA&AS) and Indian Trade Service (ITS) Probationers, Indian Airforce officers, State GST officers. The topics range from a variety of areas like Trade Facilitation, Prevention of Money Laundering, Green Customs, Intellectual Property Rights, Customs Conventions, Prevention of Wildlife trafficking, Data Analytics, Stress management, Goods & Services Tax, Dispute Settlement, Financial Investigation, Electronic Data Interchange, Cyber Forensics, Drug Law Enforcement to name a few. The special trainings were organized this year in ADVAIT for the officers who would go a long way in deploying data analytics for curbing evasion.

b. Online training is the new norm across the training institutes after outbreak of COVID-19. Apart from distance learning benefits, the online trainings are cost-effective as the trainee officers need not travel. Further, the expert faculty can be invited for online sessions irrespective of geographical restrictions. However, paying attention to online classes is a real challenge for the trainee officers. It is observed that short online trainings are more effective way of teaching as it is difficult to maintain concentration after a span of one hour. The new training programmes have been launched by Zonal Institute, Bhopal like MANTHAN- thought-provoking topics by eminent speakers, MASTERCLASS- from experts in specialized subject, BHAGIDAR-an Outreach programme fot trade on GST issues, SANTULAN- on work-life balance, HAR BUDHVAR GST WAR and likes. An onsite 'customized training module' was introduced for imparting training to Customs officers posted at International Airports all across the country by Zonal Institute, Mumbai. Multi Disciplinary School of Economic Intelligence (MDSEI) as a Centre of Excellence has been established at Mumbai, focussing on capacity building for combating economic crimes through knowledge dissemination. Under the aegis of MDSEI, the trainings in Blockchain Technology and Crypto Currency and Collection analysis and Handling of Intelligence and Evidences in a Digital World were conducted. The special trainings were organized in ADVAIT for the officers who would go a long way in deploying data analytics for curbing evasion. Zonal Campus Delhi has introduced technology based quiz application such as KAHOOT, to make learning more effective and participatory rather than monotonous.

c. Due to sustained efforts NACIN could impart following trainings to in service officers in respect of GST as well as other areas:

Sr. No.	Trainings	No. of trainings	No. of Officers Trained
1	GST	428	32533
2	In service training	860	42792

This result was achieved despite lockdown during COVID time and disruptions caused due to strict protocol issued by government during current financial year.

d. <u>Mid Career Training Program (MCTP)</u>

Phase-III of MCTP-2021-22 was conducted by NACIN through Partner Institute IIPA, New Delhi wherein 118 IRS(C&IT) Officers participated in three batches from August, 2021 to December, 2021.

e. International cooperation & Training Cell has conducted 4 online trainings in cooperation with

US Department of State, wherein 117 CBIC officers participated. Under MoA with Ozone Cell, ICT cell conducted 1 online Supervisory workshop under HPMP stage-II at ZTI, Delhi, wherein 23 CBIC officers participated.

f. iGOT Karmayogi

- On 2nd September 2020, the Union Cabinet approved 'Mission Karmayogi' - the National Programme for Civil Services Capacity Building (NPCSCB). This is termed as the biggest and most comprehensive post-recruitment Human Resources Development reform in the Government. iGOT Karmayogi portal is the Launchpad for the NPCSCB. Its an online learning platform that shall provide anytime-anywhere learning to train more than two crore civil servants.
- NACIN has uploaded content on 5 topics on Indirect Taxation of 55 hours on iGOT portal. Content of 62 competencies has been validated and is ready for creation by Instructional Design Agency.

3.13.2 Initiatives:

i. New NACIN complex at Hindupur: a/a and e/s granted by Competent Authority:

With the exponential growth in the role and duties of CBIC personnel for giving central direction to indirect tax policy formulation and collection, the responsibility of NACIN in capacity building has also increased manifold. The existing space and facilities are therefore inadequate to support the institutional goals and organization's vision, as also its commitment to the International Customs fraternity for partnerships and collaborations. To overcome the inadequacies of space, facilities, other modern training tools and to raise the capacity building standards to global level with new and enhanced facilities like Field Training Centers, Marine Training Center, Research Centre etc., NACIN has taken up the project of building a new State-of-the-Art campus at Hindupur, Andhra Pradesh. In the year 2021-22 the Project, as proposed to be constructed by CPWD, was approved by the Project Investment Board (PIB) headed by the Finance Secretary after due verification by DGHRD and vetting by IFU, DoR. As a result, Administrative Approval and Expenditure Sanction of Rs.702.27 crore has been accorded for Phase-I of the project by the Hon'ble Finance Minister on 01.12.2021.

ii. BRICS Capacity building Workshop- A first of its kind capacity building workshop was organized from 22.11.21 to 26.11.21 by NACIN ZTI Bengaluru in its capacity as the Regional Training Center (RTC) of WCO among the BRICS Member nations. The workshop marked a new beginning in the relation among BRICS nations and covered a wide range of topics on Customs for capacity building.

iii. Participation in the First Common MCTP with theme 'Leading to Learn' was conducted in two batches from 26th to 31st October, 2021 and 29th October to 2nd November, 2021 in coordination with LBSNAA. 33 officers of the IRS (C&IT) from 2000 & 2001 batches participated in the programme which involved a hybrid on-line and physical training. Online courses by MIT and University of London on the topics 'Leading From the Emerging Future' and 'Global Energy and Climate Policy' respectively were made mandatory before participation in Common MCTP.

iv. E-Prayogshala:"E-prayogshala", an 18 seater digital forensics lab has been established for training officers on forensic software used for acquiring, processing, analysing, and reporting of data at Zonal Campus, Vadodara.

v. Standard Operating Procedure to store/locate/ retrieve videos of online training has been formulated by Zonal campus, Hyderabad to streamline the process of lecture recordings.

vi. A modern air conditioned auditorium with state of the art acoustics and audio- visual apparatus has been constructed at the cost of Rs. 3.7 crore (approx) with a seating capacity of 209 persons with separate facility for a modern pantry at Zonal Institute, Bengaluru.

vii. "Plant and adopt a tree" scheme is a novel initiative started and implemented by NACIN, Bengaluru at the new Hindupur campus.

viii. COPS-26 workshop: NACIN, Bengaluru conducted a unique workshop named COPS-26 in December 2022. This workshop was aimed at providing a sneak peek into the plans undertaken by the world community to keep the planet earth livable for progeny by reducing Carbon emission which directly affects global warming.

ix. "Kaavish", a bi-monthly e-magazine has been started by NACIN Vadodara, for in-department circulation. The magazine is a compilation of the following:

a. Courses conducted by NACIN Vadodara

b. Tribute to the legends of our department

c. Eminent Faculties

d. Landmarks/festivals

e. Achievements by the department as well as officers

3.13.3 Conclusion:

This year's endeavours as above have been in sync with the NACIN's mandate for capacity building and upgradation of not just officials of CBIC but also in true spirit of MISSION Karmayogi, imparting training and sharing expertise across the public servants and various stakeholders of Indirect Taxation regime at pan India level, and even across national boundaries. These initiatives would equip the human resource of CBIC in the technical and intellectual aspects.

3.14 DIRECTORATE GENERAL OF VIGILANCE:

3.14.1 ROLE & FUNCTIONS OF DGoV:

The vigilance work in CBIC is administered and supervised by the CVO through the twin wings of the vigilance set up of CBIC, viz Directorate General of

Vigilance (DGoV) and Ad.V Section in the CBIC, with each performing its set of functions as summarized below:

A. DGoV:

i. To handle vigilance related work and processes uptil pre-charge memorandum stage;

ii. To monitor the vigilance cases under officers of the various formations under CBIC;

iii. To maintain proper surveillance on the officers of doubtful integrity;

iv. To maintain close liaison with CVC & CBI on various vigilance related matters;

v. To carry out various preventive vigilance activities, like Surprise Checks, Vigilance Audits etc.

B. Ad.V Section, CBIC:

i. To handle the disciplinary proceedings of all Group 'A' officers starting from issuance of charge memorandum till their conclusion;

ii. To conclude the disciplinary proceedings of all retired officers;

iii. To handle entire work related to suspension of Group A officers;

iv. To maintain liaison with UPSC, DOP&T & Law Ministry on various vigilance related matters; and

v. To grant vigilance clearance to Group A officers.

3.14.2 INITIATIVES TO IMPROVE PERFORMANCE:

Concerted efforts have been made to spruce up vigilance administration in CBIC in the current year, namely:

A. Improvement in business processes:

i. Successful roll out on 01 June 2021 of e-office in DGoV as well as Ad. V has contributed in improving the efficiency levels as well as giving impetus to transparency and accountability in administration;

ii. Decentralization of work related to disciplinary cases of retired non Group 'A' officers under erstwhile Rule 9 of CCS (Pension) Rules to DGoV zonal units on 29 September 2021. This measure, and the new and revised work flow design, will optimize the work load at Board and Zonal units level and will help in expediting the completion of proceedings;

iii. Carving out a legal vertical during the AGT 2021 exercise to deal with the CAT/Court related vigilance matters. An ADG rank officer assisted by a Deputy Commissioner rank officer have been deputed to ensure timely and expeditious handling of legal matters of Ad.V Section;

iv. Extension of CBIC's E-sevavivad portal for service matter litigation to vigilance litigation matters to monitor its legal cases pending at the various legal fora and for better synergy with the field formations.

B. Pro-active steps to sensitize field formations and monitor progress of Disciplinary Proceedings:

In 2021, some of the notable efforts made to sensitize field formations on various aspects of disciplinary proceedings included:

i. SOPs for effective and timely handling of court cases on disciplinary matters to protect the interests of the government were issued to all field formations;

ii. Sensitization of all IOs on the option to invoke the existing Departmental Inquiries (Enforcement of Witnesses & production of Documents) Act by Inquiry Authorities to secure the attendance of the witnesses, as the same is not being invoked by the Inquiry Authorities due to lack of awareness about this provision;

iii. Structured interaction through video conferences with Disciplinary Authorities and Inquiry Officers to take stock of the pendency position and nudging them to expeditious finalization of the proceedings;

iv. Close monitoring to ensure timely implementation of penalty orders passed on conclusion of disciplinary proceedings;

3.14.3 ACHIEVEMENTS:

The above measures have contributed to the exponential improvement in the year-on-year performance of DGoV in vigilance matters. There has been a high rate of disposal in the key vigilance related work areas, such as finalization of inquiries, submission of cases to UPSC and issuance of final orders etc., which has been appreciated also by CVC in their review meetings, wherein disposal of cases in Block Years 2000-2010, 2011-2018 and 2019 to date were taken up for close scrutiny. The major achievements in 2021 (From 1.1.2021 to 31.12.21) are given below:

S. No.	KEY AREA OF WORK	YEAR ON YEAR PROGRESS	
		2020	2021
1	Final Orders issued on conclusion of Disciplinary Proceedings - Major Penalty Cases	172	226
2	Final Orders issued on conclusion of Disciplinary Proceedings - Minor Penalty Cases	54	70
3	Prosecution sanctioned	44	69
4	Complaints Handled	565	1401
5	Vigilance clearance given (references)	1430	1834

In 2021, 206 Departmental inquiries were completed and they are at different stages of Disciplinary Proceedings.

These initiatives would further contribute to enhancing CBIC's image as a responsive and efficient administration and would also improve our compliance commitments to CVC.

4. Revenue Headquarters Administration

4.1 Administration

The Revenue Headquarters looks after matters relating to all administrative work pertaining to the Department, coordination between the two Boards (CBIC and CBDT), the administration of the Indian Stamp Act 1899 (to the extent falling within the jurisdiction of the Union), the Central Sales Tax Act 1956, Goods and Services Tax (GST) Act, 2017, the Narcotic Drugs and Psychotropic Substances Act 1985 (NDPS), the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act 1976 (SAFEMA), the Foreign Exchange Management Act 1999 (FEMA), the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA), the Prevention of Money Laundering Act, 2002 (PMLA) and matters relating to the following attached/ subordinate offices of the Department:

a. Enforcement Directorate

b. Central Economic Intelligence Bureau (CEIB)

c. Competent Authorities appointed under SAFEMA and NDPS

d. Chief Controller of Factories

e. Central Bureau of Narcotics

f. Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

g. Appellate Tribunal under SAFEMA

h. Customs and Central Excise Settlement Commission (CCESC)

i. National Committee for Promotion of Social and Economic Welfare

j. Financial Intelligence Unit, India (FIU-IND)

k. Adjudicating Authority under Prevention of Money Laundering Act

l. National Institute of Public Finance and Policy (NIPFP)

The following items of works are also undertaken by the Headquarters:

Appointment of -

√ Chairman and Members of CBIC and CBDT

√ Chairman, Vice Presidents and Members of CESTAT

√ Chairman, Vice Chairman and Members of CCESC

√ Director General of CEIB

√ Director of Enforcement

√ Competent Authorities (SAFEMA and NDPS)

√ Director (FIU-IND)

√ Chairperson and Member of Adjudicating Authority set up under PMLA

√ Chairman and Members of "Appellate Tribunal" established under SAFEMA, 1976.

√ CVO, CBDT/ CBIC/ ED

4.2 Directorate of Enforcement

4.2.1 Introduction

4.2.1.1 The Directorate of Enforcement (ED) is the premier law enforcement agency of the Government of India which has been entrusted with the administration and enforcement of the Prevention of Money Laundering Act, 2002 (PMLA), Foreign Exchange Management Act, 1999 (FEMA) and the Fugitive Economic Offenders Act, 2018 (FEOA). The ED is the nodal agency for collection of intelligence, carrying out research and analysis and conducting financial investigation for cases involving money laundering, bank frauds, financial scams, foreign exchange violations etc. Under the provisions of PMLA, the officers of the ED investigate and prosecute the persons involved in money laundering, attach the proceeds of crime and carry out international cooperation with competent authorities in foreign jurisdictions including recovery of assets stashed abroad and extradition of fugitives. The ED is also entrusted with the responsibility to investigate, adjudicate and impose penalty if any person violates the provisions of FEMA and launch prosecution in appropriate cases.

4.2.1.2 In the recent past, the work of Directorate of Enforcement has increased considerably both qualitatively and quantitatively. Investigations have commenced in several high-profile cases with positive results in terms of attachment and confiscation of proceeds of crime related to bank fraud, corruption, drugs & human trafficking and terror financing etc.

4.2.2 Functioning of the Directorate

4.2.2.1 The primary function of the Directorate of Enforcement is administration and enforcement of the Prevention of Money Laundering Act, 2002 (PMLA) including investigation into the offence of money laundering, filing of prosecution complaint before the special court against the accused, attachment and confiscation of property involved in money laundering, carrying out international cooperation with competent authorities in foreign jurisdictions ensuring that the accused persons do not enjoy the proceeds of crime. Unlike in many other countries, in India, ED has the sole jurisdiction to investigate the money laundering cases and the Law Enforcement Agencies (LEAs) having the responsibility to investigate a "predicate offence", including the State Police Authorities, are required to make a reference to ED to examine the money laundering aspect of the criminal activity. In certain cases, the fact that a predicate offence has taken place is also obtained from publicly available sources or on receipt of information from the Financial Intelligence Unit (FIU). On receipt of the reference or information and after making certain preliminary verification, ED records a case and initiates investigation (Enforcement Case Information Report or the ECIR) following a risk based approach taking into consideration factors such as materiality of the offence, transnational nature of the crime, complexity of the case, the larger public interest and the availability of resources. Investigation under PMLA generally covers collection of information/evidence from public domain, other investigating agencies (Predicate Offence Investigating Agency (LEAs), Income Tax Department, Customs and Indirect Tax Department, Ministry of Corporate Affairs, Serious Fraud Office, SEBI, etc.), financial institutions, banks, District Sub Registrar office, etc. as well as using investigative tools as provided under PMLA. Identification and quantification of proceeds of crime and involvement of person/ entities in any process or activity connected with proceeds of crime are main requirements for proving offence of money laundering as well as for punishment for money laundering offence.

4.2.2.2 The Directorate of Enforcement is also entrusted with the implementation of the Foreign Exchange Management Act, 1999 (FEMA) whose object is to consolidate and amend the law relating to foreign exchange for facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange resources. ED initiates investigations and issues Show Cause Notices (SCN) in cases where the allegations of contravention of provisions under FEMA are notices. These SCNs upon adjudication results in imposition of penalty as well as confiscation of currency/ property involved.

4.2.2.3 The Directorate of Enforcement has also been entrusted with the implementation of the Fugitive Economic Offenders Act, 2018 (FEOA). The FEOA provides for the measures to deter the fugitive economic offenders from evading the process of law in India by staying outside the jurisdiction of Indian Courts and to preserve the sanctity of the rule of law in India. Action under the said Act can be initiated against economic offenders who have left India so as to avoid criminal prosecution or who, being abroad, refuse to return to India to face criminal prosecution and the total amount involved in the economic offence is more than Rs. 100 crore.

4.2.3 Organizational Structure

4.2.3.1 The Directorate of Enforcement is headed by the Director, who is not below the rank of Additional Secretary to the Government of India. He is assisted in his work at the Headquarters by officers of all ranks. Sanctioned strength of 04 Special Directors, 11 Additional/Joint Directors and a number of other officers/staff is available in HQ to assist the Director, ED. The Headquarter office (HQ) of ED is situated in New Delhi. The functional establishment of ED is divided into 05 Regions located at Chandigarh (Northern Region), Chennai (Southern Region), Delhi (Central Region), Kolkata (Eastern Region) and Mumbai (Western Region). Each region is headed by a Special Director. Apart from the above Regions, a special Unit named as Headquarters Investigation Units (HIUs) headed by the Special Director and Special Task Force (STF) headed by the Additional Director are also functioning at the Headquarters office, having pan India jurisdiction. Regions are constituted by Zone(s) headed by Additional Directors/Joint Directors and Sub-Zone(s) headed by Deputy Directors. Sub-Zones are controlled by respective Zones. Zones and Sub-Zones function over the specified jurisdiction for the purpose of Enforcement of various entrusted Acts.

4.2.3.2 The Regional Special Directors are assigned with the role of supervising and monitoring the overall working and functioning of the zonal offices of the Directorate falling under their jurisdiction, located at various cities within the Region and other administrative matters. Similarly, the Zonal Additional/Joint Directors are responsible for the overall supervision and functioning of the FUs under their jurisdiction including the Sub-zones. The sub-zonal offices are headed by Deputy Directors and they report to the zonal Additional/Joint Directors.

4.2.3.3 The detailed territorial Jurisdiction of the offices of the Directorate is as under:-

Northern Region - Regional Office: Chandigarh			
Sl. No.	**Zonal Office (Headed by Additional /Joint Director)**	**Sub Zonal Office (Headed by Deputy Director)**	**Territorial Jurisdiction**
1.	Chandigarh-I (CDZO-I)		U. T. of Chandigarh along with Panchkula; State of Himachal Pradesh (Shimla Sub Zonal Office)
		Shimla (SHSZO)	Himachal Pradesh
2.	Chandigarh-II (CDZO-II)		States of Haryana (excluding city of Panchkula and districts of Gurgaon, Faridabad, Bahadurgarh, Rohtak and Sonipat) and Uttarakhand (Dehradun Sub Zonal Office)
		Dehradun (DNSZO)	Uttarakhand
3.	Gurgaon (GNZO)		5 Districts of Haryana: Gurgaon, Faridabad, Bahadurgarh, Rohtak and Sonipat
4.	Jalandhar (JLZO)		Punjab
5.	Jaipur (JPZO)		Rajasthan
6.	Srinagar (SRZO)		Jammu & Kashmir and Ladakh (UTs)
		Jammu (JMSZO)	Jammu & Kashmir (6 Districts of Jammu, Doda, Kathua, Poonch, Rajouri and Udhampur)

Central Region - Regional Office: Delhi			
Sl. No.	**Zonal Office (Headed by Additional /Joint Director)**	**Sub Zonal Office (Headed by Deputy Director)**	**Territorial Jurisdiction**
1.	Delhi-1 (DLZO-I)		FEMA — Police Districts - East District, North-East District, Shandara District, Outer District, North-West District, Rohini District, North District, Metro, Railways.
			PMLA — All cases involving predicate offences registered by CBI, DRI, Customs & SEBI
2.	Delhi-II (DLZO-II)		FEMA — Police Districts - South District, South--East District, South-West District, West District ,Central District, New Delhi District, Dwarka, IGI Airport.
			PMLA — All cases involving predicate offences registered by Delhi Police, NIA, NCB, Income Tax & any other Law Enforcement Agency.

3.	Lucknow (LKZO)		Uttar Pradesh
			34 Districts of Uttar Pradesh: Allahabad, Ambedkar Nagar, Azamgarh, Ballia, Banda, Basti, Balrampur, Chandauli, Chitrakoot, Deoria, Faizabad, Fatehpur, Gonda, Gorakhpur, Ghazipur, Hamirpur, Jhansi, Jalaun, Jaunpur, Kaushambhi, Kushinagar, Lalitpur, Maharajganj, Mau, Mirzapur, Mahoba, Pratapgarh, Sravasti, Sidharthnagar, Sultanpur, Sant Kabir Nagar, Sonebhadra, Sant Ravi Das Nagar & Varanasi
4.	Patna (PTZO)		Bihar
5.	Ranchi (RNZO)		Jharkhand

Eastern Region - Regional Office: Kolkata

Sl. No.	Zonal Office (Headed by Additional /Joint Director)	Sub Zonal Office (Headed by Deputy Director)	Territorial Jurisdiction
1.	Kolkata-I(KLZO-I)		Police Districts of Kolkata City
2.	Kolkata-II (KLZO-II)		All Police Districts of West Bengal (except Kolkata city), Sikkim (including Sikkim Sub Zonal Office) and UT of Andaman & Nicobar Islands
		Gangtok (GKSZO)	Sikkim
3.	Bhubaneshwar (BBZO)		Odisha
4.	Guwahati-I (GWZO-I)		Assam
5.	Guwahati-II (GWZO-II)		States of Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Mizoram and Tripura
		Agartala (AGSZO)	Tripura
		Aizawl (AZSZO)	Mizoram
		Imphal (IMSZO)	Manipur
		Itanagar (ITSZI)	Arunachal Pradesh
		Kohima (KHSZO)	Nagaland
		Shillong (SGSZO)	Meghalaya

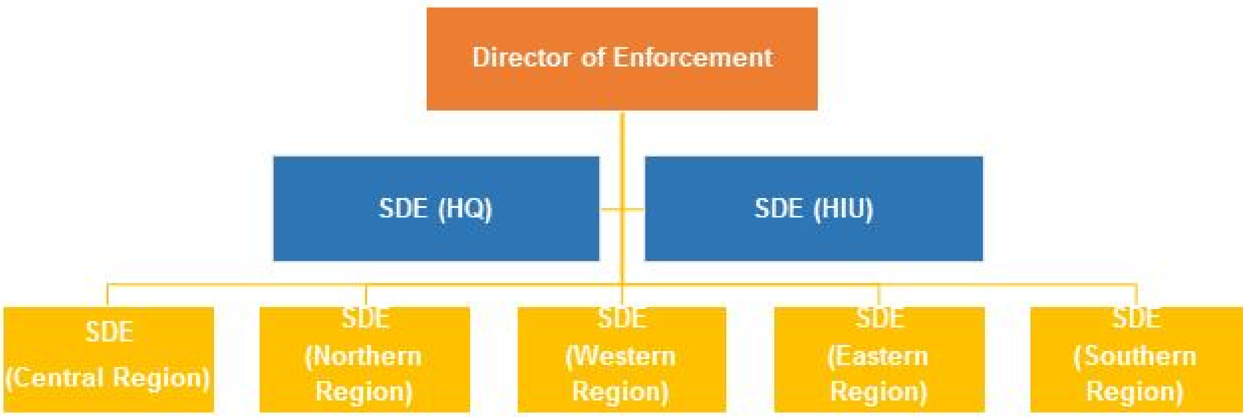
Western Region: Regional Office: Mumbai			
Sl. No.	**Zonal Office (Headed by Additional /Joint Director)**	**Sub Zonal Office (Headed by Deputy Director)**	**Territorial Jurisdiction**
1.	Mumbai-I (MBZ0-I)		Mumbai city and Mumbai suburban areas
2.	Mumbai-II (MBZO-II)		Maharashtra (except Mumbai city and Mumbai suburban areas)
		Nagpur (NGSZO)	Maharashtra (24 Districts of Nagpur Bhandara, Gondia, Chandrapur, Gadchiroli, Wardha, Amravati, Yavatmal, Akola, Washim, Hingoli, Nanded, Buldana, Parbhani, Jalgaon, Jalna, Beed, Latur, Aurangabad, Osmanabad, Ahmednagar Nasik, Dhule & Nandurbar)
3.	Ahmedabad (AMZO)		Gujarat, UTs of Daman & Diu, Dadra &Nagar Haveli
		Surat	Gujarat (07 districts of Surat, Valsad, Naysari, The Dangs, Tapi, Narmada &Bharuch) , UTs of Daman & Diu, Dadra & Nagar Haveli
4.	Bhopal (BHZO)		Madhya Pradesh (including Indore Sub Zonal Office
		Indore(INSZO)	11 Districts of Indore ,Ujjain, Ratlam, Jhabua, Alirajpur, Dhar, Barwani, Khargone, Burhanpur, East Nimar, Devas.
5.	Panaji (PJZO)		Goa
6.	Raipur (RPZO)		Chhattisgarh

Southern Region: Regional Office: Chennai			
Sl. No.	**Zonal Office (Headed by Additional /Joint Director)**	**Sub Zonal Office (Headed by Deputy Director)**	**Territorial Jurisdiction**
1.	Chennai-I (CEZO-I)		Chennai metropolitan area of Tamil Nadu
2.	Chennai-II (CEZO-II)		Tamil Nadu (except Chennai metropolitan area) and UT of Puducherry
		Madurai (MDSZO)	Tamil Nadu (14 districts of Madurai, Dindigul, Theni, Trichy, Karur, Ariyalur, Perambalur, Virudhanagar, Tirunerveli, Pudukottai, Tuticorin, Sivagangai, Ramanathapuram & Kanyakumari)

3.	**Bangalore (BGZO)**		**Karnataka**
		Mangalore (MGSZO)	15 District of Dakshin Kannad,
4.	Kochi (KCZO)		Bagalkot, Belgaum, Bellary, Bidar, Bijapur, gadag, Haveri, Davangere, Dharwad, Gulburga, Karwar, Koppal, Udupi & Raichur) Kerala and UT of Lakshadweep
		Kozhikode (KZSZO)	7 districts of Kasargode, Kannur, Wynad, Kozhikode, Malappuram, palghat & Trichur)
5.	Hyderabad (HYZO)		States of Andhra Pradesh & Telangana
		Visakhapatnam(VKSZO)	13 districts of Visakhapatnam, Vizianagaram, Srikakulam, East Godavari, West Godavari, Krishna, Guntur, Prakasam, Nellore, Kurnool, Anantapur, Chittoor & Cuddapah

4.2.3.4 The hierarchy of executive wing in the Directorate is represented as under:

4.2.3.5 The present organizational structure of the Directorate is explained through charts presented hereunder:



4.2.3.6 The offices of the Directorate of Enforcement located all over India ensures that the money laundering offences are investigated in an effective manner and it also acts as deterrence for the potential offenders of money launderers.

4.2.3.7 Considering the strategic importance of North-East Region, Directorate of Enforcement has strengthened its presence and intensified anti-money laundering activities including cross border financial crimes, international hawala, terror financing and drugs trafficking. The Directorate has set up offices in all the seven sisters of North-East (07 states under North-Eastern Region).

4.2.4 Performance of Directorate of Enforcement in the area of PMLA

The work done by ED in the area of PMLA is summarized in the following Tables:

Table 1: ECIRs Recorded, Attachments Made and Prosecution Complaints filed

Topic	1.7.05 to 31.03.12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22(upto 30.11.21)	Total
No. of cases recorded (ECIR)	1437	221	209	178	111	200	148	195	562	981	395	4637
No. of PMLA Prosecution Complaints filed	38	11	55	69	74	101	103	216	51	130	59	907
No. of Provisional Attachment Orders (PAOs) issued	131	65	130	166	105	180	196	181	160	173	121	1608
No. of PAOs confirmed	108	52	57	138	117	118	179	187	144	62	103	1265
Value of Assets under attachment (Rs. in crore)	1215	2358	1773	3657	2000	11032	7432	15490	28815	14107.59	8989.26	96868.85
Value of assets under PAO confirmed by Adjudicating Authority(Rs. in crore)	9601	326	1395	2151	2952	9189	5086	13175	7449	7104.22	5779.13	64207.35

After the Provisional Attachment is confirmed by the Adjudicating Authority wherein it is held that the property is involved in money laundering, the Directorate of Enforcement takes possession of the property and the offenders do not enjoy the property and thus it no longer remains a "provisional measure"

Table 2: Number of summons issued, searches conducted and persons arrested under PMLA

Financial Year	Number of summons issued	Number of searches conducted under PMLA	Number of persons arrested
2016-17	4567	226	31
2017-18	5837	368	38
2018-19	9175	519	24
2019-20	10668	335	41
2020-21	12173	596	78
2021-22(till 30.11.2021)	11252	572	54

Table 3: Money Laundering Investigation (ECIR) under different categories of offences (as on 30.11.2021)

Category of Offence	Corresponding provisions under the predicate Act	Number of cases investigated	Number of cases prosecuted	Amount of proceeds seized or frozen/ attached (Amount in Crores)
Offences related to Illicit Trafficking in Narcotics Drugs & Psychotropic Substances	NDPS Act	590	23	152.01
Offences against the State	IPC 121-121B	25	03	1.47
Offences relating to Counterfeiting	IPC 255-260	09	00	4.78
Offences relating to Murder, Grievous Bodily Injury, Kidnapping, Extortion, Stealing, Robbery etc.	IPC 302-414	87	23	245.6
Offences related to Cheating, Fraudulent Deeds and Disposition of Property, Forgery etc. (IPC 417-488)	Bank fraud	769	144	40923.364
	Siphoning of Government Funds	193	63	825.95786
	Ponzi Scheme/ Duping of Investors	297	74	16798.98
	Others	1024	175	17452.975
Offences relating to Currency Notes and Bank Notes	IPC 489A-489B	147	08	5.73
Offences related to Illicit Arms Trafficking	Arms Act,1959	44	13	837.44
Offences relating to unlawful activities of individuals and associations and dealing with terrorist activities	Unlawful Activities Prevention Act, 1967,Explosive Substances Act,1908	131	29	193.18
Offences relating to wildlife including poaching, smuggling and illegal trade in wildlife and its derivatives	Wildlife Protection Act,1972	52	05	122.42
Offences relating to Trafficking in person	Immortal Traffic Prevention Act,1956,Juvenile Justice (Care & Protection of Children) Act, 2000	15	03	4.79
Offences related to corruption in government agencies and public sector businesses in India.	Prevention of Corruption Act, 1972	927	222	13831.8488

Offences relating to smuggling and fraudulent commercial activities in the antiques & sculptures	**Antiquities & Art TreasureAct, 1972**	**02**	**00**	**00**
Offences relating to use of manipulative and deceptive devices in trading, insider trading and substantial acquisition of securities or control	Securities&Exchange Board of India Act, 1992	24	03	258.27
Offences relating to evasion of duty or prohibitions imposed under the Customs Act.	Customs Act,1962	41	08	122.42
Offences relating to bonded labour and child labour	Bonded Labour System (Abolition Act), 1976 and Child Labour (Prohibition and Regulation) Act, 1986	04	01	0.11
Offences relating to Copyright and Trademark	Copy Right Act, 1857 and Trade Marks Act,1999	12	03	94.04
Offences relating to breach of confidentiality and privacy	Information Technology Act,2000	01	00	00
Offences relating to Environmental Crime	Biological Diversity Act,2002,Protection of Plant Varieties and Farmer's Rights Act, 2001	02	00	00
Offences relating to discharging environmental pollutants, etc., in excess of prescribed standards	Environment Protection Act,1986 and Water Prevention & Pollution	16	04	15.89
Offences relating to emigration and passport violations	Emigration Act,1983, Foreigners Act, 1946 and Passport Act,1967	30	02	52.78
Offences where the categorization of the predicate offence is not evident/other offences		195	101	4924.79
Total		**4637**	**907**	**96868.85**

4.2.5 Performance of Directorate of Enforcement in the area of FEMA

The work done by ED in the area of FEMA is summarized in the following Tables:

Table 4: Investigations under FEMA

Financial Year	Investigation initiated	SCN issued	SCN adjudicated	Penalty imposed (Rs. in crores)
2016-17	1993	538	693	40.65
2017-18	3627	791	868	178.80
2018-19	2661	844	769	1905.18
2019-20	3360	718	574	704.60
2020-21	2774	529	353	774.03
2021-22(till 30.11.2021)	2774	190	156	709.03

Table 5: Number of summons issued and searches conducted under FEMA		
Financial Year	Number of summons issued	Number of searches conducted under FEMA
2016-17	3240	222
2017-18	4156	126
2018-19	6102	151
2019-20	6838	142
2020-21	4005	56
2021-22(till 30.11.2021)	3176	74

4.2.6 Performance of Directorate of Enforcement in the area of FEOA

As on 30th November, 2021, ED has filed applications under FEOA against 14 persons, out of which 09 persons have been declared as Fugitive Economic Offenders by the Competent Courts. Hon'ble Special Court has ordered for confiscation of properties to the tune of Rs. 427.67 crores in respect of various accused. Hearing for confiscation of properties in respect of other declared FEOs is underway in the Competent Courts.

Moreover, extradition proceedings in case of high profile fugitive economic offenders are also being properly followed up by the Directorate.

4.2.7 Performance of Directorate of Enforcement in the area of Extradition and RCN

The Directorate of Enforcement has made requests for publishing of Red Corner Notice (RCN) in respect of 34 persons, out of which RCN has been published in respect of 19 persons. A total of 30 Extradition requests have been sent to various countries in respect of 23 individuals. The year wise details are presented in the following Table:

Table 6: Red Corner Notice (RCN) and Extradition		
Financial Year	**No. of RCN request made**	**No. of Extradition requests made**
2015-16	2	0
2016-17	0	0
2017-18	7	5
2018-19	17	18
2019-20	03	04
2020-21	04	02
2021-22(till 30.11.2021)	01	01

ED is working tirelessly to extradite the fugitive economic offenders who have evaded the process of law in India by staying outside the jurisdiction of Indian Courts. The efforts of the Directorate have resulted in successful representation before Competent Court abroad in extradition of various fugitive economic offenders. In this regard, it is pertinent to mention that UK Court has approved extradition of few high profile accused persons to India following effective representation of the Directorate in coordination with other LEAs and Indian mission abroad.

4.2.8 Other Initiatives

Other initiatives taken by the Directorate of Enforcement includes the following:

(a) Celebration and commemoration of 75 years of independence India and the glorious history of it's people, culture and achievements, "Azadi Ka Amrit Mahotsav", a 75 week countdown to our 75th anniversary of Independence intended to end post a year on 15th August, 2023, started in the Directorate from 12th March, 2021. The Mahotsav is being celebrated in this Directorate.

(b) A Vigilance Awareness Week was also organized by the Directorate during 26th October to 1st November, 2021 to create awareness among staff to check corruption at every level so that a corruption free society could be attained.

(c) International Day of Yoga was celebrated on 21st June, 2021 by all the offices of this Directorate. All the officers / officials of the Directorate participated with enthusiasm and zeal.

(d) To ensure rational distribution of work, the concept of Functional Unit has been introduced in each field of work across all the offices/ formations. For ensuring specialized, targeted and smooth working, each such unit is self-contained unit headed by an officer of the rank of Deputy Director with clearly demarcated resources and responsibilities including investigation, administration, intelligence etc. These Functional Units were created vide order dated 11.02.2021.

(e) Further, with a view to have unique designation of Deputy Directors and Assistant Directors posted in the various offices of the Directorate of Enforcement and to ensure broad uniformity in work allocation amongst the officers working in this Directorate, an order in this regard specifying the designations and broad allocation of work was issued on 04.05.2021.

4.3 Financial Intelligence Unit – India (FIU-IND)

4.3.1 Background and function of FIU-IND

Financial Intelligence Unit-India (FIU-IND) was set up by the Govt. of India to coordinate and strengthen collection, analysis and sharing of financial intelligence through an effective national, regional and global network to combat money laundering and related crimes.

4.3.2 The main functions of FIU-IND include all matters pertaining to

a) Analysis of information/reports received from Reporting Entities as per the provisions of PMLA 2002 and Rules made there under and their dissemination to authorized domestic agencies for further action.

b) Enforcement of the provision of PMLA in so far as it relates to FIU-IND.

c) Egmont Group and exchange of information with foreign FIUs.

d) Interface with reporting entities and their regulators and domestic agencies authorized to receive information from FIU-IND including promoting awareness about AML/CFT, capacity building and training.

4.3.3 Highlights of the Performance/ achievements during 2021-22 (from 01 April 2021 to 30 November 2021)

i. Collection of information (01 April 2021 to 30 November 2021):

a. 93,93,889 Cash Transaction Report (CTRs) received.

b. 2,52,726 Suspicious Transaction Reports (STRs) received.

c. 1,40,965 Counterfeit Currency Reports (CCRs) received.

d. 5,48,806 NPO Transaction Report (NTRs) received.

ii. Analysis and dissemination of information (01 April 2021 to 30 November 2021):

a. 90,860 STRs processed.

b. 47,956 STRs disseminated.

iii. Collaboration with domestic Law Enforcement and Intelligence Agencies (01 April 2021 to 30 November 2021):

a. Regular interaction and exchange of information.

b. Received 2843 requests for information from intelligence and Law Enforcement Agencies.

c. Provided information in 2620 cases requested by the agencies.

iv. Regional and global AML/CFT efforts (01 April 2021 to 30 November 2021):

a. 118 requests received from foreign FIUs.

b. 228 requests sent to foreign FIUs.

v. Increasing awareness about money laundering and terrorists financing (01 April 2021 to 31 October 2021):

a. 11 Programmes for training REs were conducted in which 570 participants participated.

b. 28 Review meetings at FIU-IND were held in which 178 participants participated.

c. 11 Training Programmes for training LEAs were conducted in which 1110 participants participated.

d. 16 meetings with LEAs were conducted in which 215 participants participated.

vi. Strengthening legislative and regulatory framework:

a. Regular interaction with the Department of Revenue and Regulators.

b. Issued many Operational Analysis (OAs), highlighting existing regulatory gaps in some financial products. Detailed discussions ensuing with RBI and DoR for bridging their regulatory gaps.

c. Participated in proceedings of the AML Steering Committee for evolving Risk based approach and framing of the National ML/ TF Risk Assessment.

vii. Strengthening IT information:

a. Development and testing of various modules of FINNET 2.0

b. Initiation of tendering process of selecting consulting agencies as Project Management Unit (PMU) for FINNET 2.0

c. Continued operation and maintenance of FINNET 1.0

d. Establishment of Strategic Analysis Lab (SAL) for enhancing the capacity of FIU India in proactively generating new information/ analysis.

e. Setting up of LMS having e-learning module and training lab for promoting capacity build-up of all stakeholders in particular and Res in general.

f. New Reporting format to capture relevant information facilitating 360 degree analysis and ease of reporting.

4.4 Economic Security (ES)

4.4.1 Economic Security Cell is dealing with the administration and implementation of the Prevention of Money Laundering Act, 2002. Based on PMLA, Economic Security Cell is also looking after framing / amendment of PMLA Rules on matters relating to Know Your Customer (KYC norms), setting up of special Courts under PMLA, Section 66 of PMLA – authorities to whom information to be disseminated etc. from time to time.

4.4.2 Prevention of Money Laundering Act (PMLA) was enacted on 17th January, 2003 and brought into force on 1st July 2005. The object of this Act is to prevent money laundering and to provide for confiscation of property derived from, or involved in, money – laundering and for matters connected therewith or incidental thereto. Two main objectives of the Act are:

- Criminalize money laundering and provide for attachment, seizure and confiscation of property involved in money laundering [Implemented by Enforcement Directorate]; and
- Prescribe obligations on banks, financial Institutions and intermediaries relating to KYC, record keeping and furnishing reports [Implemented by Financial Intelligence Unit (FIU-IND)].

4.4.3 PMLA has been amended from time to time to overcome the deficiencies and to meet the international standards on Anti-Money Laundering as prescribed by Financial Action Task Force (FATF).

4.4.4 Adjudicating Authority under Prevention of Money Laundering Act, 2002

4.4.4.1 The Prevention of Money Laundering Act (PMLA), 2002 was enacted by the Parliament to prevent money laundering and connected activities, confiscation of proceeds of crime and setting up of agencies and mechanism for coordinating measures for combating money laundering.

4.4.4.2 The Director, Directorate of Enforcement has been designated as the Director for exercising powers under the PMLA, 2002 and is authorized to provisionally attach the property allegedly involved in money laundering. The Adjudicating Authority is empowered to confirm/ relief the provisional Attachment after hearing the aggrieved parties to ensure that property is not disposed of during the pendency of trial for scheduled offences of money laundering or proceeds of crime money laundered.

4.4.4.3 The Adjudicating Authority consists of a chairperson and two Members. The post of Chairperson & Members are tenure post after retirement from erstwhile job. The Adjudicating Authority received 195 nos. of Provisional Attachment Orders (PAOs) and 195 nos. of Original Complaints (OCs) during the year 2021. In addition, 161 nos. of Original Application (OAs) for retention of seized documents from Directorate of Enforcement were received during the November 2021. 1 Nos. of Miscellaneous Application (MA) also received during the year 2021. Final orders in Original Complaint and Original Application have been pronounced in 245 nos. of cases except 100 nos. of cases where the Hon'ble courts granted stay in respect of Provisional Attachment orders/ Original applications furnished by Directorate of Enforcement.

4.5 Financial Action Task Force

i. Financial Action Task Force (FATF) is an independent inter-governmental body having 39 members (37 jurisdictions and 2 organizations) established by its member jurisdictions for effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing, combating financing or proliferation of weapons of mass destruction in countries across the world. India became a member of FATF in 2010. India is also a member of two FATF Style Regional Bodies (FSRBs) -Asia Pacific Group (APG) and Eurasian Group the combating Money laundering and Financing of Terrorism (EAG)

ii. The core work of FATF is to conduct Mutual Evaluation of its Members and to guide and assist FSRBs to conduct Mutual evaluation of their respective member jurisdictions. India's last Mutual Evaluation was conducted in the year 2010 and the next Mutual Evaluation is scheduled to begin at the end of the year 2022 based on the revised standards of FATF (40 recommendations and 11 Immediate outcomes).

iii. The Mutual Evaluation is very comprehensive and intense exercise and evaluates the anti-money laundering and combating terror financing (AML/ CFT) abilities of a country's financial sector.

iv. FATF Cell was constituted in DoR in 2017 vide GOI Gazette Notification dated 9th Nov, 2017.

v. Coordination or work related to FATF Secretariat is the main function of FATF Cell. As part of this, FATF coordinates with other key agencies such as ED, FIU-IND, RBI, SEBI, IRDAI, MHA, NIA, MEA, MCA etc.

vi. The Cell receives, circulates and discusses various documents/ proposals related to FATF, APG, EAG with all the concerned stakeholders within the country and comments of India are sent on these issues, keeping national interests in view.

vii. The FATF cell also handles nominations of Indian delegation to the Plenaries and other important meetings of FATF, APG and EAG. Officers from the key agencies along with officers from FATF Cell participate in these meetings and the delegation takes part in the multilateral discussions on various issues.

viii. Currently, the FATF Cell is coordinating the work related to India's upcoming mutual evaluation. Joint Secretary (Revenue) is the National Coordinator and Director (FATF) is the Deputy National Coordinator for the Mutual evaluation exercise.

ix. An important part of FATF mutual evaluation is to conduct National Risk Assessment where risk of various sectors of the economy like Banking, Insurance, Capital Markets, Designated Non-Financial Business and Profession sectors etc., are assessed periodically. FATF Cell, DoR functions as the coordinator for conducting India's/TF NRA.

x. An Inter- Ministerial Coordination Committee has been constituted under the Chairpersonship of Revenue Secretary under Sec.72A of PMLA with the mandate of macro-level policy decision making on AML/CFT matters, operational co-operation between the Government, law enforcement agencies, the Financial Intelligence Unit-India and the regulators or supervisors, and supervision of National Risk Assessment (NRA). FATF Cell works as the Secretariat to the IMCC.

xi. An AML/ CFT Joint Working Group under the Chairmanship of Additional Secretary (Revenue) has been created for enhancing operational co-ordination among all stakeholders.

xii. FATF Cell is also part of the core group constituted by Department of Personnel and Training to work on G20 Anti-Corruption Working Group (ACWG) and is working closely with all stakeholders on the Action plan for 2022-24 which covers the year of 2023, India's presidency of G 20. FATF Cell provides regular inputs for the Finance Track of G 20 coordinated by DEA, BRICS AML/CFT meetings, RIC meetings, CT Dialogues, to UN on Terrorist Financing related Targeted Financial Sanction and meetings of other multilateral economic bodies.

xiii. During the year 2021, FATF Cell, Department of Revenue worked closely with financial sector supervisors and regulators in order to improve the existing AML/CFT infrastructure, and meetings were held to improve our compliance with FATF standards. Officers from FATF Cell attend FCORD meetings for coordination on Counter Financing of Terrorism (CFT).

xiv. Since the advent of pandemic, the Plenary and Working Group meetings of FATF, EAG, APG are being conducted in virtual mode and Indian delegation has been attending the same. The February and June Plenary and Working Group meetings of FATF of 2021 were virtual but the October Plenary 2021 was Hybrid which was attended physically in Paris, France by a two-member delegation from India.

4.6 Narcotics Control (NC)

The Narcotics Control Division administers the Narcotic Drugs and Psychotropic Substances Act,1985 (61 of 1985), which prohibits, except for medical and scientific purposes, the manufacture, production, possession, sale, purchase, transport, warehouse, use, consumption, import inter-State, export inter-State, import into India, export from India or transshipment of narcotic drugs and psychotropic substances. The policy of the Governments has thus been to promote use of narcotic Drugs and psychotropic substances for medical and scientific purposes while preventing their diversion from licit sources, and prohibiting illicit traffic and abuse. The Narcotic Drugs and Psychotropic Substances Act divide the powers and responsibility of regulation of licit activities. Section 9 of the Act has listed various activities which the Central Government can, by rules, regulate while Section 10 lists various activities which the State

Governments can, by rules, regulate. Accordingly, Narcotic Drugs and Psychotropic Substances Rules, 1985 have been framed by the Central Government, which regulates cultivation of opium, manufacture, import/export of narcotic drugs and psychotropic substances. Further to prevent diversion of precursor chemicals, of wide industrial use, for illicit manufacturing of, narcotic Drugs and psychotropic Substances, the Narcotic Drugs and Psychotropic Substances (Regulations of Controlled Substances) Order, 2013 has been framed under Section 9A of the NDPS Act.

4.6.1 FUNCTIONS/ WORKING OF THE CENTRAL BUREAU OF NARCOTICS

4.6.1.1 Organizational set up

The Narcotics Commissioner heads the Central Bureau of Narcotics (CBN) with headquarters at Gwalior. The Narcotics Commissioner exercises control and supervision over opium poppy cultivation, which is presently undertaken in select notified areas of the three states of Madhya Pradesh, Uttar Pradesh & Rajasthan. In addition to the work relating to licensing of opium poppy cultivation, measurement and test measurement of fields and procurement of opium, the CBN also undertakes preventive checks and exercises vigil to prevent diversion of opium into illicit channels as well as enforcement of Narcotic Drugs & Psychotropic Substances Act, 1985.

4.6.1.2 Responsibilities and Duties

The broad outline of the functions and responsibilities of CBN are as under:

i. Performing the function of the National Opium Agency for India under Single Convention on Narcotic Drugs 1961 to exercise supervision over licit cultivation of opium poppy in the country in terms of Section 5(2) of the NDPS Act,1985.

ii. Survey, detection and eradication of illicit cultivation of opium poppy throughout the country.

iii. Enforcement of provisions of the NDPS Act 1985 to suppress illicit traffic in Narcotic Drugs, Psychotropic Substances and controlled substances including search, seizure, arrest, investigation and prosecution of drug offenders tracing and freezing of illegally acquired properties of drug traffickers derived from illicit drug trafficking for forfeiture and confiscation.

iv. Issuance of licenses for manufacture of synthetic Narcotic Drugs.

v. Performing the functions of Competent National Authority (CNA) for issuance of Export Authorizations and Import Certificate for Export/ Import of Narcotic Drugs & Psychotropic Substances and issuance of 'No Objection Certificate' for import/export of precursor chemicals under the 1961, 1971 and 1988 UN Conventions dealing with narcotic drugs, psychotropic substances and chemicals/substances used for manufacture of these drugs.

vi. 1988 Convention requires CNA of the countries to take all possible measures to prevent diversion from international trade of precursor chemicals used in illicit manufacture of narcotic drugs and psychotropic substances in close cooperation with INCB and competent authorities of concerned countries.

vii. Liaison with the International Narcotics Control Board, United Nations Drug Control Programme as well as with the Competent National Authorities of other foreign countries on issues related to international trade in narcotic drugs, psychotropic substances and precursor chemicals.

viii. Co-ordination with other Enforcement Agencies such as Narcotics Control Bureau, Directorate of Revenue Intelligence, State Police, State Excise and various other drug law enforcement agencies.

4.6.1.3 Performance and Achievements:

The performance/achievement with respect to issuance of NOCs issued by Central Bureau of Narcotics during the year 2021-22 for the export/import of Precursor Chemicals is as under:

Number of NOC issued	From 01.04.2021 to 30.11.2021	From 01.12.2021 to 31.03.2022 (Projected)	Total
For export of Controlled Substance	1040	700	1740
For import of Controlled Substance	873	477	1350
No. of Pre-export Notifications issued	833	700	1533
No. of Pre-export Notification received	666	300	966
Number of Stop Shipments /suspended (Import)	12	NA	
Number of Stop Shipments /suspended (Export)	6	NA	

International Narcotics Control Board (INCB) has developed online Pre-export Notification (PEN) system to make exchange of information between the Competent National Authorities. CBN had issued 833 PENs (during the period from 01.04.2021 to 30.11.2021 to the competent authority of various importing countries, for verifying the legitimacy of the transactions. On the initiative, taken by the Central Bureau of Narcotics (CBN), through online PEN system, CBN has identified and stopped suspicious transactions of Precursors Chemicals suspected to be diverted from the licit channels during the year under report.

The performance/achievement with respect to issuance of Export authorization and Import Certificate issued by Central Bureau of Narcotics during the current financial year from for the export/import of narcotic drugs/ psychotropic substances is as under:

Particular	Psychotropic Substances		Narcotic Drugs	
	From 01.04.2021 to 30.11.2021	From 01.12.2021 to 31.03.2022 (Projected)	From 01.04.2021 to 30.11.2021	From 01.12.2021 to 31.03.2022 (Projected)
No. of Export Authorization Issued	4187	2100	278	80
No. of Import Certificate issued	450	225	145	40

The Government of India has developed web-based software for online registration of manufacturers and wholesalers of psychotropic substances, for both bulk drugs and preparations, with the Central Bureau of Narcotics (CBN), under the guidance of the National Informatics Centre, New Delhi. The system has been made functional to facilitate submission of data on manufacture, utilization, stock, import, export, sale purchase and consumption of psychotropic substances in the country.

The data collected through the system, will facilitate generation of periodical, statistical report on psychotropic substances like form 'P' form 'A/P, form 'B/ P' besides other MIS report for monitoring the manufacture and consumption of psychotropic substances in the country.

The Government of India has decided to develop a web based online application for registration of manufacturers and dealers of narcotic drugs with the Central Bureau of Narcotics (CBN) and submission of data on manufacture, utilization, stock trade and consumption of Narcotic Drugs in the country. The objective of the online application is to collect required data on manufacture and consumption of narcotic drugs for generation of Form "C" in respect of India for submission to the International Narcotics Control Board (INCB), Vienna. This office has taken up the matter with National Informatics Centre (NIC), New Delhi. However, development of web based online application for registration of manufacturers and dealers of narcotic drugs with the Central Bureau of Narcotics (CBN) are still under process.

4.6.1.4 Enforcement of NDPS Act, 1985-

The Central Bureau of Narcotics undertakes action to prevent the illicit trafficking of Narcotic Drugs and Psychotropic Substances. It also undertakes investigations and prosecution of drug related offences, tracing and freezing of illegally acquired property of drug traffickers, derived from illicit drug trafficking, for forfeiture and confiscation.

Number of persons convicted/ acquitted in CBN cases, decided by various Courts, during the financial year 2021-22 (upto October, 2021) are as under:

Financial year	Total no. of persons who were facing prosecution at the beginning of the year	Total no. of persons convicted against whom prosecution was launched during the year	Total No. of persons convicted	Total no. of persons acquitted	Total no of persons facing prosecution at the end of year	Conviction rate (%)
2021-22	678+2	64	1	3	738+2*	25%

*Foreigners

Number of cases, decided by various Courts, during the financial year 2021-22 are as under (upto October,2021):

Financial year	Total number of cases pending at the beginning of year	No. of cases in which fresh prosecution launched during the year	Total no. of cases in which conviction was obtained	Total no. of cases in which accused were acquitted	Total no. of cases pending at the end of year	Conviction rate (%)
2021-22	540	42	1	3	578	25%

Details of Destruction of Illicit Opium Poppy Cultivation and Cannabis in 2020-2021 are as under (upto 31st October, 2021):

Year	**State**	**Area Destroyed (in Hectare)**	**Total Area Destroyed (in Hectare)**
2020	Arunachal Pradesh (26.02.2020 to 06.03.2020)	Lohit-2580 (Poppy) Namsai-600 (Poppy)	3180
2021	MP unit	Ganja-0.02 Poppy-3.78	3.8

Disposal of seized drug by CBN during the year 2021 (upto 31st October, 2021):

Sr. No.	**Narcotics Drugs/ Psychotropic Substances/ Precursor**	**No. of Cases**	**Quantity**
1	Opium	7	78.85 kg
2	Poppy Husk/Straw	18	4346.47 kg
3	Heroin	33	26.876 kg
4	Ganja	4	205.6 kg
5	Charas	2	9.4 kg
6	Alprazolam	2	4.3 kg
7	Poppy Plant + Cultivation	7	270 plants + 3.78 Hect.
8	Acetic Anhydride	1	54.9 Litres

Seizure effected by CBN during the year 2020 & 2021 (upto 31st October,2021):

Type of Drug/ Substance		2020	2021 (31st Oct.,2021)
Opium	Quantity (In kgs.)	361.180	39.285
	Cases	10	9
Poppy straw alongwith black poppy seeds	Quantity (In kgs.)		231.590

	cases		
Heroin	Quantity (In Kgs)	1.515	9.830
	Cases	3	3
Cannabis(Ganja) Cannabis plant	Quantity (In kgs)	18.000	35.75 kg + 750 plants
	Cases	1	3
Illicit Cannabis cult	Quantity (In kgs)		0.0200 hect
	Cases		
Poppy Straw/Husk	Quantity(In kgs.)	17431.260	20555.380
	Cases	18	13
Diazepam	Quantity (No of Tab /Inj.)	15 inj	30Tab +175 inj
Buprenorphine	Quantity (In kgs.)	-	-
	No. of Inj/Tabs.	1222570 tablets	
	Cases	2	
Pentazocine	Quantity (No. of Inj.)	3 inj	18240 inj.
	Cases		
Codeine Phosphate Cough Syrup	Quantity (No. of bottles	21876 bottles	5912 bottles
	Cases	-	2
Alrazolam Tab	Quantity (No. of tablets)	3166740 tabs + 02.000 kgs	215046
	Cases	4	4
Zolpidem	Quantity (No. of tablets)	4755 tablets	
	Cases		
Clonazepam	Quantity (No. of tablets)	129300 tablets	4490 tab
	Cases	1	
Clobazam	Quantity (No. of tablets)	6970 tablets	
Tramadol	Quantity (no of tablets & Capsules	2064229 tablets & 1240 capsules	60256 Tab + 28800 cap
	Case	1	
Tramadol Inj	Quantity (No. of Injection	390 ampulse	6418 Inj.
Lorazepam	Quantity (No. of tablets)	5025 tablets	750 tablets
Methyl Phenidate	Quantity (No. of tablets)	600 tablets	
Chlordiazepoxide	Quantity (No. of tablets)	3933 tablets	580 tab
Oxazepam	Quantity (No. of tablets)	43110 tablets	
Phinobarbitone	Quantity (No. of tablets)	2000 tablets	
Unlabeled injections said to be Buprenophine inj.	Quantity (No of Inj.)	704 ampules	216 amp

Illicit Poppy Cultivation.	Quantity	0.2839 hect.	3.78 hect
	cases	2	6
Lanced opium cap	Quantity		205 cap
	cases		
Ayurvedic medicine having opium content	Quantity		18272 bottles + 180 grams
	cases		1
Acetic Anhydride	Quantity		24050 litre
	cases		1
Phenobarbiton	Quantity		110 inj
Mephentermine Inj	Quantity		727 inj,
Midazolam Inj+ spray	Quantity		280 Inj + 6 Spray
Etizolam	Quantity		3000 tab
Black Poppy seed	Quantity		17697.460 kg
Chlordizepoxide	Quantity		582 tab
	cases		

4.6.1.5 Gender Issues/ Empowerment of Women:

NACIN Bhopal had conducted online one day training on 03.03.2021 on Gender Sensitization, Gender Mainstreaming, Overview of Sexual Harassment of Women at Workplace.

4.6.1.6 During the crop year 2020-21, a quantity of **315 Metric Tons** of opium at 70° consistency (Provisional figure) was procured from opium cultivators. The average yield (kg./hectare) at 70° consistency on the basis of results received from Madhya Pradesh, Rajasthan and Uttar Pradesh units for the crop year 2020-21 was 62.248, 66.633 & 53.468 respectively. The All-India average yield during 2020-21 was **64.374 kg/hectare**. These figures are for crop year 2020-21 as the crop cycle for the cultivation of opium is 1st October to 30th September.

4.6.1.7 Payment to cultivators through e-Payment:

Since crop year 2012-13, a new procedure for payment has been adopted. There was high risk in drawing big amount from Banks carrying it to weighment centers, disbursing it to concerned cultivators/ Lambardars and carrying it to villages by cultivators from weighment enters in late evening. Banking infrastructure has been improved in opium growing areas and it is developing day by day. Considering all these factors, cost of opium/commission is being paid through e-payment directly in Bank Accounts of cultivators during weighment operation. After receipt of computed challans from Govt. Opium Factories, final payment to cultivators is being done without waiting for Settlement Operation.

4.6.1.8 Other highlights of performance and achievements during the year 2021:

- **GEM Purchase**
  Purchase of items for the official purpose is made through GEM portal. The dead stock items, perishable items are purchased through GEM portal. The upcoming purchase/ services of the articles will also be made through the GEM portal mostly.

- **World Drug Day, 26th June, 2021 by Central Bureau of Narcotics**
  Every year, 26th June is observed as "International day against drug abuse and trafficking", in order to raise awareness for the drug menace in the society and seeking people's participation to deal with this problem. Central Bureau of Narcotics organised several activities like placing Banners on prominent public places and Tree plantation in the official campus.

4.6.2 GOVERNMENT OPIUM AND ALKALOIDS WORKS (GOAW)

4.6.2.1 Chief Controller of Factories (CCF)

The Government Opium & Alkaloid Works

(GOAW) is engaged in the processing of raw opium for export and manufacturing of opiate alkaloids through its two Factories viz Govt. Opium & Alkaloid Works (GOAW) at Ghazipur (U.P.) and Neemuch (M.P.). The Products manufactured at GOAWs are mainly used by pharmaceutical industry of India for Preparation of cough syrup, pain relievers, de-addiction drugs and tablets for terminally ill cancer and HIV patients. The GOAW are administered by a High Powered Body called the "Committee of Management" constituted and notified by the Government of India in 1970. The Additional Secretary (Revenue), Department of Revenue, Ministry of Finance is the Chairman of the Committee of Management. An officer of the rank of Commissioner/ Joint Secretary is the Chief Controller of Factories who heads the Organization and each of the two factories at Neemuch and Ghazipur are managed by a General Manager of the rank of Additional Commissioner/Director. The office of the Chief Controller of Factories is located at New Delhi. Each of the factories at Ghazipur and Neemuch comprises two units – the Opium Factory and Alkaloid Works. The Opium Factories undertake the work of receipt of opium from the fields, their storage and processing for exports and domestic consumption. The Alkaloid Works are engaged in processing raw opium into alkaloids of pharmacopeial grades to meet the domestic demand of the pharmaceutical industry. The GOAWs have employed a total work force of about 650 people at the two opium and alkaloid plants. The work force comprises of officials and staff drawn from the Central Board of Excise and Customs, Central Bureau of Narcotics, Central Revenues Control Laboratory, apart from personnel selected by the Union Public Services Commission directly. The security aspects of these factories are looked after by Central Industrial Security Force (CISF), a paramilitary force of the Ministry of Home Affairs. The overall performance / achievements of GOAF for the Financial Year 2021-22 are as follows:

GOVERNMENT OPIUM AND ALKALOID FACTORIES (GOAF)

I. PERFORMANCE OF GOAF FOR THE FINANCIAL YEAR 2021-22

(Provisional)

Sl. No.	Particulars	Unit	Actual Production April to November, 2021	Estimated Production from December, 2021 to March,2022
A.	PRODUCTION			
1	Drying of opium for Export at 90°C	KG.	--	--
2	a) Morphine Sulphate	KG.	206.300	50.000
	b) Codeine Phosphate (C.P.)	KG.	12706.000	6300.000
	c) Pure Thebaine	KG.	654.475	350.000
	d) Noscapine BP	KG.	158.000	1500.000
	e) Papavarine S.R.	KG.	1885.100	550.000
	f) IMO Powder	KG.	1000.000	11000.000
	g) IMO Cake	KG.	3046.000	1954.000
	Total (2) (a to g)	KG.	19655.875	21704.000
3.	Codeine Phosphate Imported for Domestic Market	KG.	11000.000	26500.000

Sl. No.	Particulars	Actual Sales April to November, 2021		Estimated Sales from December, 2021 to March,2022	
		Quantity (in Kg.)	Amount (Rs. in Crore)	Quantity (In Kg.)	Amount (Rs. in Crore)
B.	**SALES**				
1	Export of opium for at 90°C	137	0.08	200	0.11
	a) Morphine Sulphate	326.075	1.35	250.000	1.04
	b) Codeine Phosphate (Indigenous Production & Imported)	22879.48	104.56	4368.000	19.96
	c) Dionine I.P.	0.000	0.000	30.000	0.36
	d) Pure Thebaine	2142.500	9.72	352.000	1.6
	e) Noscapine BP	559.000	1.997	350.000	1.24
	f) Pholcodine	220.917	0.08	50.000	0.37
	g) Papavarine S.R.	1463.000	0.41	860.000	0.28
	h) IMO Powder (Dom. Sales + Export)	9040.000	7.85	3023.000	3.20
	i) IMO Cake (Domestic Sales + Export)	2110.000	2.15	2889.000	2.94
	Total 2 (a to i)	**38740.97**	**128.117**	**12172.000**	**30.99**
	Grand Total (1+2)	**38877.97**	**128.197**	**12372.00**	**31.10**

C. (a) COUNTRY WISE EXPORT OF OPIUM AT 90°C (excluding IMO Powder & Cake) FOR THE FINANCIAL YEAR 2021-22 (UPTO NOVEMBER, 2021)

(Quantity in Kgs)

	Unit	USA	France	Switzerland	Sri Lanka	Total
1	Ghazipur	--	--	--	--	--
2	Neemuch	137		--		137
	Total	137	--	--	--	137

(b) COUNTRY WISE EXPORT OF OPIUM AT 90°C (excluding IMO Powder & Cake) FOR THE FINANCIAL YEAR 2021-22 (FROM DECEMBER, 2021 TO MARCH, 2022)

(Quantity in Kgs)

	Unit	USA	France	Switzerland	Sri Lanka	Total
1	Ghazipur	--	--	--	--	--
2	Neemuch			200		200
	Total			200		200

D. (a) REVENUE RECEIPTS (ON REALISATION BASIS) FOR THE FINANCIAL YEAR 2021-22 (UPTO NOVEMBER, 2021)

(Rs. in crore)

		Opium Factory	Alkaloid Works	Total
1	Ghazipur	0.08	25.64	25.72
2	Neemuch	0.12	109.94	110.06
	Total	**0.20**	**135.58**	**135.80**

(b) REVENUE RECEIPTS (ON REALISATION BASIS) FOR THE FINANCIAL YEAR 2021-22 (FROM NOVEMBER, 2021 TO MARCH, 2022)

(Rs. in crore)

		Opium Factory	Alkaloid Works	Total
1	Ghazipur	0.36	18.44	18.80
2	Neemuch	0.64	28.55	29.19
	Total	**1.00**	**46.99**	**47.99**

II. ACHIEVEMENT OF CCF ORGANISATION UP TO THE MONTH OF NOVEMBER, 2021 WITH COMPARATIVE DATA OF PREVIOUS YEAR i.e. 2020 FOR THE SIMILAR PERIOD

Povisional

Sl. No.	Particulars	Unit	Actual Production April to November		% age increase over previous year
			2020-21	2021-22	
(1)	(2)	(3)	(4)	(5)	(6)
A.	**PRODUCTION**				
1	Drying of opium for Export at 90°C	KG.	--	--	--
2	Manufacture of Drugs:				
	a) Morphine Sulphate	KG.	287.450	206.300	-28.23%
	b) Codeine Phosphate	KG.	8212.483	12706.000	54.72%
	c) Pure Thebaine	KG.	470.200	654.475	39.19%
	d) Noscapine BP	KG.	2276.375	158.000	-93.06%
	e) Pholcodeine	KG.	89.700	0.000	-100%
	f) Papavarine S.R.	KG.	1491.300	1885.100	26.41%
	g) IMO Powder	KG.	5700.00	1000.000	-82.46%
	h) IMO Cake	KG.	0.00	3046.000	100%
	Total (2)	KG.	**18527.508**	**19655.875**	**6.09%**
3.	Import of Codeine Phosphate				
	i) For Domestic Market	KG.	0	11000.000	100%

B.	**SALES**				*Provisional*
Sl. No.	Particulars	2020-21 April to November		2021-22 April to November	
		Quantity (Kgs.)	Amount (Rs. in Crore)	Quantity (Kgs)	Amount (Rs. in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
1	Export of opium on actual basis	100.000	0.05	137	0.08
2	Domestic Sale of Drugs: (on actual basis)				
	a) Morphine Sulphate	429.000	1.78	326.075	1.35
	b) Codeine Phosphate (Indigenous & Imported)	16653.800	76.10	22879.48	104.56
	c) Dionine I.P.	8.000	0.10	0.000	0.00
	d) Pure Thebaine	538.000	4.62	2142.500	9.72
	e) Noscapine BP	222.000	0.80	559.000	1.997
	f) Papavarine S.R.	24.500	0.18	1463.000	0.41
	g) Pholcodine	2000.000	0.53	220.917	0.08
	h) IMO Powder (Domestic sale + Export)	7791.000	10.17	9040.000	7.85
	i) IMO Cake (Domestic sale + Export)	3303.750	3.37	2110.000	2.15
	Total (2) (a+i)	**30970.050**	**97.65**	38740.972	128.117
	Grand Total (1+2)	**31070.050**	**97.70**	38877.97	128.197

C: COMPARATIVE COUNTRY WISE EXPORT OF OPIUM AT 90°C UP TO (NOVEMBER OF EACH FINANCIAL YEAR)

(Qty. in Kgs. at 90ºC)

Unit	USA	FRANCE	SWITZERLAND	JAPAN	SRI LANKA	TOTAL
2020-21						
Ghazipur	--	--	--	--	--	--
Neemuch	--	--	100	--	--	100
Total	**--**	**--**	**100**	**--**	**--**	**100**
2021-22						
Ghazipur	--	--	--	--	--	--
Neemuch	137	--	--	--	--	137
Total	137	--	**--**	**--**	**--**	**137**

D: COMPARATIVE REVENUE RECEIPTS ON REALISATION BASIS (upto November of each Financial Year)

(Rs. in Crores)

			(Provisional)
Unit	**Opium Factories**	**Alkaloid Works**	**Total**
2020-21			
Ghazipur	0.05	19.63	19.68
Neemuch	0.05	77.48	77.53
Total	**0.10**	**97.11**	**97.21**
2021-22			
Ghazipur	0.08	25.64	25.72
Neemuch	0.12	109.94	110.06
Total	**0.20**	**135.58**	**135.78**

4.6.2.2 Development of North Eastern Region: The CCF organization including GOAWs are located in Uttar Pradesh, Madhya Pradesh and Delhi only and therefore, there is nothing to specify with regard to work done on the development of North Eastern region and Sikkim Project Schemes.

4.6.2.3 Grievances Redressal Machinery: Public Grievances in the CCF's Organization are dealt with promptly. The labour grievances are also dealt with expeditiously and the relations between the Management & workers during this period was harmonious and cordial.

4.6.2.4 Gender Budgeting/Empowerment of Women: Equal opportunity / status is enjoyed by women in CCF organization. In case of gender bias / harassment reported if any, it is ensured that appropriate action is taken against the erring official. Internal Complaint Committee has already been formed at CCF office, New Delhi, GOAW, Neemuch & Ghazipur for the purpose of dealing the complaints received regarding sexual harassment at workplace.

4.6.2.5 Activities Undertaken for Disability Sector & SCs/STs & Other Weaker Sections of Society: The CCF organization is strictly adhering to the prescribed rules and regulations for the welfare and development of disabled, SCs, STs and other weaker sections. With an objective to initiate prompt action on grievances of such sections, a committee has been formed with members drawn from such sections. Roster registers for this purpose are also being maintained.

4.7 Central Economic Intelligence Bureau (CEIB)

4.7.1 Organization and Functions

4.7.1.1 The Central Economic Intelligence Bureau is the nodal agency on economic intelligence. It was set up in 1985 for coordinating and strengthening the economic intelligence and enforcement activities under the Ministry of Finance.

4.7.1.2 The Bureau is headed by a Director General who is assisted by two Additional Directors General (JS Equivalent), Joint Secretary (COFEPOSA), Additional/ Joint Directors (DS/Director equivalent), Under Secretaries, Deputy Directors (US equivalent) and other staff.

4.7.1.3 In terms of its existing charter, the CEIB functions as:

a) The Secretariat for the Economic Intelligence Council (EIC)

b) Coordination between various agencies for coordinating action and repository of economic intelligence (ECOINT) and

c) Administers the COFEPOSA Act, 1974 at Central Government Level.

4.7.1.4 In terms of its existing revised charter dated 12.12.2003 issued by Department of Revenue (HQ), the CEIB carries out the following functions:

a) The Secretariat for the Economic Intelligence Council (EIC);

b) Coordination between various agencies for coordinating action and repository of economic intelligence (ECOINT); and

c) Administer the COFEPOSA Act 1974 at Central Government Level;

d) Ensure prompt dissemination of intelligence having security implications among the NSCS, IB & R&AW;

e) Coordinate the functioning of Regional Economic Intelligence Councils (REICs);

f) Coordination with Multi Agency Centre (MAC);

g) Organize meetings of Working Group under the Chairmanship of Revenue Secretary at prescribed intervals and submit a report to the Chairman of the EIC after every meeting;

h) Act as a 'think tank' for the Department of Revenue, Ministry of Finance on all issues relating to economic offences, and undertake analysis of economic activities at the macro level.

4.7.1.5 The details of the activities of CEIB are as under:

A. INTELLIGENCE SHARING ON ECONOMIC OFFENCES

i. Studies in the Bureau and Reports of Inter-Ministerial Groups:

The Bureau conduced study on various topics which are of grave concern in the economic offences. Study report on Fake Indian Currency Notes, Artificial Intelligence and Data Analytics to detect economic offences and Use of Blockchain Technology in checking economic offences especially banking frauds have been finalized. Further, study reports on six other topics are in the finalization stages and will be completed by March, 2022.

ii. Group on Economic Intelligence (GEI):

The Group on Economic Intelligence (GEI) mechanism formed w.e.f. 01.12.2005 as per directions from Economic Intelligence Council (EIC) is focused on discussing matters critical to LEAs and suggesting a calibrated approach in devising solutions to problems faced by them and in better monitoring of the respective fields by LEAs themselves.

In the current F.Y 2021-22, five GEI meetings were conducted on Shell Companies, Informal Remittance Systems or Hawala Transactions, Misuse of Liberalized Remittance Scheme. Ponzi Scheme and Fraudulent GDRs.

iii. Other Policy Suggestions by Bureau:

Various review meetings were held with concerned Law Enforcement Agencies (LEAs) to discuss on the issue viz. Standardization of Bank Formats, Remedial action on Policy related issues affecting banking operations', fraudulent transactions in foreign currency by FFMCs, online transmission of CDF data from CBIC to FIU-IND, working of REICs after restructuring of the Income Tax Dept. (launch of Faceless Assessment Scheme), amendments in existing Memorandum of Understanding (MoU) Between CEIB & RBI, assessment of threat perception relating to import/likely misuse of parts of drones/ Unmanned Aerial vehicles (UAVs), Fraudulent GDRs, Money Laundering by Digital Lending/ loan apps, Trade Based Money Laundering and efficacy of sharing of FMRs/Bank complaints and Look Out circulars (LOCs) with law enforcement agencies.

The Bureau issued Alert Circulars on various issues such as smuggling of prohibited items, evasion of customs duty by ways of misdeclaration and undervaluation, evasion of GST by way of misdeclaration to concerned LEAs to sensitize their field formations.

iv. Development/ generation of sharable inputs by CEIB:

The Bureau developed and shared intelligence with DRI and CBIC pertaining to evasion of customs duty by way misclassification of imported goods and misuse of exemption notification on imports of parts of hybrid cars, Fingertip Pulse Oximeter' and used/ refurbished IT goods for necessary action in order to protect the interest of revenue.

The Bureau developed and shared intelligence with DGGI pertaining to bogus firms involved in generating bogus/fake invoices for the purpose of passing of fake ITC to the tune of Rs.173 Crores.

v. Information sought from CEIB:

CEIB receives requests from Agencies like IB, FIU, SFIO, RBI, CBDT and DGCEI seeking information on economic offenders/ offence(s), which are promptly responded to. As per the DFS guidelines on detection, reporting, investigation etc. relating to large value bank frauds of more than Rs. 50 Crores, report on prospective borrowers / NPAs are being sought from CEIB by Public Sector Banks.

vi. National Economic Intelligence Network (NEIN) DATABASE.

CEIB maintains NEIN database of dossiers and offence cases of economic offenders/suspected tax evaders, based on data received from the Law Enforcement Agencies across the country. CEIB has more than **8680** dossiers and details of **156865 (as on 30.11.2021)** offence cases, booked by various agencies. During current FY 2021-22 (as on 30.11.2021), **33055** inputs were entered in the database and **13237** inputs were disseminated as against **40519** intelligence inputs received.

vii. Secure Information Exchange Network (SIEN):

As per a decision of the EIC in 2007, SIEN (Secure Information Exchange Network)-a secured network platform for online exchange of intelligence and information is fully operationalized in the Bureau which connects thirteen member-agencies with CEIB as central hub with each other. Further, SIEN has been integrated with NEIN in 2017 to make details of the database of economic offenders, available to all the above agencies. As per the directions by the Government, the operation of SIEN was brought under the domain of Multi Agency Centre (MAC) of MHA on 27.07.2021.

viii. National Economic Offence Records (NEOR):

The 'National Economic Offences Records' (NEOR) is envisaged as a secure web-based platform that will enable creation of rich data repository of economic records of economic offenders and its seamless dissemination amongst the intelligence agencies and law enforcement agencies. It is designed to be an important tool at the disposal of both CEIB and LEAs in understanding the micro trends pertaining to economic offences and coping with rapidly changing modus operandi adopted to defraud the national economic security.

The proposed NEOR portal will have functionalities of entering offence data by the LEA along with added feature of pulling the data from database of respective law enforcement agencies through API. The system will also ensure proactive information sharing amongst the law enforcement agencies and will provide search functionality to law enforcement agencies to view case details based on **consent mechanism**. The NEOR Portal will provide an effective analytics tool to the business requirements by assisting in trend analysis, text mining, predictive analysis and risk scoring. The existing data in NEIN is envisaged to be migrated in the new application i.e. NEOR.

ix. Functioning of Regional Economic Intelligence Councils (REICs)

REICs were set up in March, 1996 for ensuring regional operational coordination amongst the different enforcement and investigation agencies in the field of economic intelligence. It comprises of designated officers from CBDT, CBIC, DRI, DGGI, NCB, ED, CBI, IB, RBI, local heads of RoC, EOW of State Police and State Tax Authorities etc. The Bureau convenes zonal Conferences of the REIC Conveners to monitor and review the performance. The relevant statistics relating to REICs is as under:

FY	No. of Meetings held	No. of cases shared	Additional Revenue Detected (In Rs. lakhs.)	Additional Revenue Realized (In Rs. lakhs.)
2020-21	137	2019	100489.7	8402.02
2021-22 (till 30.11.2021)	65	1258	61480.82	182.32

B. Trainings on Intelligence and other relevant areas coordinated by Bureau

The Bureau organizes training programmes in premier training institutions for officers of the Department of Revenue/ Member agencies of REICs. The Bureau coordinates training programmes with various specialized agencies on different subjects for upgradation of the capacity and skills of the Officers.

It was through earnest efforts of CEIB that a new training on 'Legal Aspects and Legal Matters', conducted by the NLU, Dwarka materialized during this year 2021-22.

The training calendar for the FY2021-22 was prepared and shared with all the concerned training institutes. In this year, details of the training programmes conducted by the Bureau so far are as under:

S. No.	Name of the Course/ Training	Institute Conducted Course/ Training	Date/ Duration of the Course/ Training	No. of Participants Nominated for Training
1.	Intelligence Gathering Intelligence Tradecraft	Cabinet Secretariat Training Academy Gurgaon.	12th to 17th April 2021	40
2.	Legal Aspects and Legal Matters	NLU, Dwarka	14th to 16th June 2021	36
3.	Trade Based Money Laundering	State Bank Institute of Consumer Banking, Hyderabad	18th & 19th July 2021	28
4.	Techniques of Investigation using Digital Forensic	National Academy of Direct Taxes, Nagpur	28th September to 01st October, 2021	40
5.	Intelligence Gathering Intelligence Tradecraft	Intelligence Bureau, IB Training School, New Delhi.	13th to 17th September, 2021	45
6.	Investigating Economic Crime in Securities Market	National Institute of Securities Markets, Navi Mumbai	05th to 08th October, 2021	36

C. IMPLEMENTATION OF THE CONSERVATION OF FOREIGN EXCHANGE AND PREVENTION OF SMUGGLING ACTIVITIES (COFEPOSA) Act, 1974.

Conservation of foreign exchange and prevention of smuggling activities is of prime importance for the economic health and national security of a Nation. Accordingly, the links which facilitate the violations of foreign exchange regulations and smuggling activities are required to immobilizes by detention of persons engaged in these operations as the smuggling, foreign exchange racketeering and related activities have a deleterious effect on the national economy and thereby causing a serious adverse effect on the security of the state.

To deal with this menace, the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA Act, 1974) has been enacted to provide for preventive detention law to detain smugglers and foreign exchange manipulators from indulging in these prejudicial activities.

During the year 2021-22, preventive detention orders against 06 persons (from 01.04.2021 to 30.11.2021) were passed under the COFEPOSA Act, 1974 whereas 17 detentions orders (including the orders issued and executed before 01.04.2021) were confirmed by the various Advisory Boards constituted under the said Act. Further, 12 persons (including the absconders in respect of the detention orders issued in previous years) were detained during the period from 01.04.2021 to 30.11.2021.

4.8 STATE TAXES

There are two State Taxes Sections in the Department of Revenue:

a) State Taxes-I

b) State Taxes-II

4.8.1 State Taxes - I Section

State Taxes -I Section of the Department of Revenue deals with legislative work relating to Central Acts having significant interface with the States like the Indian Stamp Act, 1899 and the Constitution (One Hundred and First Amendment) Act, 2016 for implementation of Goods and Services Tax (GST) as well as administrative and budgetary matters in respect to Goods and Services Tax Network (GSTN) – Special Purpose Vehicle incorporated for providing IT platform for the GST, Union Territories Goods and Services Tax (UTGST) Act, 2017 etc. Recently, vide Finance Act, 2021, section 8G has been inserted in the Indian Stamp Act, 1899 regarding strategic sale, disinvestment etc. of immovable property by Government company not liable to stamp duty. Further, Gross GST collection is Rs. 7,19,078 crore for FY 2017-18, Rs. 11,77,370 crore for FY 2018-19, Rs. 12,22,117 crore for FY 2019-20, Rs. 11,36,825 crore for FY 2020-21 and Rs. 9,37,405 crore for FY 2021-22 (till Nov, 2021).

GSTN as a SPV provides IT backbone to the entire GST system, which has been developed on open-source platform, using the latest and scalable architecture design. Over a period of time GSTN has taken various steps to improve the taxpayer experience in tax compliances and has streamlined the operation of GST System. With these improvements, GST System in now able to scale up and cater more than 3 lakhs taxpayers at any point without any hassle.

Further, GSTN has implemented several initiatives for simplifying GST compliance with a view to facilitate ease of doing business and has provided e-Invoice facility, SMS based “Nil” return filing facility, Quarterly return filing and Invoice furnishing facility for MSMEs; auto-drafting of return and tax payment. End to end automation of refund and single authority disbursement, Invoice Registration Portal (IRP) for generating Invoice Reference Number (IRN) of e-Invoice, 59 Minutes Loan Scheme for MSME, enhanced knowledge repository to help quicker resolution of taxpayers’ grievances; single window registration of companies through SPICe-AGILE-Pro system of MCA; Geo-coding to capture correct address of the taxpayers; Business Intelligence System for identifying non-complaints and assisting data driven governance; Risk based identification of non-complaint trade; integration of FASTag (RFID) System of NHAI with e-Way Bill System of GST for live tracking of the movement of vehicles etc. have been the spin off advantages of GST System.

As a part of revenue augmentation, several measures have been taken, which include inter-alia Nudging taxpayers through regular emails and SMS, the Red-flag reports, Comparison reports, return defaulters’ notice, centralized suspension/ revocation, blocking/ unblocking of e-Way Bills/ GSTR-1 on non-filing of two GSTR-3B returns etc. have been implemented.

4.8.2 State Taxes –II Section

State Taxes-II Section of the Department of Revenue handles legislative work relating to Central Acts having significant interface with the States like the Central Sales Tax Act, 1956, the Goods and Services Tax (Compensation to States) Act, 2017. Facilitation in respect of State level Value Added Tax (VAT) in regulation and payment of GST compensation to States/ UTs on account of revenue loss due to implementation of GST w.e.f. 01.07.2017 have been dealt by this division as per details given below:

GST Compensation to States/ UTs for revenue loss due to implementation of GST

i. The Goods and Service Tax (Compensation to States) Bill, 2017 was passed by Lok Sabha on 29th March 2017 to provide for compensation to the States for the loss of revenue arising on account of implementation of the Goods and Services Tax in pursuance of the provision of the Constitution (One Hundred and First Amendment) Act, 2016. Accordingly, GST compensation Act, 2017 has been enacted which provides detailed mechanism for compensation to the States for loss on account of implementation of GST. For the purpose of GST compensation to States, a cess is being levied on luxury & demerit goods and proceeds of such cess is being credited to separate Public Account known as Compensation Fund. GST compensation amounting to Rs. 49,017.24 crore for the period July, 2017 to March, 2018, Rs. 83,058.44 crore for period April, 2018 to March, 2019 and Rs. 1,65,671.17 crore for period April, 2019 to March, 2020 has been released to the States/ UTs towards provisional GST compensation on bimonthly basis as per GST (Compensation to States Act), 2017, subject to calculation of GST compensation based on AG certified figures.

ii. Due to the economic impact of the pandemic has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST compensation cess.

iii. The issue of GST Compensation to States has been deliberated in the 41^{st} and 42^{nd} GST Council meetings. Accordingly, in FY 2020-21, Centre had borrowed Rs. 1.1 lakh crore under a special window and passed on to the States as back-to-back loan to help the States to meet the resource gap due to short-release of compensation on account of inadequate balance in the Compensation Fund. This arrangement has been finalized after detailed deliberations with the States and all States have opted for this arrangement. In addition, depending on the amount available in the Compensation Fund, Centre has also been releasing the regular GST Compensation to States to make up for GST revenue shortfall. Taking into account, the GST Compensation released from Compensation Fund as well as back-to-back loan released in FY 2020-21, GST Compensation of Rs. 37,134 crore is pending to States/UTs for period April'2020 to March'2021 as per provisional figures. Centre is committed to release full GST Compensation to the States/UTs as per GST (Compensation to States) Act, 2017 for the transition period by extending the levy of Compensation Cess beyond 5 years to meet the GST revenue shortfall as well as servicing the loan borrowed through special window scheme.

iv. Subsequent to deliberations in the 43rd GST Council meeting, Centre has borrowed Rs. 1.59 lakh crores from the market through special window in current FY and passed it to the States/UTs as a back-to-back loan as was done in last year. Release of this amount has been front loaded during the financial year to enable the States/UTs to undertake capital expenditure.

4.9 Competent Authority

4.9.1 The Appellate Tribunal under SAFEMA

4.9.1.1 The Appellate Tribunal constituted under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (SAFEMA). It started functioning w.e.f. 03.01.1977. It hears the appeals files against the orders of Competent Authority under SAFEM/NDPS Acts, Adjudicating Authority under PMLA, FEMA and Prohibition of Benami Property Transactions Act 1998.

4.9.1.2 The Appellate Tribunal is located at New Delhi. It consists of a Chairman (who is, or has been a Judge of the Supreme Court or Chief Justice of a High Court) and four Members. The four Members are appointed from among the officers of the Central Government who has held the post of Additional Secretary to the Government of India or any equivalent or higher post and has performed judicial, quasi-judicial or adjudicating function for three years.

4.9.1.3 During the period 01.12.2020 to 30.11.2021 in total 1221 Appeals (534 in PMLA, 104 in NDPSA, 03 in SAFEMA, 108 in FEMA and 472 in PBPT) were filed and in addition 1999 Miscellaneous petitions (1146 in PMLA, 177 in NDPSA, 08 in SAFEMA, 200 in FEMA and 468 in PBPT) were filed during the said period. Total 06 appeals (05 in PMLA and 01 in NDPSA, Nil in SAFEMA, Nil in FEMA and Nil in PBPT) were disposed during the said period.

4.9.2 Competent Authority under SAFEMA/ NDPSA

4.9.2.1 The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property Act, 1976 (SAFEM(FOP)A), provides for forfeiture of illegally acquired property of the persons convicted under the Sea Customs Act, 1878, the Customs Act, 1962 and the Foreign Exchange Regulation Act, 1947 and Foreign Exchange Regulation Act, 1974 and the persons detained under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974. The Narcotics Drugs and Psychotropic Substances Act, 1985 (NDPSA) provides for tracing, freezing, seizure and forfeiture of illegally acquired property of the persons convicted under that Act or any corresponding law of any foreign country, and those who are detained under the Prevention or Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988 and Jammu and Kashmir Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988.

4.9.2.2 SAFEM(FOP) Act and NDPS Act provide for appointment of Competent Authorities for carrying out forfeiture of illegally acquired properties. At present, the Offices of Competent Authorities are located at Kolkata, Chennai, Delhi, Mumbai and one unit is at Ahmedabad. SAFEM(FOP)A envisages establishment of an appellate forum, namely the Appellate Tribunal to hear the appeals filed against the orders of Competent Authority under SAFEMA/NDPSA Act.

4.9.2.3 As per the latest amendments vide the Finance Act 2021 to the Prohibition of Benami Property Transaction Act, 1988, the Competent Authority appointed under sub section (1) of section 5 of the Smuggling and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 is the Adjudicating Authority to exercise jurisdiction, powers and authority conferred by or under PBPT Act, 1988. PBPT Act was enacted to prohibit benami transactions where any person enters into a benami transaction in order to defeat the provisions of any law or to avoid payment of statutory dues or to avoid payment to creditors, the beneficial owners, benamidar and any other person who abets or induces any person to enter into such benami transaction, shall be punishable under the said Act.

4.9.2.4 The details regarding the number of reports received by the Competent Authorities from enforcement agencies, the number of show cause notices issued and the value of the property involved therein, the number of orders of forfeiture passed and the value of the property involved therein, and the value of sale proceeds of the property disposed of, year-wise, from 2000-01 to 2021-2022 are given in **Appendix 'A'.**

Appendix 'A'

FORFEITURE OF ILLEGALLY ACQUIRED PROPERTY UNDER NDPSA AND SAFEM(FOP)A BY COMPETENT AUTHORITIES

Financial Year	**Number of reports received from Enforcement Agencies**	**Number of Notices for Forfeiture issued and value of Property involved.**		**Number of Forfeiture Orders issued and value of Property involved.**		**Value of sale proceeds of Property disposed of (in Rs. lakhs)**
		Number	**Value (in Rs. Lakhs)**	**Number**	**Value (in Rs. Lakhs)**	
1	**2**	**3**	**4**	**5**	**6**	**7**
2000-2001	491	159	2755	103	1662	201
2001-2002	228	89	7223.12	50	3202.39	107
2002-2003	995	72	1269.22	53	2498.60	18
2003-2004	1180	97	1547.75	25	977.01	51.6
2004-2005	1357	162	3251.64	25	650.93	73.67
2005-2006	607	214	10074.59	91	744.60	153.27
2006-2007	514	243	3017.27	112	868.57	2.63
2007-2008	507	210	12784.31	24	551.10	366.97
2008-2009	99	39	2065.88	28	1115.33	121.30
2009-2010	48	21	178.5	20	2153.20	Nil
2010-2011	128	19	1394.06	22	45.57	1123.49
2011-2012	112	17	690.85	22	391.58	191.27
2012-2013	40	13	3091.48	10	101.10	Rs.1294.28 lakhs + US $3400
2013-2014	61	5	73.55	3	118.73	608.37
2014-2015	54	24	643.908	18	3253.55	166
2015-2016	92	22	1553.81	12	308.93	11.52
2016-2017	45	22	1232.95	19	2.35	778.44 and $443783.19
2017-2018	40	7	77.92	3	39.47	1641.45
2018-2019	104	28	1243.69	4	94.26	918.93
2019-2020	105	36	7417.96	52	15,606.82	371.89
2020-2021	38	17	3549.17815	1	22500.00	3.70
2021-2022 (Jan to Nov-21)	34	3	188.00	3	192.59	2.79388

4.10 Customs, Excise & Service Tax Appellate Tribunal (CESTAT)

4.10.1 Functions/ Working of the Organization

4.10.1.1 The Customs, Excise and Service Tax Appellate Tribunal formerly known as Customs Excise & Gold (Control) Appellate Tribunal is a quasi-judicial body hearing appeals filed against the orders passed by the Commissioners of Customs and Central Excise under the Customs Act, 1962 and Central Excise Act, 1944. Service Tax appeals are also now filed before the Tribunal under the Finance Act, 1994. The Tribunal is also having appellate jurisdiction on Anti-dumping matters under the Customs Tariff Act and the special bench headed by the President, CESTAT Principal Bench the appeals against the orders passed by the designated authority of the Ministry of Commerce. Whenever two different decisions on a single issue are passed by co-ordinate Benches of the Tribunal, the issue is resolved by constituting 3 Members Larger Bench and a decision then rendered by the larger bench is applicable to all Division Benches and subordinate adjudicating authorities.

4.10.1.2 The Principal Bench of the Tribunal is situated at Delhi and the regional benches are situated at Mumbai, Kolkata, Chennai, Bangalore and Ahmadabad. For speedy disposal of appeals to the benefit of litigants, the Ministry of Finance, vide notification no. 7/2013 has notified creation of three new benches of the Tribunal at Chandigarh, Allahabad and Hyderabad and three additional Benches one each at Delhi, Mumbai and Chennai. The regional benches at Allahabad, Chandigarh and Hyderabad started functioning w.e.f. 01.10.2015, 01.12.2015 and 14.12.2015 respectively.

4.10.1.3 Each Bench of the Tribunal consists of a Judicial Member and a Technical Member. To expedite the disposal of small cases with financial stake up to Rs. 50,00,000/- (Fifty Lakhs Rupees), wherein no question of rate of duty or valuation is involved, single member bench is constituted. The Tribunal is also the final appellate authority hearing appeals from the orders of the Commissioner (Appeals). Appeals from the orders passed by the Tribunal are filed before the Hon'ble Supreme Court on Classification and Valuation issues as they have all India ramifications.

4.10.2 Highlights of the performance and achievements during the year

4.10.2.1 After the situation caused by the pandemic, the Tribunal resorted to hearing of appeals on the video conferencing by engaging open-source video platform through GIV Meet. This facility has been implemented in all 9 benches and substantial number of cases has been disposed. It has been noticed that pre-deposit has not been received while filing of appeals deposited during pandemic time. If they were to remain listed, the parties could have unfair advantage hence it has been decided to list all such matters by bench by issuing separate orders.

4.10.2.2 Despite various constraints including several vacancies of Members and subordinate staff, the appeals are disposed in a consistent pace. A sample statement showing institution and disposal of appeals of the current financial year is given below:

Year	Institutions	Disposal	Total Pendency as on 1.12.2021
March 2021 to December 2021	6531	6108	71762

4.10.2.3 The process of online filing of appeals and online payment of appeal fee is undertaken by NIC. Information is uploaded on the website of the Tribunal for the sake of transparency in administration. All orders including daily orders of the Tribunal are also uploaded besides real time display of item number taken by the Bench which is available both in the website and display boards installed in the premises.

4.10.2.4 The whole north eastern region is conveniently placed under the jurisdiction of Kolkata Bench. However, the indirect tax litigation from N.E. region is relatively less.

4.10.2.5 All facilities as required by the Government in respect of weaker sections including differently abled and SC/ST are strictly followed and extended to the eligible candidates/Staff.

4.10.2.6 All facilities are being extended to female employees of this Tribunal as per O.M. No.13018/4/2009-Estt.(L) dated 08/07/2009 of DOPT. To redress the grievances of women, a complaint committee under the Chairperson, CESTAT, has been constituted. So far, no complaint has been received by the committee.

4.10.2.7 The Tribunal is trying to strictly adhere to the provisions of FRBM Act. All expenditures are limited to the budget allocated for the Tribunal. The Members of the Tribunal are being sent on official tour to other benches where there are vacancies. Though they are entitled for travel by Business class flights, the Members are requested to travel by economy class to which they oblige as part of austerity measures. In spite of escalation in prices of various items/ services and the function of additional benches, the expenditure is restricted to the granted ceiling. Sincere efforts are being done to control the expenditure with financial propriety and reasonableness.

4.11 Authority for Advance Ruling Division

4.11.1 Customs, Central Excise & Service Tax Settlement Commission

4.11.1.1 Highlights of the Performance and achievements of the Commission during the Year is given below:

No. of applications received (upto November,2021)	No. of applications disposed of (upto November, 2021)	Duty Settled (Rs. in crores) (upto November, 2021)
64	6	4.33

4.11.1.2 Function & Working of the Organization.

The Central Government have constituted the Customs & Central Excise Settlement Commission under section 32 of the Central Excise Act, 1944 vide Notification No. 40/99-CX(NT) dated 09.06.1999 and 41/99-CX(NT). The Commission consists of a Principal Bench presided over by the Chairman at New Delhi and 3 Additional Benches at Chennai, Mumbai and Kolkata presided over by Vice Chairman with 2 Members in each Bench. The Commission functions under the Department of Revenue in the Ministry of Finance.

The Settlement Commission has been set up to expedite recovery of Customs, Central Excise & Service Tax revenue locked up in adjudication proceedings. It offers a one time opportunity to tax payers to make a true and full disclosure of their liabilities. Settlement Commission has also been empowered to grant immunities from penalty and from prosecution, thus offering an opportunity to tax payers to settle the disputes expeditiously.

4.11.1.3 Year-Wise Performance/achievements of the Settlement Commission:

Year	No. of Applications Received	Disposal		
		No. of Applications Rejected	No. of Applications Settled	Duty settled (Rs. in Crores)
1999-2000	3	1		
2000-01	327	28	146	21.28
2001-02	559	63	153	26.64
2002-03	656	105	365	187.51
2003-04	753	141	431	114.04
2004-05	1273	205	1143	181.25
2005-06	1587	283	1207	129.09
2006-07	1960	219	1434	239.02
2007-08	1596	369	2274	507.92
2008-09	857	124	569	125.43
2009-10	723	68	599	67.36
2010-11	885	103	770	114.33
2011-12	959	247	702	462.48
2012-13	1610	74	934	198.06
2013-14	1623	156	1680	482.99
2014-15	1525	353	1469	743.32
2015-16	1262	208	1154	654.31
2016-17	844	174	814	1037.13
2017-18	563	116	488	428.95
2018-19	535	73	417	291.06
2019-20	257	39	249	243.49
2020-21	242	29	249	170.39
2021-22 (Upto Nov.21)	64	7	6	4.33
Total	**20663**	**3178**	**17253**	**6430.38**

4.11.2 National Institute of Public Finance and Policy (NIPFP)

4.11.2.1 The NIPFP is a premier research organization for conducting research, policy advocacy, and capacity building activities in the field of public finance and policy. Established in 1976 as an autonomous institution under the Societies Registration Act, 1860, the Institute has made significant contributions to policy reforms at all levels of Government of India. The NIPFP provides research, engages in policy advocacy and capacity building on public finance and policy.

4.11.2.2 The Governing Body is chaired by an Economist of Eminence and at present Dr. Urjit Patel, former Governor of RBI, is the Chairman of the Governing Body. Government is represented by the Secretary (Revenue), Secretary (Economic Affairs) and Chief Economic Adviser of the Ministry of Finance. There are three eminent Economists and representatives of FICCI and ASSOCHAM on the Governing Body. There is an Academic Committee advising the Director.

4.11.2.3 Initiatives relating to Gender Budgeting and Empowerment of Women:

NIPFP has done research in the topic and conduct policy dialogue at national and international fora including UN organizations.

4.12 Revision Application Unit

4.12.1 Formation, function and working of the Revision Application Unit

4.12.1.1 The mandate of the Revision Application Unit is to dispense justice. Under the scheme operative till 10.10.1982, the appeal against the orders of the Commissioners (then called Collectors), of Customs & Central Excise lay with the Central Board of Excise & Customs. As far as the appeals against the orders passed by the authorities below the rank of the Collectors (now called Commissioners), were concerned, the same were to be filed before the appellate Collectors of Customs & Central Excise. Erstwhile Section 131 of the Customs Act, 1962 and Section 36 of the Central Excise & Salt Act, 1944, empowered the Central Government to revise the orders passed by the CBEC and appellate Collectors in exercise of their appellate jurisdiction. At the Government level, while Secretary (Revenue) or Special Secretary disposed of the Revision Applications against orders passed by the CBEC, and the Addl. Secretary or Joint Secretary disposed of the applications against the orders passed by the appellate Collectors of Customs & Central Excise and executive Collectors of Customs and Central Excise. The Finance (No. 2) Act, 1980 sought to introduce a new system by establishing appellate Tribunal. The appellate jurisdiction of CBEC and Revisionary jurisdiction of the Central Government were abolished with effect from 11.10.1982, except a few residual transitional provisions and the Customs, Excise and Gold Appellate Tribunal (now CESTAT) was set up with effect from 11.10.1982. The Finance Act, 1984, revived the Revisionary powers of the Central Government in specified type of cases. On the Customs side, Section 129 DD read with proviso to Section 129(A) of the Act, empowered Central Government to revise the appellate orders passed by the Commissioner of Customs (Appeals). On Central Excise side, Section 35EE read with first proviso to sub-section (ii) of Section 35B of the Central Excise Act, 1944 gave review and revisionary powers to Central Government to revise the orders passed by the Commissioner of Central Excise (Appeals).

4.12.1.2 On the Service Tax side the two provisos inserted in sub-section (1) of Section 86 of the Finance Act 1994 vide Section 117 of the Finance Act 2015 (with effect from 14.05.2015) stipulate that where an order, relating to a service which is exported, has been passed under section 85 and the matter relating to grant of rebate of service tax as input service, or rebate of duty paid on inputs, used in providing such service, such order shall be dealt with in accordance with the provisions of section 35EE of the Central Excise Act 1944. All appeals in such matters pending before the Appellate Tribunal shall also be transferred and dealt with in accordance with the provisions of Section 35 EE of the Central Excise Act 1944.

4.12.1.3 The Revision Applications filed either by parties or department against the orders of Commissioner (Appeals) are considered and decided by Additional Secretary (RA). The Central Government is the highest authority in such revision and review matters and orders thus passed by the Additional Secretary (RA) are final. Petitioners, aggrieved with the revision order passed by Additional Secretary (RA) may take re-course to writ petitions under Article 226 of Constitution of India.

4.12.1.4 The Revision Application Unit is directly responsible to Secretary (Revenue).

4.12.2 Jurisdiction

4.12.2.1 Customs jurisdiction - Section 129 DD read with proviso to Section 129 A (1) of Customs Act, 1962 empowers the Central Government to revise or review the appellate orders passed by Commissioner of Customs (Appeals) if such order related to:-

(a) Any goods imported or exported as baggage;

(b) Any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India, or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at the destination;

(c) Payment of drawback as provided in Chapter X and the rules made there under.

4.12.2.2 Central Excise jurisdiction - Section 35 EE read with proviso to Section 35 B (1) of Central Excise Act, 1944 empowered the Central Government to revise or review the appellate orders passed by Commissioner of Central Excise (Appeals) if such order related to:

(a) A case of loss of goods, where the loss occurs in transit from a factory to a warehouse or to another factory, or from one warehouse to another or during the course of processing of the goods in a warehouse or in storage, whether in a factory or in a warehouse;

(b) A rebate of duty of excise on goods exported to any country or territory outside India or on excisable materials used in the manufacture of goods which are exported to any country or territory outside India;

(c) Goods exported outside India (except to Nepal or Bhutan) without payment of duty.

4.12.2.3 Service Tax jurisdiction – The provisions of Section 35EE of the Central Excise Act 1944, which dealt with revision by the Central Government, have been made applicable to Chapter-V of the Finance Act, 1944 dealing with Service Tax. In the Finance Act 2015, the Section 86 has been amended to prescribe that the remedy against the order passed by Commissioner (Appeals) in a matter involving rebate of Service Tax, shall lie in terms of Section 35EE of the Central Excise Act 1944. In such cases against the order passed by the Commissioner (Appeals), revision application is required to be filed before AS (RA).

4.12.2.4 IATT jurisdiction - Rule 13 of Inland Air Travel Tax (IATT) Rules, 1989 empowered the Central Government to revise or review the appellate orders passed by Commissioner of Customs & Central Excise (Appeals) if such order related to payment of IATT.

4.12.2.5FTT jurisdiction - Rule 15 of Foreign Travel Tax (FTT) Rules, 1979 empowered the Central Government to revise or review the appellate orders passed by Commissioner of Customs & Central Excise (Appeals) if such order related to Payment of Foreign Travel Tax.

4.12.3 Process

The Revision Application Unit receives the revision application in prescribed form EA-8/CA-8 filed by department as well as parties. The stipulated time for filing such applications is 90 days from the date of communication of order-in-appeal. Delay up to 90 days can be condoned by Central Government in deserving cases. The Revision Application Unit on receipt of revision applications issues the acknowledgement to the applicant along with deficiency memo if any deficiency is found. Simultaneously, a check-list in prescribed format is also prepared. Notice is issued to respondent party for filing counter reply. Thereafter, personal hearing is fixed / held in cases, in the order of seniority. Out of turn hearings are allowed only in deserving cases involving substantial revenue, recurring issues resulting into multiplicity of cases, interest liability, the issue is no longer res integra, passenger is going abroad and in cases of financial hardship. After completion of hearing, final revision order is issued by Additional Secretary (RA).

4.12.4 Latest Developments

The Revision Application unit was earlier headed by a Commissioner and ex-officio Joint Secretary. The working of this set-up was stayed by an order of Punjab & Haryana High Court, upheld by the Apex Court also, whereby it was directed that an officer of a higher rank than the Joint Secretary be posted as the orders of Commissioner (Appeals) are being revised and an officer of the same rank cannot revise these orders. Subsequently, an officer of the rank of Principal Commissioner and ex-officio Additional Secretary was posted in Aug, 2017 and an additional office of Additional Secretary (R.A.) was created at Mumbai to reduce the pending cases which got piled up during the period of stay. The office at Delhi caters to Northern and Eastern regions while the Mumbai Unit takes up the cases pertaining to Southern and Western regions.

4.12.5 Performance

Since the joining of Additional Secretary in November, 2020 the work in the unit has picked up very fast, from November, 2020 to October, 2021, 530 Revision Applications have been disposed of by Delhi unit alone.

5. Integrated Financial Unit (IFU)

Integrated Finance Division of the Department of Revenue is under the direct supervision of Additional Secretary & Financial Advisor (Finance). There are three units dealing with budget, finance and expenditure management in respect of the grants pertaining to **Department of Revenue, Direct Taxes and Indirect Taxes**. Director (Finance), D/o Revenue/GST & Customs and Director (Finance), Direct Taxes/ Expenditure assist the Additional Secretary & Financial Advisor (Finance).

5.1 Activities undertaken by the Integrated Financial Unit:

All offices under the Department of Revenue, which *inter-alia* include Revenue headquarters, Central Board of Direct Taxes (CBDT), Central Board of Indirect Taxes & Customs (CBIC), Narcotics Control Division, Central Bureau of Narcotics, Chief Controller of Factories, Central Economic Intelligence Bureau, Financial Intelligence Unit (FIU-IND), Goods & Service Tax Council Secretariat, Enforcement Directorate, Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Settlement Commission (IT/WT), Authority for Advance Rulings, Appellate Tribunal for Forfeited Property, Adjudicating Authority under PMLA, Income Tax Ombudsman, National Committee for Promotion of Social & Economic Welfare, all field offices of Income Tax Department which include Directorate General of Income Tax (Systems), Directorate General of Income Tax (Legal & Research), Directorate of Income Tax (O&M Services), Directorate of Income Tax (Infrastructure), National Academy of Direct Taxes and other field offices under the Central Board of Direct Taxes all field offices under Central Board of Indirect Taxes & Customs which include Directorate General of Systems & Data Management, Directorate General of Human Resource Development, Directorate of Revenue Intelligence, Directorate General of Goods and Service Tax Intelligence, Directorate General of Goods and Service Tax, National Academy of Customs, Indirect Taxes & Narcotics, etc., are serviced by the three units of Integrated Finance Division in terms of Budget formulation, fund allocation, expenditure monitoring & control, enforcing economy, scrutiny and sanction of expenditure proposals beyond the delegated powers of field offices.

5.2 Details of expenditure and financial proposals scrutinized and approved:

(a) Creation and continuation of posts, construction/purchase/hiring of offices, as well as residential accommodation for the field formations of Central Board of Indirect Taxes & Customs and Central Board of Direct Taxes, Department of Revenue and its attached offices.

(b) Procurement of goods and services including procurement of anti-smuggling equipment i.e. scanners and marine vessels.

(c) Proposals for deputation abroad of officers of the Department, CBDT, CBIC and their field offices.

(d) Restructuring proposals, redeployment of personnel in field formations and constituent units.

(e) Comprehensive Computerization of Department of Revenue, its field formation including Customs and GST formations and Income Tax field formations.

(f) Proposals from Committee of Management (COM), D/o Revenue which oversees the functioning of Government Opium & Alkaloid Works (GOAWs).

(g) Grants-in-aid to National Institute of Public Finance & Policy and Central Revenue Sports & Cultural Board.

(h) Proposals for Delegated Investment Board (DIB), Public Investment Board and Cabinet Committee on Economic Affairs (CCEA) relating to comprehensive computerization plan of CBDT/CBIC, capital expenditure involving construction of office/residential complexes and readymade office/residential buildings of all the three Departments.

(i) Proposals received for sanction of financial assistance from the Customs & Central Excise Welfare Fund and Special Equipment Fund. Revision of norms were finalized in respect of setting up of/refurbishing of recreation/sports clubs, gymnasiums, Departmental Canteens, crèches for children of Departmental officials, guest houses and cash award scheme for meritorious children with special emphasis on girl children and children of group 'D' staff.

(j) Schemes proposed by CBDT/CBIC for utilizing the budget provision under 1% Incremental Revenue Incentive Scheme for obtaining approvals of the competent authority.

(k) Proposals involving relaxation/interpretation of financial rules and all proposals requiring reference to the Department of Expenditure.

5.3 The expenditure budget/non-tax revenue receipts of Department of Revenue, Direct Taxes and Indirect Taxes for BE 2021-22 was prepared. RE 2021-22 and BE 2022-23 ceiling has been finalized and communicated by the Budget Division, Department of Economic Affairs. The Details of RE 2021-22 and BE 2022-23 in respect of all the three grants are as below:

(Rs. in crore)

Grant	Gr. No.	2021-22		2022-23
		BE	RE	BE
D/o Revenue	**35** (Erstwhile Grant No. 31 in FY 2019-20 & 2020-21) and (Grant No. 33 in FY 2021-22)	201512.64	209805.42	227552.52
Direct Taxes	**36** (Erstwhile Grant No. 32 in FY 2019-20 & 2020-21) and (Grant No. 34 in FY 2021-22)	8532.34	8508.89	9308.80
Indirect Taxes	**37** (Erstwhile Grant No. 33 in FY 2019-20 & 2020-21) and (Grant No. 35 in FY 2021-22)	21359.27	74938.99	41139.17

5.4 Integrated Finance Division has taken the following steps/initiatives in 2021-22:

(i) Implementation of Cash Management Plan as per Monthly Expenditure Plan (MEP) and Quarterly Expenditure Allocations (QEA) as envisaged by Budget Division of Department of Economic Affairs, Ministry of Finance.

(ii) Review of Monthly and Quarterly Expenditure vis-à-vis budgetary allocations and MEP/QEA and report to Revenue Secretary and Expenditure Secretary in compliance of the guidelines of the Department of Expenditure, Ministry of Finance for strict financial discipline.

(iii) Review of specific activities/developments of Department of Revenue and report to Secretary (Expenditure) on monthly basis.

(iv) Enforcement of instructions on economy in expenditure by periodic review of expenditure and advisories to spending authorities for expenditure control in line with the economy instructions issued by the Department of Expenditure.

(v) Preparation and budgetary allocation for Compensation to States/UTs for revenue loss on roll out of GST; Government Opium & Alkaloid Works; provision of funds in respect of Remissions of Duties and Taxes on Exported Products (RoDTEP) and other scrips based schemes; Acquisition of residential and office accommodation; Strengthening of IT capability for e-governance of CBIC, CBDT and Department of Revenue; Acquisition of ships and fleets to strengthen Marine capability & Acquisition of Anti-Smuggling equipment.

5.5 In addition, the allocation and monitoring of the budget relating to advances, viz. House Building Advance, Computer Advance etc. were also done.

5.6 The Integrated Finance Division has also been entrusted with the formulation of schemes of important expenditure proposals from their initial stage. It also follows up with the Department/Boards for the settlement of audit objections, inspection reports, draft audit paras and reports of PAC/Standing Committee.

6. Implementation of Official Language Policy

6.1 The Department of Revenue has a full-fledged Official Language Division which is entrusted with the task of implementing the Official Language Policy of the Government of India. This Division consists of one post of Director (OL) and operates through four Official Language Sections; each headed by an Assistant Director (OL) and there are two posts of Deputy Director (OL) for their supervision. Presently one post of Director (OL); one post of Deputy Director (OL); two posts of Assistant Director (OL) and 5 posts of Senior Translation Officer are lying vacant. Still matters relating to implementation of Official Language Policy of the Union were dealt with by this division and follow up action taken on the orders and instructions issued by the Department of Official Language from time to time. Entire translation work of the Department from English to Hindi and vice-versa is ensured by the Official Language Division.

The Department of Revenue is notified under Rule 10(4) of the Official Language Rules, 1976. 30 sections of the Department have been specified for doing their entire work in Hindi.

6.2 Performance of the OL Division during the year under report:

a. All the documents pertaining to CBIC, CBDT & Revenue HQs were invariably issued bilingually as per the requirement under Section 3(3) of the Official Languages Act, 1963;

b. All gazette notifications, replies to Parliament Questions and Assurances pertaining to CBIC, CBDT and Revenue HQs were furnished bilingually;

c. Notes and monthly summaries for the Cabinet, Action Taken Reports (ATRs) on the Report of the Comptroller & Auditor General of India, Annual Report and Outcome Budget of the Ministry of Finance were translated and made available bilingually;

d. A number of Double Tax Avoidance Agreements entered into with various countries were translated into Hindi; and

e. Hindi translation of all the material relating to “Faceless Scheme” for honoring the honest tax payers was provided;

f. Website material received from all the sections of the Department of Revenue (HQs), CBDT and CBIC was translated into Hindi and uploaded on the Ministry’s website.

6.3 Hindi Salahakar Samiti and OLIC meetings:

Action has been taken for formation of Sanyukt Hindi Salahakar Samiti of the Departments of Revenue, Expenditure and Investment & Public Asset Management and Office of the Comptroller and Auditor General of India.

6.4 Inspection by Parliamentary Committee on Official Language:

Parliamentary Committee on Official Language inspected 12 subordinate offices of Department of Revenue. The officers of official language Division facilitated successful inspections of these offices despite the prevailing Corona-19 epidemic scenario.

6.5 Official Language Inspections:

The officers of the Hindi Division of the Department also carried out inspections of 05 sections of Headquarters and 02 Subordinate Offices under the control of the Department of Revenue during the year under report with the view to assess the progress in use of Hindi in the office and suggested ways to accelerate the use of Hindi in the official work.

6.6 Hindi Day/ Hindi Pakhwara:

On the occasion of Hindi Day, a message was issued by the Hon'ble Finance Minister and Honorable Home Minister exhorting all the officers/employees of the Department to do their maximum official work in Hindi.

Hindi Pakhwara was celebrated from 14 September, 2021 to 30 September, 2021. Various competitions like Hindi noting & drafting, Essay writing, Extempore Speech competition, Quiz competition, Hindi typing and Hindi Shorthand competition were organized during the Hindi Pakhwara. Also, there was an award scheme for doing maximum work in Hindi during the Hindi fortnight for the gazetted officers, Hindi speaking non-gazetted officers as well as the non-Hindi Speaking non-gazetted officers separately. Those who secured first, second and third positions in these competitions have been given cash prizes of Rs. 5000/- (First prize), Rs. 3000/- (Second prize) and Rs. 2000/- (Third prize) and also 3 consolation prizes of Rs. 1000/- each were given.

6.7 Training:

During the year 2021-22, 2 MTS were nominated for training in Hindi typing in the courses run by the Central Hindi Training Institute, Ministry of Home Affairs.

7. Implementation of the Right to Information Act, 2005

7.1 Revenue Headquarters

In order to achieve the objectives of Good Governance, it is necessary that the administration should be transparent, responsive, accountable, citizen-friendly and able to disseminate the information to the citizens. Under the provisions of the RTI Act-2005 a nodal RTI Cell was set up in the Department of Revenue to coordinate RTI matters. The RTI Cell collects, dispenses and transfers the application seeking information to the concerned CPIOs. The following steps were taken to facilitate dissemination of information under the provisions of the Right to Information Act in Revenue Headquarters:

(i) In our continued efforts to bring transparency and effective governance, we have placed information in the public domain on a proactive basis which is available at https://dor.gov.in/rti/revenue-headquters.

(ii) In regards to the transparency audit which is carried out each year, the self appraisal form submitted corresponding to year 2020-21 has been audited by the National Institute of Public Finance & Policy. The CIC after perusal of the audit report has issued an advisory to the Revenue Headquarters which is under consideration.

(iii) Due to the prevailing COVID-19 situation it has been observed that the citizens have taken up the digital route for filing RTI Applications which has resulted in considerable decrease in the number of RTI Applications received offline.

(iv) To make the system of transfer of RTI Application received offline to other Public Authorities more seamless and efficient; the offline RTI Applications received are lodged on the RTI Request and Appeal Management Information System so that it can be transferred immediately to the concerned Public Authority.

(v) The following table indicates the number of RTI Applications and Appeals received in the financial year 2021-22 up to 30.09.2021:

Type	No. of Applications received during the year 2021-22 including cases transferred to other Public Authorities	No. of cases transferred to other PAs u/s 6(3) + returned to the Applicant	Request rejected	Request/ Appeals accepted
Offline RTI Applications	129	68	10	51
Online RTI Applications	3004	2631	75	195
Offline Appeals	15	6	1	8
Online Appeals	67	37	0	22
Total fee received offline u/s 7(1) is Rs. 430/- Additional fee received offline u/s 7(3) is Rs. 1172/- Total fee received online u/s 7(1) is Rs. 20490/- Additional fee received online u/s 7(3) is Rs. 348/-				

7.2 Central Board of Direct Taxes (CBDT):

(Year: 2021-22)

S. No.	Ministry/ Department/ Organization	Quarter	Opening balance of Requests (as on start of Quarter)	No. of Requests received during Quarter	Total no. Requests (Column 4+5)	No. of Requests transferred to other Pas	Decisions where Applications for information rejected	Number of cases where disciplinary action taken against any officer in respect of administration of RTI Act	Total Amount Collected (fee+addl. charges+ penalty) (Rs.)	Number of times various Provisions were invoked while Rejecting Requests — Relevant Sections of RTI Act, 2005													
										Section 8(1)							Other Sections						
										(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(9)	(11)	(24)	(Others)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
1.	Central Board of Direct Taxes	1	0	360	360	782	1	0	6296	1	0	0	0	0	1	0	0	0	0	0	0	0	0
		2	50	599	649	1174	5	0	8912	1	0	0	0	1	0	0	0	0	1	0	1	0	1
		3	62	649	711	1013	4	0	7410	1	1	0	0	0	1	0	0	0	0	0	0	0	3
Total			**0**	**1608**	**1720**	**2969**	**10**	**0**	**22618**	**3**	**1**	**0**	**0**	**1**	**2**	**0**	**0**	**0**	**1**	**0**	**1**	**0**	**4**

7.3 Central Board of Indirect Taxes & Customs (CBIC):

CBIC is implementing the provisions of Right to Information Act, 2005 since its enforcement. In the Headquarters office, there are 38 CPIOs, one CPIO for each of the section. The no. of applications received, applications rejected and requests accepted by the CPIOs in CBIC during the year 2021-22 are given below:

Quarter ending on	No. of applications received during the quarter	No. of cases transferred to other Public Authorities under Section 6 (3)	No. of requests rejected	No. of requests accepted
30.06.2021	569	153	23	418
30.09.2021	846	290	17	558

There are 23 Appellate Authorities, who decide the appeals received under the RTI Act from various applicants. The no. of appeals received, appeals rejected and appeals accepted by the CPIOs in CBIC during the year 2021-22 are given below:

Quarter ending on	No. of appeals received during the quarter	No. of appeals rejected	No. of appeals accepted
30.06.2021	26	3	22
30.09.2021	34	5	28

Registration fee collected under section 7(1) and the additional fee collected under section 7(3) during these two quarters is as given below:

Quarter ending on	Fee collected under section 7(1) (in Rs.)	Additional fee collected under section 7(3) (in Rs.)
30.06.2021	250	475
30.09.2021	460	1850

The fee is excluding the amount of fee received for submitting applications online on the RTI portal.

The Government has also launched an RTI Portal which facilitates filing of applications online by the Citizens. The applications concerning Department of Revenue are accessed by the two Nodal Officers, one for Customs and the other for rest of the matters pertaining to CBIC. Thereafter, these applications are transferred online to the concerned CPIOs in the Board, who are required to provide the requisite information online, on the Portal itself, so that the applicant may immediately access the requisite information. So far, CBIC has received 1415 applications from April 2021 to September 2021.

At present, the facility for transferring the applications received on the RTI portal is limited to the CPIOs in the Board and 46 CCs/DGs of CBIC. Hence, applications pertaining to the remaining field formations are transferred manually with the direction to provide the information directly to the citizen.

Appeals against the information provided in response to RTI online applications are also made online, which are transferred to concerned First Appellate Authority, who also provide the requisite reply to the citizen on the portal itself. CBIC has received 60 appeals from April 2021 to September 2021.

7.4 Narcotics Control (NC):

7.4.1 Central Bureau of Narcotics (CBN):

Various provisions of Right of Information Act, 2005 have been implemented in the Central Bureau of Narcotics in the year 2005. Unit -wise information of CPIO's and First Appellate Authorities appointed at present is as follow:

S. No.		Headquarters Gwalior	MP Unit	Raj. Unit	UP Unit
1	CPIO	1	17	8	2
2	FAA	1	1	1	1

Further, it is to apprise that the application received under RTI section are dealt with the RTI Act and are disposed of in the time limit. Detailed functions and various aspects of the work done by the Department are also available on CBN website http://www.cbn.nic.in

7.4.2 Chief Controller of Factories (CCF):

A cell in each unit of this organization, such as the factories at Ghazipur and Neemuch, as also at the Delhi office of the CCF have been set up. These cells function directly under the officials designated as CPIO/APIO. The applications received are regularly disposed off within the prescribed time-frame.

7.5 Financial Intelligence Unit – India (FIU-IND):

Number of RTI applications received, disposed of and denied during the Year 2021-2022 (Upto to 30th Nov, 2021):

Received	Disposed Off		Remarks
	Transferred	Replied	
32	15	17	0

Note: FIU-IND has been included in the Second Schedule of Right to Information Act, 2005 vide Department of Personnel & Training notification dated 28.09.2005 and therefore under Section 24(1) of the Right to Information Act, 2005, is exempt from the operation of this Act, except for the information pertaining to the allegation of corruption and human right violation.

7.6 Customs, Excise & Service Tax Appellate Tribunal (CESTAT):

The Public Information Officer and the Appellate Authority have been nominated by the Public Authority in all Benches of the Tribunal, and they are acting in accordance to the provisions of the Right to Information Act, 2005, in dispensing the information. All RTI applications and orders including orders of the Appellate Authority are uploaded on the website.

8. E-governance activities

8.1 Central Board of Direct Taxes (CBDT):

8.1.1 Activities under E-governance:

(a) Permanent Account Number (PAN)

PAN (Permanent Account Number) is a 10 digit alpha-numeric number allotted by the Income-tax department to taxpayers and to the persons who apply for it under the Income-tax Act, 1961. Permanent Account Number (PAN) enables the department to link all transactions and correspondences of a person with the department.

PAN database has shown steady growth in tune with economic progress. The progressive number of PANs allotted up to 9th November, 2021 (cumulative) is 57,25,38,153. During the period between November 9th 2020 to November 9th, 2021 4,21,14,642 PANs have been allotted.

(b) Common Business Identification Number (CBIN or BIN)

As per section 139A of the Income-tax Act 1961, role of Permanent Account Number (PAN) was envisaged as that of a tax-payer identity limited to Income-tax department. However, PAN is now required for various activities like opening of a bank account, opening of a de-mat account, for other financial transactions prescribed in Rule 114(B) of the Income-tax Rules, 1962, registration for Goods and Services Tax (GST) etc. Thus PAN is leveraged to become Common Business Identification Number (CBIN) or simply Business Identification Number (BIN) for providing registration to a number of government departments and services.

(c) PAN Verification Facility

PAN verification facility is provided through the website of the Income-tax department through link "Verify Your PAN" facility on official website of Income-tax department www.incometax.gov.in, by providing the PAN Full name and Date of Birth.

Service for PAN verification is also provided by Income-tax PAN Service Providers (UTITSL and NSDLe-Gov) to agencies falling under any of the approved categories as per procedure laid down by the Directorate of Income-tax(Systems).

(d) Grievances Redressal Machinery:

Grievance redressal machinery related to PAN is well defined. The Income-tax department has a special electronic grievance redressal system called e-Nivaran on e-filing portal of the Department i.e. on incometax.gov.in. Grievances are also received through Centralized Public Grievance Redressal and Monitoring System (CPGRAMS) of Government of India and through the designated PAN Service providers.

8.1.2 New Initiatives

a) Instant PAN allotment through Aadhaar based e-KYC

For the purpose of simplification of Permanent Account Number (PAN) allotment the PAN module of DIT (System) developed the facility for instant allotment of PAN (on near to real time basis), which was launched by the Hon'ble Finance Minister on 28.05.2020. This facility is now available for those PAN applicants who possess a valid Aadhaar number and have a mobile number registered with Aadhaar. The allotment process is paperless and an electronic PAN (e-PAN) is issued to the applicants free of cost. Number of PAN allotted through this functionality till November, 2021 since the inception of the project is 95,76,246.

b) Integration with Ministry of Corporate Affairs (MCA) for issue of PAN and TAN/ Instant e-PAN for corporate entities:

PAN and TAN allotment has been integrated with the process of registration of new companies using a Common Application Form SPICe at MCA portal. Under this facility PAN and TAN are being allotted on near to real time basis. Number of PAN allotted through this facility till September, 2021 is 6,09,894 and the number of TAN allotted through this facility till September, 2021 is 6,10,774.

c) Integration with SEBI

Integration with SEBI, for grant of registration to the Foreign Portfolio Investor (FPI) by the SEBI and allotment & Issuance of PAN by the Income Tax Department has been launched. Under this process PAN/e-PAN shall be allotted and issued to the FPIs on the basis of common application form submitted to the SEBI for grant of registration by SEBI to the entity. Number of PAN allotted to FPIs by the Income-tax department till October, 2021 is 963.

d) Facility for downloading e-PAN:

A facility to enable the existing PAN holder to download e-PAN through MSP's websites after OTP authentication has been created. This enables a secure e-PAN which is printable many a time. e-PAN can be downloaded in pdf format. Further, facility to download in .xml format (machine readable) has also been launched.

e) Enhanced QR code on e-PAN & Physical PAN Card:

The e-PAN is embedded with an enhanced QR code which captures demographic data as well as photograph and signature of applicant. This QR code can be read through an app which is freely available on Google Play Store. The enhanced QR code enables offline verification of PAN data, thus eliminating possibility of photo shopping etc. resulting in enhanced security of PAN card and e-PAN.

f) Integration of PAN with AADHAAR UIDAI (Aadhaar PAN linking)

Integration of database with UIDAI has already taken place for seeding of Aadhaar with PAN for dual purpose. It prevents any of the duplicate PAN from being issued to any applicant as well as to identify the applicant having an already issued PAN. Seeding of Aadhar number is made mandatory by provisions of section 139AA of the Income Tax Act except for the categories of person as provided by Gazette notification no. S.O. 1513(E) dated 11-05-2017. Till 09.11.2021 a total of 41,72,56,290 PANs of individuals have been seeded with Aadhaar data base, which is approximately 72.88% of total PAN allotted to individuals. Seeding of Aadhaar in remaining PANs is presently going on.

g) Project- Insight

An integrated data warehousing and business intelligence platform has been operationalised to enable ITD in meeting the three goals, namely, (i) to promote voluntary compliance and deter noncompliance; (ii) to impart confidence that all eligible persons pay appropriate tax; and (iii) to promote fair and judicious tax administration. The key components of Insight System are:

i. A State-of-the-Art Data warehouse has been operationalized and regular reports/MIS are provided to CBDT and Government for pre-budget analysis, impact assessment and policy formulation.

ii. A dedicated reporting portal (https://report.insight.gov.in) provides a comprehensive interface between Reporting Entities and the Income-tax Department. The Reporting Portal enables seamless data filing, data processing, data quality monitoring and report rectification. Compliance Check for PAN u/s 206AB and 206CCA has also been enabled at Reporting Portal for REs.

iii. Income Tax Transaction Analysis Centre (INTRAC) handles data integration, data processing, data quality monitoring, data warehousing, master data management and data analytics. Data has been enriched by standardization of bank account number/contact/address, address clustering, geocoding, relationship identification/ clustering. Data Analytics is being used for identification of high risk non-filers, selection of cases for scrutiny under CASS, identification of high risk refund claims, identification of high risk remittances, risk assessment of information received under Automatic Exchange of Information (AEOI), Country-by-Country Reporting (CbCR) and Suspicious Transaction Reports (STRs).

iv. Compliance Management Central Processing Centre (CMCPC) leverages campaign management approach (consisting of emails, SMS, reminders, outbound calls, letters) to support voluntary compliance and resolution of compliance issues. A dedicated compliance portal (https://compliance.insight.gov.in) displays information to the taxpayer and capture response on compliance issues in a structured manner for effective compliance monitoring and evaluation.

a. e-campaign for non-filers for AY 2020-21 was executed. As a result, 4.32 Lakh identified non-filers filed their return and self-assessment tax of Rs. 3,850 crore was paid by target segment after campaign.

b. e-campaign for significant transactions (during FY 2020-21) was implemented for 6,51,207 taxpayers who had conducted high value transactions in the current year and the quantum of advance tax paid was lower than the expected amount. The significant transactions were shown to the taxpayer and a facility was provided to provide confirmation and feedback (if the information was incorrect). After the campaign, 1,24,325 taxpayers paid advance tax of Rs 13,874 Crore.

c. E-campaign for high value transactions (including SFT, TDS/ TCS, GST, Exports, Imports, foreign remittance, securities transactions etc.) vis-a-vis the information filed in the ITR was executed for 7,19,062 taxpayers for A.Y. 2020-21. Underlying high value transactions were shown to the taxpayer on the Compliance portal and online facility was provided to validate the information and provide feedback if the information was incorrect. After the campaign, more than 1,10,137 taxpayers revised their returns and increased the income in revised return by 1,609 Cr.

v. Annual Information Statement was operationalised in October 2021. Annual Information Statement (AIS) is comprehensive view of information for a taxpayer displayed in Form 26AS. Taxpayer can provide feedback on information displayed in AIS. Many new information sources, not available in the current Form 26AS, have been added in AIS. The objective of AIS is to display complete and accurate information to the taxpayer, enable taxpayer to provide feedback on information and to enable seamless prefilling of return.

vi. Business Intelligence Dashboard consisting of 200+ interactive Business Intelligence (BI) reports has been implemented to provide actionable information to ITD users with drill down. The BI reports have been classified under various themes such as Tax Collection, Tax Base, ITR Information, Business Information, Exemption, Taxpayer Compliance, TDS Information, TDS Compliance, International Transactions, Third Party Information etc.

vii. GIS (Geographical Information System) Dashboard consisting of more than 100 interactive GIS reports have been implemented to provide high-level geographical view to senior management for effective monitoring.

viii. Profile View under Insight Portal provides comprehensive multi-year profile of taxpayer and other entities with secure role based information access control. The Profile views display key insights, financial ratios and related information for effective analysis.

ix. I- Search has been enabled at insight supporting the fuzzy search functionalities wherein the ITD user can search entity, address, bank account, Property, Non-PAN Transaction etc. when the Entity ID is not known to the user. The user can search on the basis of attributes such as name, address, date of birth, father's name, email, mobile number, passport number, Aadhar number, vehicle no, bank account number etc. Suspicious Transaction Reports Information Search has also been enabled at Insight

x. Verification of Information in form of Various Case Types has been enabled at Insight for Taxpayers and Reporting Entities. The ITD Users are able to seek Information from Taxpayer through Issue of Various Notices (e.g 133 (6), 131(1A) and view the Response submitted by Taxpayer before Verifying Information.

xi. Bulk Data Uploading – Utilities like Case Related Information Upload Utility and Verification Report Upload Utility have been provided for ITD Users to upload Information in bulk w.r.t a PAN and the corresponding view of the Information has been enabled under the Profile Views of the Respective PANs and to the Person uploading the Information packet.

xii. Insight Knowledge Hub, an integrated platform consisting of i-Wiki, i-Library, i-Forum and i-Query, has been rolled out to assist ITD in "Organizing creating, sharing, using and managing organisation knowledge for getting the right knowledge to the right person at the right time".

xiii. Insight Learning Hub, an integrated platform consisting of learning management system, online courses, competency tests and training material repository has been rolled out to support capacity building of ITD employees by "delivery and tracking of customized learning content to employees using competency-based training approach". 15 online courses have also been rolled out for customised training and capacity building of assessing officer.

In implementation of faceless schemes Insight System is being leveraged for automated allocation of cases, verification, risk assessment of draft orders, bulk signing etc.

Proposal for Insight Enhancement (insight+) was approved after considering the new requirements emerging from changes in legal framework and operating environment. The scope of Insight enhancement consists of following components:

a. Comprehensive API based integration with internal (CPC 2.0, ITBA) and external (Reporting entities, Exchange Partners) systems.

b. Implementation of Intelligent Decision Support System to meet the requirements of Centralised e-Verification Scheme.

c. Implementation of Annual Information Statement (AIS).

d. Aadhaar based login on Compliance, Reporting and Data Exchange Portal.

e. Mobile app for basic Insight functionalities.

h) Computer Assisted Scrutiny Selection (CASS)

Income Tax Department has been implementing Computer Assisted Scrutiny Selection (CASS) for selecting cases for scrutiny (audit). The suggestions received from field formations and the outcome in cases selected in prior years are reviewed by a cross functional committee (including representatives from assessment, investigation, intelligence, international taxation, transfer pricing, risk assessment, systems) to refine the scenarios and parameters. New scenarios are also introduced on the basis of analysis of information sources and environmental scanning. New approaches such as Thematic risk assessment etc were introduced to further refine selection basket under few scenarios.

i) Non- Filers Monitoring System (NMS)

The Income Tax Department has implemented the Non- Filers Monitoring System (NMS) which assimilates and analysis in-house information as well as transactional data received from third-parties, including Statements of Financial Transaction (SFT), Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) statements, Intelligence and Criminal Investigation (I&CI) data etc. to identify such persons/entities who have undertaken high value financial transactions but have not filed their returns. During the year around 19 lakh non-filers with potential tax liabilities were identified. The information about transactions is made available on the online portal and email and SMS is sent to the non-filer to provide online response and submit return. Many non-filers file their return and pay appropriate taxes. The details of high risk non-filers are pushed to the field formation for further action. Further, in view of the challenges posed by Covid-19, transformational changes introduced in the department and recent amendments introduced vis-a-vis reassessment in IT Act, 1961, Multiyear NMS cycle was executed to rationalise the work load on field formations w.r.t. already existing NMS Cycle 3 to Cycle 9 cases.

j) Payment of Taxes

The Online Tax Accounting System (OLTAS) facilitates near real time reporting, monitoring and reconciliation of tax payments made by taxpayers through banks. E-payment of taxes has been enabled through Net Banking and ATMs and nearly 89% of tax is collected through this mode facilitating payment of taxes anytime from home/office without having to go to a bank branch. Companies and auditable cases (taxpayers where provisions of section 44AB of the Income-tax Act, 1961 are applicable) are mandatorily required to electronically pay taxes. Financial year wise percentage of e-payments is as below:

Financial Year	% in terms of total number of e-challans	% in terms of total amount associated with e-challans
2018-19	82.26	91.14
2019-20	84.36	90.95
2020-21	86.39	91.27
2021-22 (upto Nov 2021)	87.74	92.46

New Payment solution (TIN 2.0) is being rolled out under IEC 2.0 project during FY 2021-22. The expected benefits are as under:

- Enable tax payment through RTGS / other channels
- Real time credit of tax payment and MIS
- 100% reconciliation of challan data and funds
- Online mechanism for challan correction

k) Refund Banker

The Refund Banker project has enabled system driven process for determination, generation, issue, dispatch and credit of refunds. This project has made the process of delivery of refund completely automated, speedy and transparent. Under the Refund Banker Scheme, paper and electronic refunds determined by the Income Tax Assessing Officers are sent in electronic files by Income Tax Department to the State Bank of India (SBI), which has been designated as the Refund Banker agent of the Department. The Refund Banker sends ECS or Direct Credits to the bank accounts, where the refunds have been processed for electronic payment.

A web based status tracking facility in collaboration with India Post and Protean eGov Technologies Limited (NSDL) is available under the Scheme. Call centre facility with toll free number 1800-42-59-760 is also available for tracking status of refunds issued through the scheme.

The Assessing Officer's role in issuing refunds is limited to processing the return of income on computer. The status of refunds is updated on the departmental application with reasons for non- payment in case of unpaid or returned refunds, to enable the assessing officers to re-send the refund for payment after removing the deficiency. Audit trail and MIS on unpaid/ unpicked refunds (with ageing) are available on departmental system for monitoring status of issue of refunds. There has been a steady increase in number and percentage of refunds issued through the scheme. During current Financial Year, the percentage of refunds issued through the scheme is 99.99 % of the total number of refunds issued all over India as under:

Financial Year	No. of Refunds (Paid) through Refund Banker	No. of Other Refunds (Paid)	Total no of refunds paid	Percentage of Refunds Paid through Refund Banker
2018-19	2,81,90,436	2,493	2,81,92,929	99.99
2019-20	2,88,47,480	456	2,88,47,936	99.99
2020-21	2,53,42,641	205	2,53,42,846	99.99
2021-22 (up to Nov 2021)	1,27,66,253	87	1,27,66,340	99.99

During FY 2021-22, real time integration (API based) between CPC 2.0 and refund banker is being implemented to ensure direct credit of refund on the same day.

l) Taxnet 1.0

i. The aim and objectives of the ongoing Taxnet 1.0 project is to provide the basic *architectural backbone* to the entire digital edifice of the Direct tax administration in India. It provides seamless, secure, efficient & dedicated connectivity through MPLS IP-VPN, to all the departmental users at more than 780 locations spread across the country.

ii. This is an IT-infrastructure project and provides and maintains the LAN and WAN connectivity through MPLS IP-VPN technology to the Income Tax Department, *connecting all its buildings* across the length and breadth of the country. This was implemented in 2008 and is currently continuing under extensions since 01.01.2013, by way of AMC.

iii. As on date, more than 780 office locations are connected through this project to the Central Database (CD) located at Delhi. The offices through this network work on various modules such as Income Tax Business Application (ITBA), Project Insight, Central Processing Centre (CPC), CPC-TDS, E-filing and etc. Through these modules the department conducts its various activities, such as collection of taxes, processing of returns, PAN allotments, scrutiny assessments, Video Conferencing (VC), monitoring of advance taxes and etc.

iv. Change Order Management is the integral part of the TAXNET Contract. In the instant dynamic environment it provides much needed operational flexibility. The major activities in change orders are as follows:

- Relocation of nodes/ Additional nodes
- Establishing new site
- Shifting of site
- Bandwidth Augmentation

v. These are executed as per the departmental requirement and requisitions received from the field formations. The Table-1 below gives the brief description of Change Order Management received during the F.Y. 2021-22 (till 21/12/2021).

Shifting of Sites		New Site		Relocation Nodes	Addl. Nodes
No of Sites	Total No of Nodes	No of Sites	Total No of Nodes		
3	57	1	0	173	338
Grand Total No. of Nodes					568

m) Income Tax National Website-Webmaster Project:

The National Website of the Income Tax Department (www.incometaxindia.gov.in) known as Webmaster Project, is the first source of authentic information about the Direct Tax laws for the Tax Payer in the country. It hosts a number of services with user friendly functionalities and features. Amongst the various services that this website hosts are authentic content on direct tax laws, PAN, TAN etc., providing returns & statements of e-filed cases, international tax related content, FAQs, tutorials, tax information, press release, latest news etc. The number of visitors to the website has been continuously increasing that shows its efficacy and popularity.

During the FY2020-21, the portal had a total number of 296,64,20,091 hits and 1,84,18,154 visitors. A proof that the website is being very widely used by the taxpayers and members of public and that the website has substantial visibility.

Features of the Website

The main features are as under:

- Complete information related to Direct Taxes Due Dates
- First Point of Information for the Tax payers for all Direct Tax related information, new updates etc.
- Promoting Tax Payers to take Integrity Pledge – Integrity pledges being promoted through publishing of relevant web link at Home Page of the Website.
- Website is now one of the most educative sites, built on state-of-the-art technology, having a rich repository of more than 100 Tax and Allied Laws, Rules, approximately 10,000 Circulars and Notifications which are cross-referenced and hyperlinked for users' convenience.
- **International Taxation related contents:** An "Exchange of Information" functionality has been created on the Income-tax Department website for dissemination of information to financial institutions, Departmental officers as well as public at large. The Chairman, CBDT on 22-11-2019 inaugurated the functionality which consolidates all the relevant AEOI (Automatic Exchange of Information) related information at one place for convenient access by all stakeholders. The portal would be a repository of policy and technical circulars/guidance/notifications issued by the CBDT, and provide links to relevant circulars/guidance issued by the regulatory authorities in India and other international bodies. The portal is not only be useful for the domestic financial institutions but will also help the foreign tax authorities and financial institutions to get information about the Indian laws, rules and procedures related to AEOI under CRS.
- More than 130 Tax Treaties, which India had entered into with Foreign Countries, have been uploaded (with unique facility of Treaty comparison)
- Tax rates as per Income Tax Act vis-à-vis Tax Treaties.
- Relevant provisions under Income-Tax Act, Companies Act, ServiceTax and FEMA for Non-residents
- There is a section for Synthesized Text for the "Double Taxation Avoidance Agreements". So far 'Synthesized Text' for the application of the Agreements entered into with 12countries have been uploaded.
- Providing information to the Taxpayer in the form of FAQs/Tutorials/Tax Information series booklets.
- Cross linking: - Cross linking across all the sections of Income-Tax Act 1961, has been provided. Further, all related Income-Tax Rules1962, FAQs, Tax Services, Income-Tax forms are available on that page itself.
- Services centric information Page for various services such as PAN/TAN, Return Filing, Tax Payment, Tax calendar, Tax Chart &Tables, Tax utilities, Tax Helplines and more have been provided.
- The website is friendly for differently abled persons and can be accessed easily by visually challenged users, users with partial or poor sight including color blind users and deaf users. It is bilingual and Rajbhasha compliant.
- Separate corner for Senior Citizens.
- Latest News & Press Release are updated on real time basis.

- Income Tax Office Locator (covers details of all Income-tax Offices across India)
- Separate pages of Pr. CCIT/DGIT- Includes information about field offices, Grievance Redressal Mechanism, respective CPIOs, Appellate Authorities under RTI Act.
- Tenders from Department.

n) Income Tax Business Application (ITBA)

The Income Tax Business Application (or ITBA) has been in action for over 3 years with the aim of being abreast with technological changes; re-engineering the business process within the tax administration and empowering the employees to deliver outcomes in a consistent, efficient and taxpayer friendly manner. ITBA's main objective is to bring all internal business processes on a digital platform so that officers and staff can increase their efficiency by bringing information and work at a single place for decision making. Apart from being accessible over Income Tax Department's private network, ITBA is also accessible over the internet using VPN to cater to the challenging times of COVID-19 and to remove hindrances in delivery of taxpayer service.

The ITBA (Income Tax Business Application) is the platform for use by the tax officers, for implementing the Faceless regime. Hence ITBA not only enhances accountability and transparency for an efficient tax administration but is also a boon for the honest taxpayers.

Over 1.5 lakh assessment orders, 1.25 lakh penalty orders, and 50 thousand appellate orders have been passed in a faceless manner on the ITBA portal since the launch of faceless regime. The implementation of the faceless regime also resulted in large scale restructuring, consolidation, and rationalisation of the income tax jurisdictions, which necessitated bulk migration of roughly 42 crores PANs across India. This was done through ITBA.

o) E-Verification

E-Verification is conceptualised for automated verification of the information available with the Department, to ensure that all due tax is collected without any leakage. Assessees shall be requested to confirm or clarify the information, which has tax implication through an automated structured queries and structured responses, which can be processed through trained machines leveraging digital technologies including Artificial Intelligence and Machine Learning. With the introduction of section 135A in the Income Tax Act, a fresh e-Verification scheme has been notified by the CBDT. An elaborate structured question bank is made ready. An additional work order has been issued to the MSP of Project Insight. Intelligence Decision Support System will assist a part of e-Verification process.

p) Integrated Communication Management (ICM)—ICM has been rolled out to user and taxpayers from 7th Jun 2021.

(i) ICM has already catered to over 6 lakh calls from taxpayers, 1 lakh 'Live Chat' sessions, redressed over 6 lakh grievances and enabled customer services in 10 regional languages to assist the callers effectively.

(ii) Webex and Webinars are conducted at various stages of roll out of new features or forms to understand the problems faced by the users by involving the technical architects in the webex meetings.

(iii) Virtual Assistants and Live Chat Agents assist the users with queries on the services of IEC. Screen Sharing feature will be enabled shortly. Communication of campaigns through social media has been commenced.

q) Accreditation of employers, deductors, banks CAs etc. - Accreditation program with employers, deductors, banks, CAs, ERI and TRPs etc. will enable the department to obtain information about taxpayers relating to salary, interest, income from house property, deductions etc. throughout the year in an accurate manner which will enable CPC 2.0 to accurately pre-fill the return and take up these returns for faster processing.

r) Zero Down time: A complete re-design of the e-Filing portal has been rolled out to taxpayers and users and the new design enables operations of the portal in a Zero Downtime mode. This is achieved through website replication and fail over strategies, content delivery networks and a stringent SLA and penalty.

s) Aayakar Sampark Kendra (ASK)

Aayakar Sampark Kendra (ASK) is Taxpayer Information and Services Center (Call Centre) of the Income tax Department which makes the first level of Taxpayer Services by way of addressing taxpayers' general queries pertaining to:-

a. *PAN*

b. *Status of PAN applications*

c. *Status of Refund*

d. *The critical dates of filing returns and taxes*

e. *Newly introduced schemes like IDS, e-Sehyog, Vivaad se Vishwaas etc.*

The Income Tax Department has 6 Call Centres (1 National Call Centre and 5 Regional Call Centres) called Aaykar Sampark Kendras situated at Gurugram (NCC), Jangipur, Kochi, Jammu, Vadodara and Shillong (RCCs). All the five regional call centers are connected with National Call Center via MPLS links, the calls are identified through the originating CLI and routed to the respective center.

In all, there are 90 agents, called Taxpayer Relationship Agents (TRAs) stationed at these centres to answer the general queries of the Taxpayers over 2 Toll Free Nos. 1961 and 18001801961, from 0800 hrs to 2200 hrs from Monday – Saturday.

On an average approximately 2,50,000 calls are received per month across these 6 call centres. Support provided in 14 different languages, i.e. English, Hindi, Punjabi, Kashmiri, Bengali, Odia, Assamese, Khasi, Gujarati, Marathi, Malayalam, Tamil, Telugu and Kannada.

The major benefit of Aaykar Sampark Kendras is that a Taxpayer doesn't require to search for his generic queries about Income Tax over web as these Toll Free Services are available from 0800 hrs to 2200 hrs from Monday – Saturday.

The trend of ever increasing call volume shows that these centres are gaining popularity among taxpayers due to their handiness and utility.

t) Online grievance redressal system e-Nivaran:

'E-Nivaran' is an electronic grievance redressal system integrated with the ITBA application, the Department's internal online working system. The paper grievances received through ASK centers are also digitized and integrated with e-Nivaran module.

The CBDT forwards the grievances which are received manually or through e-mail in the offices of PM/FM/MOS/Chairman/ Members to the Directorate of Taxpayer Services (TPS). These grievances are uploaded on e-Nivaran according to PAN jurisdiction. The TPS Directorate monitors the pendency and redressal of e-Nivaran grievances all over the country.

Directorate of Tax Payer Service -II has been assigned with the duties of monitoring of disposal of public grievances of CPGRAMS. All grievances are downloaded from the website pgportal.gov.in and after examination, action taken by the offices subordinate to CBDT are monitored by the Directorate to ensure timely resolution of the grievances. Information about redressal action taken in such cases is uploaded on the website by the subordinate offices. The Directorate constantly monitors the resolution of the grievances throughout the country.

The actual data from 01.04.2021 to 30.11.2021 in respect of the grievances is as under:

a) Disposal of Grievances: 96% (Grievances received during the year - 34591, Disposal - 33450, Brought forward were 6257)

b) Average Disposal time: 56 days

u) Launch of TPS module/Mobile App "Aaykar Setu" on the lines of Digital India initiative:

An e-platform for accessing the key tax payer services is provided by the Department to the general public/taxpayers. The Taxpayer Services Module/Mobile App provided extensive information about tax related queries & services. Its main highlights are:

i. **ASK IT** – It functions as a CHATBOT (A virtual machine chatting with the user) which provides solution to queries of taxpayers relating to PAN,TAN, TDS, Return Filing, Refund Status, Tax Payment etc. on real time basis.

ii. **Live Chat with Tax Experts** – In case users have any query they can use the chat option at TPS section. This facility is available on all working days.

iii. **Tax Return Preparers at your doorstep –** It helps to locate the TRP on Google map. A Tax Payer can locate/search the TRP at the desktop as well as on his mobile App.

iv. **Tax Tools –** It facilitates tax calculations for filing ITR. Various tax tools are available, which will give the output required for ITR on the basis of inputs/information available with user.

v. **PAN/TAN –** All the services related to PAN/TAN i.e. PAN/TAN application, De-duplication, PAN surrender, PAN-Aadhar Linking are available through the portal

vi. **TDS/TRACES –** It provides links to all the services useful for a tax deductor/ collector, tax deductee in one place along with proper bifurcation of services between Tax Deductor/ Deductee etc.

vii. **Payment of Taxes –** It provides ease of use of all the services related to tax payment including tax calculation, View tax credit statement etc.

viii. **Latest Updates on website and email/SMS –** It will help the taxpayers in finding out the information required as per upcoming compliance dates on the main window of the Tax Payer Services.

ix. **Tax Gyaan –**Tax Gyaan is a multiple choice question web-based game to provide knowledge to the youths accessible from mobile as well as desktop.

8.1.3 New Initiative in respect of Human Resources Development (HRD)

i. The Directorate of HRD has successfully shifted from in-house portal for APAR writing to NIC based portal e-Office (SPARROW) for both group A and B officers which would smoothen and expedite the process of APAR writing. This will also align the department with other services in Government of India, which are already on SPARROW Portal and will help in timely Promotions and Empanelment. Around 5,000 Group A and 6,800 Group B officers have shifted to SPARROW portal and their APARs for the year 2019-2020 and 2020-2021 have been written on the SPARROW Portal. Further, from January 2021 the filing of IPR on SPARROW has been made mandatory.

ii. The Directorate of HRD has further initiated the implementation of e-office in the department from CBDT to all field formations all over the country. This would bring the Income Tax Department at par with other Ministries and Departments.

iii. "HRD Corner" has been created on the *irsofficersonline* website and the main purpose for the creation of "HRD Corner" on the *irsofficersonline* website is for consolidating all communications and circulars related to HR matters of IRS officers at one place, thereby acting as a bridge between the field and the Directorate of HRD. The HRD Corner has different tabs related to APAR, Training and Capacity Building, Deputation, Promotion, Empanelment, Non-Functional Upgradation, Gender Issues, Circulars and Instructions, etc.

iv. IRS Online Deputation Module, which is a single window, online deputation module has been made available in all the 18 Pr.CCsIT(CCA) regions and also the 6 attached Directorates of CBDT. IRS Online Deputation Module is the online deputation module designed for receipt and the faster processing of the deputation applications and streamlining the deputation cadre clearance of the IRS officers. This module brings together all the stakeholders - DG(Vig) office, AD. VI A CBDT, APAR Cell HRD, ADG-3 HRD Office and CCA Office and all IRS officers on one single platform.

v. UDAAN –The IRS Mentoring Programme Scheme has commenced from 1st October, 2021. The primary objective of UDAAN is to support the young IRS officers professionally and emotionally as well as to guide them through various practical aspects on joining a station on first posting. Through this programme, the young officers would be exposed to the right values and ethics at the nascent stage careers so as to develop a positive attitude towards the Income Tax

Department. Development of a mentoring culture through a pool of trained and committed mentors has been a key priority area for the Directorate of HRD.

vi. **Gender cell** – The inputs on female employees received from various Pr. CCIT charges were updated in the gender database.

8.2 Central Board of Indirect Taxes & Customs (CBIC):

8.2.1 Anti-Smuggling Unit:

During the year 2020-21 (upto November, 2021), following major initiatives have been taken by Anti-Smuggling Unit:

i. **PGA eSANCHIT (Automatic License Transmission and Verification)-** Single Window implemented PGA eSANCHIT on 16.11.2018 whereunder all the PGAs would upload PDF of the License/Permit/ Certificate/Other Authorization (LPCO) issued by them on eSANCHIT and would communicate the document/image reference number to the beneficiaries (DRN/ IRN), who can use the said IRN/DRN for making the LPCO available to the customs for clearance of goods. This would eliminate physical interface between PGA, Customs and beneficiaries. It reduces dwell time and cost of shipment. As of now, 53 PGAs have been enabled for uploading LPCOs on eSANCHIT. Further, Single Window is in process of identifying more PGAs.

ii. **Compliance Information Portal (CIP)-**In compliance of Article 1.3 of the World Trade Organization's (WTO's) Trade Facilitation Agreement (TFA), the Central Board of Indirect Taxes and Customs (CBIC), has launched an Indian Customs Compliance Information Portal (CIP) as another facilitation tool for trade as a step towards enhancing ease of doing business. The portal can be accessed at **www.cip.icegate.gov.in/CIP**. The portal provides a free, easy and quick access to information on all Customs procedures and regulatory compliance for nearly 12,000 Customs Tariff Items. It provides all necessary information related to laws governing the cross-border trade, step by step procedures and Acts of Customs along with applicable duties and taxes on each Customs Tariff Items on a single platform. The portal further provides information about the documents required for customs clearances of import or export commodities. It also provides information about the requirement of necessary permissions/ clearances or requirement of License/ Permit/Certificates/Other Authorizations (LPCOs) to be obtained from any Partner Government Agency (PGA) for imports and exports of commodities. Other important information on various aspects of Customs such as import and export through posts and courier, import of samples, re-import and re-export of goods, self-sealing facility for exporters, project imports and Traveller's guide for passengers arriving in India or departing from India, is also available on the portal. The portal also features a pan India map showing all the Customs seaports, airports, land customs stations etc. Also, the portal contains addresses of the regulatory agencies and links to their websites.

iii. **Application Program Interface (API)-** API for fetching PDF documents from PGAs has been implemented with one of the PGAs namely DG Hydrocarbon (DGHC). This has done away the process of manual uploading of LPCOs by PGAs. More PGAs were requested to come forward for the initiative. Meanwhile, it was decided go for integrating the PGAs through API for transferring of data elements of LPCOs instead of pdf document. In this regard, data fields of the LPCOs pertaining to more than 50 PGAs were identified and common fields were mapped. KPMG, the consultant of CBIC have been engaged to prepare a common API specification document. Discussions were held with the development teams of DG Systems and KPMG. To start with, 4 PGAs namely DGHC, GJEPC, APEDA and Coffee Board have been identified. The Technical Specifications have been shared with ICES and ICEGATE for finalization of the same and development of APIs

iv. **Training for the PGAs:** In co-ordination with NACIN, Faridabad an online training was scheduled for the officers of 6 PGAs working on SWIFT.

v. **Training to Departmental Officers working as Authorised Officer under FSS Act:** FSSAI has authorised customs officers to function as authorised officers under FSS Act at 128 locations. In order to ensure compliance of food safety regulations, Single Window has organised online training of departmental officers. The training was provided by FSSAI officers. The training was attended by more than 150 officers.

vi. Webinars for the trade and PGAs: During the Pandemic, Webinars have been conducted for the trade and the PGAs, highlighting the potential and importance of e SANCHIT for making the cross-border trade complete paperless.

vii. Non-tariff Measures: Non-tariff measures are generally defined as policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both. Standard Operating Procedure for notification of new Non-Tariff Measures (MTM) or other import/ export restrictions/prohibitions by various Ministries/Departments/Government Agencies was issued according to which PGAs will forward non-tariff measures to Director (Customs) as per the proforma. In pursuance of same, tariff item wise NTMS have been complied and shared with NCTF.

8.2.2 Drawback Division:

Both the RoDTEP scheme and RoSCTL scheme provides for remission amount in the form of transferable duty credit issued to a person and maintained in the electronic duty credit ledger in the customs automated system. In this regard, this Division vide Notification No. 75/2021-Customs (N.T) dated 23.09.2021 has issued Electronic Duty Credit Ledger Regulations, 2021 specifying therein use, transfer, maintenance etc. of Electronic Duty Credit Ledger (EDCL). EDCL would ensure electronic processing and issuance of electronic duty credits/ benefits without any manual intervention, making the process transparent, faster and efficient.

8.2.3 The Directorate General of Human Resource Development (DGHRD)

8.2.3.1 HRM-I Wing:

Performance and achievements of HRM-I Wing during the year 2021-22 (up to November 2021): During the year 2021, following major initiatives have been taken by DG (HRM):

(i) <u>E-Pratiniyukti (Online Deputation Module)</u>: e-Pratiniyukti is a single window, online Deputation Module for receipt and processing of deputation applications/cadre clearance of IRS (C & CE) officers. The module was **<u>launched on 01.09.2020 by the Hon'ble Chairman-CBIC</u>**. The module brings together all stakeholders i.e. Ad.-II CBIC/Ad.-V CBIC/DGoV/DGHRD and CCO/ DG as well as all IRS(C&IT) officers on one platform for faster processing and streamlining the deputation cadre clearance procedure. The Endeavour is to complete the deputation cadre clearance processing in around **8 working days' time**, with working in an automated environment.

(ii) SPARROW-CBIC project, for online writing of APAR of Group B and C officers (Grade Pay 1900 and above) of Central Board of Indirect Taxes and Customs (CBIC) was successfully implemented w.e.f F.Y. 2018-19 and covered more than 50,000 Officers/ Staff (Head Havaldar and above) of CBIC. In the mainstream executive cadres under CBIC, Havaldar and MTS were still not covered in SPARROW-CBIC and their APARs were continued to be written in manual/hard copy only. Havaldars and MTS being the feeder grade/ cadre for further promotion to the grades where APARs were already being written online, a need was felt that their APARs also need to be written online. The mapping of personnel in the Grade of MTS and Havaldars in SPARROW CBIC was also an action point submitted by DGHRD to the Board and the same was to be completed by 30.09.2021. The same has been completed and all MTS and Havaldars, on the basis of data provided by field formations, have been mapped on to SPARROW CBIC w.e.f APAR cycle 2020-21. Further, HRM-I, DGHRD is the nodal office for APAR representation in respect of Group 'A', IRS(C&IT) officers. In case of representation against APAR grading/ comments, received from JC and above, processing is done at HRM-I and the case is presented before appropriate Referral Board. During 2020-21, 7 representations from Pr./ Commissioner/ADG and 8 representations from JC/ADC, pertaining to APAR year 2018-19 and 2019-20 were disposed of in HRM-I. Apart from this, 56 APAR representations pertaining to AC/DC, along-with comments of Reporting and Reviewing officers, were sent to Zonal Pr. Chief Commissioner/ADG for disposal.

(iii) Recruitment rules for the post of Sr. Private Secretary were notified vide GSR No.112 dated 18/08/20.

(iv) Recruitment rules for the post of Sr. Private Secretary were notified vide GSR No.25 dated 09/03/21.

(v) Recruitment rules for the post of Administrative Officer were notified vide GSR No. 305(E) dated 21/05/20

(vi) DPCs for Group A & Group B to A:-

- DPC for the grade of Assistant Commissioner to Deputy Commissioner conducted for the batch of 2017-18.
- DPC conducted for the grade of Chief Commissioner to Principal Chief Commissioner.
- Preparatory work for the promotion of Joint Commissioner to Additional Commissioner has been completed for the batch of year 2009. DPC will be conducted in the last week of November 2021.
- NSFG for the batch 1988 to 2001 for the rank of Joint Commissioner to Additional Commissioner.

(vii) A task force was formed for implementation of **iGOT-Mission Karmyogi for determining framework of Roles, Activities and competencies** required by the officers and staff of CBIC at various levels. DG, DGHRD was appointed as the head of the task force for preparing the FRAC documents.

(viii) SPARROW-CBIC project, for online writing of APAR of Group B and C officers (Grade Pay 1900 and above) of Central Board of Indirect Taxes and Customs (CBIC) was successfully implemented w.e.f F.Y. 2018-19 and covered more than 50,000 Officers/Staff (Head Havaldar and above) of CBIC. In the mainstream executive cadres under CBIC, Havaldar and MTS were still not covered in SPARROW-CBIC and their APARs were continued to be written in manual/hard copy only. Havaldars and MTS being the feeder grade/ cadre for further promotion to the grades where APARs were already being written online, a need was felt that their APARs also need to be written online so as to bring on board all mainstream executive cadres of Group 'B' & 'C' for online APAR writing in SPARROW-CBIC. This would create an effective database which would enable streamlining of the DPC process and bring transparency and responsiveness in the appraisal process. Thus, to further deepen the implementation of SPARROW-CBIC, as also to increasingly move towards Digital Governance, it was decided to extend the online writing of APAR in SPARROW-CBIC to Havaldar and MTS (Group C mainstream cadres of Central Board of Indirect Taxes and Customs (CBIC), beginning with APAR cycle 2020-21. The mapping of personnel in the Grade of MTS and Havaldars in SPARROW CBIC was also an action point submitted by DGHRD to the Board and the same was to be completed by 30.09.2021. The same has been completed and all MTS and Havaldars, on the basis of data provided by field formations, have been mapped on to SPARROW CBIC w.e.f. APAR cycle 2020-21.

Projections till March 2022:

a) To create an effective database which would streamline and facilitate the conduct of the DPC process, APARs for the last 10 years of all Group B & C officers/ staff are to be scanned and uploaded in the SPARROW-CBIC module.

b) Pursuing of Cadre Restructuring proposal under consideration of DoP&T.

c) Undertake review of performance parameters as already indicated in the APAR formats and to make necessary changes as required so as to keep themselves relevant and updated.

8.2.3.2 HRM-II Wing:

Performance and Achievements of HRM-II wing of DGHRD:

i. Launch of BhugtaanTab: In order to enable the staff as well as the vendors, to check, the status of their submitted bills in Administration branch, a " Bhugtaan" tab has been made and launched by HRM-II office on 01.04.2021on DGHRD's website and is working successfully. All vendors and staff can now check the status of their bills from the tab.

ii. Launch of Swachhta@CBIC- an e- module to monitor Swachhta projects

iii. The Swachhta@CBIC tab designed by HRM II wing was launched on 8th October, 2021. It is an online module (hosted on DGHRD website) which will allow easy and quick access to the swachhta projects initiated by the field formations at a single click, thereby ensuring proper monitoring of the fund utilization and the status of the projects throughout the year. As the project details of each formation will be available for view to all, it will also encourage the dissemination and further replication of best practices amongst the field formations. It is important to mention that during last four years total 1494 projects have been successfully implemented and for year 2021-22, 525 projects are under progress. A fund of Rs. 60 Cr has been earmarked under the budgetary head OE Swachhta, out of which 40 cr have been allocated to the formations.

iv. Release of the 3rd Edition of Swachhta booklet "Swachhta Uday 2021" and presentation of the Annual Swachhta Awards 2020-2021

v. The Swachhta booklet captures the glimpses of various Swachhta projects undertaken by the formations and the details of the best Swachhta projects of the zones/ directorates/ commissionerates selected for the Swachhta Awards-CBIC (2020-21). The booklet was released by the Chairman CBIC on 08.10.2021.

vi. Special Cleanliness Drive during Swachhta Pakhwada:

A special campaign for cleanliness was conducted by DGHRD in the month of October, 2021. A total of 608 Swachhta projects were undertaken by the various offices of CBIC during the special campaign. A total of 35 projects were undertaken by DGHRD for disposal of e-waste, paper waste, old office items, cleaning of office premises and total 1214 files were weeded out. 392 sq. ft. of Space was thereby freed up.

vii. E-Disposition List: The module, launched in the month of October 2020, ensures timely availability of data in respect of officers posted in various field formations/ Directorates, on real time basis.

viii. Civil List with Photograph: On 25.06.2021, Chairman CBIC has released the 26th edition (2021) of the IRS (C&IT) Civil List updated as on 01.01.2021. This edition is innovative and unique in many ways. Besides the hard bound colour edition, the current edition of the Civil List has several firsts - the incorporation of photographs of officers and the symbolic depiction of a medal against the names of Presidential Awardees. The names and photographs of past Chairpersons of CBIC has been included to ensure their place in CBIC's institutional memory and to recognize contributions, they made as head of family. Another valuable addition is inclusion of contextual portion of Civil List 1961, which was a unified Civil List of Customs and Central Excise as well as Income Tax as an Appendix to the current Civil List.

ix. E-Module For HYB Reports: The on-line Module is now operational for reporting of Sanctioned Strength, Working Strength and Vacant Posts of various Cadres on a certain date, e.g. as on 01st January or 01st July of a year from Cadre Controlling Authorities, Directorates and from formations under their control. The online E-Module replaced conventional collection and assimilation of reports, saving both time and efforts involved.

x. Development of 'Group 'B' & Ç' module and collection of basic data for Group 'B'& Ç officers:

An urgent need was felt to collect the basic data of all officers under CBIC to assist Hon'ble Supreme Court in a Court matter in the month of October, 2021. Accordingly, HRM-II wing conceptualized and developed an e-module exclusively for Group 'B'& Ç' officers and in a time bound manner collected basic data of all officers including their name, DOB, Category, Designation, Date of Joining in Department and current place of posting. The said module is hosted on DGHRD website and maintained internally.

8.2.4 The Directorate General of Performance Management (DGPM):

e-Office is a "Mission Mode Project" under "Digital India Programme" implemented Pan India on 15.06.2020 in all the 436 offices under CBIC, viz. CGST Zones, Customs formations zones and Directorates for file management, movement and decision making. Implementation of e-office has been an effective office tool with the onset of the Covid pandemic, since the physical work processes have been severely affected on account of the safety protocols. The following initiatives were taken to ensure the reach of e-Office in the organisation:

(i) Online trainings for all EMD Managers as well as users were organized;

(ii) User manuals for the various e-office related issues were created and circulated;

(iii) Four focussed groups i.e., EMD Managers for Instance-I, EMD Managers for Instance II, CBIC Instance-I & CBIC Instance-II were created for providing real time solution to the issues besides a dedicated e-mail id that is attended to by dedicated teams headed by System Administrator. Problems, if any, could also be raised using the Saksham platform.

Between 01.04.2021 to 30.11.2021, 3,85,011 e Files were created, 56,90,889 e Files were moved and 20,04,398 e Receipts were created indicating extensive use of e Office in 436 filed formations of CBIC.

8.3 Narcotics Control (NC):

8.3.1 Central Bureau of Narcotics (CBN):

As regards, E-Governance activities, it is stated that various instructions of the Government, on issue of e-governance, are noted for compliance and necessary action. Use of CCTV's Camera's at Settlement and Weighment centres was also successfully carried out. Payment to cultivators made through e-payment from the crop year 2012-2013 continuously.

Computers have been provided, almost, in each section and have been inter-connected through Network. All urgent reports or replies to the references received from the Ministry are being forwarded to the Ministry of Finance, New Delhi and other offices through e-mail, as far as possible.

The Central Bureau of Narcotics website has been updated and all the application forms for issue of export/import authorization for export/import of Psychotropic substances, Narcotics Drugs and Precursor chemicals can be downloaded from the CBN website: www.cbn.nic.in. The opium cultivation data from 1998-99 has also been uploaded on the CBN website: www.cbn.nic.in

8.3.2 Chief Controller of Factories (CCF):

The Organization of Chief Controller of Factories has launched its own website which contains complete information about the organization, its activities, contact details, etc. All tenders for procurement of material and services are timely loaded in the website for information and participation of the manufacturers / suppliers. The organization has also arranged to display various information pertaining to production of drugs, sale of drugs, etc. through internet. Placing of various other information for information of the concerned authorities have also been taken up and likely to be provided soon through internet. Placing of various other information of the concerned authorities have also been taken up. The organization purchase goods & services through GeM ad tendering through e-procurement portal.

8.4 Customs, Excise & Service Tax Appellate Tribunal (CESTAT):

The dynamic website of the Tribunal started in January 2017 is fully operational with the help of NIC and is now extended to all eight Regional Benches. Cause lists are uploaded on weekly basis and Daily orders are uploaded on daily basis. Final orders are uploaded as soon as they are signed by the Members. All information concerning the Tribunal are available as required by DOPT OM No.1/6/2011 dated 15/04/2013. The NIC has undertaken the job of online filing of appeal which is first of its kind in a Tribunal. Online payment of appeal fee is also done along with it.

8.5 Directorate of Enforcement:

ED has made a number of efforts to digitize its functions for ML risk profiling and streamlining the ML / TF investigations with the use of AI, computerization, etc, the same are summarized as below:

i) **Project of Computerization of the processes of ED**: This project has been initiated to computerize all the processes of the ED including identification of ML cases on risk-based mechanism, handling all matters of investigation in the system, having interface with other external agencies for smooth and expeditious exchange of information, etc. Important features of this project which will assist in digital transformation of ED are as under:

a) The ED will get a customized software [termed as Core ED Operations System (CEDOS)] developed for use of its officers and all the file work will be replaced by system-based functioning in all areas of work including intelligence collection and processing, investigation, management of properties, human resource management, etc.

b) The system will be able to integrate with various external agencies through API which are following as –

- FIU: The STRs from FIN-NET could be accessed through the interface between the two applications
- CBI: Interface with CRIMES system of CBI to ensure timely exchange of information.
- NATGRID: Information could be extracted by NATGRID through which ED can get inputs.
- GSTN: This will lead to allowing access to the financial information filed by a person in the GST returns which will assist in intelligence collection and investigation.

- CBDT: Information about the PAN number, bank accounts, filing income, 26 AS, etc could be made available in the system.
- Integration with other relevant government bodies application like e-courts, CCTNS, ICJS, etc.

c) The system shall create and maintain a database of all the intelligence/inputs received from LEAs, etc. and ongoing cases of ED so that a consolidated database may be created including details of individuals, Bank Accounts, Corporate Entities, Mobile Numbers, PAN / Aadhar Number / CIN # / IEC Code etc. This will help in ensuring that ED has a ready-made database to refer back or to provide linkages as and when they come in contact with ED during any new investigation.

d) An easy to access and responsive search functionality shall be available to ED officers to help them conduct search on individuals, transactions, cases, supporting documents and underlying data. Every time the above parameters are entered in the system, the database can provide all details related to it.

e) The CEDOS solution shall also have advanced analytics and capability of performing advanced analysis on high volume data received from various case proceedings as well as received from external agencies.

f) The existing records shall also be scanned with OCR capability so that the details are captured in the database.

This project will enable smooth and fast co-ordination between ED and various domestic predicate agencies and FIU& NATGRID. ED will have access to databases of various domestic agencies which will enable ED to verify facts in real time which would have otherwise taken weeks to months. The AI used in the project will save time taken in various processes and would fasten the pace of the ML investigation. The Detailed Project Report (DPR) has already been submitted by M/s Ernst & Young and the project is progressing with good pace.

ii) **Risk Assessment Monitoring Committee:** In consonance with FATF standards, the Directorate of Enforcement has formulated a risk based system for selection of cases for money laundering investigation which provides that certain categories of cases should be mandatorily investigated and certain cases shall be investigated on the basis of quantity/amount involved.

The access to CCTNS/ICJS database (which is a repository of the FIRs registered by the LEAs) has been given to all the offices of the Directorate. All the potential cases of ML are identified online through logging into CCTNS/ICJS portal and the cases which do not fall under the mandatory criteria are examined by a Risk Assessment Monitoring Committee (RAMC), which holds meetings every quarter through Video Conference. The digitization project will further lead to refinement in selection of cases based on risk profile.

iii) **Use of satellite imagery for managing attached properties**:During the course of investigation, the ED attaches various properties which are spread across the country. In order to monitor these properties and to ensure that no encroachments/ unauthorized constructionsare done on the property, satellite images of the properties are being sought from National Remote Sensing Center (NRSC). Further, ED has requested Bhabha Atomic Research Center (BARC), Vishakhapatnam to develop software for processing satellite images of attached properties to monitor them at regular intervals and the BARC is working on the same.

iv) **Analysis of call data records**:ED intercepts calls of various persons during the course of investigation. However the same are voluminous and various difficulties are faced in analyzing them. To overcome the same, Directorate of Enforcement contacted BARC which has developed 2 software (one each for Hindi and English languages) to convert speech to text and analyse these call data records automatically. Also, this project is being further extended to assimilate the major Indian regional languages. For this, data (both audio and transcript) has been obtained from Central Institute of Indian Languages (CIIL), Mysuru and provided to BARC for developing similar software in Regional languages too.

v) **Summons module**:The Directorate of Enforcement has developed an intranet application for generating summons [issued under the provisions of Section 50(2) of the PMLA, 2002]. The most important feature of the system generated summons is that the print out of summons shall have a QR code at the bottom of the summon(s). The receiver of the summons shall have the option of verifying the authenticity of the summons by scanning the QR code printed on the summons on our official website. This will help in digitalizing the process of issuance of summons and will also help in bringing transparency in the process. It is also expected that it will also ensure that individuals are not conned/fooled by unknown persons through fake summons. Earlier, as summons were being issued manually, it was not possible to centrally maintain & monitor data of summons and to ensure authenticity of summons issued.

vi) **Handling of digital evidences**: ED seizes huge number of digital devices (e.g. hard disks, mobile phones), during search and seizure operations. Analysis of these devices is extremely essential for the purpose of investigation. But, it often consumes a lot of time (2 to 6 months) to get data retrieved from National Cyber Labs. To overcome this issue, the Directorate signed a MoU with National Forensic Sciences University (NFSU), Gandhinagar to help create ED its own cyber lab with trained staff. Now, ED has 6 cyber labs of its own wherein forensic analysis of these digital evidences is done by using specialized forensic tools. Now ED is able to analyze digital evidences in 4-5 days of seizure operations. Further, the ED has entered into a MoA with the National Forensic Sciences University (NFSU), Gandhinagar for establishing a state of the art cyber lab at Gandhinagar which will be 7th cyber lab of ED.

8.6 Financial Intelligence Unit – India (FIU – IND):

FIU-IND initiated project FINNET 2.0 to advance capabilities of the FINNET system through a technological transformation. This will encompass the redevelopment and revamp of the existing FINNET application, redesign of processes to improve compliance, and strengthening of the strategic and tactical analysis capabilities of FIU-IND. The core objectives of this project will include:

- Building a more efficient system for collection of data from reporting entities, reducing case backlogs and improving the user experience.
- Advancing analytical capabilities to generate more accurate linkages, enabling deeper insights through an enriched profile of suspicious entities, with integration of additional government and commercial databases and deployment of AI / ML, to enable better decision making by analysts.
- Building efficient and intelligent mechanisms for dissemination and exchange of information with other agencies.
- Equipping law enforcement agencies with analytical tools for enhanced analysis of the cases disseminated to them.
- Setting up of a training cell and Learning Management System to conduct online and classroom trainings and enable continuous learning for all users in the FIU ecosystem.
- Setting up of a dedicated Strategic Analysis Lab to stay abreast of the developments and applications of emerging technologies for AML, recommend best practices and generate insights to strengthen the functioning of FIU-IND.
- Strengthening security by adopting an array of best-in-class measures, standards, tools and internal controls for information security.

Development of FINNET 2.0 system commenced in August 2020 with onboarding of the Managed Service Provider (MSP) selected through a competitive bidding process. The system design and development are underway, and the system is envisioned to go-live in 2022.

9. Swachh Bharat Campaign

9.1 Revenue Headquarters:

Department of Revenue has taken several steps as a part of Swachh Bharat Campaign initiated by Government of India under Swachhta Action Plan 2021-22, various activities were undertaken by the Department, viz. Swachhata Pakhwada campaign from 16th August, 2021 to 31st August, 2021; many activities were undertaken and images were uploaded on the web portal of the Ministry of Drinking Water and Sanitation. The Department has been monitoring the implementation of Swachhta Action Plan of all field formations of Central Board of Direct Taxes (CBDT) and Central Board of Indirect Taxes and Customs (CBIC). Feedback via video conferencing with Nodal Officers of CBDT & CBIC was undertaken during Swachhta Pakhwada. During 2021-22, to encourage cleanliness in the office complexes, awareness drives for maintaining cleanliness with the participation of the officers and employees were done in this Department in addition to routine cleaning, sweeping, mopping of floors/ corridors of all the rooms including staircases, toilets, open area etc. Sufficient steps were taken to sanitize the rooms/ open areas etc., distribution of mask, sanitizers, soap and other safety-related products on routine basis to prevent spread of COVID-19 in the office premises, as per the protocol issued by the Ministry of Home Affairs and Ministry of Health & Family Welfare from time to time. Staff cars allocated to senior officers were also sanitized regularly to prevent spread of COVID-19. **Special Drive for weeding out of old records/ files, disposal of waste material, disposal of newspaper waste, old/ written off books, disposal of e-waste etc. was carried out in the Department as well as in the field formations of the CBDT/ CBIC & other subordinate offices of the Department of Revenue.** Weeding/ recording/ digitization / scanning of old records was carried out for optimization of office space. Disposal of obsolete goods/ e-waste was also carried out regularly to maintain overall cleanliness & proper ambience of the office premises. Emphasis was also given on curbing single use plastic (SUP) and discourage use of plastic in the Department. All the activities relating to Swachhta were undertaken during Swachhta Action Plan 2021-22 covering Revenue Headquarters as well as field offices of CBDT & CBIC.

9.2 Central Board of Direct Taxes (CBDT):

Cleanliness campaign from 2nd October 2021 to 31st October 2021

The following actions with regards to the 'Swachata Abhiyan' have been undertaken from 2nd October till 31st October 2021 in the Central Board of Direct Taxes (including the field offices of the CBDT):

a. Cleanliness Campaigns have been conducted at 416 different sites as part of the 'Swachata Abhiyan'.

b. A total of 6,32,257 files were reviewed, out of which 4,52,447 non-essential files were weeded out.

c. Rs. 48,02,016/- of revenue was generated as a result of the scrap disposal undertaken. This involved old and obsolete furniture/ equipment etc.

d. As a result of the weeding out of files and scrap disposal activities, a total of 86,854 sq feet area was freed.

9.3 Central Board of Indirect Taxes & Customs (CBIC):

9.3.1 Directorate General of Human Resource Development

i. <u>Launch of Swachhta@CBIC- an e-module to monitor Swachhta projects</u>

The Swachhta@CBIC tab designed by HRM II wing was launched on 8th October, 2021. It is an online module (hosted on DGHRD website) which will allow easy and quick access to the swachhta projects initiated by the field formations at a single click, thereby ensuring proper monitoring of the fund utilization and the status of the projects throughout the year. As the project details of each formation will be available for view to all, it will also encourage the dissemination and further replication of best practices amongst the field formations. It is important to mention that during last four years total 1494 projects have been successfully implemented and for year 2021-22, 525 projects are under progress. A fund of Rs. 60 Cr has been earmarked under the budgetary head OE Swachhta, out of which 40 cr have been allocated to the formations.

ii. Release of the 3rd Edition of Swachhta booklet "Swachhta Uday 2021" and presentation of the Annual Swachhta Awards 2020-2021

iii. The Swachhta booklet captures the glimpses of various Swachhta projects undertaken by the formations and the details of the best Swachhta projects of the zones/ directorates/ commissionerates selected for the Swachhta Awards-CBIC (2020-21). The booklet was released by the Chairman CBIC on 08.10.2021.

iv. <u>Special Cleanliness Drive during Swachhta Pakhwada</u>

A special campaign for cleanliness was conducted by DGHRD in the month of October, 2021. A total of 608 Swachhta projects were undertaken by the various offices of CBIC during the special campaign. A total of 35 projects were undertaken by DGHRD for disposal of e-waste, paper waste, old office items, cleaning of office premises and total 1214 files were weeded out. 392 sq. ft. of Space was thereby freed up.

9.3.2 National Academy of Customs, Indirect Taxes & Narcotics (NACIN)

i. NACIN successfully completed construction of four water storage tanks under Swachhta Project at a remote village of Parbung in Manipur and another project on construction of community sanitary toilet at Songkot Village is under process which will be completed shortly.

ii. Construction of Shed for serving Mid-Day meal for students at Hinoo United Government School Ranchi.

iii. Zonal Campus, Chandigarh donated two Sanitary Pad Incernators from the Swachhta

Fund to "*Ashiana"*, Sector 16 Panchkula which runs an orphanage for girls and to Govt. Primary School, Sector 15 Panchkula in the month of December 2021 to promote the personal hygiene of young girls who reside/study at these organizations.

iv. A set of two Community Composting Bins (each bin of capacity 1000 lit) were provided to Greater Visakhapatnam Municipal Corporation (GVMC). The same are placed in GVMC's Composting Station, Visakhapatnam.

v. A Sanitary Napkins Incinerator Machine with Smoke Control Unit has been provided to Government Residential School for Visually Handicapped Girls at Sagarnagar, Visakhapatnam.

vi. Zonal Campus, Patna has installed water purification system along with water cooler at Shri Chandra Senior Secondary +2 School, Kurji Mohalla, Patna and at Vani Mandir, Rajbanshinagar, Patna.

9.4 Narcotics Control (NC):

i. Office celebrated "Swachhata Pakhwada" from 2nd October to 31st October,2021 and report was sent to The Deputy Director (HRM-II), Directorate General of Human Development, New Delhi.

ii. Office premises was cleaned and beautified under the Swacch Bharat Abhiyan.

iii. MTSs / Farash / Sweepers deployed at the office were motivated during the swachhta period.

iv. Banners with slogans of swachhta awareness were displayed at different Public Places in Gwalior.

v. Motivating messages on cleanliness was aired in Gwalior through 94.3 FM on 22nd Oct, 2021 at 10:54 A.M.

9.5 Directorate of Enforcement:

Swachh Bharat Abhiyan launched by the Hon'ble Prime Minister on 2nd October, 2014 is being vigorously followed by ED. On 2nd October, 2021, a pledge ceremony was organized across all offices of the Directorate where all the officers and staff members took pledge to keep our nation 'Swachh'. Further, various drives have been organized including installation of banners for creating awareness among citizens and government officials towards the cause of this "Abhiyan". Regular inspection of the office premises is also being done.

Annexure - I

Representation of SCs/STs/OBCs

Organization: Central Board of Indirect Taxes amd Customs (CBIC)

Group	Number of Employees					Number of appointments made during the Calendar year 2020									
						By Direct Recruitment				By Promotion			By Deputation		
	Total strength	Working Strength	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group A	6009	4213	885	433	505	2010	288	143	470	2203	597	290	N/A		
Group B	54244	32473	5251	2363	4905	927	2	2	199	1582	339	170	54	5	4
Group C	26342	11240	2295	791	1931	540	3	1	123	255	39	28	0	0	0
Total	**86595**	**47926**	**8431**	**3587**	**7341**	**3477**	**293**	**146**	**792**	**4040**	**975**	**488**	**54**	**5**	**4**

Annexure - I

Organization: Central Board of Direct Taxes (CBDT)

Group	Number of Employees				Number of appointments made (as on 30.11.2021)										
					By Direct Recruitment				By Promotion			By Other Methods			
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
IRS (IT) Group A	4220	651	364	652	75*	11	5	19	201**	55	29	N.A.	N.A.	N.A	N.A.
Group B	7715	1486	529	645	19	5	2	10	511	98	33	0	0	0	0
Group C	33149	6193	2244	7099	2853	386	128	877	1836	323	145	58	14	4	11
Total	**45084**	**8330**	**3137**	**8396**	**2947**	**402**	**135**	**906**	**2548**	**476**	**207**	**58**	**14**	**4**	**11**

* Offer of Appointments has been issued by CBDT to the candidates selected through Civil Services Examination 2019 during the calendar year 2020. These 75 numbers are not included in column 2 to 5 above as the Officers are undergoing training in the training Institution, NADT, Nagpur.

** These promotions have been made vide CBDT's Office Order dated 16.12.2020 subject to Order dated 29.08.2018 of the Hon'ble Supreme Court in SLP© No. 30621/2011.

Annexure - I

Organization: Revenue Head Quarter

Group	Number of Employees				Number of appointments made up to 30.11.2021									
					By Direct Recruitment				By Promotion			By Other Methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Group A	39	9	2	-	-	-	-	-	10	8	2	-	-	-
Group B	323	52	51	63	36	4	1	17	11	9	1	-	-	-
Group C	302	85	24	70	36	7	-	9	31	20	8	-	-	-
Total	**664**	**146**	**77**	**133**	**72**	**11**	**1**	**26**	**52**	**37**	**11**	**-**	**-**	**-**

Annexure - I

Organization: Financial Intelligence Unit (FIU-IND)

Groups	Number of Employees				Number of appointments made during the previous calendar year											
					By Direct Recruitment				By Promotion				By Other Methods (on deputation)			
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Group A	24*	03	-	02	-	-	-	-	-	-	-	-	05	03	-	02
Group B	03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	07	02	-	02	-	02	-	02	-	-	-	-	-	-	-	-
Total	**34**	**05**	**-**	**04**	**-**	**02**	**-**	**02**	**-**	**-**	**-**	**-**	**05**	**03**	**-**	**02**

* FIU-IND is having a sanctioned strength of 42 Group 'A' Officers out of these 42 Group 'A' posts, 10 Group 'A' posts are encadered with NIC, against which posting of the incumbents are made by NIC cadre. Out of the remaining 32 Group 'A' posts, 24 posts are filled as on 30.11.2021.

Note: The mode of appointment is deputation only except for posts of 06 MTS (Group 'C')

Annexure - I

Organization: The Appellate Tribunal under SAFEMA

Groups	Number of Employees				Number of appointments made during the calendar year									
					By direct recruitment				By promotion			By other methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	11	5	2	-	-	-	-	-	-	-	-	-	-	-
Total	**12**	**5**	**2**	-	-	-	-	-	-	-	-	-	-	-

Annexure - I

Organization: Competent Authority for Forfeiture of illegally Acquired Property

Groups	Number of Employees				Number of appointments made during the calendar year									
					By direct recruitment				By promotion			By other methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	7	1	-	-	-	-	-	-	-	-	-	-	-	-
Group B	11	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	26	6	1	-	-	-	-	-	-	-	-	-	-	-
Total	44	7	1	-	-	-	-	-	-	-	-	-	-	-

Organization: Customs, Excise & Service Tax Appellate Tribunal (CESTAT)

Groups	Number of Employees				Number of appointments made during the calendar year									
					By direct recruitment				By promotion			By other methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	3	1	0	2	0	0	0	0	-	-	-	-	-	-
Group B	35	19	3	13	0	0	0	0	3	3	-	-	-	-
Group C	100	34	9	57	6	0	2	4	2	2	-	-	-	-
Total	**138**	**54**	**12**	**72**	**6**	**0**	**2**	**4**	**5**	**5**	**-**	**-**	**-**	**-**

Annexure - I

Organization: Customs, Central Excise & Service Tax Settlement Commission

Groups	Number of Employees				Number of appointments made during the calendar year									
					By direct recruitment				By promotion			By other methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	6	1	-	1	-	-	-	-	-	-	-	-	-	-
Group B	4	-	-	1	-	-	-	-	-	-	-	-	-	-
Group C	11	2	-	2	-	-	-	-	-	-	-	-	-	-
Total	21	3	-	4	-	-	-	-	-	-	-	-	-	-

Organization: Central Bureau of Narcotics

Groups	Number of Employees as on 30.11.2021				Number of appointments made during the previous calendar year									
					By direct recruitment				By promotion			By other methods		
	Totals	SCs	STs	OBCs	Totals	SCs	STs	OBCs	Totals	SCs	STs	Totals	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	8	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	195	20	11	12	-	-	-	-	-	-	-	-	-	-
Group C	228	34	19	39	10	3	0	3	8	1	1	0	0	0
Total	**431**	**54**	**30**	**51**	**10**	**3**	**0**	**3**	**8**	**1**	**1**	**0**	**0**	**0**

Annexure - I

Organization: Directorate of Enforcement

Groups	Number of Employees (As on 30.11.2021)				Number of appointments made during the previous calendar year										
					By Direct Recruitment				By promotion			By Deputation			
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group A	149	31	09	21	00	00	00	00	00	00	00	-	-	-	-
Group B	446	52	24	102	71	07	02	20	199	37	15	-	-	-	-
Group C	209	40	13	58	06	00	00	01	15	04	00	-	-	-	-
Total	**804**	**123**	**46**	**181**	**77**	**07**	**02**	**21**	**214**	**41**	**15**	**-**	**-**	**-**	**-**

Annexure - I

Organization: National Institute of Public Finance and Policy

Group	Number of Employees as on November, 2021				Number of appointments made during the calendar year									
					By Direct Recruitment				By Promotion			By other Methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	28	1	-	3	3	-	-	-	-	-	-	-	-	-
Group B	13	-	-	1	-	-	-	-	-	-	-	-	-	-
Group C	18	4	-	5	-	-	-	-	-	-	-	-	-	-
Total	59	5	-	9	3	-	-	-	-	-	-	-	-	-

REPRESENTATION OF THE PERSONS WITH DISABILITIES

Organization: Central Board of Indirect Taxes and Customs (CBIC)

STATEMENT SHOWING THE NUMBER OF PERSONS WITH DISABILITIES APPOINTED DURING THE YEAR (FOR THE YEAR 2020)																
Group	DIRECT RECRUITMENT								PROMOTION							
	No. of vacancies reserved			No. of appointments made					No. of vacancies reserved			No. of appointments made				
	VH	HH	OH	Total	Unidentified Post	VH	HH	OH	VH	HH	OH	Total	Unidentified Post	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**
'A'	Ministry is the Cadre Controlling Authority – Information not available															
'B'	11	32	40	735	300	0	16	18	0	0	0	379	8	0	0	6
'C'	23	34	37	289	42	2	5	8	0	0	0	79	12	0	0	0
Total	**34**	**66**	**77**	**1024**	**342**	**2**	**21**	**26**	**0**	**0**	**0**	**458**	**20**	**0**	**0**	**6**

Note:

(i) VH stands for Visually Handicapped (persons suffering from blindness or low vision)
(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment)
(iii) OH stands for Orthopedically Handicapped (persons suffering from locomotors disability or cerebral palsy)
(iv) There is no reservation for persons with disabilities in case of promotion to Group A and B posts. However, persons with disabilities can be promoted to such posts, provided the concerned post in identified suitable for persons with disabilities.

Organization: Central Board of Direct Taxes (CBDT)

Group	Number of Employees				Number of appointments made (as on 30.11.2021)													
					DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of appointments made				No. of vacancies reserved			No. of appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
IRS (IT) Group	4220	6	20	61	1	2	1	4*	1	2	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
'B'	7715	11	1	90	0	0	0	0	0	0	0	6	6	6	261	0	0	3
'C'	33149	152	140	617	36	41	46	748	38	24	44	44	49	61	924	10	10	34
Total	45084	169	161	768	37	43	47	752	39	26	45	50	55	67	1185	10	10	37

* Offer of Appointments has been issued by CBDT to the candidates selected through Civil Services Examination 2019 during the calendar year 2020. These 4 numbers are not included in column 2 to 5 above as the Officers are undergoing training in the training Institution, NADT, Nagpur.

Annexure -II

Organization: Revenue Head Quarter

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	323	2	3	3	-	1	1	1	-	-	1	-	-	-	-	-	-	-
'C'	302	2	1	3	-	1	1	3	1	1	1	-	-	-	-	-	-	-
Total	**664**	**4**	**4**	**6**	**-**	**2**	**2**	**4**	**1**	**1**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure - II

Organization: Financial Intelligence Unit (FIU-IND)

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**34**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure - II

Organization: The Appellate Tribunal under SAFEMA

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**12**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure -II

Organization: Competent Authority for Forfeiture of Illegally Acquired Property

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**44**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure -II

Organization: Customs, Excise & Service Tax Appellate Tribunal (CESTAT)

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	8	1	-	7	1	-	2	-	1	-	2	-	-	-	-	-	-	-
Total	**9**	**1**	**-**	**8**	**1**	**-**	**2**	**-**	**1**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure - II

Organization: Customs & Central Excise Settlement Commission

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure - II

Organization: Central Bureau of Narcotics

Group	Number of employees as on 30.11.2021				DIRECT RECRUITMENT							PROMOTION						
					No of vacancies reserved			No. of appointment made				No. of vacancies			No. of appointment made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	195	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
'C'	228	2	2	6	0	0	0	3	2	1	0	0	0	0	0	0	0	0
Total	**431**	**2**	**2**	**6**	**0**	**0**	**0**	**3**	**2**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annexure -II

Organization: Directorate of Enforcement

Group	Number of Employees (as on 30.11.2021)				DIRECT RECRUITMENT								PROMOTION						
					No. of vacancies reserved				No. of Appointment Made				No. of vacancies reserved			No. of Appointment Made			
	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	10	11	12	13	14	15	16	17	18	19
'A'	149	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-		-
'B'	446	0	0	01	01	0	0	01	01	01	0	0	-	-	-	-	-	-	-
'C'	209	0	0	05	01	0	0	01	0	0	0	0	-	-	-	-	-	-	-
Total	**804**	**0**	**0**	**06**	**02**	**0**	**0**	**02**	**01**	**01**	**0**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure -II

Organization: National Institute of Public Finance and Policy

Group	Number of Employees (As on November, 2020)				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointment Made				No. of vacancies reserved			No. of Appointment Made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**59**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure - III

Summary of important observations included in Audit Reports presented to Parliament during 2021

1. Central Board of Indirect Taxes and Customs (CBIC)

1.1 PAC Cell :

Sl. No.	Year		Details of the Paras/PA reports on which ATNs are pending		
		No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
	FY 2021-22	62	ATN yet to be submitted: 13 First ATN sent in FY 2021-22: 271	152	104 (Pending for translation)

1.2 PAC (Customs) :

Sl. No.	Year		Details of the Paras/PA reports on which ATNs are pending		
		No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
	2020	39	4	31	3

2. Central Board of Direct Taxes (CBDT)

(As on 30.11.2021)

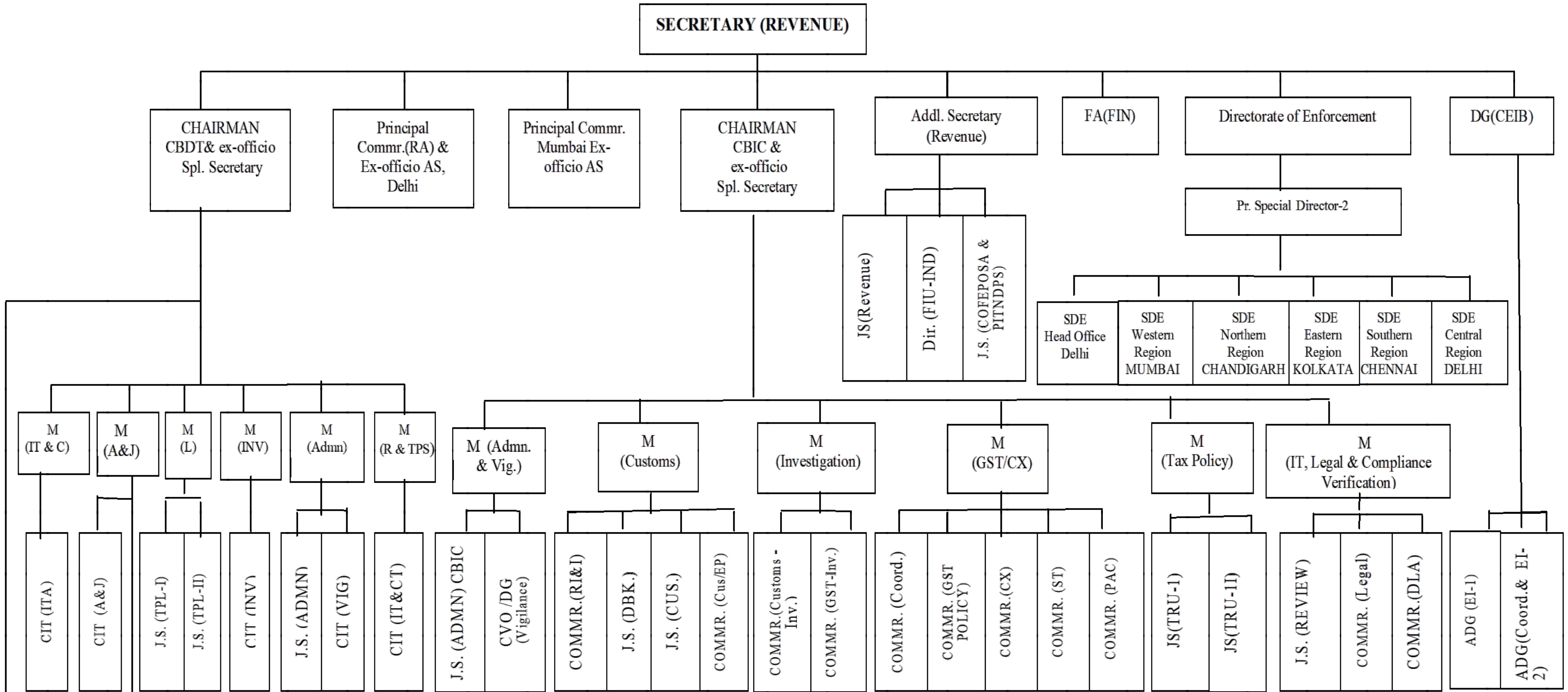
Sl. No.	Year		Details of the Paras/PA reports on which ATNs are pending		
		No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
		Nil	Nil	Nil	Nil

3. Integrated Finance Unit (IFU)

Sl. No.	Year		Details of the Paras/PA reports on which ATNs are pending		
		No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
		Nil	Nil	Nil	Nil

Annexure - IV

ORGANISATION CHART OF DEPARMENT OF REVENUE



LEGEND

CBDT : Central Board of Direct Taxes
CBIC : Central Board of Indirect Taxes & Customs
M (IT&C) : Member (Income Tax and Computerisation & ex-officio Spl. Secretary)
M (A&J) : Member (Audit & Judicial & ex-officio Spl. Secretary)
M(L)) : Member (Legislation & ex-officio Spl. Secretary)
M (Inv.) : Member (Investigation & ex-officio Spl. Secretary)
M (Admn) : Member (Administration & ex-officio Spl. Secretary)
M(R) : Member (Revenue & ex-officio Spl. Secretary)
M(Admn) : Member(Administration & ex-officio Spl. Secretary)
M (Cus/RI&I & EP) : Member (Customs/Revenue Intelligence and Investigation/Export/Promotion & ex-officio Spl. Secretary)
M(Bgt/GST) : Member(Budget/Goods & Services & ex-officio Spl. Secretary)
M(ST) : Member (Service Tax & ex-officio Spl. Secretary)
M(CX) : Member (Central Excise & ex-officio Spl. Secretary)
M(L&J) : Member(Legal & Judicial & ex-officio Spl. Secretary)
NCPSEW : National Committee for Promotion of Social & Economic Welfare
CVO & DG (VIG) : Chief Vigilance Officer & Director General (Vigilance)
J.S. : Joint Secretary
CIT : Commissioner of Income Tax
COMMR. : Commissioner

LEGEND

SDE :- Special Director Enforcement
TRU: Tax Research Unit
CUS: Customs
DBK: Drawback
ADMN: Administration
TPL: Tax Policy and Legislation
FT&TR: Foreign Tax and Tax Research
FA (FIN): Financial Advisor (Finance)
RA: Revision Application
Rev.: Revenue
JS (COFEPOSA & PITNDPS): Joint Secretary (Conservation of Foreign Exchange & Prevention of Smuggling Activities and Prevention of Illicit Tarrif in Narcotics Drugs and Psychotropic Substances)
DG(CEIB): Director General (Central Economic Intelligence Bureau)
ADG: Additional Director General
PAC: Public Accounts Committee
Enf. : Enforcement.
ITA: Income Tax Assessment
C&S: Coordination and Systems

Attached Offices/ other Bodies of the Deptt. of Revenue (H.Q.)

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. National Committee for Promotion of Social & Economic Welfare
7. Customs & Central Excise Settlement Commission
8. Income Tax Settlement Commission
9. Appellate Tribunal (under SAFEMA)
10. Customs Excise & Service Tax Appellate Tribunal
11. Authority for Advance Rulings
12. Financial Intelligence Unit-India (FIU-IND)
13. Income Tax Ombudsman
14. National Institute of Public Finance & Policy (NIPFP)
15. Adjudicating Authority under PMLA
16. Indirect Tax Ombudsman

Chapter - IV

Department of Investment and Public Asset Management

I. FUNCTIONS

As per the present Allocation of Business rules, the mandate of the Department is as follows:

1.(a) All matters relating to management of Central Government investments in equity including disinvestment of equity in Central Public Sector Undertakings.

(b) All matters relating to sale of Central Government equity through offer for sale or private placement or any other mode in the erstwhile Central Public Sector Undertakings.

Note: *All other post disinvestment matters, including those relating to and arising out of the exercise of Call option by the Strategic Partner in the erstwhile Central Public Sector Undertakings, shall continue to be handled by the administrative Ministry or Department concerned, where necessary, in consultation with the Department of Investment and Public Asset Management (DIPAM).*

2. Decisions on the recommendations of Administrative Ministries, NITI Aayog, etc. for disinvestment including strategic disinvestment

3. All matters related to Independent External Monitor (s) for disinvestment and public asset management.

4. (a) Decisions in matters relating to Central Public Sector Undertakings for purposes of Government investment in equity like capital restructuring, bonus, dividends, disinvestment of government equity and other related issues.

(b) Advise the Government in matters of financial restructuring of the Central Public Sector Enterprises and for attracting investment in the said Enterprises through capital market.

5. The Unit Trust of India Act, 1963 (52 of 1963) along with subjects relating to Specified Undertaking of the Unit Trust of India (SUUTI).

II. VISION

(i) Promote people's ownership of Central Public Sector Enterprises (CPSEs) to share in their prosperity through disinvestment.

(ii) Efficient management of public investment in CPSEs for accelerating economic development and augmenting Government's resources for higher expenditure.

III. MISSION

(i) List CPSEs on stock exchanges to promote people's ownership through public participation and improving efficiencies of CPSEs through accountability to its shareholders.

(ii) To bring in operational efficiencies in CPSEs through strategic disinvestment, ensuring their greater contribution to the economy.

(iii) Adopt a professional approach for financial management of CPSEs in the national interest and disinvestment aimed at expanding public participation in ownership of CPSEs.

IV. ORGANISATIONAL STRUCTURE

The Department of Investment and Public Asset Management (DIPAM) is currently headed by Shri Tuhin Kanta Pandey, Secretary. He is assisted by one Additional Secretary, four Joint Secretaries and one Economic Adviser. The Department functions on the Desk Officer pattern and the assigned work is handled at the levels of Joint Secretary, Director/Deputy Secretary and Under Secretary.

2. The Organizational Structure of the Department is placed at Appendix -I.

V. CURRENT POLICY ON DISINVESTMENT IN CPSEs

The Government follows a policy of disinvestment through the minority stake sale and strategic disinvestment of CPSEs.

Strategic Disinvestment

Strategic Disinvestment implies substantial sale of Government shareholding of a CPSE along with transfer of management control. Government policy on Strategic disinvestment of CPSEs was successfully implemented till 2004. However, thereafter, till 2014-15, disinvestment in CPSE was carried out only through limited minority stake sale, and no strategic disinvestment took place.

Since 2015-16, the Government has revived the policy for strategic disinvestment by substantially overhauling its approach for disinvestment of CPSEs. NITI Aayog was mandated to identify the CPSEs for strategic disinvestment.

Till February, 2021 NITI Aayog has identified CPSEs for strategic disinvestment based on the criteria of (i) National Security; (ii) Sovereign function at arm's length, and (iii) Market Imperfections and Public Purpose. The policy on strategic disinvestment is based on the economic principle that Government should discontinue in sectors, where competitive markets have come of age and economic potential of such entities may be better discovered in the hands of strategic investor due to various factors such as infusion of capital, technological upgradation and efficient management practices..

In order to realize the mission of New, Self-reliant India, there was a need to redefine public sector participation in business enterprises and to encourage private sector participation in all sectors. Against this backdrop, the New Public Sector Enterprise ("PSE") Policy for Atmanirbhar Bharat was approved by Cabinet, on 27th January 2021 and was notified on 4th February, 2021. The policy intends to minimise the presence of Government in the PSEs across all sectors of economy.

Under **New Public Sector Enterprise ("PSE")** Policy public sector commercial enterprises have been classified as Strategic and Non-Strategic sectors. Following four broad Strategic Sectors have been delineated based on the criteria of national security, energy security, critical infrastructure, provision of financial services and availability of important minerals:

- ✓ Atomic Energy, Space and Defense;
- ✓ Transport and Telecommunication;
- ✓ Power, Petroleum, Coal and other minerals; and
- ✓ Banking, Insurance and Financial Services.

In Strategic sectors, bare minimum presence of the existing public sector commercial enterprises at Holding Company level will be retained under Government control. The remaining enterprises in a strategic sector, will be considered for privatisation or merger /subsidiarization with another PSE or for closure. PSEs in non-strategic sectors shall be considered for privatisation, where feasible, otherwise such enterprises shall be considered for closure.

Approval of the Government for strategic disinvestment of a specific PSE shall be taken from time to time, on a case-to-case basis. The timing for specific transactions will however, be contingent, inter alia, on the considerations of appropriate sequencing, sectoral trends, administrative feasibility, investors' interest, etc.

Minority stake sale

For certain other CPSEs, the government carries out minority stake sale without transfer of management control through various SEBI-approved methods, in order to unlock the value, promote public ownership, meet the minimum public shareholding norms of SEBI and for ensuring higher degree of accountability. The modes of disinvestment commonly used for minority stake sale include Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of shares and Exchange Traded Funds (ETF) offers. These methods play important role in strengthening the capital market through (i) increasing the float of well performing CPSEs (ii) providing opportunity to retail investors to participate in an extended range of stocks and bonds and (iii) increasing liquidity and depth of the markets.

VI. DISINVESTMENT PERFORMANCE

A. Minority Stake Sale

The various modes of disinvestment are:

i. Initial/Further Public Offer (IPO/FPO)

ii. Exchange Traded Fund

iii. Offer for sale (OFS)

iv. Buyback of shares

v. Strategic disinvestment

i. Initial Public/Further Offer IPO/FPO

Public Offer: When an issue / offer of shares or convertible securities is made to new investors for becoming part of shareholders' family of the issuer, it is called a 'public issue'. Public issue can be further classified into Initial public offer (IPO) and Further public offer (FPO). The significant features of each type of public issue are illustrated below:

a) *Initial public offer (IPO):* When an unlisted company makes either a fresh issue of shares or convertible securities or offers its existing shares or convertible securities for sale or both for the first time to the public, it is called an IPO. This paves way for listing and trading of the issuer's shares or convertible securities on the Stock Exchanges.

b) *Further public offer (FPO):* When an already listed company makes either a fresh issue of shares or convertible securities to the public or an offer for sale to the public, it is called a FPO.

Achievements: During the last seven years (till 2020-21) 16 CPSEs have been listed which yielded Rs 29,870 crore, as compared to Rs 21,266 crore realized from listing of 6 CPSEs during 2009-14. An additional market cap of Rs 1,81,000 crore was achieved through the new listings.

c) *Listing of LIC on stock market through an IPO :* CCEA on 08.07.2021 has approved "Listing of shares of the

LIC of India on stock market through an IPO. Amendments in the LICI Act have been carried out to enable listing. BRLMs, Legal Adviser, Statutory Auditor, Ad Agency, Registrar and Collection Bankers have been appointed for the transaction. Miliman Advisors appointed for Actuaorial valuation. LIC has procured new Actiorial Software System. M/s Battlboi and Purohit appointed as statutory Auditor for LIC IPO. IEV valuation work being done by LIC and valuation advises. Early invester Road show was held. DRHP has been filed on 13.02.2022 with SEBI. IPO to be launched in March, 2022.

ii. Buyback of shares

Buyback is the repurchase by a company of its shares from the existing shareholders that reduces the number of its shares in the open market.

Objectives: Companies buy back their shares for a number of reasons:

- To increase the value of shares held by promoters.
- To eliminate any threats by minority shareholders who may be looking for a controlling stake.
- For CPSEs, buyback is a tool for Govt. of India to disinvest the equity held by GoI in CPSEs and to make proper utilization of idle cash left with CPSEs.
- As per DIPAM guidelines dated 27.05.2016 the criteria for identifying potential buyback cases are as under:
  - ✓ CPSE with net worth of Rs. 2,000 crore and cash and bank balance of Rs. 1,000 crore should mandatorily go for buyback.
  - ✓ Other CPSEs may also go for buyback, based on the merits of each case.

Achievements : In order to make the use of idle cash lying with CPSEs and for improving the Earning per share, Govt. used buyback method effectively.During the last seven years, disinvestment proceeds of Rs 44,213 crore were realized from buyback of shares by 43 CPSEs..

iii. Offer for Sale (OFS)

Offer for sale (OFS) is a simpler method of share sale through the exchange platform for listed companies. The mechanism was first introduced by SEBI in 2012, to make it easier for promoters of publicly-traded companies to cut their holdings and comply with the minimum public shareholding norms by June 2013. The method was largely adopted by listed companies, both state-run and private, to adhere to the SEBI norms of minimum public shareholding. Government often used this route to divest its shareholding in CPSEs.

Salient features of OFS:

- simple to execute
- market-driven
- Govt. continues to retain management control
- Cost-effective
- Time efficient (completed in 2 trading days)
- Transparent allocation based on price-parity basis.

Achievements : After listing, further disinvestment by OFS mechanism yielded Rs 94,915 crore through 42 transactions in last seven years.

During the current financial year (till 3.1.2022), OFS of AXIS Bank (through SUTTI), NMDC, HUDCO and HCL have been concluded yielding respectively Rs.3994.33 crore, Rs.3653.82 crore, Rs.720.46 crore and Rs.741.95 crore amounting to a total of Rs.9110.56 crore. Stake sale IPCL (now RIL) yielded 219.34 crore. Government has also received Rs.2,700 crore cash sale proceeds though strategic disinvestment of Air India. So far (04.03.2022) Govt. has received Rs. 12,424 crore as disinvestment receipt for FY 2021-22.

iv. Exchange Traded Fund

ETFs have proved to be an important investment opportunity for retail investors and have turned out to be a good instrument for Government of India's disinvestment programme. Since 2016-17, ETFs comprising a basket of CPSE stocks was used as a major instrument for disinvestment. Two ETF products, namely CPSE-ETF (10 CPSE stocks) and Bharat-22 (22 scrips including CPSEs, PSBs and SUUTI stocks) were lau nched by DIPAM. Through various offers of CPSE-ETF and Bharat-22 ETF, Govt. could realize disinvestment proceeds of Rs.98,949 crore since 2016-17. However, there is now limited scope of disinvestment through existing ETF window as many underlying Stocks in CPSE-ETF and Bharat-22 ETF have reached close to 51% level of GOI equity or some stocks in the ETF basket are no longer available for disinvestment due to strategic disinvestment or other reasons. Also, there has been concern that large and repeated tranches of Equity ETF were acting as a disincentive for investors in PSU stocks due to price overhang. Therefore, Government has now decided to pause in employing Equity ETFs as a tool for minority stake sale.

B. Strategic Disinvestment

Based on the recommendation of NITI Aayog, the Government, since 2016, has given 'in-principle' approval for strategic disinvestment of 35 CPSEs and/or Subsidiaries/ Units/ Joint Ventures of CPSEs and IDBI Bank. Out of the 36 cases, 33 cases are being handled by DIPAM and 3 cases are being handled by the respective Administrative Ministry/ Department. Out of the 33 cases being handled by DIPAM, strategic disinvestment transactions have been completed in 9 cases; 5 CPSEs are under consideration for closure; 2 cases are held up due to litigation. Remaining 17 transactions are at various stages. The details are given at Annexure-I.

With progress on privatization of Air India, the government has crossed a significant milestone has been crossed with M/s Talace Pvt Ltd, a wholly owned subsidiary of M/s Tata Sons Pvt Ltd emerging as the successful bidder for sale of 100% equity shareholding of GoI in Air India along with equity shareholding of Air India in AIXL and AISATS. Share Purchase Agreement was signed among M/s Talace Private Ltd, Air India and Ministry of Civil Aviation on 25.10.2021. The transaction has closed on 27.01.2022. Government of India has received Rs. 2,700 crore cash sale proceeds from the strategic sale of Air India Ltd. Privatization of Air India is expected to improve performance and productivity of the airline and help to rejuvenate the aviation sector of the country.

CCEA empowered Alternative mechanism approved the highest bid of M/s Tata Steel long products Limited for 93.71% shares of JV partners of 4 CPSEs and 2 Odisha Govt. State PSE at the Bid Enterprise Value of Rs.12,100 crore. NINL is a joint venture of 4 CPSEs namely MMTC, NMDC, BHEL, MECoN and 2 Odisha Govt. PSUs namely OMC and IPICOL.

Budget 2021-22 envisaged completion of a number of major transactions namely BPCL, Air India, the Shipping Corporation of India, BEML Ltd, Pawan Hans, Neelachal Ispat Nigam Ltd., IDBI Bank etc in 2021-22. Budget also proposed to bring the IPO of LIC during FY 2021-22. The transactions are mostly on track and are at various stages.

VII. DISINVESTMENT TARGETS & ACHIEVEMENTS

The B.E for disinvestment proceeds for the year 2021-22 was fixed at Rs.1,75,000 crore. So far, Government has received Rs. 12424 crore as on 4.3.2022 from Strategic Disinvestment of Air India and disinvestment of CPSEs through Offer for Sale route and sale of shares through stock exchange. OFS was concluded in NMDC Ltd, HUDCO Ltd, HCL; sale of residual shares of IPCL (now RIL) concluded through stock exchange; and sale of SUUTI shares done in Axis Bank. Besides, strategic disinvestment of Numaligarh Refinery Limited was completed in March, 2021 and BPCL received Rs. 9876 crore from the transaction. Government has received Rs.6665 crore as dividend from BPCL, which includes special dividend on account of gains mainly from sale of BPCL's stake in Numaligarh Refinery Limited.

a) Trends in Disinvestment

Disinvestment receipts (2014-15 to 2020-21)

Year	RE (Rs. Crore)	Receipts (Rs. Crore)	No. of Transactions
2014-15	26353	24349	8
2015-16	25313	23997	9
2016-17	40000	46247	21
2017-18	100000	100057	36
2018-19	80000	84972	28
2019- 20	65000	50299	15
2020-21	32000	32845	18
Total		**362765**	**135**

Financial Year (2021-2022) (as on 4.3.2022)

S. No	Name of CPSEs	% of GoI's Shares Disinvested	Method of Disinvestment	Receipts (in Rs. Crore)	GoI's Shareholding Post Disinvestment
1	Others (SUTTI Axis Bank)	0	OFS	3994.33	0
2	NMDC	7.49	OFS	3651.37	60.8
3	NMDC	0	EMP OFS	2.45	60.8
4	HUDCO	8	OFS	720.41	81.81
5	HUDCO	0	Employee OFS	0.0529	81.81
6	HCL	6.61	OFS	741.95	66.15
7	IPCL(now RIL)	0.42	sale of shares through stock exchange	219.34	0
8	Air India	100	Strategic Disinvestment	2700.00	0
9	MoTL		Buyback	…	
Total Receipts				**12,423.67**	

VIII. OTHER INITIATIVES

(i) Launch of Bharat Bond ETF

Bharat Bond ETF was launched in December 2019 which was the first instrument of its kind based on high-quality public-sector bonds. The second tranch was launched in July 2020. The two tranches received huge response from all sections of investors especially retail investors. The first issuance is for 3- and 10-years tenures which was oversubscribed against the base size of Rs 7000 crore by 1.7 times. A total of 54,21 7 retail investors participated in the NFO. Bharat Bond ETF NFO II Tranche was launched on 14-17 July, 2020 which was also a resounding success with 39,272 applications amounting to Rs. 10,992 crore, and oversubscribed by more than 3.7 times against the base issue size of Rs. 3,000 crore in both 5- and 11-years category.

Bharat Bond ETF NFO III Tranche (BBETF 2032) of 10+ years tenure with maturity date of 15th April, 2032 was launched from 3rd to 9th December, 2021. The base size of the issue is Rs. 1,000 with green shoe option of Rs. 4,000 crore. The issue overscribscribed more than 6.2 times agains the base issue size of Rs. 1000 crore.

The Bharat Bond ETF invests in constituents of the NIFTY BHARAT Bond Indices, consisting of AAA rated public sector companies. The ETF program aims to achieve its ultimate objective of creating a liquid yield curve for CPSE bonds and helps development of bond markets. The ETF program has provided a safe and secure investment avenue for investors, especially retail investors who now are now able to access bonds with smaller amount (as low as Rs. 1,000), while helping CPSEs mobilize debt at reduced cost. Regular issues of Bharat Bond ETF would provide good opportunity for deepening the bond market.

(ii) Asset Monetization

At present, there are many operating Central Public Sector Enterprises (CPSEs) which hold considerable quantum of land, buildings and other non-core assets across the country, including assets in major cities. Some of these non-core assets are unutilized or sparsely utilized and there is a significant potential of identification as non-core/ surplus asset for monetization. Asset monetization program of the Government aims at unlocking the value of such public assets. Both core and non-core assets have considerable potential for generating financial resources for delivering economic and social program.

Monetization of core assets are steered by NITI Aayog while the initiative for monetization of non-core assets has been hitherto steered by Department of Investment and Public Asset Management (DIPAM).

In February 2019, Govt. had approved a framework for non-core asset monetization with DIPAM as the nodal Department. The framework consists a multi-layer institutional mechanism for overall implementation of programme for monetization of non-core assets. The framework provides for monetisation through a wide range of models ranging from direct contractual agreement to structured finance models. The scope of this framework covers identified non-core assets of CPSEs under strategic divestment. Other CPSEs/PSUs/ Sick or loss making CPSEs under closure, and other Government organizations can adopt this framework for their asset monetization with the approval of competent authority.

Asset Monetization of a number of CPSEs viz. BEML, BPCL, B&R under Strategic Disinvestment, HMT, Instrumentation India under closure, MTNL & BSNL under loss making is being carried out currently by DIPAM and the transactions are at various stages.

Creation of National Land Monetization Corporation in the form of a Special purpose vehicle.

Monetization of land and property requires a unique set of skill and expertise in real estate market assessment, property appraisals, valuation, transaction design, property development, site servicing, property management, etc. A dedicated, land monetisation agency is also required to own, hold and monetize land and other non-core assets released following the closure of CPSEs under the new PSE policy.

In the Budget 2021-22 , Government announced setting up of a Special Purpose Vehicle (SPV), with capacity and expertise, to carry out the monetization of the land and other non-core assets in an efficient and prudent manner, in line with international best practices. Accordingly, an SPV is being incorporated as a CPSE which is owned 100 percent by Government of India and named "National Land Monetisation Corporation" (NLMC). NLMC will support monetization of non-core assets of CPSEs under disinvestment or under closure as well as other government agencies.

IX. CAPITAL MANAGEMENT OF CPSES

Since 2015-16, Government has made a paradigm shift in the capital management of CPSEs as part of a conscious strategy to manage government investment in CPSEs, and to enable companies to address critical, inter-linked issues such as leveraging of assets for fresh investment, capital restructuring, and financial restructuring. Comprehensive guidelines have been laid out by DIPAM for capital restructuring of CPSEs through a consistent dividend policy, ensuring buyback of shares, issue of bonus shares and splitting of shares. This has encouraged companies to leverage net-worth for higher investment and use funds judiciously and in a focused manner.

Consistent Dividend Policy

DIPAM has issued guidelines regarding a consistent dividend policy for CPSEs for ensuring predictability in dividend payment by companies. A predictable dividend regime would enable CPSEs to avoid end-loading of dividend payments by freeing up resources payable during last quarter. It will also help revive investor interest and improve market sentiments for CPSE stocks, as predictability in regular dividend payment would attract quality investors to CPSE stocks and retain them in the hope of a future dividend. As a result of this initiative, CPSE stocks have gained traction among the investors, as reflected in the BSE CPSE index, which have risen 39.43% since January 2021 to date, in comparison to benchmark index, which rose by 20.76%.

Total dividend receipts from CPSEs in FY 2020-21 stood at Rs 39,607 crore, which exceeds the Revised Estimate (RE) of Rs 34,717 crore, and is more than actual dividend receipts (Rs 35,543 crore) during the previous financial year. Total dividend receipts this FY (as on 4.3.2022) stands at Rs. 44,414 crore.

X INITIATIVES UNDERTAKEN FOR PERSONS WITH DISABILITIES, SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES:

The staff strength in the Department along with representation of Scheduled Castes, Scheduled Tribes, Persons with disabilities and Other Backward Classes is given at **Appendix.II**

XI INITIATIVES RELATING TO GENDER BUDGETING AND EMPOWERMENT OF WOMEN

The nature of allocated work of the Department does not have any scope for gender budgeting and empowerment of women.

XII OFFICIAL LANGUAGE POLICY

The Department has a full-fledged Official Language Unit to implement the Official Language Policy. The website of the Department is bilingual.

XIII E-GOVERNANCE

As a part of good governance through the use of information technology, the following initiatives have been taken:

- Website of the Department (www.dipam.gov.in) is updated on a regular basis, in both English and Hindi. The website is compliant with the Guidelines for Indian Government Websites (GIGW).
- Maintenance of the Payroll Package
- Implementation of e-Office
- Following web based monitoring systems are in place:
  - ✓ Lok Sabha and Rajya Sabha Question, Answer Monitoring System.
  - ✓ Centralized Public Grievance Redress and Monitoring System (CPGRAMS)
  - ✓ Online Monitoring System for Parliament Assurances
- Centralized Tender/Procurement Monitoring System: Tenders are regularly put on the website and e-Publishing in e-procurement portal is being done regularly.
- Representations of Reserved Categories in Posts and Services in Government of India (RRCPS) Monitoring System (SC/ST Commission Portal).
- APAR Monitoring system for IAS Officers (JS level & above), CSS/ CSSS Officers (All levels).
- Cadre Management System (for CSS Officers).
- Pension Portal
- Use of GeM portal
- Quarterly Rolling Plan
- Data Portal (Data.gov.in).

XIV REDRESSAL OF PUBLIC GRIEVANCES

The Department is using the Centralized Public Grievance Redress and Monitoring System (CPGRAMS). The website of the Department also has an in built mechanism for receiving grievances from public. A Joint Secretary has been designated as Nodal Grievance Officer and Additional Secretary has been nominated as Nodal Appellate Authority for the purpose.

<u>Internal Complaints Committee on Sexual harassment of women employees</u>

In compliance with Supreme Court's Judgement dated 13th August, 1997 in Visakha case relating to prevention of sexual harassment of women at work place, an internal complaints committee has been put in place for considering complaints of sexual harassment of women employees in Department of Investment and Public Asset Management (DIPAM).

XV VIGILANCE MACHINERY

A Joint Secretary has been designated as part-time Chief Vigilance Officer in the Department.

XVI. RIGHT TO INFORMATION ACT, 2005.

In order to facilitate dissemination of information under the provisions of the Right to Information Act, 2005, the following initiatives have been taken by the Department:

(i) An RTI Cell has been set up to collect, transfer the applications under RTI Act, 2005 to the Central Public Information Officers/ Public Authorities concerned and to submit the quarterly returns regarding receipt and disposal of the RTI applications/ appeals, to the Central Information Commission.

(ii) Details of functions of the Department along with its functionaries etc. have been placed on Department's website (www.dipam.gov.in) in compliance with Section 4(1)(b) of the RTI Act and is updated from time to time.

(iii) One Under Secretary has been designated as the Nodal Central Public Information Officer and 3 Deputy Directors and 9 other Under Secretaries as Central Public Information Officers under Section 5(1) of the Act, in respect of subjects handled by them.

(iv) One Joint Secretary, 5 Directors and 5 Deputy Secretaries have been designated as First Appellate Authorities in terms of Section 19(1) of the Act for all matters relating to their Divisions.

XVII INITIATIVES FOR GOOD GOVERNANCE

As per the mandate provided by the Government of India (Allocation of Business) Rules, 1961, the Department is not involved in the delivery of any public services and thus, does not have any direct interface with the citizens or public at large. However, the Department has initiated the following measures as a part of good governance:

Timelines have been prescribed for disposal of transaction related bills to avoid delay and any scope of corruption as also to promote good governance.

XVIII AUDIT PARAS/OBJECTIONS

No CAG or PAC paras/Objections are pending in the Department.

XIX INTEGRATED FINANCE UNIT

The Integrated Finance Unit works under Additional Secretary & Financial Adviser (Finance) and deals with expenditure and Budget related proposals of Grant No. 32 - Department of Investment & Public Asset Management - which includes Secretariat General Services covering the establishment budget for the Department of Investment & Public Asset Management.

The budget allocation under Grant No. 32 is as under: -

(Rs. in crores)

Grant No.	Budget Estimates 2021-22			Revised Estimates 2021-22			B.E. 2022-23		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
32 - Department of Investment & Public Asset Management	----	110.52	110.52	----	96.88	96.88	----	290.42	290.42

The Integrated Finance Unit monitors all financial and expenditure related proposals of the Department like appointment of consultants, foreign deputation/visits of officers etc. The expenditure trend of the Department is consistently monitored by the IF Unit. All budget related matters including issues concerning Standing Committee on Finance come within the purview of this unit.

Annexure-I

List of CPSEs, including subsidiaries and Units of CPSEs for which Government has given 'in-principle' approval for strategic disinvestment since 2016.

a) Ongoing Transactions being processed by DIPAM

S.No.	Name of CPSE./Organization
1.	Project & Development India Limited
2.	Engineering Project (India) Limited
3.	Bridge and Roof Co. India Limited
4.	Central Electronics Limited#
5.	BEML Limited
6.	Ferro Scrap Nigam Limited (subsidiary)
7.	Nagarnar Steel Plant of NMDC Limited
8.	Alloy Steel Plant, Durgapur^; Salem Steel Plant; Bhadrawati Steel Plant - units of Steel Authority of India Limited
9.	Pawan Hans Limited
10.	HLL Lifecare Limited
11.	Indian Medicines Pharmaceuticals Corporation Limited
12.	(a) Bharat Petroleum Corporation Ltd (except Numaligarh Refinery Limited) (b) BPCL stake in Numaligarh Refinery Limited to a CPSE strategic buyer $
13.	The Shipping Corporation of India Limited
14.	Container Corporation of India Limited
15.	Neelachal Ispat Nigam Limited #
16.	Rashtriya Ispat Nigam Ltd.
17.	IDBI Bank

^ Transaction halted for the time being.
# Strategic buyer selected.
$ Transaction completed.

b) Ongoing Transactions being processed by respective Administrative Ministries

18. Various Units of India Tourism Development Corporation Limited
19. Hindustan Antibiotics Limited
20. Bengal Chemicals & Pharmaceuticals Limited

***c)* Transactions held up due to litigation**

21. Hindustan Newsprint Limited (subsidiary)
22. Karnataka Antibiotics & Pharmaceuticals Limited

***d)* Transactions halted as the CPSEs recommended / approved for closure; or any other reason**

23. Hindustan Fluorocarbons Limited (subsidiary)*
24. Scooters India Limited*
25. Bharat Pumps & Compressors Limited*
26. Hindustan Prefab Limited
27. Units of Cement Corporation of India Limited#

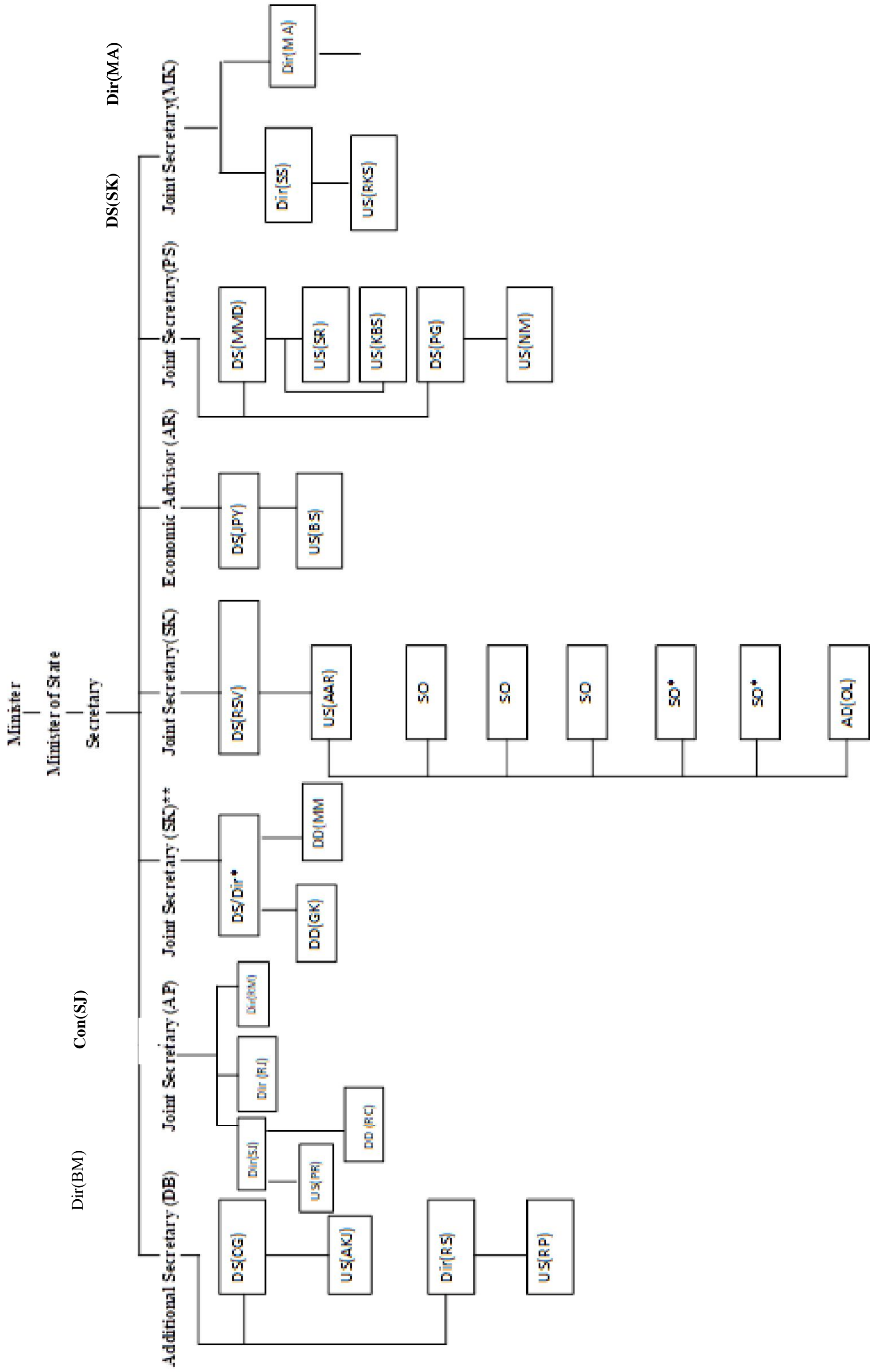
* Government approved for closure of the Company.
# Transaction not feasible and the mines are being returned to the State Governments.

e) Transactions Completed

S.No.	Name of CPSE
28.	Hindustan Petroleum Corporation Limited
29.	Rural Electrification Corporation Limited
30.	HSCC(India) Limited
31.	National Projects construction corporation Limited
32.	Dredging Corporation of India Limited
33.	THDC India Limited
34.	North Eastern Electric Power Corporation Limited
35.	Kamrajar Port Limited
36.	Air India and five of its subsidiaries @

Organisation Chart

Appendix. I



* Vacant Posts.

Appendix-II

Representation of SCs, STs, OBCs in respect of Department of Investment & Public Asset Management

Groups	Number of employees (as on 31.03.2021)				Number of appointments made during the previous calendar year									
					By Direct Recruitment				By promotion			By Deputation		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
A	32	7	0	2	0	0	0	0	0	0	0	0	0	0
B	23	5	2	1	0	0	0	0	0	0	0	0	0	0
C	12	5	0	5	0	0	0	0	0	0	0	0	0	0
Total	67	17	2	8	0	0	0	0	0	0	0	0	0	0

Representation of the persons with disabilities in DIPAM

Groups	Number of employees (as on 31.03.2021)				By Direct Recruitment							Promotion						
					No. of vacancies reserved			No. of appointments made				No. of vacancies reserved			No. of appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
A	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	67	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Chapter - V

Department of Financial Services

1. Work Allocation among Sections

1.1 Banking Operation-I (BO-I)

Appointment of Governor/Deputy Governor of RBI, Chairman & MDs of SBI, CMDs and EDs of Nationalised Banks, salary allowances and other terms and conditions of Whole Time Directors of PSBs. Constitution of Boards of Directors of RBI and PSBs: appointment of Workmen Employee Directors, appointment of Part Time Non Official Directors and Officer Employee Directors of PSBs. Nomination of Directors on the Board of PSBs.

1.2 Banking Operation-II (BO-II)

Administration of all Acts/Regulations/Rules related to Financial Systems like the Negotiable Instruments Act, 1881, the Chit Funds Act, 1982, Price Chits and Money Circulation Schemes (Banning) Act, 1978, Banning of Unregulated Deposit Scheme Act, 2019, Deposit Insurance and Credit Guarantee Corporation (DICGC), Act, 1961, Payment and Settlement System Act, 2007 and Factoring Regulation Act, 2011.State Legislations - Protection of Interest of Depositors Acts of State Governments.

Matters relating to Multi-Level Marketing and Ponzi Schemes. Setting up of IFSC - GIFT. International Relations (Banking) / Bilateral issues. International Cooperation in WTO, RCEP, JCCII and CEPAs/CECAs/ FTAs of India with bilateral and multilateral partners. Matters relating to Financial Sector Development Council and its Sub-committees. Matters relating to Central Economic Intelligence Bureau (CEIB). Matters relating to office of Court Liquidator, Kolkata. Work relating to Government Agency Business. Financial Action Task Force (FATF). Setting up of Currency Chest by banks in border districts (within 80 KMs of International Border). Rationalization of Bank Holidays / declaration of bank holidays under section 25 of the Negotiable Instruments Act, 1881. Know Your Customer (KYC) all matters - AML and CFT matters.

1.3 Banking Operation-III (BO-III)

Customer Service in Banks/FI/Ins. All kinds of complaints/representations received from individual/ associations for redressal of their grievances in these institutions such as delay in clearance of cheques, non-payment/non-issue of drafts, non-issue/delay in issue of duplicate drafts, misbehaviour/rude behaviour/harassment on the part of staff of the Institution, non-settlement/delay in settlement of deceased accounts, non-transfer/delay in transfer of accounts from one office to another, non-opening/delay in opening of new accounts, non-compliance with standing instructions of the customers, non-payment of term deposits before maturity, delay in payment to pensioners, including those related to credit cards, ATMs, etc. All kind of complaints received from DARPG/DPG relating to Public/ Private Sector/Foreign Banks/FI/Ins. All kinds of complaints received from MPs/ VIPs /PMO against Private Sector & Foreign Banks. Banking Customer Service. Banking Ombudsman. Coordination of PRAGATI meetings.

1.4 Banking Operation & Accounts-I (BOA-I)

Preparation of annual consolidated review on the working of Public Sector Banks (PSBs) and laying it on the Tables of both Houses of Parliament. Pattern of accounting and final accounts in Public Sector Banks.Study and analysis of the working results of PSU Banks.Taxation matters of PSBs/FIs.Dividend payable to Central Government by PSBs.Scrutiny of the annual financial reviews of PSBs conducted by RBI under Section 35 of the Banking Regulation Act, 1949 and follow up action.Capital restructuring of PSBs (including restructuring of weak PSBs) and Government's contribution to share capital, public issue of banks.Release of externally aided grants to ICICI Bank under USAID.Disputes and arbitration between PSBs and between PSBs and other Govt. Departments/ PSEs.Appointment of advocates in PSBs. Residuary matters of Portuguese Banks in Goa.Opening and shifting of administrative offices of banks. All Policy matters related to Banking Operation such as Licensing, amalgamation, reconstruction, moratorium funds, and acquisition of private sector banks. Functioning of PSBs. Notification regarding exemption from various sections of the Banking Regulation Act, 1949 and appointment of appellate authority to hear appeals under BR Act and Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970 and 1980. Administration of all Acts/ Regulations/ Rules related to Public Sector Banks, RBI and State Level Banks. Laying of annual reports and audit reports etc., of PSBs in Parliament.

1.5 Banking Operation & Accounts-II (BOA-II)

Credit Information Companies (CICs). Works relating to monitoring of NPAs and Recovery including compromises and OTS of all PSBs. Parliament matters, VIP/PMO references, complaints and other matters relating to above works. All matters related to NPA/ Stressed Assets (other than Sectoral Stress), including relief measures by banks in area affected by natural calamities. Stressed Assets Stabilization Fund (SASF). Audit of banks, appointment and fixation of remuneration of auditors of PSBs/FIs. Bank guarantees, Letters of Credit and Letters of Undertaking / Comfort by PSBs and related complaints. Citizen's Charter of PSBs/RBI. Acquisition/ Leasing/Renting/Vacation of premises, Estate Officers under Public Premises Act, 1971. Operation of foreign banks in India (including IDC and FDI Policy matters). Banking Sector Reforms (including EASE Index and PSB Reforms Agenda). NBFCs and Appellate Authority on NBFCs. Operational risk management (other than cyber-security and digital payments security), including frauds and fugitive offenders. Administration of all Acts/ Regulations/Rules related to NBFCs and CICs. Statement of Intent / Key Performance Indicators / Performance evaluation of whole-time Directors. Insolvency Bankruptcy Code (IBC). Overseas branches of Indian banks.

1.6 Agriculture Credit (AC)

Credit flow to Agriculture and allied sectors. Agricultural Debt Waiver and Debt Relief Credit flow to Agriculture and allied sectors. Agricultural Debt Waiver and Debt Relief Scheme, 2008. Matters relating to NABARD (except pension matters), Agriculture Finance Corporation (except Service matters), State Legislations on the subject, Co-operative Banks (including Urban Co-operative Banks), external aided projects relating to rural/ agriculture credit, appeals made by co-operative banks, financial assistance to persons affected by natural calamities, riots disturbances, etc. Bank credit to KVIC, handloom and handicraft sector. Citizen Charter of NABARD. Appointment of CMDs & Directors of NABARD. Kisan Credit Card (KCC) Scheme. Secretarial assistance to the designated appellate authority in regard to appeal by Urban Cooperative banks against cancellation of license by RBI.

1.7 Regional Rural Banks (RRB)

Legislative matters with regard to RRB Act, 1976 and framing of rules there under. Nomination of non-official directors on the Board of RRB, appointment of Chairman, Recommendation of RRBs, review of performance of RRBs, wage revision, manpower planning. Laying of Annual Reports of all RRBs along with review thereof. Formation of Staff Service Regulation and Promotion Rules for employees and officers of RRBs, IR matters of RRBs. Citizen's Charter of RRBs. Priority Sector Lending, Micro Finance and other related matters which includes lending to weaker sections including SC/ST, PM's New 15 Point Programme for the Welfare of Minorities, Credit to minorities, follow up action of Select Parameters recommended by Sachar Committee, DRI Scheme.

1.8 Financial Inclusion (FI)

Work relating to financial inclusion, coordination with other sections, offices, institutions etc on financial inclusion. Branch expansion of banks. Lead Bank Scheme and Service Area Approach. District and State Level Bankers' Committee (SLBC). Regional imbalances of banking network, matters related to Business Correspondents/Business Facilitators, Mobile Banking etc., matters relating to e-Governance in all FIs and e-Payments in banking system and computerisation of PSBs. Matters relating to Payment Regulatory Board (PRB) constitution and matters related to PRB. Matters relating to Minimum deposit balance, cash handling & digital payment charges; On-boarding of merchants on digital payment platforms other than cards. Banking matters relating to digital payment platforms. All matters related to Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Mudra Yojana (PMMY), Stand Up India (SUI) and Mission Office.

1.9 Industrial Relations (IR)

Service matters of PSBs including IDBI/ RBI, Pension matters of NABARD. Industrial Disputes Act matters, HR matters relating to PSBs and RBI Unions and Associations in the Banking Industry, Bipartite settlements of policy of transfer, promotion, and HRD in banks. IB reports about political activities of bank employees. Pay and Allowances of bank employees in overseas branches. HR Reforms.

1.10 Coordination (Coord.)

Organisation of FM's meetings with CEOs of PSBs and regional consultative committee meetings. Staff Meeting of Secretary (FS)/ Senior Officers Meeting (SOM). Monitoring & Review of disposal of VIP references, PMO references, coordination of RBI pending matters. Parliament Questions regarding VIP references. Monthly DO letter to Cabinet Secretary from Secretary (FS). Appointment of CPIOs, ACPIOs, AA and Nodal Section for RTI matters of DFS and to deal with CIC for Annual Report etc. Updation of Induction Material for DFS; Co-ordination of VIP, PMO, President-Sectt.,etc., references involving more than two Divisions of DFS.

1.11 Establishment (Estt.)

Matters pertaining to the Officers and Staff of DFS including RRs, appointment, ACRs, deputation (including abroad), training, IWSU, SIU, welfare, review of officers under FR 56(J), internal vigilance, staff grievances, pension, etc. Grant of various advances to officers and staff, payment of fees to advocates, settlement of medical claims and CGHS matters, family welfare programme.

1.12 General Administration (GA)

Housekeeping/Security matters, cleanliness, stores, canteen, R&I, library. Staff Car Drivers, vehicles to the officers of DFS. Purchase of Computer Hardware and maintenance of Computers, Printers and other equipments. Maintenance of furniture and electricity items. Logistic support for arranging farewell of staff of DFS. Providing of Identity Cards to the Staff of DFS and CMDs/ EDs/PROs of Public Sector Banks/Financial Institutions/ Insurance companies, etc.

1.13 Parliament

Collection, identification and marking of Parliament Questions, Notices, admitted Questions, and getting the files approved from the Minister. Preparation of facts and replies for pads of Ministers. Keeping track and record of pending Assurances, Special Mentions and References under 377 and other matters as mentioned in the Induction Material. Presidential address to the Joint Session of Parliament. Compilation and submission of material for Parliament Questions to other Ministries/ Departments. Parliamentary Committee Matters, etc.

1.14 Hindi

Implementation of Official Language Policy of the Government. Translation work relating to Parliament Questions. Standing Committees, Minutes of the Meetings. Hindi Teaching Scheme and other miscellaneous work as mentioned in induction material of DFS.

1.15 Welfare Section (SCT)

Matters relating to recruitment, promotion and welfare measures of SC/ST/OBC/PH and Ex-servicemen in Public Sector Banks/Financial Institutions and Public Sector Insurance Companies (PSBs/FIs/PSICs). Matter of policy regarding reservation for these categories in PSBs/FIs/PSICs, reservation matters in RRBs etc. Inspection/examination of Reservation Roster for SCs/STs/OBCs in PSBs/FIs/PSICs.

1.16 Reservation Cell

Assistance to the Liaison Officer for smooth functioning and discharging of his duties and responsibilities as Liaison Officer for SC/ST/OBC/EWS/PwD, preparation / maintenance of reservation roster of SC/ST/OBC/EWS/PwD for the proper secretariat of this Department, reply to Parliament Questions/National Commission for SC/ST/OBC/PwD in respect of SC/ST/OBC/EWS/PwD staff of the Department, maintenance of data of SC/ST/OBC/EWS/PwD staff of the Department, submission of all reports/ information to other Ministries/ Departments/Parliamentary Committees, etc. in the related matters.

1.17 Data Analysis (DA)

Reserve Bank of India Credit Policy - Busy Season - Slack Season and selective credit control. Financial sector assessment and sectoral credit analysis. Banking Statistics regarding bank deposits and advances. Deposits and advances of banks. Rates of interest on bank deposits and advances. Dissemination of results and important information relating to RBI, IBA, studies on banking reforms. Analysis of other international reports relevant to banking sector in India. Analysis of Reports of committees on Financial Sector Reforms etc. Management Information System - collection, collation of data relating to Banking Industry. Result Framework Document (RFD), Speeches of FM/MOS on different occasions. Audit Paras. UN e-Government Index & Digital Services. Work related to committee of Financial Sector Statistics. Coordination of budget proposals of DFS. Matters related to Budget Announcements, Output-outcome Monitoring Framework. Sustainable Development Goals - Indicators pertaining to DFS.

1.18 Industrial Finance-I(IF-I)

Administration of the Export-Import Bank Act-1981 and Scheme for financing Viable Infrastructure Projects (SIFTI) of IIFCL, Operational/Policy/Budgetary matters relating to Exim Bank, IIFCL, IWRFC and IIBI Ltd. Matters related to IFCI Ltd, IDFC Ltd, winding up matter related of IIBI Ltd, and other related matters. Board level appointments-Whole Time Directors- IIFCL, EXIM, IFCI Ltd and their personnel matters. Government Nominee Directors-EXIM Bank, IIFCL, IFCI Ltd. and IDFC Ltd. Non-Official Directors/Independent Director in -EXIM Bank, IIFCL and IFCI Ltd. Sector-specific matters like infrastructure, power, textiles, exports; steel, telecom, road, shipping (added) etc. matters related to sectoral issues. Laying of annual reports of IIFCL, EXIM Bank, IFCI Ltd and Liquidator's report of IIBI Ltd. Before the parliament. Matters related to Ratnagiri Gas and Power Pvt. Ltd (RGPPL). Citizen's Charter of EXIM Bank and IIFCL. All matters related to resolution and registration issues of Asset Reconstruction Company (ARC) and to track the activities of the ARCs. All matters related National Investment and Infrastructure Fund. Appointment of Statutory Auditor in EXIM Bank. Media and Publicity related matters of DFS. Project Monitoring Group (PMG) Meeting. Partial Credit Guarantee Scheme (PCGS).

1.19 Industrial Finance-II (IF-II)

Administration of National Housing Bank Act, 1987.Administration of Small Industries Development Bank of India Act. Administration of National Housing Bank Act Administration of State Financial Corporation Act. Operational, Policy and Budgetary matter relating to SIDBI and NHB. Matters relating to NHB and Housing Policy. Post winding up of BIFR & AAIFR matters. Matters related to Micro, Small and Medium Enterprises (MSMEs), TReDS. SIDBI, SFCs, Credit Guarantee Fund for Micro and Small Enterprises, CGFMU, CGFSI, CGTMSE, CGFF, MLIs, Credit Guarantee Scheme and other related matters on the subject. Citizens Charter of NHB and SIDBI. Appointment and all personnel matters of Whole Time Director in SIDBI and NHB. Appointment of Non-Official/Independent Directors and Government Nominee Directors in SIDBI and NHB. Laying of annual reports of SIDBI and NHB before the Parliament. All matters related to Pradhan Mantri Mudra Yojana (PMMY). All matters related to Educational Loans including Vidyalakshmi Portal, Govt. Sponsored Schemes-PMEGP, Education, employment generation scheme of SJSRY, SGSY and other poverty alleviation programmes and other related matters, VIP references, Audit Paras, CPGRAM, RTI, Parliament Questions, Assurances, Grievances, Budget Announcements, Coordination with RBI and State Govts.

Micro Finance - Matters related to Micro Finance Institutions and Legislation thereon, Self Help Groups as well as NABARD's Micro Finance, etc. Matter related to psbloansin59minutes portal.

1.20 Vigilance

Consultation with CVC/CTE. Nomination of CVOs for PSBs/FIs/PSICs. Correspondence with CBI. Annual Action Plan on Anti-Corruption measures. Investigation of cases of frauds by CBI & RBI. Matters under Prevention of Corruption Act. Preventive vigilance. Vigilance systems and procedures in RBI/PSBs/FIs and Insurance Companies/PFRDA/IRADI and RBI. Inquiry into complaints against GMs/EDs and CMDs of PSBs/FIs/ PSICs/PFRDA/IRADI/RBI and Vigilance Surveillance over them. Major frauds in PSBs (in India and abroad). PMO references on anti-corruption measures. Bank security, robberies & loss prevention in banks. Sanction of prosecution in case of ED/CMDs. War Book Matters. Annual Reports of CVC. Conduct Regulation in PSBs/ FIs, employment after retirement regulations in PSBs. CVC/CBI references relating to DRTs/DRATs. Vigilance clearance, sanction of prosecution and any other matter of Board level appointees of PSBs, FIs, PSICs, PFRDA, IRDA and RBI. Vigilance matters of Officials in DFS, Officers of Office of Custodian and Government Officials in DRTs/DRATs.

Office of the Custodian and Special Court

Joint Parliamentary Committee (JPC) (which enquired into irregularities in securities transactions). Disciplinary action against bank employees/executives involved in irregularities in securities transactions. Establishment matters relating to Special Courts/Office of the Custodian. All issues pertaining to continuation of posts, budget matters of the O/o Custodian and Special Court including extension of the O/o Custodian and appointment of Custodian.

1.21 Debts Recovery Tribunals (DRT)

Establishment of DRTs/DRATs under the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Administration of Recovery of Debts and Bankruptcy (RDB) Act, framing or amending rules for implementing of the provisions of the Act. Filling up of the posts of Chairpersons, Presiding Officers, Registrars, Assistant Registrars, Recovery officers, and other posts in DRTs/DRATs. Issuing clarifications/guidelines etc. on administrative matters/review. Progress and disposal of cases by DRT/DRATs. Budget provisions, monitoring, etc relating to DRTs/DRATs. Administration of SARFAESI Act, appointment of Registrar/MD & CEO, CERSAI, ease of doing business agenda- flowing from recent amendments. CKYC matters under Prevention of Money Laundering Act, 2002. Policy matters relating to Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI), a PSU, including the Central Registry under the SARFAESI Act, 2002.

1.22 Insurance-I (Ins.-I)

Corporate governance, appointment and service matters pertaining to public sector insurers and AICIL, Insurance Regulatory and Development Authority of India, Council of the Institute of Actuaries of India, Insurance Ombudsmen, Council of Insurance Ombudsmen, and insurance appointment related matters pertaining to Banks Board Bureau. Administration of the Actuaries Act, 2006 and related matters. Matters of public entities relating to the Public Premises (Eviction of Unauthorized Occupants) Act, 1971. Parliamentary, audit, right to information, court, arbitration and VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.23 Insurance-II (Ins.-II)

Administration of the Insurance Act, 1938; Life Insurance Corporation Act, 1956; General Insurance Business (Nationalisation) Act, 1972; Insurance Regulatory and Development Authority Act, 1999 and related matters, other than those related to corporate governance, appointment and service matters. Policy matters relating to insurance, and to this end, analysis of the trends and development in and the performance of the insurance sector and various bodies established by or under the said Acts. Administrative matters pertaining to public sector insures and Agriculture Insurance Corporation of India Limited (AICIL), other than governance, appointment and service matters. Assessment of capital requirements, divided payouts and performance of public sector insurance and AICIL. Social security schemes for insurance protection and other insurance schemes sponsored/ supported by the Government. Insurance Ombudsmen Rules and administration thereof, other than corporate governance, appointment and service related matters pertaining to Insurance Ombudsmen and the Council of Insurance Ombudsmen. Foreign investment in insurance sector. Reforms in the sector and public sector insurers, including adoption of technology in insurance (except matters allocated to the Cybersecurity and FinTech Section). Supporting the section in charge of international cooperation matters on insurance related aspects of international cooperation. Taxation matters relating to insurance sector. Matters relating to the industry, including those raised by industry bodies/associations. Implementation of Law Commission Reports. All residual matters relating to insurance which are not enumerated specifically as an item of work allocated to either Insurance-I Section or Insurance-II Section. Parliamentary, audit, right to information, court, arbitration, VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.24 Pension Reforms (PR)

Reforms in the Pension Sector. Policy matters with respect to NPS, Atal Pension Yojana and Swavalmban Scheme. Administration of PFRDA Act, 2013. Framing of rules under PFRDA Act, 2013. Appointments of Chairperson and Board member of PFRDA, CVO in PFRDA, Budget and Funds of PFRDA and Legislative and policy prescriptions to PFRDA.

1.25 Cybersecurity and FinTech (IT)

Matters relating to overall cybersecurity for the financial services sector and in the Department. Coordination of FinTech and Deep Tech (artificial intelligence, big data, block chain, etc.) matters related to the financial services sector and the Department (other than matters related to e-payments in the banking system). Management of the Department's website and web services. Coordination with NIC for the Department. Parliamentary, audit, right to information, court, arbitration and VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.26 GST Cell

Overseas preparedness of all institutions under DFS to implement GST, to provide inputs to the " Banking, Financial and Insurance" Sectoral Group with reference to GST. Other matters related to coordination, rollout and implementation of GST w.r.t institutions under administrative control of DFS etc.

1.27 Surplus Cell

All service matters and day to day administrative matters related to surplus staff of AAIFR & BIFR including their redeployment. Consultation with DoPT, handling of court cases of surplus staff. RTI and personal matters of surplus staff such as leave, retrial benefits, perks & allowances etc.

Performance and Significant Developments

2. Overview banking sector

Impact of the pandemic on the financial sector has been far less than feared previously. Gross Non-Performing Asset (GNPA) and Capital to Risk Weighted Asset Ratio (CRAR) of SCBs have been at 7.33% and 16.3% respectively, in FY 2020-21, and 6.94% and 16.54% respectively, for the quarter ended September, 2021.

(a) Profitability: In FY2020-21, the banking sector, including PSBs, earned record profit. Net profit of PSBs increased to Rs.31,820 crores, marking a return to overall profitability after 5 years. Net profit of PSBs in 3 quarters of FY 2021-22 increased to Rs.47,985 crores, more than 1.5 times of net profit of FY 2020-21.

(b) Asset quality: Despite wide-spread disruptions caused by COVID-19 pandemic, asset quality of SCBs has improved significantly with-

- Gross NPAs have declined from 11.2% in Mar-2018 to 6.9% in Sep-2021
- Net NPAs have declined from 5.9% in Mar-2018 to 2.21% in Sep-2021
- Provisioning Covering ratio (PCR) has risen from 62.96% in Mar-2018 to 84.92% in Sep-2021

(c) Capital adequacy: CRAR of SCBs improved by 152 bps y-o-y to reach 16.3% in March, 2021, and all time high of 16.4% in Jun-21 with CRAR of PSBs at 14.4%, as on 31.12.2021 was enabled by their raising of capital (in the form of both equity and bonds) in FY 2020-21, amounting to Rs.58,697 crores (the highest amount mobilised in a financial year) and capital infusion of Rs.20,000 crore to 5 PSBs. In FY 2021-22, PSBs have raised Rs.46,012 crores till January, 2022. PSBs have adequate capital for growth.

(d) Credit growth: Despite contraction in GDP, SCBs posted credit growth of 5.6% during FY 2020-21 with robust credit growth in agriculture and allied activities (12.3%), personal loans (10.2%) and overall credit flow to industry was broadly flat. With large borrowers deleveraging, deposits outpacing credit growth and plentiful liquidity from RBI's unconventional monetary measures like TLTRO, open market operation (OMO) etc., banks are now well placed to cater to the credit demands of the economy.

2.1 Credit outreach

Government has launched nationwide Credit Outreach Programme on 16.10.2021, under which banks have been holding special camps across the country to make loans available to eligible borrowers. An aggregate loan amount of Rs.94,063 crores has been sanctioned up to 26.11.2021 under this.

2.2 Non-Performing Asset (NPAs)

The **gross NPAs of scheduled commercial banks have declined** from a peak of Rs.10,36,187 crores, as on 31.3.2018, to Rs.8,00,463 crores, as on 30.9.2021, with the ratio of gross NPAs to gross advances declining from 11.18% to 6.93% during the same period.

As per Reserve Bank of India (RBI) data, aggregate gross advances of Public Sector Banks (PSBs) increased from Rs.18,19,074 crores as on 31.3.2008 to Rs.52,15,920 crores as on 31.3.2014. As per RBI inputs aggressive lending practices, during this period along with wilful default / loan frauds / corruption in some cases, economic slowdown etc; were observed to be primary reasons for the spurt in the stressed assets. Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of NPAs. As a result of AQR and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Primarily as a result of transparent recognition of stressed assets as NPAs, as per RBI data on global operations, gross NPAs of PSBs rose from Rs.2,79,016 crores as on 31.3.2015, to Rs.8,95,601 crores as on 31.3.2018 and as a result of Government's strategy of recognition, resolution, recapitalisation and reforms, have since declined to Rs.5,79,011crores as on 30.9.2021.

To improve resolution and recovery, the Insolvency and Bankruptcy Code was enacted and number of recovery related reform measures effected, enabling recovery by PSBs of Rs.5,49,327crores over the last seven financial years. Under IBC, resolution plans have been approved in 421 cases till September 2021, with Rs.2.46 lakh crores realisable amount by financial creditors.

Reforms were effected for Enhanced Access and Service Excellence (EASE) under a PSB Reforms Agenda, which aimed at improving customer responsiveness, deepening financial inclusion and digitalisation, serving MSMEs better, and enabling credit off-take, besides improved governance, prudential lending, better risk management and technology-driven checks and controls.

2.3 Bank frauds

Government, in 2015, issued "Framework for timely detection, reporting, investigation etc. relating to large value bank frauds" to PSBs and instituting wide-ranging structural and procedural reforms through the framework and other steps to check fraudulent banking practices. Systematic and comprehensive checking, including of legacy stock of NPAs of PSBs, for frauds under the framework has helped unearth frauds perpetrated over a number of years, with fraud occurrence as percentage of gross advances, in PSBs, having declined sharply from a peak of 1.12% in FY2013-14 to 0.003% in FY 2021-22 (up to 30.9.2021).

2.4 Setting up of National Asset Reconstruction company Limited (NARCL)

Hon'ble Finance Minister in her budget speech for 2021-22 has made the announcement regarding setting up of a new structure for stressed asset resolution. In this regard, a new structure involving Asset Reconstruction Company (ARC) and Asset Management Company (AMC) was firmed up in consultation with Reserve Bank of India (RBI) and Indian Banks' Association (IBA), and National Asset Reconstruction Company Limited (NARCL) was incorporated on 7.7.2021. NARCL has been set up under the Companies Act, 2013 with minimum 51% shareholding with the public sector banks and it was granted Certificate of Registration by RBI on 4.10.2021 for commencement of business of securitisation of asset reconstruction operations.

NARCL is intended to resolve stressed assets above Rs.500 crores each, amounting to about Rs.2 lakh crores in phases. Government has approved extending a guarantee of up to Rs.30,600 crores to back Security Receipts (SR) issued by NARCL for acquiring stressed loan assets. Pursuant to the above, guarantee approval between NARCL and Government of India is under finalization. The guarantee will be valid for five years from the date of issuance of SRs or till the date of final settlement of loan accounts, whichever is earlier.

2.5 Regional Rural Banks (RRBs)

The RRBs were established under the provisions of the Ordinance promulgated on 26th September, 1975 and RRBs Act, 1976. The objective for the establishment of RRBs was to create an alternative channel to cooperative credit structure with a view to ensure sufficient institutional credit for rural and agriculture sector. The RRBs, with focus on serving the rural areas, are an integral segment of the Indian banking system. Sponsored by the Commercial Banks, the equity of RRBs are held by the Central Government, concerned State Government and the Sponsor Bank in the proportion of 50:15:35. These banks are envisaged to be State-sponsored, regionally based and rural-oriented. The purpose of establishment of the RRBs is to develop the rural economy by providing credit and other facilities to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. As on 31 March 2021, 43 RRBs are operating through a network of 21,856 branches covering 696 districts of the country. All branches of RRBs are on CBS Platform.

2.6.1 Role of RRBs

RRBs have a mandate to ensure rural development and foster financial inclusion. Over the years, the RRBs have traversed a long journey. The contributions being made by RRBs as a whole at present, are briefly as under.

- Of the total loans extended by the RRBs, 70% goes to agriculture. About 90% of loans are extended to the priority sector. Of the total loans, about 64% is extended to weaker sections, including small and marginal farmers.
- RRBs pay a significant role in extending micro credit. They account for 32% of the SHG accounts and 28% of the loan amount. 18% of total KCCs have been issued by the RRBs.
- Share of RRBs in total accounts/enrolments under Government Sponsored Schemes like PMJDY, PMJJBY, PMSBY, APY, etc. varies from 12% to 19%.
- 92% of the branches of RRBs are in rural and semi urban areas. RRBs though have 14% of total bank

branches in the country, their share in total number of rural branches is about 29%. In the rural areas of aspirational districts, RRBs have about 40% of the rural branches. Moreover, many RRBs have branches in remote areas and they are providing financial services to vulnerable sections.

- In rural areas, the share of business of RRBs is about 20% in amount terms and they are providing core banking services (deposits and loans) to about 27% of the people availing banking services from formal sources. In North Eastern Region, RRBs cater to the banking needs of about 42% of the rural people. As against the overall Rural CD Ratio of 62% for all the banks, RRBs have Rural CD Ratio of 72%.

2.6.2 Amalgamation of RRBs

With a view to enable RRBs to minimize their overhead expenses, optimize the use of technology, enhance the capital base and area of operation and increase their exposure, Government of India, in FY 2017-18, has carried out amalgamation of RRBs located within a state. As on 31.03.2021, 24 RRBs have thus been amalgamated into 11, reducing the total number of RRBs to 43 from 56 earlier.

2.6.3 Key Financial Parameters of RRBs

(Amount in Rs. crores)

Particulars	31st March 2020	31st March 2021
Owned Funds	34,663	38,741
Deposits	4,78,737	5,25,226
Loans & Advances	2,98,214	3,15,181
Non-Performing Assets (NPAs)	31,106	31,381

3. Financial Inclusion

3.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion (FI) known as Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced on 15th August, 2014. The scheme was formally launched on 28th August, 2014 at National level by the Hon'ble Prime Minister. Comprehensive financial inclusion of the excluded sections was proposed to be achieved by 14th August, 2018 in 2 phases as under.

- **Phase I (15th August, 2014 - 14th August, 2015)**
  Universal access to banking facilities in all areas, except those with infrastructural and connectivity constraints and providing basic banking accounts and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh and organizing Financial Literacy Programme.
- **Phase II (15th August, 2015 - 14th August, 2018)**
  Overdraft (OD) facility upto Rs.5,000 after six months of satisfactory operation/history. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts and unorganised sector pension schemes like Swavlamban.
- **Extension of PMJDY**
  PMJDY has been extended beyond 14.8.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" and making the scheme more attractive with upward revision in (i) OD limit from Rs.5,000 to Rs.10,000; (ii) accident insurance cover on RuPay card holders from Rs.1 lakh to Rs.2 lakh; (iii) age limit for availing OD facility revised from 18-60 years to 18-65 years and (iv) no conditions attached for OD upto Rs.2000.

3.2 Performance of PMJDY.

Major achievements of PMJDY are as under.

(Numbers in crores)

As on	PMJDY Accounts (in crore)	Breakup by Gender		Breakup by Geography		Deposits in PMJDY Accounts (in Rs. crores)
		No of PMJDY Accounts (Male)	No of PMJDY Accounts (Female)	No of PMJDY Accounts (Rural/Semi Urban)	No of PMJDY Accounts (Urban/Metro)	
March'15	14.72	7.15	7.39	8.68	5.86	14,641
March'16	21.43	10.37	11.05	13.17	8.26	35,672
March'17	28.17	13.67	14.49	16.87	11.3	62,972
March'18	31.44	14.85	16.60	18.52	12.92	78,494
March'19	35.27	16.53	18.74	20.90	14.37	96,107
March'20	38.33	17.85	20.48	22.63	15.70	1,18,434
March'21	42.20	18.82	23.38	27.85	14.35	1,45,551
As on 29.12.2021	44.23	19.62	24.61	29.54	14.69	1,50,939

- A total of 44.23 crore Jan-Dhan accounts have been opened till 29.12.2021 under PMJDY, with a deposit balance of Rs.1,50,939 crores. The average deposit balance is approx. Rs.3412 per PMJDY account.
- There are 24.61 crore (55.6%) women Jan-Dhan account holders, with about 29.54 crore (66.8%) accounts opened in rural and semi-urban areas.
- Approximately 31.28 crore RuPay cards with an inbuilt accidental insurance of Rs.2 lakh (Rs.1 lakh for accounts opened before 28.8.2018) coverage have also been provided to PMJDY account holders.
- Out of total operative accounts opened under PMJDY, 86.2% have been seeded with Aadhaar number of the account holder on user consent basis, which has enabled interoperable and immediate Aadhaar based transactions, including for Direct Benefit transfer (DBT) through Aadhaar Payment Bridge.

3.3 Banking Touch Points: PMJDY aimed at providing banking touch points throughout rural India by mapping over 6 lakh villages into 1.6 lakh Sub Service Areas (SSAs). Each SSA typically comprised of 1,000-1,500 households. Out of 1.6 lakh SSAs, 1.3 lakh SSAs are covered through interoperable, online BCs and remaining 30,000 are covered through bank branches. BCs deployed in rural areas also provide interoperable Aadhaar Enabled Payment System (AePS) banking services.

The strength of bank branches and ATMs has been augmented over the years as indicated below:

Number of bank branches of Scheduled Commercial Banks

As on	Rural	Semi urban	Urban	Metropolitan	Total
31.03.2017	49,871	38,991	25,067	26,486	140,415
31.03.2018	50,852	39,676	25,421	26,478	142,427
31.03.2019	51,590	41,087	26,361	27,098	146,136
31.03.2020	52,360	42,276	27,273	28,069	149,978
31.03.2021	52,639	42,522	27,382	27,981	150,524
30.06.2021	52,769	42,240	27,209	27,838	150,056

Source: RBI

Number of ATMs of Scheduled Commercial Banks (SCBs), Small finance Banks (SFBs), Payment Banks (PBs) and White Label ATM Operators

As on	Off-site ATMs	On-site ATMs	Total ATMs
31.03.2016	97149	101950	199099
31.03.2017*	112666*	109809	222475*
31.03.2018*	115471*	106776	222247*
31.03.2019*	115323*	106380	221703*
31.03.2020*	121086*	113271	234357*
31.03.2021*	140618*	97970	238588*
30.09.2021*	143599*	97383	240982*

*Source: RBI * Includes ATMs deployed by White Label ATM Operators.*

The number of card acceptance devices of Point of Sale (POS) has increased from 10.7 lakh in March 2014 to **54.98 lakh in December, 2021.**

3.4 Jan DhanDarshak, a mobile application, has also been launched to provide a citizen centric platform for locating banking touch points such as bank branches, ATMs, Bank Mitras, Post Offices, etc. in the country. The web version of this application could be accessed at the link http://findmybank.gov.in. Banks have been provided login credentials to upload the GIS location of their branches, Business Correspondents and ATMs on the app. As per JDD app, as on 28.01.2022, there are 1.68 lakh branches, 4.85 lakh BCs (including IPPB-BCs) and 2.15 lakhs ATMs mapped by the banks. Further, as per data uploaded by the banks on JDD app, out of the 5.54 lakh (5,53,804) mapped villages on the app, 5.54 lakh (5,53,468) (99.94%) villages are having branch or BC within a distance of 5 kilometers".

3.5 Jan-Dhan Aadhaar Mobile (JAM)

A Jan Dhan Aadhar Mobile (JAM) pipeline has been laid for linking of Jan-Dhan account with mobile number and Aadhaar. This infrastructure pipeline is providing the necessary backbone for and easing DBT flows, adoption of social security/ pension Schemes, facilitating credit flows, promoting digital payments, etc. It has provided the much-needed support for accelerating the pace towards achieving a digitalised, financially included and insured society. The instant transfer of Direct Benefits under various Government Schemes has been made possible through the JAM pipeline.

4. Key Schemes

4.1 Social Security Schemes

4.1.1 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) - The scheme is available to people in the age group of 18 to 50 years having a bank / Post office account who give their consent to join / enable auto-debit. Risk coverage under this scheme is for Rs. 2 lakhs in case of death of the insured, due to any reason, at an annual premium of Rs. 330/- which is to be auto-debited from the subscriber's bank / Post office account.

4.1.2 Pradhan Mantri Suraksha Bima Yojana (PMSBY) -The Scheme is available to people in the age group 18 to 70 years with a bank / Post office account who give their consent to join / enable auto-debit. The risk coverage under the scheme is for Rs. 2 lakhs in case of accidental death or total permanent disability and Rs. 1 lakh for partial permanent disability; due to accident at a premium of Rs. 12 per annum which is to be deducted from the account holder's bank / Post office account through 'auto-debit'.

New measures in PMJJBY and PMSBY

- A grace period of thirty days from the due date of renewal of PMJJBY and PMSBY, i.e.up to 30.6.2021, has been allowed to only those subscribers whose accounts did not have adequate funds to pay for the premium as on 31.5.2021. Intermediary commission has been increased from Rs.11 per subscriber to Rs.30 per subscriber under PMJJBY, to incentivize intermediaries.
- In view of the pandemic, in addition to Death Certificate as proof of death or cause of death, several other documents have been made as valid proof up to 30.11.2021 or till further revision, whichever is earlier. Banks have begun forwarding claim documents electronically to their partner insurer's through designated app to enable expeditious claim settlement within 14 days.
- As on 15.12.2021, the progress under PMJJBY and PMSBY are as under.

Scheme	Eligibility (Yrs)	Premium (p.a)	Enrollments (crores)	Claims Paid	Claims amount (crores) (Rs.)	Settle-ment Ratio (%)
PMJJBY	18 to 50	Rs 330	11.77	5,28,182	10,563.64	99.74%
PMSBY	18 to 70	Rs 12	26.59	93,281	1,817.19	97.67%

4.1.3 Atal Pension Yojana(APY)- Atal Pension Yojana (APY) was launched by the Hon'ble Prime Minister on 9th May, 2015, and is being implemented with effect from 1st June, 2015. The Scheme aims to provide monthly pension to eligible subscribers not covered under any organized pension scheme. APY is open to all bank and post office account holders in the age group of 18 to 40 years. Under this Scheme any subscriber can opt for a guaranteed pension of Rs.1,000, Rs.2,000, Rs.3,000, Rs.4,000 and Rs.5,000 receivable at the age of 60 years. The contributions to be made vary based on pension amount chosen and the age at time of enrolment. APY is being administered by PFRDA under the overall administrative and institutional architecture of the NPS. Currently, the Scheme is being distributed through more than 250 active APY service providers including all banks and post offices.

The key features of APY are as under.

- APY is primarily focused on workers in the unorganised sector, however, all citizens of the country in the eligible category may join the scheme.
- Any Indian citizen between 18-40 years of age can join through their savings bank account or post office savings bank account.
- Minimum pension of Rs.1000 or Rs.2000 or Rs.3000 or Rs.4000 or Rs.5000 is guaranteed by the Government of India to the subscriber at the age of 60 years, with a minimum monthly contribution (for those joining at age 18) of Rs.42 or Rs.84 or Rs.126 or Rs.168 and Rs.210, respectively.
- After the subscriber's demise, the spouse of the subscriber shall be entitled to receive the same pension amount as that of the subscriber until the death of the spouse.
- After the demise of both the subscriber and the spouse, the nominee of the subscriber shall be entitled to receive the pension wealth, as accumulated till age 60 of the subscriber.
- If the actual returns during the accumulation phase are higher than the assumed returns for minimum guaranteed pension, such excess will be passed on to the subscriber.
- The contributions can be made at monthly / quarterly / half yearly intervals through auto debit facility from savings bank account/ post office savings bank account of the subscriber. The monthly / quarterly / half yearly contribution depends upon the intended / desired monthly pension and the age of subscriber at entry.
- As on 30th November, 2021, the number of subscribers under APY is more than 3.57 crore with contribution of Rs. 1,68,766 crore and AUM of Rs. 19,352 crore.
- As on 30.11.2021, the category wise number of APY enrolments are as under.

Category of Banks	Number of Subscribers
Public Sector Banks	2,52,32,793
Private Banks	21,77,337
Small Finance Bank	61,884
Payment Bank	11,51,468
Regional Rural Banks	66,45,999
District Co-op Banks	59,673
State Co-op Banks	5,662
Urban Co-op Banks	22,271
Department of Posts	3,48,033
Total	**3,57,05,120**

Major measures/steps undertaken to increase coverage under the Schemes

- **Promotion and pension literacy**

i. Pension Fund Regulatory and Development Authority (PFRDA), is actively engaged with Banks, State Level Bankers' Committees (SLBCs) & LDMs for National, State and District level focused promotion of APY across the country.

ii. APY Felicitation and Outreach programs at 10 locations have been held in which stake-holders from Banks at state/district-level are participating.

iii. Training programs are being organised, town hall meetings, regular Strategy & Review Meetings are being conducted to increase pension literacy.

iv. Several Central Ministries and State Governments have been approached to get their unorganized workforce like MNREGA workers, Self Help Groups, Asha workers, Aanganwadi workers covered under APY.

v. Periodical advertisements in the print and electronic media being issued and updates posted in social media like YouTube, Twitter, Facebook to create awareness about the scheme.

vi. Information about APY is being disseminated through APY KI PATHSHALA You Tube channel.

- **Launch of eAPY Platform with Multiple Options** - PFRDA has launched the eAPY platform to facilitate online on-boarding of APY subscribers w.e.f. 30th September, 2021.

- **Engaging Fintechs and Banking Correspondents (BCs) for widening the outreach**

i. PFRDA is engaging Payment banks like Airtel Payment Bank and Small Finance banks to achieve larger enrolment.

ii. Engagement of BCs with suitable incentivization is also helping in increasing outreach of the Scheme.

- **Updating of APY mobile App** - To enhance ease of availing various services, features such as account details, viewing contribution made, on the APY mobile App have been updated.

4.2 Pradhan Mantri Mudra Yojana (PMMY)

The Scheme was launched on 8th April 2015 for financing income-generating small business enterprises in manufacturing, trading and service sectors, including activities allied to agriculture such as poultry, dairy, beekeeping, etc. Under PMMY, both Term loan and Working Capital requirements can be met. Loans under PMMY are extended through MLIs viz; Banks, Non-Banking Financial Companies (NBFCs) & Micro Finance Institutions (MFIs).

- Categories: Shishu - upto Rs. 50,000/-, Kishore - Rs. 50,000 to Rs.5.00 lakh, Tarun - Rs.5.00 lakh to Rs.10.00 lakh;
- No insistence on collateral(s);
- A Credit Guarantee Fund for Micro Units (CGFMU) was set up for guaranteeing loans extended to eligible micro units under Pradhan Mantri Mudra Yojana (PMMY) by Member Lending Institutions (MLIs) and Overdraft loan amount sanctioned under Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. From FY 2020-21 onwards, loans sanctioned to Self Help Groups (SHGs) between Rs.10 lakh to Rs. 20 lakh would also be eligible for coverage under CGFMU. The National Credit Guarantee Trustee Company Ltd. (NCGTC), a wholly-owned company of Government of India, constituted under the Companies Act, 1956 (2013) is the trustee of the Fund.
- As on 31.10.2021 the sanction amount covered under live guarantee is Rs.1.33 lakh crore.

As on 31.12.2021, more than **32.53 crore** loans amounting to **Rs.17.32 lakh crores** have been sanctioned since the launch of Scheme. Out of this, more than 7.02 crore loans amounting to Rs.5.45 lakh crores have been extended to New Entrepreneurs/ Accounts which is approximately 22% of total loans extended under the scheme. About 68% loans have been sanctioned to women entrepreneurs and 51% loans have been sanctioned to SC/ST/OBC category of borrowers. Category-wise break-up are as under.

Category	Percentage as per No. of Loans	Percentage as per Amount Sanctioned
Shishu	87%	43%
Kishore	11%	33%
Tarun	2%	24%
Total	**100%**	**100%**

4.3 Stand Up India Scheme (SUPI)

The Stand Up India Scheme launched on 5th April, 2016 aims to promote entrepreneurship among the Scheduled Caste/ Scheduled Tribe and Women by facilitating bank loans of value between Rs.10 lakh and Rs.1 crore to at least one SC/ ST borrower and one woman borrower per bank branch of Scheduled Commercial Banks for setting up greenfield enterprises in trading, manufacturing and services sector. In 2019-20, the Stand Up India Scheme was extended for the entire period coinciding with the 15th Finance Commission period of 2020-25. Pursuant to an announcement made by the Union Finance Minister in the Budget speech of

FY 2021-22, the following changes have been made in the Stand Up India Scheme: -

- The extent of margin money to be brought by the borrower has been reduced from 'upto 25%' to 'upto 15%' of the project cost. However, the borrower will continue to contribute at least 10% of the project cost as own contribution. The Scheme envisages 'upto 15%' margin money which can be provided in convergence with eligible Central/State schemes;
- Loans for enterprises in 'Activities allied to agriculture' e.g. pisciculture, beekeeping, poultry, livestock, rearing, grading, sorting, aggregation agro industries, dairy, fishery, agriclinic and agribusiness centers, food & agro-processing, etc. (excluding crop loans, land improvement such as canals, irrigation, wells) and services supporting these, shall be eligible for coverage under the Scheme.

As on 31.12.2021, a total number of SCs/STs and Women borrowers benefited under the Stand Up India Scheme are as under.

(Amt. in Rs. crores)

SC		ST		Women (General)		Total	
No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.
18553	3814.84	6273	1335.88	106126	24343.08	130952	29493.80

4.4 Pradhan Mantri Vaya Vandana Yojana

Pradhan Mantri Vaya Vandana Yojana (PMVVY) is offered by the Life Insurance Corporation of India (LIC) and supported by the Government of India, to provide senior citizens of age 60 years or more an assured minimum pension for a term of 10 years, linked to the price at which they purchase the pension policy. Government bears the cost of any shortfall in the returns earned annually on the policy purchase price vis-à-vis the minimum returns required for paying the assured minimum pension. Maximum Investment allowed is Rs.15,00,000. A loan of up to 75% of the purchase price, under the scheme, is allowed after completion of three policy years. The Scheme is valid upto 31st March, 2023. As on 31.01.2022, 7.75 lakh senior citizens have been benefited under the scheme.

5. Agriculture Credit

In order to boost the agriculture sector with the help of effective and hassle-free agriculture credit, the Government has been fixing annual targets for ground level agriculture credit by Scheduled Commercial Banks, Regional Rural Banks (RRBs) and Cooperative Banks.

Year wise position of target and achievement under agricultural credit flow for the last seven years and current year given below indicates the sustained trend of actual disbursement, surpassing the incremental annual targets year after year. As against the annual target of Rs.15,00,000 crores for 2020-21, agriculture credit to the tune of Rs.15,75,398 crores was disbursed, registering 105% achievement. As on 30thSep 2021, Rs.12,48,105 crores was disbursed (Provisional) against target of Rs.16,50,000 crores registering 76% achievement.

5.1 Kisan Credit Card

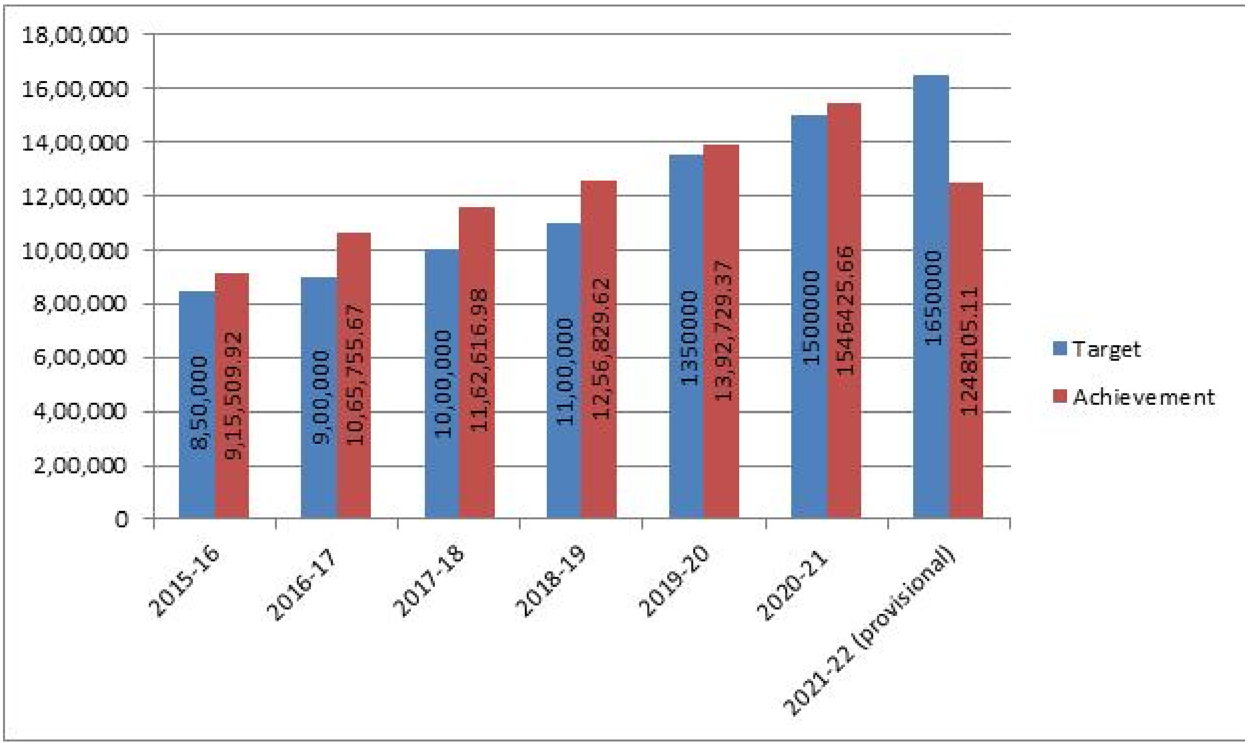
The Kisan Credit Card (KCC) scheme was introduced in 1998-99, as an innovative credit delivery system aiming at adequate and timely credit support from the banking system to the farmers for their cultivation needs including purchase of inputs in a flexible, convenient and cost effective manner. The Scheme is being implemented by all Cooperative Banks, Regional Rural Banks (RRBs) and Commercial Banks throughout the country. NABARD monitors the scheme in respect of Cooperative Banks and RRBs, whereas RBI monitors the scheme in respect of Commercial Banks. A revised scheme for KCC was circulated by RBI and NABARD in 2012 prescribing the provision for ATM enabled debit card which can be used at ATM/Point of sale (POS) terminal, inter alia, with facilities of one-time documentation and built-in cost escalation in the credit limit, etc. The facility of KCC along with interest subvention has been extended to Animal Husbandry farmers and Fisheries to help them meet their working capital requirements. Presently, about 7 crore farmers avail the benefit of the KCC scheme having a total outstanding loan of Rs.6.8 lakh crores.

5.2 Rural Infrastructure Development Fund (RIDF)

The Government of India had set up Rural Infrastructure Development Fund (RIDF) in NABARD with the objective of providing low cost fund support to the States to facilitate quick completion of ongoing rural infrastructure projects. RIDF, with 39 activities under its scope, has emerged as a dependable source of public funding of impactful rural infrastructure projects. The annual allocation of funds under RIDF has gradually increased from Rs.2,000 crores in 1995-96 (RIDF I) to Rs.40,000 crores in 2021-22 (RIDF XXVII). As against the allocation of Rs.40,000 crores made during 2021-22 for RIDF under Tranche XXVII, sanctions to the tune of Rs.38,450 crores were accorded to various State Governments as on 31.01.2022.

The Agriculture targets and achievements

(Rs. in crores)



* *Data in Provisional* *Source: Ensure Portal of NABARD*

The aggregate allocation till 30thNovember, 2021 has reached Rs.4,31,622 crores, including Rs.18,500 crores for the Bharat Nirman component sanctioned to National Rural Roads Development Agency (NRRDA) under RIDF XII-XV. Impact evaluation studies on projects funded under RIDF have revealed multiple positive socio-economic developmental outcomes in rural areas. These projects have brought about an improvement in ease of living in rural areas and augmenting income levels, besides strengthening the rural banking system and credit absorption capacity.

5.3 Short Term Cooperative Rural Credit (Refinance) Fund

The Short Term Cooperative Rural Credit-STCRC (Refinance) Fund was set up in NABARD in 2008-09 with an initial corpus of Rs.5,000 crores to provide Short Term refinance to Cooperative Banks so as to ensure increased and uninterrupted credit flow to farmers at concessional rate of interest. NABARD provides refinance to Cooperative bank at an interest rate of 4.5 % per annum for crop loans upto Rs.3.00 lakh disbursed by cooperative banks at an interest rate of 7% per annum to ultimate borrowers. An allocation of Rs.45,000 crores (45,570.37 crores, including residual allocation of earlier years) has been made for the STCRC (Refinance) Fund during 2021-22. As on 30.01.2022, Rs.32,203.43 crores has been utilised out of STCRC (Refinance) Fund during 2021-22.

5.4 Short Term Regional Rural Bank (Refinance) Fund

The Short Term Regional Rural Bank (Refinance) (STRRB) Fund was set up with an allocation of Rs.10,000 crores in 2012-13, so as to enable NABARD to provide Short Term refinance to RRBs to meet their crop loan lending obligations. NABARD provides refinance to RRBs at an interest rate of 4.5 % per annum for crop loans upto Rs.3.00 lakh disbursed by RRBs at an interest rate of 7% per annum to ultimate borrowers. The allocation under STRRB Fund was at Rs.10,000 crores (10,126.75 crores, including residual allocation of earlier years) during 2021-22. As on 30.01.2022, Rs.6,765.64 crores has been utilised out of STRRB (Refinance) Fund during 2021-22.

5.5 Long Term Rural Credit Fund (LTRCF):

This fund has been set up for the purpose of providing long term refinance support to Cooperative Banks and Regional Rural Banks for their lending towards investment activities in agriculture. Government has allocated Rs.15,000 crores (15,190.12 crores, including residual allocation of earlier years) to this fund during 2021-22. As on 30.01.2022, Rs.14,528.83 crores has been utilised out of LTRCF during 2021-22.

5.6 Strengthening the Capital Base of NABARD

NABARD Amendment Act 2018 has been notified on 19.01.2018 which empowers the Government to increase the authorised capital of NABARD from Rs.5,000 crores to Rs.30,000 crores and to increase it beyond Rs.30,000 crores in consultation with RBI as deemed necessary from time to time. This will enable NABARD to potentially increase its borrowing in future for funding the large investments being made in rural infrastructure in sectors like irrigation, housing, universal sanitation, dairy, fisheries etc.

During 2021-22, equity support of Rs.1,500 crores has so far been provided to NABARD to enable it to fulfil its lending commitment under various Government initiatives including the flagship programmes i.e PMAY-G, LTIF, MIF and Swatch Bharat Mission. Total paid up capital as on 30.01.2022 in respect of NABARD is Rs.17,580 crores.

5.7 Role of NABARD in Government of India Initiatives

5.7.1 Long Term Irrigation Fund (LTIF)

The Government of India, in the Dept. of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti (earlier Ministry of Water Resources) has taken a major initiative to complete various stalled major/medium irrigation projects in the country, for which a Long Term Irrigation Fund (LTIF) was set up in NABARD. As on 30 November 2021, against the total estimated amount of Rs.77,595 crores for the 99 identified projects, sanctions have been accorded by NABARD under LTIF to the tune of Rs.71,170.70 crores. Further, loan amount of Rs.11217.69 crores has been sanctioned for the Polavaram Irrigation project, Rs.1,378.61 crores for North Koel Reservoir Project, Rs.485.35 crores for Shahpurkandi Dam and Rs.826.17 crores for Relining of Sirhind and Rajasthan Feeder under LTIF. The cumulative amount released against sanction of 99 identified projects stood at Rs.43,968.79 crores. Similarly, for Polavaram Irrigation project, North Koel Reservoir Project and Shahpurkandi Dam Project, cumulative releases stood at Rs.10650.18 crores, Rs.721.22 crores and Rs.207.45 crores, respectively.

5.7.2 Pradhan Mantri AwaasYojana- Gramin (PMAY-G)

The Government of India in the Ministry of Rural Development launched 'Pradhan Mantri Awaas Yojana-Gramin' (PMAY-G) on 1st April 2016, with an objective to ensure "Housing for All" by 2022. A total of 2.95 crore houses are to be constructed under PMAY-G {1 crore under Phase-I (2016-17 to 2018-19) and 1.95 crore houses under Phase -II (2019-20 to 2021-22)}. NABARD extends loans to National Rural Infrastructure Development Agency (NRIDA), a SPV of GoI, towards part funding of Central share under the Scheme. The cumulative sanction and release under PMAY - G as on as on 30 November 2021 stands at Rs.61,975 crores and Rs.48,819.03 crores respectively.

5.7.3 Swachh Bharat Mission - Gramin (SBM-G)

The Government of India in the Ministry of Jal Shakti (earlier Ministry of Drinking Water & Sanitation), launched SBM-G on 2nd October, 2014 with the goal to achieve universal sanitation coverage in rural areas by 2nd October, 2019. For the construction of around 3 crore Individual House Hold Toilets, 1500 Community Sanitary Complexes and Solid & Liquid Resources Management works during 2018-19, the total fund requirement towards Central Share was estimated at Rs.30,343 crores, out of which Rs.15,000 crores was to be raised through borrowing from NABARD. As on 30 November 2021, the cumulative sanction and release by NABARD under SBM -G stands at Rs.15,000 crores and Rs.12,298.20 crores respectively.

5.7.4 Micro Irrigation Fund

Micro Irrigation Fund with a corpus of Rs.5,000 crores has been operationalized from 2019-20 in NABARD with an objective to facilitate State Govts. Efforts in mobilizing additional resources for expanding coverage under micro irrigation and incentivizing its adoption beyond provisions of PMKSY-PDMC. The cumulative sanction and release under MIF as on 31.01.2022 stands at Rs.3970.17 crores and Rs.2083.72 crores respectively. This will facilitate in expanding micro irrigation to an area of 12.83 lakh ha. involving 10.20 lakh farmers. Further, the corpus under MIF has been augmented by another Rs.5000 crores, as announced in the Union Budget 2021-22.

6.1 Priority Sector Lending (PSL)

The objective of priority sector lending (PSL) has been, inter-alia, to ensure access to credit to vulnerable sections of society and have adequate flow of resources to those segments of the economy which have higher employment generation potential and help in making an impact on poverty alleviation. Thus, the sectors that impact large sections of the population, the weaker sections and the sectors which are employment-intensive such as agriculture and micro and small enterprises are part of the priority sector.

With the objective of making the Priority Sector Lending norms more broad-based, the guidelines are reviewed from time to time to align them with the emerging national priorities. As a part of this process, the PSL guidelines have been revised in 2020. The revised guidelines also aim to encourage and support environment friendly lending policies/schemes and help to achieve Sustainable Development Goals (SDGs).

6.2 Some of the salient features of the revised PSL guidelines are as under.

- To address regional disparities in the flow of priority sector credit, higher weightage has been assigned to incremental priority sector credit in 'identified 184 credit deficit districts' where priority sector credit flow is comparatively low, and vice versa.

- The targets prescribed for "small and marginal farmers" and "weaker sections" are being increased from 8% to 10% & 10% to 12% respectively in a phased manner from 2021-22 to 2023-24.
- Credit to new sector like Compressed Bio Gas (CBG), Solar projects, credit for start-ups (up to Rs.50 crores) engaged in Agriculture & allied activities and MSME have been made eligible under PSL.
- Higher credit limit has been specified for Farmers Producers Organisations (FPOs)/Farmers Producers Companies (FPCs) undertaking farming with assured marketing of their produce at a pre-determined price.
- Credit limit has also been enhanced in case of sector like renewable energy sector, Health Infrastructure (including Ayushman Bharat) and education loan.
- In order to ensure greater flow of credit to the farmers against pledge/hypothecation of agricultural produce, and to encourage use of NWR/eNWR issued by warehouses registered and regulated by Warehouse Development and Regulatory Authority, the PSL limit for loans against NWRs/eNWR has been increased from Rs.50 lakh to Rs.75 lakh per borrower.

The outstanding priority sector advances of Public Sector Banks was Rs.23,63,854 crores as on March 31, 2020 and Rs.25,38,507 crores as on March 31, 2021. Advances to agriculture by PSBs amounted to Rs.11,33,163 crores as on March 31, 2021 constituting 18.50 percent of Adjusted Net Bank Credit (ANBC). For the quarter ended June, 2021* total outstanding priority sector advances of public sector banks is Rs.24,83,811 crores and outstanding towards agriculture under priority sector is Rs.11,18,870 crores. (*Provisional figures as reported by banks to RBI).

6.3 Revised Targets /Sub-targets for Priority sector

The targets and sub-targets set under priority sector lending, to be computed on the basis of the ANBC/ CEOBE as applicable as on the corresponding date of the preceding year, are as under.

Categories	***Domestic commercial banks (excl. RRBs & SFBs) & foreign banks with 20 branches and above***	***Foreign banks with less than 20 branches***	***Regional Rural Banks***	***Small Finance Banks***
Total Priority Sector	40 %	40 % out of which up to 32% can be in the form of lending to Exports and not less than 8% can be to any other priority sector	40 % out of which up to 32% can be in the form of lending to Exports and not less than 8% can be to any other priority sector	75 %
Agriculture	18% ; out of which a target of 10 %* is prescribed for SMFs	Not applicable	18% ; out of which a target of 10 % *is prescribed for SMFs	18% out of which target of 10 %* is prescribed for SMFs
Micro Enterprises	7.5 %	Not applicable	7.5 %	7.5 %
Advances to Weaker Sections	12 %*	Not applicable	15%	12%*

Note: % in terms of Adjusted Net Bank Credit (ANBC) or Credit Equivalent Amount of Off-Balance Sheet Exposure (CEOB), whichever is higher.

**Targets for Small and Marginal Farmers (SMFs) s and weaker sections as per revised guidelines will be implemented in a phased manner from 8% to 10% and 10% to 12% respectively up to 2024.*

6.4 Education Loan

Every meritorious student should have access to bank credit to pursue higher education, if they so desire. Indian Banks' Association (IBA) had prepared the Model Educational Loan Scheme and circulated to banks in the year 2001. The Scheme is for all students including students belonging to the economically weaker sections and those below the poverty line. Indian Nationals who have secured admission to a higher education course in a recognised Institution in India or abroad through an entrance test/merit based selection process are eligible for educational loans under the Scheme. The Scheme has been modified from time to time keeping in view the changing needs of the students. The last revision of the Model Educational Loan Scheme was carried out on 15.02.2021 and circulated to Banks. The main features of the revised Model Educational Loan Scheme are as under.

- Provision for charging of differential interest rates based on status of collateral, employability and reputation of institutions.
- Relaxation in margin and security for loans guaranteed by NCGTC.
- Extension of repayment period (after moratorium) up to 15 years for all loans.
- Uniform one-year moratorium for repayment after completion of studies in all cases.
- Provision for moratorium taking into account spells of unemployment/under-employment, say two or three times during the life cycle of the loan. Moratorium may also be provided for the incubation period if the student wants to take up a start-up venture after graduation.

6.4.1 Service Area Norms for Education Loans- RBI guidelines

RBI has advised the Banks on November 09, 2012 that Service Area Norms are to be followed only in the case of Government Sponsored Schemes, circulated vide their circular dated December 8, 2004 and are not applicable to sanction of educational loans. Hence, banks have been advised not to reject any educational loan application for reasons that the residence of the borrower does not fall under the bank's service area.

6.4.2 Performance of Education Loans

As on 31st December, 2021, the total outstanding education loans of Public Sector Banks (PSBs) as on 31st December, 2021 stood at is Rs.77,902.94 crores in 18,78,866 accounts.

6.4.3 Vidya Lakshmi Portal

Vidya Lakshmi Portal is a first of its kind portal providing single window for Students to access information and make application for Educational Loans provided by Banks. The Portal has the following features.

- Information about Educational Loan Schemes of Banks;
- Common Educational Loan Application Form for Students;
- Facility to apply to multiple Banks for Education Loans;
- Provision for charging of differential interest rates Facility for Banks to download Students' Loan Applications;
- Facility for Banks to upload loan processing status;
- Facility for Students to email grievances/queries relating to Educational Loans to Banks;
- Dashboard facility for Students to view status of their loan application
- Linkage to National Scholarship Portal for information and application for Government Scholarships.

Banks have been requested to give wide publicity to this Portal so that students wanting education loans can apply for it and indicate their bank of choice.

6.4.4 Interest Subsidy Scheme for Education Loans

Ministry of Human Resource Development had formulated, in May, 2010, a Central Scheme to provide 'Interest Subsidy' for the period of moratorium on educational loans taken by students of economically weaker sections from scheduled banks under the Educational Loan Scheme of the Indian Banks' Association. The scheme is applicable to the following categories of loans.

i. Educational loan disbursed/availed after 1st April, 2009 from Scheduled Banks which follow IBA Model Educational Loan Scheme;

ii. Students belonging to economically weaker sections, i.e, whose parental income from all sources do not exceed Rs.4.5 lakhs per annum;

iii. The scheme is applicable starting from academic year 2009-10, disbursement starting on or after 01.04.2009, irrespective of date of sanction.

7. Financial Institutions

7.1 Export -Import Bank of India (Exim Bank)

Exim Bank has been established as a statutory, apex financial institution in 1982 under an Act of the Parliament of India, for financing, facilitating and promoting India's international trade, for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade, and to function as a key policy-input provider to the Government of India.

The Bank offers a comprehensive range of lending and service / advisory programmes, aimed at aiding the globalisation efforts of Indian companies. The Bank especially distinguishes itself in the areas of project exports, export lines of credit (LOCs) and overseas investment finance, which benefit a gamut of externally-oriented Indian companies, including SMEs. The Bank has launched Ubharte Sitaare Programme aimed at offering future export champions a combination of equity, debt and technical assistance to qualitatively and quantitatively grow their exports under the programme. During the current financial year, the Government of India has infused capital of Rs.750 crore towards subscription to its share capital.

As on November 30, 2021, the Bank, with the support of Government of India, has extended 310 Lines of Credit aggregating USD 31.18 billion to various countries across Asia, Africa, LAC, CIS and Oceania region. As on November 30, 2021, the Bank has sanctioned an aggregate amount of USD 2.84 billion for 32 projects under Buyer's Credit under National Export Insurance Account (BC-NEIA). As regards Overseas Investment Finance, during 2020-21, the Bank sanctioned funded and non-funded assistance aggregating Rs.742 crores to 5 Indian corporates for part financing their overseas investments in 3 countries. From April to November 30, 2021, funded and non-funded assistance aggregated Rs.1890 crores to 11 Indian corporates for part financing their overseas investments in 7 countries. As on November 30, 2021, the Bank's net loans and advances stood at Rs.1,08,722 crores, while the non-fund portfolio of the Bank was at Rs.14,684.80 crores. The total business portfolio of the Bank stood at Rs.2,42,368 crores as on November 30, 2021.

7.2 India Infrastructure Finance Company Ltd (IIFCL)

IIFCL is a wholly-owned Government of India company set up in 2006 to provide long-term financial assistance to viable infrastructure projects. IIFCL has been registered with the Reserve Bank of India as Non-Banking Finance Company - Infrastructure Finance Company (NBFC-IFC) since September 2013. IIFCL has set up three wholly-owned subsidiaries as under.

(a) IIFC(UK)

(b) IIFCL Asset Management Company Limited (IAMCL)

(c) IIFCL Projects Limited (IPL)

The organization gives overriding priority to Public-Private-Partnership (PPP) projects. IIFCL provides long term financing to viable infrastructure projects through a product mix of Direct Lending (SIFTI), Takeout Finance, Refinance and Credit Enhancement. On a standalone basis, till 30th November, 2021, IIFCL has made Cumulative Gross Sanctions of Rs.1,72,559 crores under Direct lending, Takeout Finance and Refinance schemes. This includes Cumulative Gross Sanctions of Rs.1,01,286 crores to 527 projects under Direct Lending. The Company has made Cumulative Disbursements of Rs.86,562 crores, Rs.25,015 crores under Refinance and Rs.16,413 crores under Takeout Finance till November 2021.

7.3 IFCI Ltd.

IFCI Ltd. (IFCI) was set up as a Statutory Corporation ("The Industrial Finance Corporation of India") in 1948 for providing medium and long term finance to industry. In 1993, after repeal of the IFC Act, IFCI became a Public Limited Company, registered under the Companies Act, 1956. Currently, IFCI is a Government Company with Government of India holding 63.81% of paid-up capital of IFCI. IFCI is also registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) and is also a notified Public Financial Institution under Section 2(72) of the Companies Act, 2013.

7.4 National Bank for Financing Infrastructure and Development

As announced during Union Budget 2021-22, the National Bank for Financing Infrastructure and Development Act, 2021 has been enacted in March, 2021 for establishment of National Bank for Financing Infrastructure and Development, as an infrastructure focused Development Financial Institution (DFI), to support the development of long-term non-recourse infrastructure financing in India including development of the bonds and derivatives markets necessary for infrastructure financing and to carry on the business of financing infrastructure. It is expected to help start a virtuous investment cycle in the post Covid era, by anchoring financial closure and catalysing private sector investments in infrastructure. Chairperson has already been appointed while two Govt. Nominee Directors have been nominated to enable early operationalization of the DFI.

7.5 National Housing Bank

7.5.1 Operational Highlights during FY 2020-21 (01.07.2020 to 30.06.2021)

- Refinance target of the year surpassed with Rs.34,230 crores disbursed during the year: another all-time high for NHB in succession (Rs.25,177 crores in FY19 and Rs.31,258 crores in FY20).

- This included Rs.12,041 crores under the Special Refinance Facilities (ASRF/SRF 2021) to alleviate Covid related stress of sector (@ 4.85-5.35%) and Rs.9,631 crores under AHF directed at EWS/LIG segments (@3%).
- Worth mention is the refinance support by NHB to housing sector during the pandemic period. Total disbursements during the period March, 2020 till June, 2021 amounts to over Rs.63,000 crores.
- Outstanding refinance portfolio of the Bank increased during last two years from Rs.69,712 crores at June, 2019 to Rs.85,545 crores at June, 2021. During the same period, refinance exposure to HFCs rose from Rs.50,453 crores to Rs.72,107 crores.
- Cumulatively, NHB has made disbursement of Rs.3,02,192 crores (till 30.06.2021).
- NHB is the main source of low-cost long-term liquidity for HFCs post liquidity crisis of 2018-19. Over 80% of refinance during last two years were to HFCs which included 30+ smaller HFCs with Loan Book of less than Rs.1000 crores.
- Total Assets of the Bank increased from Rs.75,591 crores at June, 2019 to reached a level of Rs.90,594 crores at June, 2021.
- 63% of the year's refinance disbursements were low-cost funds under SRF and AHF with negligible spread. Further, Rs.625 crores was provided towards DHFL and PMC Bank exposures to achieve Nil Net NPA status.
- Notwithstanding this, Bank managed to close the year with a PAT of Rs.663 crores and a stronger balance sheet of the Bank with 100% PCR.
- In view of the pandemic related travel restrictions, the Bank adopted a hybrid model (mix of virtual and onsite) of inspection of HFCs in consultation with RBI. To strengthen supervision of HFCs, an online Inspection Reporting System was launched to digitize inspection reports. Off-site supervision was strengthened with upgradation and automation of various ORMIS based reports.
- Automated Data Flow (ADF) was successfully implemented at 5 large HFCs and its rollout to Top 20 HFCs is underway. This is a major initiative in the direction of strengthening off-site monitoring and overall supervision of HFCs.
- Bank continued to contribute in improving regulation and functioning of HFCs by way of periodic recommendations sent to RBI through Supervisory Committee of Board and DFS. Co-lending of PSLs by Banks with HFCs allowed since Oct., 2020 was one of them.
- During April, 2020 to March, 2021, NHB, as a Central Nodal Agency under PMAY-CLSS (U), disbursed subsidy amounting to Rs.6,964 crores to 3.04 lakh households. Till June, 2021, NHB as a CNA released subsidy of Rs.29,960 crores to PLIs benefitting over 13 lakh households (8.53 lakh under EWS/LIG and 4.63 lakh MIG).
- Key HR initiatives of the year include putting in place a comprehensive HR Policy of the Bank; induction of officers at various cadre including specialists in Risk Management, Credit, HR, Economic Research and MIS to ensure proper succession planning and introduction of MD & ED's Club for young officers to encourage continuous learning.
- Introduced a matrix based and tech driven rating model was put in place for Internal Credit rating of PLIs and operationalised the Cyber Security Operation Centre (CSOC).
- Strengthened the Regional Set up with opening of 4 new Regional Representative Offices (RRO) at Chennai, Bhopal, Lucknow and Guwahati for better monitoring and compliance, grievance redressal and better coordination with SLBC and State Governments.
- Organised COVID-19 vaccination camps in-house for vaccination of the officers, staffs and their family members, as also employees of other institutions in Habitat Centre.
- Increased virtual engagement with all HFCs helped NHB during the pandemic period to ensure that the moratorium on loan repayments is passed on to borrowers, vaccination drive is launched and at the same time, to provide the much-needed liquidity support and revive fresh disbursements.
- The Bank organised 12 such meetings of CEOs of HFCs in small homogeneous groups, to deliberate on the sector specific issues and developments.
- Despite the intermittent disruption by COVID-19, FY 2020-21 proved to be a year of resurgence and revival for the housing finance system, as also for National Housing Bank. Noteworthy is that, even after the second phase of COVID, home loan disbursement from HFCs has revived to pre-pandemic levels and more importantly, the HFCs have a larger role in the post pandemic revival of the housing finance sector and continue to lead the disbursement charts.

7.5.2 Financing (as on 30.09.2021 viz. 01.07.2021 to 30.09.2021)

- During the period ended 30.09.2021 refinance of Rs.185 crores was sanctioned to 5 HFCs and Rs.1494.67 crores was sanctioned to 11 HFCs out of which Rs.1454.67 crores was disbursed during the FY 2020-21.
- This includes disbursement of Rs.483.28 crores under AHF towards 5279 dwelling units.
- With an aim to meet the supplementary liquidity requirements of the HFCs/PLIs due to COVID-19 disruptions, Bank launched new scheme named Special Refinance Facility 2021 (SRF 2021) in the month of April, 2021 and disbursed Rs.8111.80 crores to 38 PLIs including 37 HFCs.
- As on September, 2021, PLIs have repaid all the amount availed under Special Refinance Facility and Additional Special Refinance Facility.
- Total refinance support to PLIs since April, 2021 is Rs.13,847 crores which includes Rs.13,347 crores to HFCs.

Projections/estimates for the period from 01.10.2021 to 31.03.2022

- Bank has sanctioned an amount of Rs.516 crores and disbursed an amount of Rs.265 crores during the month of October, 2021.
- Bank projects to further sanction an amount of Rs.21,000 crores and disburse an amount of Rs.20,000 crores during the period November, 2021 to March, 2022.

7.5.3 Promotion & Development

- Under PMAY-CLSS (Urban), for the period July 01, 2021, to October 15, 2021, subsidy amounting to Rs.2,925.77 crores was released benefitting 1.22 lakh households (Rs.2,920.08 crores to 1.21 lakh households under EWS/LIG and Rs. 5.69 crores to 277 households under MIG).
- Till 15.10.2021, NHB as a CNA released subsidy of Rs.32,922.75 crores to PLIs benefitting 14.38 lakh households (Rs.23,176.43 crores to 9.75 lakh households under EWS/LIG and Rs.9,746.32 crores to 4.63 lakh households under MIG).

7.6 Small Industries Development Bank of India (SIDBI)

Small Industries Development Bank of India has been established under an Act of the Parliament in April 2, 1990. SIDBI is mandated to serve as the Principal Financial Institution for executing the triple agenda of Promotion, Financing and Development of the Micro, Small and Medium Enterprises and coordination of the functions of the various Institutions engaged in similar activities.

7.6.1 Operational Highlights during FY 2020-21

In the current challenging business environment, the Bank registered its highest ever Net Profit of Rs.2,398 crores during FY 2021, an increase of 3.6% as compared to FY 2020. The Asset Base of the Bank has registered a Y-o-Y growth of 2.6% and stood at Rs.1,92,322 crores at the end of FY 2021. Loans and Advances stood at Rs.1,56,233 crores as of March 31, 2021, a decline of 5.6% as compared to FY 2020.

The Net Interest Income for FY 2021 grew by 11.5% to Rs.3,678 crores, driven by a 0.10 percentage growth in Net Interest Margin. The improved margins, coupled with reduced operating expenses and reduced Cost-to-Income ratio, were the drivers for the Bank logging its highest ever net profit.

7.6.2 Financing during FY 2020-21

The Institutional Finance operations of the Bank focused primarily on addressing the liquidity concerns of financial intermediaries, as part of Special Liquidity Facility (SLF) Rs.15,000 crores provided by RBI. Under the scheme, the Bank has disbursed Rs.5,700 crores to 16 Banks, Rs.4,902 crores to 57 Non Banking Finance Companies (NBFCs) and Rs.2,258 crores to 36 Microfinance Institutions (MFIs), benefitting 24.59 lakh eligible candidates. RBI has further provided Special Liquidity Facility (SLF-II) of Rs.15,000 crores to the Bank to address the liquidity and credit needs of the MSME sector, and Special Liquidity Facility (SLF-III) of Rs.16,000 crores to the Bank for innovative schemes to meet short- and medium-term needs of the MSME sector, especially smaller MSMEs, in credit deficient and aspirational districts.

The Institutional Finance book stood at Rs.1,44,628 crores at the end of FY 2021, declining by 6.9% year-on-year, owing to the ample surplus liquidity in the financial system. However, the Bank has diversified its customer base by onboarding 35 new NBFCs, 18 new MFIs and two Banks during FY 2021, taking the total customer base to 31 commercial Banks, 10 Small Finance Banks (SFBs), 71 NBFCs and 78 MFIs at the end of FY 2021.

Direct Lending operations of the Bank primarily focused on ensuring uninterrupted flow of credit to MSMEs, especially to those engaged in fighting the pandemic, and in implementation of relief measures announced by RBI. FY 2021 has been a fruitful year for Direct Finance operations, and structural changes undertaken have resulted in a 17.4% growth in outstanding portfolio, taking it to Rs.11,581 crores, and a 19.9% growth in customer base during FY 2021. The Bank has played a crucial role in addressing the financing needs of MSMEs during the COVID pandemic by rolling out customized schemes as per the needs of the MSMEs engaged in fighting the pandemic.

The Bank is an operating agency for Fund of Funds for Start-ups (FFS), a programme of DPIIT, Ministry of Commerce and Industry, ASPIRE Fund (AF) of Ministry of MSME and UP Startup Fund on behalf of Government of Uttar Pradesh. During FY 2021, Rs.1,611.25 crores was sanctioned to 18 Alternative Investment Funds (AIFs) under Fund of Funds (FFS), taking the cumulative sanctions to Rs.5,409.45 crores as of March 31, 2021. Under UP Start-up Fund, commitments of Rs.20 crores have been sanctioned to two AIFs as on March 31, 2021.

7.6.3 Promotion & Development

The Promotion and Development (P&D) activities of the Bank are woven around Mission Swavalamban, which is an umbrella framework for stimulating the entrepreneurship culture and supporting various livelihood and entrepreneurship programmes. The five pillars of Mission Swavalamban, viz., Sampark, Samwad, Suraksha, Sampreshan and Sangam, are the key guiding themes for the Bank's P&D activities.

Under the Sampark theme, which signifies the connect with MSMEs and Entrepreneurs, the Bank has focused on enhancing the connect with MSMEs and entrepreneurs through initiatives such as establishing Swavalamban Connect Kendras in 100 districts, organizing webinars under E-Udyam Sangyan, launching a Digi-Gyanshala for imparting financial literacy, and organizing fairs to support livelihoods. Under the Samwad theme, which signifies dialogue to strengthen relations among stakeholders, the Bank launched the Swavalamban Crisis Responsive Fund to support free onboarding of MSMEs on the TReDS platform. The Bank has onboarded 11,600-plus MSMEs on the said platforms.

Under the Suraksha theme, which signifies creating an enabling environment for MSME growth, the Bank has designed COWE Mart as a medium for digital Buyer-Seller connect and onboarded 98 women entrepreneurs. The Bank has also supported 76 role models in 11 districts. Under the Sampreshan theme, which signifies constructive engagement with policy makers and MSME entrepreneurs, the Bank has set up Project Management Units in 11 states for strengthening the MSME ecosystem and transferring good practices through learning sessions. Further, a bouquet of digital knowledge products was also created for dissemination of information on entrepreneurship among the youth.

The Sangam theme signifies initiatives that inherit the traits of more than one of the four other pillars. Under this theme, the Bank has undertaken initiatives such as Swavalamban Silai Schools, which were opened in 1,638 villages, Micro Enterprise Promotion Programmes at seven locations, EU Switch Asia Bamboo Project in nine backward states including five in NER, Sanitation & Hygiene Entrepreneurs (SHEs) etc.

The Bank has undertaken various initiatives to promote the innovations and keeping the entrepreneurial zeal alive among youngsters. Key initiatives include Gramin Navonmesh Protsahan, which supported 18 rural innovations, the Bank Sakhi Programme, which created 1,640-plus Bank Sakhis in 36 districts of Bihar, the Swavalamban Chair for MSME Solutions at the Government Engineering College Thrissur, the Swavalamban Divyangjan Assistive Tech Market Access Fund, the SIDBI Centre for Innovation in Financial Inclusion/SCiFI, and the Swavalamban Livelihood Enhancement and Awareness Programme in Leh to promote entrepreneurship in the region.

8. Insurance Sector

8.1 Overview

Insurance, being an integral part of the financial sector, plays a significant role in India's economy. Apart from protecting against mortality, property and casualty risks and providing a safety net for individuals and enterprises in urban and rural areas, the insurance sector encourages savings and provides long-term funds for infrastructure development and other long gestation projects of the nation. The development of the insurance sector in India is necessary to support its continued economic transformation.

8.2 Public Sector Insurers

The following are classified as public sector insurers operating in India by the Insurance Regulatory and Development Authority of India (IRDAI):

(1) Life Insurance Corporation of India (LIC), which is a life insurer

(2) National Insurance Company Limited (NICL), which is a general insurer

(3) Oriental Insurance Company Limited (OICL), which is a general insurer

(4) United India Insurance Company Limited (UIICL), which is a general insurer

(5) New India Assurance Company Limited (NIACL), which is a general insurer

(6) General Insurance Corporation of India ("GIC Re"), which is a reinsurer

(7) Agriculture Insurance Company of India Limited, which is a specialised insurer, incorporated as a joint venture of the four public sector general insurers and National Bank for Agriculture and Rural Development (NABARD)

(8) Export Credit Guarantee Corporation of India Limited ("ECGC"), which is a specialised insurer for export credit guarantee, incorporated as a Government of India enterprise under the Ministry of Commerce and Industry, Department of Commerce

8.3 Legislative framework for insurance

The Department is responsible for administering the following Acts:

(1) The Insurance Act, 1938

(2) The Life Insurance Corporation Act, 1956

(3) The General Insurance Business (Nationalisation) Act, 1972

(4) The Insurance Regulatory and Development Authority Act, 1999

(5) The Actuaries Act, 2006

The Insurance (Amendment) Act, 2021 amended the Insurance Act, 1938, to enhance the allowed limit for foreign investment in an Indian insurance company from 49% to 74% of paid-up equity capital, subject to such conditions and manner as may be prescribed by rules, and also removed the earlier requirement that an Indian insurance company with such investment have Indian ownership and control. The requisite conditions and manners were provided for through amendments made to the Indian Insurance Companies (Foreign Investment) Rules, 2015 by the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 published in the Official Gazette on 19th May 2021, thereby operationalising the legal framework for higher foreign investment in the insurance sector.

Enabling amendments made to the Life Insurance Corporation Act, 1956 by the Finance Act, 2021 aligning LIC's governance framework with listing requirements under regulations made by the Securities and Exchange Board of India (SEBI) were brought into force with effect from 30th June 2021. The Life Insurance Corporation Rules, 1956 were amended through the Life Insurance Corporation General (Amendment) Rules, 2021 published in the Official Gazette on 30th June 2021, to carry out the provisions of the Act as amended.

The General Insurance Business Nationalisation (Amendment) Act, 2021 amended the General Insurance Business (Nationalisation) Act, 1972 to provide for greater private participation in the public sector general insurance companies, enhance insurance penetration and social protection, and secure the interests of policy holders while contributing to faster growth of the economy. The amendments were brought into force with effect from 27th August 2021.

Administration of the Actuaries Act, 2006 was strengthened through the Actuaries (Election to Council) Rules, 2021, which enabled electronic voting, and through the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Amendment Rules, 2021 which amended the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008, which made extensive improvements in the procedure for enquiry into professional and other misconduct by actuaries.

8.4 Industry Statistics

8.4.1 Insurance penetration and insurance density

Insurance penetration and density reflect the level of development of insurance sector in a country. Insurance penetration is calculated as the percentage of insurance premium to GDP, while insurance density is calculated as the ratio of premium to population. For FY 2020-21, insurance penetration for India was 4.2%, of which life insurance accounted for 3.2% and non-life insurance accounted for 1%. India's insurance density for FY 2020-21 was US$ 78.

8.4.2 Life insurance

Life insurance premium income during FY 2020-21 was Rs. 6.29 lakh crore, as against Rs. 5.73 lakh crore in FY 2019-20, representing a growth of 9.74%.

New business premium for life insurance for FY 2020-21

	Market share	New premium underwritten	Total premium	Growth
LIC	71.8 %	1.84 lakh crore	2.79 lakh crore	7.50 %
Private sector insurers	28.16 %	0.94 lakh crore		

8.4.3 General insurance

General insurance premium income (including premium income of standalone health insurers) during FY 20-21 was Rs. 1.99 lakh crore, as against Rs. 1.89 lakh crore in FY2019-20, representing a growth of 5.19%.

Premium for general insurance (including health insurance) for FY 2020-21

	Market share	Premium underwritten	Growth
Public sector insurers	42.75 %	Rs. 0.85 lakh crore	1.50
Private sector insurers	57.25 %	Rs. 1.14 lakh crore	8.12

Health premium accounted for 32.08% (Rs. 63,752.97 crore) of the general insurance premium income (including premium income of standalone health insurers) in FY 2020-21, as against 30.10% in FY 2019-20 (Rs. 56,865.13 crore).

8.5 Investments of the insurance sector

As on 31st March 2021, the total investments held by the insurance sector were as under:

	Insurance sector		Life insurers (FY 2020-21)	Public sector insurers (FY 2020-21)
	FY 2020-21	FY 2019-20		
Total investments	Rs. 49.13 lakh crore	Rs. 42.53 lakh crore	91.18% of total investments	73.79% of total investments

8.6 Rural and social sector business

All the life insurers* fulfilled their rural sector obligations for FY 2020-21, details of which are as under:

	All life insurers	Private life insurers	LIC
Rural sector obligations	63.85 lakh policies (22.67%)	26.32% of total policies	21.43% of total policies
Total lives covered under social sector	3.82 crore	17.19% of total policies	7.96% of total policies

** Sahara India Life Insurance Company Limited was directed by IRDAI not to underwrite any kind of new business from 24th June 2017, issued under section 52B(2) of the Insurance Act, 1938. Therefore, Sahara India Life has not been considered for Rural and Social Sector Obligations.*

All the general insurance companies, including standalone health insurers (SAHI), also fulfilled their obligations in the rural and social sector for FY 2020-21. General insurers underwrote a premium of Rs. 31,436 crore in the rural sector in FY 2020-21. Public sector insurers and private sector insurers underwrote 29.09% and 70.91% respectively of the total gross premium underwritten in the rural sector.

An insurance scheme for the health workers fighting COVID-19 under Pradhan Mantri Garib Kalyan Package (PMGKP) was launched by the Ministry of Health and Family Welfare. Policy for the scheme was issued by NIACL, with effect from 30th March 2020. Due to the continuance of the pandemic, the scheme was given multiple extensions and was last extended for the period up to 18th April 2022. 1,680 claims have been paid under the scheme till 28th February 2022 to eligible claimants in respect of deceased COVID health warriors, out of which 1,390 claims have been paid during the current financial year.

8.7 Micro insurance

To facilitate penetration of insurance to the lower income segments of population, IRDAI had made the Insurance Regulatory and Development Authority of India (Micro Insurance) Regulations, 2015. They enable a platform for distributing insurance products that are affordable for the rural and urban poor and promote financial inclusion. Further, the Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 stipulate obligations for insurers in respect of rural and social sector, which has also contributed to the development and promotion of micro insurance products in India.

In FY 2020-21, in the life insurance segment, 10.69 lakh new micro insurance policies were issued to individuals with new business premium of Rs. 355.27 crore and 1,012.99 lakh lives were covered under group micro insurance policies with new business premium of Rs. 4,213.06 crore. A total of 93,748 micro insurance agents were attached to life insurers at the end of FY 2020-21. Further, in FY 2020-21, in the general insurance segment (excluding standalone health insurers), 53,046 new micro insurance policies were issued.

8.8 Grievance redressal

IRDAI facilitates resolution of policyholder grievances by monitoring the insurers' policy of grievance redressal. It has put in place the Integrated Grievance Management System (IGMS) as an online system for grievance management, which serves as a gateway for online registration and tracking of grievances as well as an industry-wide grievance repository that enables IRDAI to monitor disposal of grievances by insurers.

Grievances resolved during FY 2020-21

	All life insurers	Private life insurers	LIC	All general insurers	Private sector general insurers	Public sector general insurers
Grievances resolved	99.88 %	99.63 %	99.97%	98.33%	98.39%	98.27%

To provide quick relief to the individual policyholders for addressing their complaints through out-of-court system in a cost-effective, efficient and impartial manner, Insurance Ombudsman Rules, 2017 were amended in March 2021. These provided for a complaints management system for online filing and tracking of complaints and hearings through videoconference, and also brought insurance brokers within the purview of Insurance Ombudsmen, while widening the scope of complaints.

9. Pension Sector

National Pension System (NPS)

The National Pension System (NPS) was introduced by the Government of India to replace the defined benefit pension system by defined contribution pension scheme in order to provide old age income security in a fiscally sustainable manner and to channelize the small savings into productive sectors of the economy through prudential investments. It was made mandatory for all new recruits to the Government service (except armed forces) with effect from 1st January, 2004, and has also been rolled out for all citizens with effect from 1st May, 2009, on voluntary basis. NPS has been adopted by all the State governments except West Bengal, and most of the Central and State autonomous bodies. The Scheme offers two types of accounts, namely Tier-I and Tier-II. The Tier-I account is the Pension account, while the Tier-II account is a voluntary withdrawable account which is allowed only when there is an active Tier-I account in the name of the subscriber. Presently, a Government employee under NPS has to mandatorily contribute 10% of pay and Dearness Allowance (DA) and 14% of pay and DA is contributed by the Government to the employee's Tier-I account. At exit on superannuation, subscriber would be mandatorily required to invest at least 40% of the pension wealth in Tier-I to purchase an annuity from an Insurance Regulatory and Development Authority of India (IRDAI) regulated Insurance Company and a maximum of 60% of the accumulated corpus in the Tier -I account is given to the individual in lump-sum. If the subscriber exits before superannuation or 60 years of age, he/ she has to invest at least 80% of the accumulated balance to purchase an annuity and the remaining 20% can be withdrawn as lump sum. There are a number of benefits available to the employees under NPS. Some of the features are as under.

- **Well designed pension system**: NPS is managed through an unbundled architecture involving intermediaries appointed by the Pension Fund Regulatory and Development Authority (PFRDA) viz. Pension Funds, Custodian, Central Recordkeeping and Accounting agency (CRA), National Pension System Trust, Trustee Bank, Points Of Presence (PoP) and Annuity Service Providers (ASP). It is regulated by PFRDA which is a statutory regulatory body established under the PFRDA Act, 2013, to promote old age income security and protect the interests of NPS subscribers.

- **Dual benefit of Low Cost and Power of Compounding:** The pension wealth which accumulates over a period of time till retirement grows with a compounding effect. The all-in-costs of the institutional architecture of NPS are among the lowest in the world.

- **Partial withdrawal:** Subscribers can withdraw up to 25% of their own contributions at any time before exit from NPS Tier I for a maximum of three times during the entire tenure of subscription under NPS for certain specified purposes such as marriage of children, purchase of house, medical treatment etc. The requirement of minimum period under NPS for availing the facility of partial withdrawal from the mandatory Tier-I account of the subscriber has been reduced from 10 years to 3 years from the date of joining w.e.f. 10th August, 2017. The minimum gap of 5 years between two partial withdrawals has also been removed w.e.f. 10th August, 2017.

- **Tax Benefits presently available under NPS**

i. Tier I

a) Subscriber is allowed tax deduction in addition to the deduction allowed under section 80 CCD (1) for additional contribution in his NPS account subject to maximum investment of Rs. 50,000/- under section 80CCD 1(B) of the Income Tax Act, 1961.

b) To ensure parity of tax treatment between NPS and various retirement products such as General Provident Fund (GPF), Contributory Provident

Fund (CPF), Employees Provident Fund (EPF) and Public Provident Fund (PPF), the limit of tax exemption under section 10(12A) of the Income Tax Act, 1961, in respect of the amount withdrawn as lump sum to the extent of 40% of the total accumulated balance has been enhanced to up to 60% of the total accumulated balance at the closure of account. **With this, the entire withdrawal is now exempt from income tax.**

c) Interim/ Partial Withdrawal from NPS Tier I up to 25% of the contributions made by NPS subscriber is tax free.

d) Minimum 40% of the amount is to be mandatorily utilized for purchasing an annuity from the Annuity Service Provider registered and regulated by the Insurance Regulatory and Development Authority and empanelled by PFRDA. Amount utilized for purchase of annuity is not taxable. Further, amount utilised for purchase of annuity is exempted from GST.

ii. Tier II

Contribution by the Government employees under Tier-II of NPS is now covered under Section 80 C of the Income Tax Act, 1961, for deduction up to Rs.1.50 lakh for the purpose of income tax at par with the other schemes such as GPF, CPF, EPF, and PPF provided that there is a lock-in period of 3 years.

- **Freedom of choice for selection of Pension Funds and pattern of investmentto Government employees as under.**

i. Choice of Pension Fund: Vide Government Notification dated 31.01.2019, the Government subscribers are also allowed to choose any one of the pension funds including Private sector pension funds, as in the case of subscribers in the private sector. They can change their option once in a year. However, the current provision of combination of the Public-Sector Pension Funds will be available as the default option for both existing as well as new Government subscribers.

ii. Choice of Investment pattern: The following options for investment choices are offered to Government employees: -

a) Government employees who prefer a fixed return with minimum amount of risk have an option to invest 100% of the funds in Government securities (Scheme G).

b) Government employees who prefer higher returns have the options of the following two Life Cycle based schemes.

(1) Conservative Life Cycle Fund with maximum exposure to equity capped at 25% at the age of 35 years and tapering off thereafter (LC-25).

(2) Moderate Life Cycle Fund with maximum exposure to equity capped at 50% at the age of 35 years and tapering off thereafter (LC-50).

The existing scheme in which funds are allocated by the PFRDA among the three Public Sector Undertaking fund managers based on their past performance in accordance with the guidelines of PFRDA for Government employees will continue as the default scheme for both existing and new subscribers.

9.1 The status of NPS as on 30th November, 2021, is as under.

Sector	No. of subscribers(in lakhs)	Assets Under Management(in Rs Crores)
Central Government	22.44	2,08,967
State Government	54.44	3,46,965
Corporate	13.19	79,866
All Citizen Model	18.88	27,688
NPS Lite *	41.92	4,630
Total	**150.87**	**6,68,116**

*(No fresh registration permitted w.e.f 01.04.2015)

9.2 Recent developments under NPS in Government Sector

- **Notification of Central Civil Services (Implementation of NPS) Rules, 2021** The CCS (Implementation of NPS) Rules, 2021, have been notified by the Department of Pension and Pensioners' Welfare (DoPPW) on 30.03.2021 for Central Government employees. The said Rules, inter alia, stipulate the timelines for PRAN generation, contribution upload, deduction and remittance, including exits and withdrawals and also the provision for payment of interest on delayed deposits of NPS contributions and fixation of the responsibility in case of delays in subscriber registration and remitting of NPS contributions.

- **Applicability of provisions of Gazette Notification of Department of Financial Services dated 31-01-2019 on employees of Central Autonomous Bodies (CABs) -** The provisions of the notification dated 31.01.2019, regarding enhancement of employer contribution to 14%, choice of the pension fund and investment pattern in the Tier I and payment of compensation in case of delayed or non-deposit of NPS contributions for any period during 2004-2012, have been extended to the employees of CABs (covered under NPS) vide OMs dated 26.08.2021 and 21.10.2021 issued by Department of Expenditure

9.3 Major measures/steps undertaken to increase coverage under the Schemes

- Expansion of NPS distribution channel: As of now 93 PoPs are distributing NPS, however, to expand the NPS distribution channels the following steps are being taken:

i. Individual agents are being engaged for NPS distribution through Points of Presence (PoPs).

ii. Fintech companies like Paytm Money, ET Money, Funds India & Fisdom are being engaged for NPS distribution

- Steps for pension literacy

i. Webinars/conference have been organised in association with various trade bodies The Federation of Indian Chambers of Commerce & Industry (FICCI), The Confederation of Indian Industry (CII/) PHD Chamber of Commerce and Industry(PHDCCI), Merchants' Chamber of Commerce & Industry (MCCI).

ii. Financial literacy website has been hosted (www.pensionsanchay.org.in)

- Publicity and media campaign

i. Media campaign is being run by PFRDA by engaging electronic media, print media and social media.

9.4 Major steps taken by PFRDA to ease the accessibility of NPS to subscribers

- Instant bank account verification - Penny Drop - In order to resolve the issue of return of remittances, to protect the interest of subscribers with timely credit of amount and for additional due diligence to identify the rightful beneficiary, Instant Bank Account Verification by 'penny drop' has been adopted by CRAs, by integrating their IT system and exit framework with the Fin-tech service providers.through penny drop to identify the beneficiary and the subscribers' bank account.
- Partial Withdrawal through self-declaration - Submission of supporting documents dispensed with -To ease the process of partial withdrawal and make it simple, online and paperless in the interest of subscribers, request for partial withdrawal through self- declaration has been allowed, by Instant Bank account verification
- eNPS for Government - A new On-boarding feature for Government Sector Subscribers -eNPS is the online platform hosted by NSDL-CRA on behalf of NPS Trust wherein a Subscriber can register and contribute online under NPS. The process of registration through eNPS will be a paperless process wherein the Subscriber will submit the registration request through digital signature.
- Easing the fund transfer process of Intermediaries by using National Automated Clearing House (NACH) -In order to overcome the challenges faced by Nodal offices and to avoid returns of contributions as well as to ease the process of contribution upload by Nodal officers, PFRDA has introduced NACH mandate 'as an option' under which, all the nodal offices have to provide 'one-time mandate registration' for auto debiting their bank accounts with the amount based on the file uploaded for salary contribution. The facility can also be availed by POPs/Corporates and there is no additional cost to avail the facility from CRA and Trustee Bank.
- e-Appeal for Ombudsman -Currently, in case a subscriber wants to file an appeal with the Ombudsman, he/she has to file a written application or send the filled form to the Ombudsman's email ID. PFRDA has taken the initiative of providing an online appeal portal for the ease of the subscribers.
- Exit through Aadhaar based Self-authorization by e-NPS subscribers -PFRDA has allowed exits from NPS based on 'Self Authorization' by the Subscribers themselves using Aadhaar if the corpus in their Account is up to Rs. 10 lakhs
- Annuity based on Single KYC by ASP- Facility allowed in coordination with IRDAI - Earlier, subscribers had to fill a separate form and submit additional sets of documents with ASPs for getting their Annuity. Now the ASPs are issuing annuity based on the documents submitted/uploaded by the subscribers during the submission of withdrawal form to their Nodal office/PoPs.

9.5 Initiative taken with reference to the development of North- Eastern Region and Sikkim including projects/ schemes in operation and actual expenditure thereon

Under NPS, the PoPs are advised to enrol subscribers in NPS across the country including the north east region. Several NPS webinars conducted for North East region in association with trade bodies and PoPs.

Under APY, Zone wise review meetings are conducted PAN India for review of performance of APY SPs, SLBCs/ UTLBCs with special emphasis on North-Eastern region by organizing regular meetings to popularize the scheme, handholding sessions etc. Further, trainings are imparted through webinars and offline mode to explain the features and benefits of APY scheme.

9.6 Initiative undertaken for Disabled/ Handicapped and SC/ST & other weaker section of the society

To implement Government instructions on welfare of SC/ST/PWD employees, a cell has been set up in PFRDA. A General Manager Grade officer has been nominated as Liaison Officer for SCs/STs/PWDs. Also, a separate cell for welfare of OBCs has been set up in PFRDA. A Deputy General Manager Grade officer has been nominated as Liaison Officer for OBCs.

9.7 Initiatives relating to Gender Budgeting and Empowerment of Women

A Committee for prevention of Sexual Harassment at workplace, in PFRDA, is in place for receiving complaints, holding enquiry etc. in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and meets on quarterly basis.

10. Measures taken during COVID-19 pandemic

10.1 Resolution Framework for COVID-19 related stressed loans

RBI, vide its circulars dated 5.5.2021 on Resolution Framework 2.0 for COVID-19 related stress, has permitted lending institutions to implement resolution plans / restructuring in respect of eligible personal loans, and loans to individuals for business purposes, loans to small businesses and micro, small and medium enterprises (MSME), while classifying them as standard. Such resolution plan /restructuring has been permitted in respect of loans to individuals for business purposes, loans to small businesses and loans to MSMEs having aggregate exposure of up to Rs. 25 crores as on 31.3.2021, which has been enhanced to Rs.50 crores vide RBI's circulars dated 4.6.2021. Even in respect of accounts restructured under earlier schemes, lending institutions have been permitted, as a one-time measure, to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring.

10.2 Loan Guarantee Scheme for Covid affected Sectors (LGSCAS)

The Government of India vide its Cabinet decision dated 30.6.2021 has introduced Loan Guarantee Scheme for Covid Affected Sectors (LGSCAS) with a corpus of Rs. 2,000 crores for providing credit guarantee coverage to projects under healthcare sector. The brief of provisions under the Scheme are as under.

- To launch Loan Guarantee Scheme for Covid Affected Sectors (LGSCAS) with a corpus of Rs.2,000 crores to provide financial (credit) guarantee cover for brownfield expansion and greenfield projects related to health/ medical infrastructure. The aforesaid credit guarantee would be provided by National Credit Guarantee Trustee Company Limited (NCGTC) to Scheduled Commercial Banks (SCBs). LGSCAS leverages the announcement by RBI of a Special Line of Credit to SCBs at 4% interest for credit to the health care sector. Important features of the Scheme would be as under:

i. The Scheme would be applicable to all loans sanctioned up to 31.03.2022, or till an amount of Rs. 50,000 crores is sanctioned, whichever is earlier.

ii. Credit facilities will be sanctioned up to Rs. 100 crores for the project in the form of fund based and non fund based facilities.

iii. The scheme shall provide credit guarantee of 50 per cent to all brownfield projects and of 75 per cent to all greenfield projects to be set up at the centres other than Metropolitan cities (8 in number). For aspirational districts, the guarantee cover for both brownfield expansion and greenfield projects shall be 75%.

iv. Interest rate under the Scheme is capped at 7.95% p.a.

v. No Guarantee Fee shall be charged by NCGTC from SCBs under the Scheme.

As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 26.11.2021, loans amounting to Rs.276.48 crores have been sanctioned to 98 enterprises under the scheme out of which Rs.121.49 crores have been disbursed.

10.3 Credit Guarantee Scheme for Micro Finance Institutions (CGSMFI)

The Credit Guarantee Scheme for MFIs (CGSMFI) has been launched in June, 2021 as part of the Economic Relief Package announced to support Indian economy in fight against COVID-19 pandemic. The brief of provisions under the Scheme are as under.

- It is guarantee Scheme for loans by Scheduled Commercial banks (SCBs) or other Institutions (as decided from time to time) to NBFC-MFIs and Micro Financial Institutions (MFIs) in the country for onward lending to small borrowers.
- Guarantee upto 75% for a maximum period of 3 years.
- The Scheme operationalised w.e.f. 15.07.2021. It is valid till March 31, 2022 or till guarantees for an amount of Rs.7,500 crores are issued,

whichever isearlier.

- The Scheme is expected to benefit around 25 lakh small borrowers.
- The Interest rate on loans from SCBs to NBFC-MFIs and MFIs for this purpose would be capped at 1 year Marginal Cost Based Lending Rate (MCLR) + 2% p.a.
- On lending is being provided by NBFC-MFIs and MFIs to small borrowers at an Interest rate which is at least 2% below the maximum rate prescribed by RBI on such loans. [To illustrate, if the maximum interest rate that an NBFC-MFI can charge to its eligible small borrowers works out to 22% p.a. as per the formula prescribed by Reserve Bank of India (RBI) on such lending, then the said NBFC-MFI shall charge 20% p.a. from its eligible small borrowers under the scheme.]
- 80% of the assistance provided by NBFC-MFIs and MFIs under the Scheme would be for creation of fresh loan assets and not for repayment of earlier loans.
- All existing or new small borrowers (not in default for more than 90 days) within the regulatory definition of micro finance as prescribed by RBI are eligible to avail the Scheme.
- No guarantee fee would be charged by NCGTC for this Scheme.
- As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 19.11.2021, loans amounting to Rs 10,000 crores have been sanctioned under the scheme as per details as under.

(Amount in Rs. crores)

As reported	Sanction by MLIs to MFI reported by NCGTC as on 19.11.2021	Disbursement by MLIs to MFI reported by NCGTC as on 19.11.2021	Sanctioned by MFI to Small Borrowers		Disbursement by MFIs to Small Borrowers	
			No of borrowers	Amount	No of borrowers	Amount
Total	10,000	5,907.80	6,81,765	2,586.11	6,62,449	2,503.75

10.4 Agricultural Infra Fund (AIF)

A new Agriculture Infrastructure Fund (AIF), with targeted lending of Rs.1 lakh crore by banks and Financial Institutions from 2020-21 to 2023-24 has been launched by D/o Agriculture Cooperation and Farmers Welfare (DAC&FW) to mobilize medium to long term debt financing facility for investment in viable projects relating to post-harvest management infrastructure and community farming assets. The scheme is available for FPOs, JLGs, SHGs, PACS, Agri-entrepreneurs, Start-up, etc. with the facility of 3% interest subvention for loan upto Rs.2 crores. Operational guidelines have been issued and MoUs with Banks have been signed by DAC&FW and they are in readiness to provide credit to all eligible entities. As on 27.12.2021, Rs.6257 crores has been sanctioned under this scheme.

10.5 Animal Husbandry Infrastructure Development Fund (AHIDF)

A special fund namely the Animal Husbandry Infrastructure Development Fund (AHIDF), with targeted lending of Rs. 15,000 crore from 2020-21 to 2022-23 by banks has been launched by D/o Animal Husbandry and Dairying (DAHD). The scheme with the facility of 3% interest subvention for all eligible entities aims at incentivising investments by individual entrepreneurs, private companies and FPOs to establish (i) the dairy processing and product diversification infrastructure, (ii) meat processing and product diversification infrastructure and (iii) Animal Feed Plant (iv) Breed Multiplication farms for livestock (v) Technologically assisted (modern technology based integrated / advanced poultry farms) poultry farms including purchase of parent and grand parent stock.. Operational guidelines for the scheme issued by DAHD have been shared with all banks. Under this scheme, Rs. 1221 crore has been sanctioned, as on 17.12.2021.

10.6 PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME)

A Centrally Sponsored Scheme namely PM-FME has been launched by M/o Food Processing Industries (MoFPI) to address the challenges faced by the micro enterprises and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises. The scheme envisages an outlay of Rs. 10,000 crore over a period of five years from 2020-21 to 2024-25 under which 2,00,000 micro food processing units will be directly assisted with credit-linked subsidy. It aims to provide capital subsidy @35% of the eligible project cost, with a maximum ceiling of Rs.10.0 lakh per unit for Individual micro food processing units, SHGs, etc. Operational guidelines for the scheme issued by MoFPI have been shared with all banks and NABARD and they are in readiness to provide credit to all eligible entities. Under this scheme, Rs.131 crore has been sanctioned, as on 17.12.2021.

10.7 AtmaNirbhar Bharat Abhiyan

Hon'ble Prime Minister announced a comprehensive AtmaNirbhar Bharat (ANB) package of Rs.20 lakh crores - equivalent to 10% of India's GDP on 12th May 2020. Following significant Agriculture-related measures were announced as part of the ANB package:

10.7.1 Emergency Credit Line Guarantee Scheme (ECLGS)

- The Emergency Credit Line Guarantee Scheme (ECLGS) was announced as part of the AatmaNirbhar Bharat Package in 2020 with the objective to help MSMEs/small businesses to meet their operational liabilities and resume businesses in view of the distress caused by the COVID-19 crisis, by providing Member Lending Institutions (MLIs) 100 per cent guarantee against any losses suffered by them due to non-repayment of the ECLGS funding by borrowers. An overall ceiling of Rs. 3 lakh crores of guarantees was approved.

- Since its launch, ECLGS has undergone extensions and changes keeping in view the impact of Covid on various sectors of the economy and emerging needs. All these changes were made within the overall ceiling of Rs. 3 lakh crores guarantee cover.

- The design of ECGLS provides flexibility to quickly respond to emerging needs, as has been evidenced by the introduction of ECLGS 2.0, 3.0 and 4.0 as well as changes from time to time, all of which were within available headroom of Rs 3 lakh crores. Keeping in view the changes announced in the scheme and the continuing adverse impact of COVID on businesses, it has been decided to enhance the existing overall guarantee limit of Rs. 3 lakh crores to Rs. 4.50 lakh crores.

- Further, with a view to support businesses impacted by the second wave of COVID 19 pandemic, certain modifications have been made in the Scheme, which *inter-alia* include, additional credit support of upto 10% of total credit outstanding as on 29.02.2020 or 31.03.2021, whichever is higher, to existing borrowers under ECLGS 1.0 & 2.0; credit support of upto 30% of their credit outstanding as on 31.03.2021 to businesses who have not availed assistance under ECLGS (ECLGS 1.0 or 2.0); credit support up to 40% of their credit outstanding as on 31.03.2021, subject to the maximum of Rs.200 crore per borrower, to businesses in sectors specified under ECLGS 3.0, who have previously not availed ECLGS and Incremental credit can be availed within these limits by existing ECLGS borrowers whose eligibility increased because of change in cut-off date to 31.03.2021 from 29.02.2020.

- The validity of ECLGS i.e. ECLGS 1.0, ECLGS 2.0, ECLGS 3.0 & ECLGS 4.0 have been extended upto 31.03.2022. Last date of disbursement under the scheme has been extended to 30.06.2022.

- As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 30.12.2021, loans amounting to Rs 3.01 lakh crores have been sanctioned under the scheme.

10.7.2 Additional Emergency Working Capital Funding for farmers through NABARD

i. New front loaded special refinance facility of Rs.30,000 crores sanctioned by NABARD during COVID-19 to RRBs, Cooperative Banks and MFIs during 2020-21.

ii. Of Rs.5000 crores allocated to NABARD by RBI under SLF for smaller NBFCs and NBFC-MFI, Rs.1717 crore has been disbursed by NABARD till 30.11.2021.

iii. During 2021-22, RBI has provided an amount of Rs.25000 crores under SLF - 2 to NABARD for meeting the liquidity requirements of the agricultural and rural sector during the pandemic. As on 24.12.2021, Rs.24,399 crores has been disbursed out of this special facility.

10.7.3 Rs 2 lakh crore credit boost to the farm sector by covering 2.5 crore PM-KISAN beneficiaries under Kisan Credit Card (KCC) Scheme.

Under the PM Atmanirbhar Bharat package, a special KCC saturation drive is being undertaken to cover 2.5 crore farmers under the KCC scheme with a credit boost of Rs.2 lakh crores. As on 24.12.2021, a major milestone has been achieved by covering over 2.74 crore farmers with a credit limit of Rs.2.94 lakh crores under the ongoing KCC Saturation Drive. Out of 2.74 crore KCC, 15.1 lakh KCC has been sanctioned to Animal Husbandry, Dairy & Fisheries farmers.

10.7.4 Rs.1500 crore Interest Subvention for MUDRA-Shishu Loans.

As approved earlier, 2% Interest Subvention for prompt payees of Mudra-Shishu Loans for a period of 12 months will be provided by the Government to eligible borrowers. An amount of Rs.775 crore has been released additionally to SIDBI as part of the first tranche for immediate release of interest subvention benefit to the Member Lending Institutions (MLIs). An amount of Rs.1,232 crores has been allocated in the first Supplementary Demands for Grants. As on 24.12.2021, more than Rs.598.53 crores has been disbursed by SIDBI to MLIs for onward credit of subvention amount into borrower's accounts.

10.7.5 PM Street Vendor's Atmanirbhar Nidhi Scheme (PM SVANidhi)

It is a Central Sector Scheme implemented by the Ministry of Housing and Urban Affairs (MoHUA) with the objective of providing relief to street vendors affected by Covid-19 lockdown. Launched on June 01, 2020, the Scheme envisages empowering street vendors by not only extending loans to them but also for their holistic economic development. The Scheme facilitates working capital loan up to Rs.10,000 with a 1-year tenure and free onboarding of beneficiaries on Digital payment platforms. To promote digital transactions, cash back up to Rs. 1,200 per annum is available under the Scheme. An interest subsidy @ 7% per annum is paid quarterly on timely repayment to promote borrowing by street vendors. Beneficiaries are also eligible for 2nd tranche of loan upto Rs.20,000 with 18 months tenure after timely repayment of the 1st tranche loan. As on 13.01.2022, 32,27,797 loan applications have been sanctioned; out of which 28,58,321 applications have been disbursed.

11. Miscellaneous

11.1 Representations from SCs, STs, OBCs and PWDs.

11.1.1 Details of representations from SCs/STs/OBCs and Persons with Disabilities (PWDs) in Public Sector Banks / Financial Institutions and Insurance Companies is at **Annexure I & II** respectively.

11.1.2 Disposal of Public Grievances

Timely redressal of public grievances relating to banking and insurance sectors is an important tool towards upgrading the quality of customer service in this very crucial segment of financial sector. Department of Administrative Reforms and Public Grievances (DARPG) has established CPGRAMS (Centralised Public Grievance Redressal and Monitoring System), (an online web-based system), to resolve public grievances. To ensure that individual grievances are resolved within a maximum time limit of 45 days and the petitioners are informed of the action taken, the following instructions have been issued to PSBs and Insurance Companies.

i. All PSBs/FIs/PSICs were requested on 08.02.2017 to ensure that complainants are informed about the incomplete details in the application by sending a reply to the complainant and a copy of the reply be uploaded on CPGRAMS.

ii. As per directions of DARPG, necessary instructions were issued to PSBs/FIs/PSICs on 09.03.2017 that public grievances are required to be resolved within 1-2 months from the date of its initiation.

iii. Grievance Redressal Mechanism and contact details of Nodal Officers of all PSBs updated on DFS website.

iv. All PSBs/IRDA/PFRDA/RBI/PSICs were requested on 08.09.2017 to ensure prompt resolution of all pending grievances including those referred by DPG and strengthen their grievance redressal mechanism and carry out regular monitoring/review at senior level.

In the Department of Financial Services, a large number of grievances/complaints concerning Banking and Insurance Sectors are received directly from citizens, both online and by post. The postal grievances are also digitized and processed through CPGRAMS for its onward transmission to the designated Nodal Officers i.e. Deputy General Manager/General Manager (DGM/GM) of concerned Public Sector Banks/Public Sector Insurance Companies (PSBs/PSICs) for its redressal within a maximum time limit of 45 days. All organisations under DFS have made efforts to maximise the use of technology for reducing the grievance redressal time to one month from the existing 45 days. These directions are followed by all organisations under the Department of Financial Services. Action taken reports are uploaded on the system and a scanned copy of the reply is provided to the complainant as pdf file that can be viewed by the complainant online. Replies through post are also sent to those complainants who have lodged their grievances physically.

The Banks and Insurance Companies have grievance redressal mechanism in place and are also hosted on their respective websites for information and usage by the customers. The first level of grievance redressal is Branch Manager in Banks and Insurance Companies followed by Zonal Managers and then General Manager (Customer Care) in Head Office. The grievances concerning private banks and private insurance companies are resolved through Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority (IRDA) respectively. The PSBs have also established Ombudsman for settlement of grievances.

Grievances received from PMO are attended promptly and present status is being uploaded on portal by concerned Banks/ Insurance companies. As per existing arrangement, the number of grievances are on increasing side. Most of the grievances are related to issues related to ATM, Pension, Loan Applications, Bank transactions and fraud cases, which can be easily handled by Bank / Insurance officers. Grievances are monitored regularly and followed by periodical reminders through emails to the concerned Nodal Public Grievance Officers in Banks and Insurance Companies and concerned Sections in the Department.

The Reserve Bank of India (RBI) has launched 'The Reserve Bank Integrated Ombudsman Scheme, 2021' on 12.11.2021. The Scheme integrates the existing three Ombudsman Scheme of RBI namely - (i) the Banking Ombudsman Scheme, 2006 (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018 and (iii) the Ombudsman Scheme for Digital Transaction, 2019. In addition to integrating the three existing scheme also includes under its ambit Non-Scheduled Primary Co-operative Banks with a deposit size of Rs.50.00 crores and above. The scheme adopts "One Nations One Ombudsman mechanism. In case the petitioners are not satisfied with the kind of disposal by the concerned Banks/Insurance Companies, they can file their complaints with the Banking Ombudsmen concerned for the settlement of their grievance through mediation and passing of awards.

As per CPGRAMS database the details of receipt, disposal and pending grievances during the period 01.04.2021 to 30.11.2021 in respect of banking and insurance sectors are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2021	% of Disposal as on 30.11.2021	Less than 45 days old	More than 45 days old
Banking	9034	105818	107880	6972	93.93%	6871	600
Insurance	519	19982	17831	2670	86.97%	3278	64
Total	**9553**	**125800**	**125711**	**9642**	**92.88%**	**10149**	**664**

Status of public grievances on PG Portal for the period 01.04.2021 to 30.11.2021 is as under.

Total Grievances Received	Grievances Disposed Off	Balance	% of disposal as on 30.11.2021	Average time of disposal
135353	125711	9642	92.88	17 days

The present status of public grievances for the period 01/04/2021 to 30/11/2021 relating to social security schemes launched by the Government is as under.

Name of the scheme	Total Grievance	Grievance disposed	Grievance pending	% of disposal
Atal Pension Yojna	68	67	1	98.53
Pradhan Mantri Jan Dhan Yojna	236	210	16	88.98
Pradhan Mantri Mudra Yojna	1193	1141	52	95.64
Pradhan Mantri Suraksha Bima Yojna	214	205	9	95.79
Pradhan Mantri Jeevan Jyoti Bima Yojna	448	418	30	93.30

The present status of public grievances received from PMO for the period 01.04.2021 to 30.11.2021 is as under:

Name of the Sector	Total Grievances	Grievances disposed	Grievances pending	% of disposal
Banking	28552	27077	1475	94.83
Insurance	4058	3834	224	94.48

As per CPGRAMS database the details of receipt, disposal and pending grievances during the period 01.04.2021 to 30.11.2021 in respect of banking and insurance sectors for Covid 19 grievances are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2021	% of Disposal as on 30.11.2021	Less than 3 days old	More than 3 days old
Banking	119	6585	6569	135	97.98%	42	93
Insurance	18	1668	1660	26	98.46%	16	10
Total	**137**	**8253**	**8229**	**161**	**98.08%**	**58**	**96**

In January 2021, DARPG has started Appeal Mechanism in CPGRAMS wherein the customers who are not satisfied with the resolution of their grievance can appeal for review by higher Authorities. Since there was provision of creation to Sub-appellate authority, a Sub-appellate authority was created in all PSBs/PSICs/FIs/IRDA/RBI and at each Section level in DFS. In view of large number of appeals, Directors/Deputy Secretary/Joint Director in DFS have been nominated as Appellate Authorities assigning specific organizations (PSBs/PSICs/FIs/IRDA/RBI) under control of DFS for monitoring and disposing of the appeals.

As per CPGRAMS database (Appeal Portal) the details of receipt, disposal and pending appeal during the period 01.04.2021 to 30.11.2021 in respect of banking and insurance sectors for Appeal are as under.

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2021	% of Disposal as on 30.11.2021	Less than 30 days old	More than 30 days old
Banking	2524	9332	9949	1907	83.92%	527	1380
Insurance	606	1926	2435	97	96.17%	73	24
Total	**3130**	**11258**	**12384**	**2004**	**86.07%**	**600**	**1404**

11.2 Vigilance

11.2.1 Organisations under Department of Financial Services

(a) Special Court

The Special Court (Trial of offences relating to Transactions in Securities) Act, 1992 came into force on 06.06.1992. The Act was necessitated by reasons of the unprecedented situation wherein very large amount of public monies had been siphoned off into private pockets. The legislature sought to set up a Special Court through this Act for (a) speedy trial of offences (b) immediate attachment and freezing of all assets of parties suspected to be involved in the scam and (c) a reasonable and equitable distribution of the property.

The Special Court has been sanctioned four posts of judges. To support their day to day functioning, the office of the Special Court functions with a staff of 49 officials at various levels. These are renewed on a year-to-year basis by DFS, Ministry of Finance with the approval of IFU. As on 27.1.2022 a total number of pending matters in the Special Court is 77 which includes, Suits and Special Cases (Criminal).

(b) Office of the Custodian

To assist the Custodian in discharging the duties under the Special Court (TORTS) Act, 1992, at present there are three offices - with headquarters at New Delhi, office at Mumbai mainly attending to the Court matters on day to day basis and third one at Bangalore mainly to deal with matter relating to Fairgrowth Financial Services Ltd (FFSL) and Fair Growth Investment Ltd (FGIL), Bangalore based notified entities. Office of the Custodian has been sanctioned 29 posts including Custodian and two posts of Directors. These are renewed on a year-to-year basis by Ministry of Finance, DFS with the approval of Integrated Finance Unit (IFU).

Since inception, a total of 13545 cases were filed in the Special Court, which were defended/contested by the Custodian and 13468 cases have been disposed of by the Special Court, leaving a balance of 77 cases for their disposal as on 31st December, 2021. Similarly, a total of 514 appeals were filed in the Supreme Court, of which 473 cases have been disposed of, leaving 41 cases pending (31st December, 2021). As on 31st December, 2021, while the total outstanding liabilities of notified parties were for Rs.36,812 crores, the assets were only to the tune of Rs.4988 crores, out of which Rs.1118 crores are non-recoverable assets. Till 31st December, 2021, Rs.10,934 crores (approx.) has been recovered by the Custodian and out of these assets, Rs.6,946 crores in cash has been distributed to Income Tax Department, Banks etc.

Out of a total of 23.67 crore attached shares, 16.62 crore shares have been sold and a sum of Rs.3,372.14 crores realized. Out of the remaining 7.05 crore shares with current value of Rs.2849 crores, 5.52 crore are traded shares and 1.53 crore are untraded shares. A total of 177 immovable properties of notified parties had been attached by the Custodian, out of which, 148 have been sold/disposed to realize a value of Rs.173 crores. A sum of Rs.6.49 crore has been realized by sale of jewellery items through Customs department / SBI. Cash balance in the attached current accounts and fixed deposits of notified parties as on 31st December, 2021 is Rs.933.54 crores.

11.2.2 Performance

- The Vigilance Division of the Department monitors the progress on disposal of complaints received from various sources and pendency of disciplinary / vigilance cases regularly and meeting with CVOs is undertaken in this Department at appropriate intervals.
- Instructions have been issued from time to time as and when any gap in the system is observed to strengthen the preventive vigilance in these organisations.
- Vigilance Awareness Week was observed from 26.10.2021 to 01.11.2021.

11.3 Legislative

11.3.1 The Factoring Regulation (Amendment) Act, 2021

The Factoring Regulation (Amendment) Act, 2021 has received the assent of the President on 07.08.2021 and was published in the Gazette of India on 09.08.2021. The provisions of the Act have come into force with effect from 23.08.2021. This Act is pursuant to the Hon'ble Finance Minister's announcement in the Budget Speeches of 2019-20 and 2020-21 that necessary amendments will be made to the Factoring Regulation Act 2011 to enable NBFCs to extend invoice financing to the MSMEs through TReDS, thereby enhancing their economic and financial sustainability. The major amendments made are-

- One major amendment is to permit all NBFCs other than only NBFC-Factors (those whose principal business is factoring) to do factoring business as well, thus increasing the NBFC ecosystem for factoring from only 7 NBFCs currently to well over 9500 NBFCs potentially, thus widening the scope of financiers and permitting all NBFCs to do factoring business and participate on TReDS for discounting the invoices of MSMEs;
- Another major amendment is to permit TReDS entities to act as agents for financiers for filing of registration of charge with CERSAI on behalf of the factors using the platform, thus bringing in operational efficiency. Simultaneously, it is proposed to reduce the time period for registration of invoice and satisfaction of charge upon it, in order to avoid dual financing;
- Other minor amendments include amending the definitions of "assignment", "factoring business" and "receivables", so as to bring them in consonance with international definitions, to insert a new definition of TReDS, and to empower RBI to make regulations with respect to factoring business.

11.3.2 The Deposit Insurance and Credit Guarantee Corporation (Amendment) Act, 2021

- Last year, after the landmark Budget announcement of 2020, protection to depositors in banks had already been enhanced by DICGC, which increased the deposit insurance cover from Rs. 1 lakh to Rs. 5 lakh in February 2020. Thus, each depositor is insured up to Rs. 5 lakh per depositor per bank.
- In view of numerous recent cases of banks, especially cooperative banks, being unable to fulfil their obligations towards their depositors, the continuing concern was that when various restrictions / moratorium, etc are imposed on a

bank by RBI under different provisions of the Banking Regulation Act, 1949, then in such cases, despite intervention by RBI and the Central Government, genuine depositors continue to face serious difficulties on account of restrictions on them from accessing their deposits. Depositors are unable to access their own money (which by very definition should be payable on demand) even to the extent of the insured value, despite deposit insurance being in place. This can continue for extended periods of time which can be very long, even upto 8-10 years in the case of liquidation, leading to hardship for depositors.

- Hon'ble Finance Minister in the Budget Speech 2021 made announcement that amendments would be moved so as to streamline the provisions, as this would help depositors of banks that are currently under stress.
- Hence, the DICGC Act, 1961 has now been amended to provide that even if a bank is temporarily unable to fulfil its obligations and meet its liabilities to depositors due to restrictions / moratorium imposed on it, depositors can get easy and time-bound access to their deposits to the extent of deposit insurance cover through interim payments by DICGC. A clear-cut timeline of maximum of 90 days has been provided for interim payment to depositors. If RBI finds it expedient to finalize a scheme (eg. amalgamation, reconstruction, etc.) to rescue the bank, timeline can be extended for maximum 90 days more.
- The Deposit Insurance and Credit Guarantee Corporation (Amendment) Act, 2021 has received the assent of the President on 13.08.2021 and was published in the Gazette of India on 13.08.2021. The provisions of the Act have come into force with effect from 01.09.2021.
- Further, the Board of DICGC has approved the amendments to the Regulations vide resolution dated 13.09.2021. After obtaining the necessary approvals as per the Act, the amendment to the Regulations have been notified in the Official Gazette effective from 22.09.2021.

11.4 Debt Recovery Tribunal

- e-office:- e-office software has been enabled on cloud for the use by the DRTs/DRATs. Order has been placed with NIC and their team is implementing the project in DRTs and DRATs.
- e-DRT:- The e-DRT project to digitize the functioning of all 39 Debts Recovery Tribunal (DRTs) and 5 Debts Recovery Appellate Tribunals (DRATs) has been implemented by the Department of Financial Services. The e-DRT project has automated the full cycle of workflow of DRATs and DRTs, which has brought transparency and increased their efficiency. The project has ensured online availability of case and access to e-filing and e-payment. MIS reports are being generated for effective monitoring and functioning of DRTs/DRATs. MIS reports like pending cases in DRTs of Public Sector Banks (PSBs) and appeals filed, disposed and pendency in DRATs have been added.
- DRTs have performed well and have successfully recovered substantial amount for the banks. As per provisional data (mentioned below), made available by all DRTs, a total 7590 Original Applications (OA) cases involving an amount of Rs 26213.85 crore were disposed of and further total 3178 Securitization Applications (SA) cases involving an amount of Rs 27020.62 crore were disposed off during the period 1.4.2021 to 30.11.2021.

Year	Details of Disposed of cases during the year			
	No. of OA# cases disposed of	Amount involved in OA cases (in Rs. crores)	No. of SA@ cases disposed of	Amount involved in SA Cases (in Rs. crores)
2021-22	7590	26213.85	3178	27020.62

Original Applications filed by Creditors under the RDB Act,1993
@ Applications filed by Borrowers/ aggrieved persons against direct action for recovery under the SARFAESI ACT, 2002.

- **Online Hearings:** Video Conferencing (VC) links were got provided to DRATs/DRTs through NIC w.e.f. 29.4.2020, to enable online hearing of urgent cases during the COVID -19 outbreak. Up to 31.10.2021, 2,95,993 online hearings were held through VC.

11.5 Information Technology and Cyber Security

Key initiatives of the Department of Financial Services in the year 2021-22 are as below:

- **Identification of Critical Information Infrastructure in financial sector.**

In the Information Technology Act 2000, Critical Information Infrastructure (CII) has been defined as the computer resource, the incapacitation or destruction of which, shall have debilitating impact on national security, economy, public health or safety. National Critical Information Infrastructure Protection Centre ("NCIIPC"), is the national nodal agency in respect of Critical Information Infrastructure Protection. With a view to identifying CII in the financial services sector, this Department coordinates with Regulators (Reserve Bank of India, Insurance Regulatory and Development Authority of India & Pension Fund Regulatory and Development Authority) for identifying and notification of critical infrastructure of regulators as also its regulated entities. To streamline the process of identification of CII within financial services sector and to build a clear roadmap and pipeline for identification of CIIs in banking, insurance and pension sector, a Standard Operating Procedure (SOP)has been put in place, in consultation with NCIIPC. As of now, Real Time Gross Settlement (RTGS) System, National Electronic Fund Transfer (NEFT) System and e-Kuber System of RBI have been declared as protected systems by this Department.

- **Website security & quality audit**

Web Application Security Audit of this Department's Website, which is conducted annually has been completed by Indian Computer Emergency Response Team (CERT-In) empanelled auditor and the certificate of the same has been issued to this Department. Website quality Certification of this Department's website [under E-Government Development Index (EGDI) exercise], conducted every three years as per Guidelines for Indian Government Websites (GIGW) requirement was undertaken by Standardisation Testing and Quality Certification (STQC) and the certificate on the same was issued to this Department.

- **Cyber Crisis Management Plan**

The purpose of Cyber Crisis Management Plan (CCMP) is to establish the strategic framework and actions to prepare for, respond to and begin to coordinate recovery from a cyber-incident. The plan is derived from guidance framework of the CCMP prepared by CERT-In and Ministry of Electronics and Information Technology (MeitY). CCMP has been put in place in this Department in October 2020 and had been reviewed and updated periodically.

11.6 Audit Paras

A summary of Audit observations made available by the Office of C&AG pertaining to DFS is at **Annexure-III.**

Annexure - I

Group-wise representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes, Economically Weaker Section upto 30.11.2021

Group	Number of Employees (as on 31.12.2020)					Number of appointments/promotions made during the calender year 2021 (i.e. 01.01.2021 to 30.11.2021)														
						Appointment by Direct Recruitment					Appointment by Promotion					Appointment by Other Methods				
	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Group A	460192	87951	39228	111679	935	10702	1660	719	3175	853	27283	4884	2037	6037	0	179	16	6	51	15
Group B	25243	3703	1563	4535	208	294	58	7	79	10	3	2	0	0	0	0	0	0	0	0
Group C	335516	62757	27193	81488	2477	12788	2019	1098	3432	1203	3301	836	268	651	0	821	245	77	137	0
Group D (Excluding Safai Karamcharis)	91201	27772	6894	23244	3	1765	535	232	874	120	20	9	1	0	0	185	80	22	26	0
Group D (Safai Karamcharis)	29708	14866	2271	7276	0	289	125	27	112	8	40	14	0	9	0	90	47	9	15	0
Total	941860	197049	77149	228222	3623	25838	4397	2083	7672	2194	30647	5745	2306	6697	0	1275	388	114	229	15

Statement showing Group-wise Data of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Economically Weaker Section (Projection from 01.12.2021 to 31.03.2022)

Group	Projection from 01.12.2021 to 31.03.2022				
	Total	SCs	STs	OBCs	EWS
2	3	4	5	6	7
Group A	12455	2207	1090	2834	578
Group B	337	45	17	41	0
Group C	10939	2029	984	2717	524
Group D (Excluding Safai Karamcharis)	1969	568	179	385	94
Group D (Safai Kar	30	8	6	10	6
Total	25730	4857	2276	5987	1202

Annexure - II

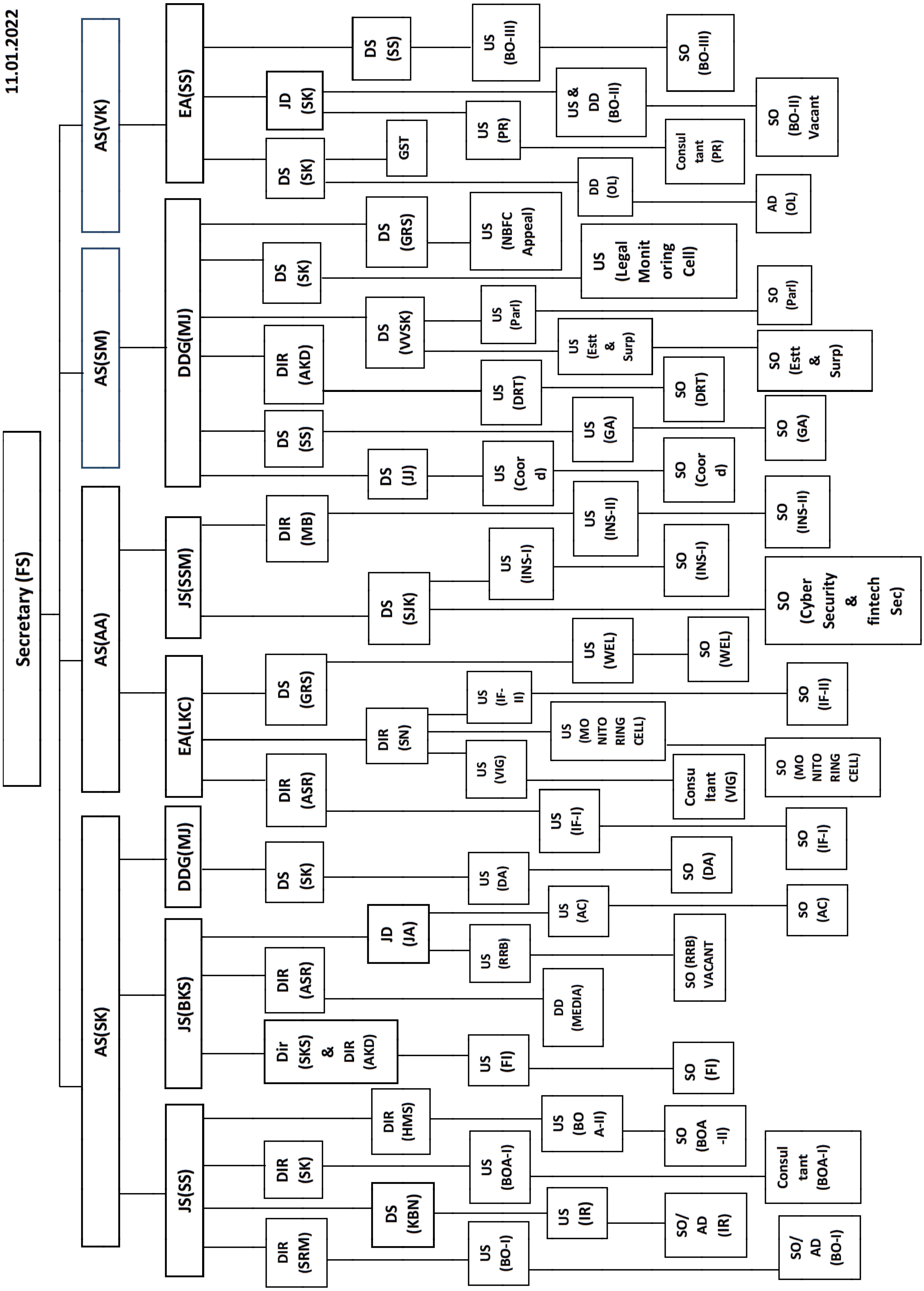
Department of Financial Services

Group-wise representation of Persons with Disablities up to 30.11.2021																								
S. No.	Group	Number of Employees (as on 31.12.2020)					Number of appointments/promotions made during the calender year 2021 (i.e. 01.01.2021 to 30.11.2021)																	
							Appointment by Direct Recruitment									Appointment by Promotion								
							No. of vacancies reserved				No. of appointments made					No. of vacancies				No. of appointments made				
		Total	VH	HH	OH	ID	VH	HH	OH	ID	Total	VH	HH	OH	ID	VH	HH	OH	ID	Total	VH	HH	OH	ID
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1	Group A	380108	5262	2195	10982	385	168	226	170	205	7908	143	71	111	36	19	21	50	16	8615	137	47	259	3
2	Group B	23985	5	1	80	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Group C	277643	4204	2080	6957	50	169	274	192	176	6785	224	38	136	32	94	12	158	8	211	19	6	38	2
4	Group D (Excluding Safai Karamcharis)	77188	1233	675	2074	3	25	25	25	25	114	70	5	25	0	0	0	0	0	40	0	0	0	0
5	Group D (Safai Karamcharis)	18580	1137	302	896	0	3	2	4	2	31	2	1	7	1	0	0	0	0	1	0	0	0	0
6	Total	777504	11841	5253	20989	438	365	527	391	408	14840	439	115	279	69	113	33	208	24	8867	156	53	297	5

Note:-
(i) VH stands for visually Handicapped (persons suffering from blindness or low vision).
(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment).
(iii) OH stands for Orthopedically Handicapped (persons suffering from locomotors disability or
(iv) ID stands for Intellectual Disability.

Statement showing Group-wise Data for recruitment of Persons with Disabilities
(Projection from 01.12.2021 up to 31.03.2022)

S.No	Group	Projections from 01.12.2021 to 31.03.2022				
		Total	VH	HH	OH	ID
	2	3	4	5	6	7
1	Group A	6004	67	129	82	127
2	Group B	0	0	0	0	0
3	Group C	5603	56	143	68	62
4	Group D (Excluding Safai Karamcharis)	34	8	9	9	8
5	Group D (Safai Karamcharis)	0	0	0	0	0
6	Total	11641	131	281	159	197


11.01.2022
Secretary (FS)
AS(VK)
AS(SM)
AS(AA)
AS(SK)
EA(SS)
DS (SS)
US (BO-III)
SO (BO-III)
JD (SK)
US & DD (BO-II)
SO (BO-II) Vacant
US (PR)
Consul tant (PR)
DS (SK)
GST
DD (OL)
AD (OL)
DDG(MJ)
DS (GRS)
US (NBFC Appeal)
DS (SK)
US (Legal Monit oring Cell)
DS (VVSK)
US (Parl)
SO (Parl)
US (Estt & Surp)
SO (Estt & Surp)
DIR (AKD)
US (DRT)
SO (DRT)
DS (SS)
US (GA)
SO (GA)
DS (JJ)
US (Coor d)
SO (Coor d)
JS(SSM)
DIR (MB)
US (INS-II)
SO (INS-II)
DS (SJK)
US (INS-I)
SO (INS-I)
SO (Cyber Security & fintech Sec)
EA(LKC)
DS (GRS)
US (WEL)
SO (WEL)
DIR (SN)
US (IF-II)
SO (IF-II)
US (MO NITO RING CELL)
SO (MO NITO RING CELL)
US (VIG)
Consu ltant (VIG)
DIR (ASR)
US (IF-I)
SO (IF-I)
DDG(MJ)
DS (SK)
US (DA)
SO (DA)
JS(BKS)
JD (JA)
US (AC)
SO (AC)
US (RRB)
SO (RRB) VACANT
DIR (ASR)
DD (MEDIA)
Dir (SKS) & DIR (AKD)
US (FI)
SO (FI)
JS(SS)
DIR (HMS)
US (BO A-II)
SO (BOA -II)
DIR (SK)
US (BOA-I)
Consul tant (BOA-I)
DS (KBN)
US (IR)
SO/ AD (IR)
DIR (SRM)
US (BO-I)
SO/ AD (BO-I)

Annexure III

Department of Financial Services

Summary of Important Observations including in the Audit Reports pertaining to DFS

S.N.	Year	No. of Paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Para/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to PAC
1.	2020-21	-	-	7	Nil

➢ 7 paras relate to Report No. 13 of 2020 (Performance Audit on 'National Pension System').

S.N.	Year	No. of Paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Para/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to PAC
1.	2013-14	Nil	Nil	3	Nil
2..	2014-15	1	Nil	1	Nil
3.	2015-16	3	1	1	Nil
4.	2016-17	7	1	2	Nil
5.	2017-18	1	Nil	1	Nil
6.	2018-19	3	Nil	6	Nil
7.	2019-20	3	Nil	Nil	Nil
8.	2020-21	-	-	7	-

Chapter - VI

Department of Public Enterprises (DPE)

1. Public Enterprises Survey

1.1 Public Enterprises Survey

The Department of Public Enterprises brings out the Public Enterprises Survey on the performance of Central Public Sector Enterprises (CPSEs), which is laid in the Parliament every year.

As per PE Survey 2020-21 **(Provisional)** there were 389 Central Public Sector Enterprises under the administrative control of various Ministries/ Departments as on 31.3.2021. Out of 389 CPSEs, 255 are in Operation. Out of 255 operating CPSEs as many as 177 CPSEs showed profit during 2020-21, 77 CPSEs incurred losses during the year, and 1 CPSE has no profit no loss. The 'net profit' of 177 profit making CPSEs was ₹1,89,320 crore in 2020-2021. The 'net loss' of 77 loss making CPSEs stood at ₹(-)31,058 crore during the year. The overall net profit of the 255 operating CPSEs increased by 69.48% to ₹1.58 lakh crore in 2020-21 from ₹0.93 lakh crore in 2019-20. The contribution of CPSEs to the Central Exchequer increased by 31.14% to ₹4.96 lakh crore in 2020-21 as compared to previous year of ₹3.79 lakh crore.

A comparison of performances of CPSEs during 2020-21 vis-a-vis the previous year i.e., 2019-20, is at **Annexure-2**.

2. Organisation and Autonomy of CPSEs

The endeavour of the Government is to make Central Public Sector Enterprises (CPSEs) autonomous Board managed companies. Under Articles of Association, the Board of Directors of CPSEs enjoys autonomy in respect of recruitment, promotion and other service conditions of below board level employees. The Board of Directors of a CPSE exercises delegated powers subject to broad policy guidelines issued by Government from time to time.

2.1 Structure of Boards of CPSEs:

The Board of Directors of CPSEs essentially consist of three types of Directors namely Government Directors, Functional Directors and Independent (Non-Official) Directors. The Boards are headed by a Chairperson cum Managing Director. As per the extant guidelines the number of functional Directors should not exceed 50% of the actual strength of the Board and the number of Government nominee Directors shall be restricted to a maximum of two. In case of listed CPSEs with executive chairman, the number of non-official Directors shall be at least 50% of the Board strength. In case of unlisted and listed CPSEs with non-executive chairman, at least one-third of the Board Members shall be non-official Directors.

2.1.1 Chairperson cum Managing Director: -

Appointment of CMD on the Board of CPSE is done by concerned administrative Ministry on the basis of recommendations of Public Enterprises Selection Board (PESB) after obtaining approval of competent authority and after completing due formalities in this regard.

2.1.2 Government Directors: -

The Government Directors are generally senior officers of the Government of India, State Government(s) or other Government agencies who are nominated to the Boards of CPSEs by the concerned administrative Ministries in ex-officio capacity. The dual role of a Government Director is clearly demarcated i.e. as a Director of the company and representative of the Government. As Director of the company, they are bound to exercise due diligence and act in the best interest of the company keeping in view the provisions of the Companies Act 2013. Government being the major shareholder in CPSEs, they are also required to protect its interest. In doing so, they can take formal instructions from the Government on critical issues and voice them in the meetings of the Board of the company. They are required to provide timely feedback on decisions taken by the company to their administrative Ministry/Department/organization.

In respect of the matters having substantial financial and other consequences to the Government (a) as a shareholder and (b) on the policies of Government arising in the Board meetings, the Government Director is required to escalate them to the concerned Ministry and take their advice to formally prepare a view point of the Ministry and present the same in the Board of Directors meeting. The Government Director should also regularly sensitize the Board about the relevant Government Guidelines (including DPE Guidelines) and compliance of the same.

If the Board of a CPSE decides contrary to the Government policy, the Government Director should voice the concern of the Government and get his/her dissent or disagreement recorded in the Minutes of the Board meeting and report the same to the Ministry/Department. The Government Director is required to submit a quarterly report on the issues deliberated by the Board, which in his/her view merit attention of the Government and raise alerts when things are not happening as expected in the company.

2.1.3 Functional Directors:

The functional directors are executive heads of the concerned functional areas of a CPSE and perform their executive role in the respective fields allotted to them.

viz Operations, Finance, Marketing, Human Resources etc. The functional Directors are appointed on the Boards of CPSEs by the concerned administrative Ministry on the basis of recommendations of Public Enterprises Selection Board (PESB) after obtaining approval of competent authority and after completing due formalities in this regard. PESB is under the administrative jurisdiction of Department of Personnel & Training. PESB issues the advertisement, shortlists candidates and holds selection interviews for selection to the posts of functional Directors. The functional Directors are appointed for a tenure of 5 years or till their superannuation whichever is earlier.

2.1.4 Non-Official (Independent) Directors: -

The presence of Non-Official Directors (NoDs) on the Boards of CPSEs is important for sound Corporate Governance as their constructive role is essential for smooth and transparent functioning of the company. The NoDs play an important role in various committees of Boards viz. Audit Committee, Nomination & Remuneration Committee, CSR Committee etc.

2.1.4.1 The proposals for appointment of Non-Official Directors (NoDs) on the Boards of CPSEs are initiated by the concerned administrative Ministry which submits a panel of names to DPE with the approval of their competent authority. DPE places such proposals before the Search Committee, which presently consists of Secretary (DoPT) as Chairperson, Secretary (DPE), Secretary of the Administrative Ministry/ Department of the concerned CPSE and 2 non-official Members. The concerned Administrative Ministry/ Department appoints the Non-Official Director on the basis of recommendations of Search Committee after completing due formalities in this regard and after obtaining the approval of competent authority. The non-official Directors are appointed for tenure of 3 years. Details of the qualifying standards for being eligible to be appointed as NoD is at **Annexure-3**

2.2 Maharatna Scheme

2.2.1 The main objective of the Maharatna scheme which was introduced in 2010 is to empower mega CPSEs to expand their operations and emerge as global giants. The Boards of such CPSEs have been delegated enhanced powers in the areas of (i) capital expenditure, (ii) investment in joint ventures/subsidiaries, (iii) mergers & acquisitions, (iv) human resources management, etc. During the year 2021-22, one CPSE, namely, Power Finance Corporation was granted Maharatna status.

2.3 Navratna Scheme

The Government had introduced the Navratna scheme, in 1997, to identify Central Public Sector Enterprises (CPSEs) that had comparative advantages and to support them in their drive to become global giants. Under this scheme, the Boards of Navratna CPSEs have also been delegated autonomy in the areas of enhanced powers in the areas of (i) capital expenditure, (ii) investment in joint ventures/subsidiaries,(iii) mergers & acquisitions, (iv) human resources management, etc.

2.4 Miniratna Scheme

In October 1997, the Government had decided to grant enhanced autonomy and delegation of financial powers to some other profit-making companies subject to certain eligibility conditions and guidelines to make them efficient and competitive. These companies, called Miniratnas, are in two categories, namely, Category- I and Category-II.

2.5 The salient features of Maharatna, Navratna & Miniratna scheme and list of these CPSEs are provided at **Annexure-4** and **Annexure-5** respectively.

2.6 Performance Appraisal of Board Level Executives of CPSEs:

2.6.1 DPE has laid down the guidelines for annual performance appraisal of functional Directors of CPSEs which, inter-alia, prescribe the format, time schedule, components of Annual Performance Appraisal Reports (APARs) and their relative weight, channel of submission, etc. The performance assessment of functional Directors of CPSEs is determined in the following manner:

Designation	Weightage			
	MOU score/ rating	Targets flowing from MOU assigned to Directors	Personal attributes and functional competencies of the officer	Total
Chairman cum Managing Director (CMD)	75	-	25	100
Functional Director	40	35	25	100

2.6.2 Channel of Submission:

Channel of submission of APAR of Board Level Incumbents of CPSE is generally as under:

Sl No.	Officer whose PAR is to be written	Reporting Authority	Reviewing Authority	Accepting Authority
1	Executive Chairman/CMD/MD	Secretary Admin. Ministry/ Departments	Minister Incharge	Minister Incharge
2	Functional Directors	Executive Chairman/CMD/MD	Secretary Admin. Ministry/Departments	Minister Incharge

3. Wage Policy and Manpower Rationalization

3.1 The Department of Public Enterprises (DPE) functions as the nodal Department for policy relating to pay revision of CPSE executives at Board as well as below Board level and non-unionized supervisors. DPE also issues guidelines for wage settlement negotiations in case of workmen in CPSEs. The Department renders advice to the Administrative Ministries/ Departments and CPSEs in matters relating to revision in pay scales of executives and also for the wage policy negotiations of workmen. The CPSEs are largely following the Industrial Dearness Allowance (IDA) pattern of scales of pay. However, in some CPSEs, Central Dearness Allowance (CDA) pattern of scales of pay is also followed. DPE issues DA orders in respect of IDA employees on quarterly basis; and for CDA employees of CPSEs on six monthly basis.

3.2 Pay Revision for employees of CPSEs:

3.2.1 Pay Revision for Executives and non-unionized Supervisors of IDA pattern in CPSEs:

3.2.1.1 The Third Pay Revision Committee (PRC) was constituted under the Chairmanship of Justice (Rtd) Shri Satish Chandra to consider and recommend pay scales for Board and Below Board level executives and non-unionized supervisors of CPSEs under IDA pattern of pay scale. Based on the recommendations of the Third PRC and Government's decisions thereon, the revised pay scale guidelines effective from 1st January, 2017 were issued vide DPE OMs dated 03.08.2017, 04.08.2017 and 07.09.2017.

3.2.1.2 The revised pay scales and allowances recommended by third PRC were based on the basic premise of affordability. These pay scales and allowances are to be implemented subject to the condition that the additional financial impact in the year of implementing the revised pay- package for Board and Below Board level Executives and Non-Unionized Supervisors should not be more than 20% of the average Profit Before Tax (PBT) of the last three financial years preceding the year of implementation. All the expenditure on this account is to be met by the CPSE implementing the revised pay scales & allowances and no budgetary support is provided by the government.

3.2.2 Pay Revision for employees of CDA pattern in CPSEs:

For the employees of CPSEs following the CDA pattern, DPE vide OM dated 17.08.2017 issued guidelines for revision of pay scales and allowances w.e.f. 01.01.2016. The benefit of pay revision is allowed to the employees of those CPSEs that are not loss making and are in a position to absorb the expenditure on account of pay revision from their own resources without any budgetary support from the Government. Further, DPE vide OMs dated 21.05.2018 and 04.07.2019 conveyed the Government decision on allowances applicable to CDA employees of CPSEs.

3.2.3 Wage Revision for Workmen under IDA pattern in CPSEs:

DPE has issued policy guidelines for the 8th Round of Wage Negotiations with unionized workmen of CPSEs (effective from 01.01.2017) vide its OM dated 24.11.2017. The validity of the wage negotiation as per para 2(xi) of DPE OM dated 24.11.2017 would be minimum period of five years for those who opted for a five-year periodicity and for a maximum period of ten years for those who have opted for a ten-year periodicity of wage negotiation w.e.f. 01.01.2017.

3.3 Guidelines recently issued:

3.3.1 Enhanced DA rates for employees of CDA pay scales from 17% to 28% and subsequent revision thereof to 31% with effect from 1st July 2021 were notified. Similarly, Industrial DA rates were also revised for employees of the 2017/2007/1997/1992 & 1987 IDA pay scales of CPSEs.

3.3.2 Guidelines regarding payment of PRP in absence of Independent Director, were issued by vide OM dated 01.09.2021.

3.3.3 Guidelines regarding calculation of gratuity & cash payment in lieu of leave for employees who retired from CPSEs during period from January, 2020 to June, 2021 were issued vide DPE OMs dated 13.10.2021 & 25.10.2021 for employees following CDA & IDA pay scales respectively.

4. Categorisation of CPSEs

4.1 The Public Sector Enterprises are categorized into four Schedules namely 'A', 'B', 'C' & 'D'. The categorization of CPSEs has implications mainly for organizational structure and salary of Board level incumbents of the concerned CPSE. It also plays a role in grant of autonomy to the Boards of CPSEs under 'Ratna' scheme.

4.2 The initial categorization of CPSEs in the mid-sixties was made on the basis of their importance to the economy and complexities of their problems. Over the years the Department of Public Enterprises has evolved norms for the purpose of categorization/re-categorization of CPSEs. Categorization is based on both quantitative factors like investment, capital employed, net sales, profit before tax, number of employees and units, capacity addition, revenue per employee, sales/capital employed, capacity utilization, value added per employee and qualitative factors such as national importance, complexities of problems being faced by the company, level of technology, prospects for expansion and diversification of activities and competition from other sectors etc. The other factors, wherever available, relate to share price, MoU ratings, Maharatna/Navratna/ Miniratna status and ISO certification. In addition, the factor relating to the critical/Strategic importance of the CPSE is also taken into account. At present there are 69 Schedule 'A', 69 Schedule 'B', 44 Schedule 'C' and 5 Schedule 'D' CPSEs. The Schedule-wise list of CPSEs is given in **Annexure-6**.

4.3 **Procedure for Categorization**: Proposal for categorization of a CPSE is initiated by the concerned Administrative Ministry/Department and submitted to DPE. The latter examines such proposals in consultation with the Public Enterprises Selection Board (PESB) and then the approval of Minister In-charge is obtained through Cabinet Secretary.

5. Monitoring and Evaluation

5.1. Memorandum of Understanding (MoU):

5.1.1. The Government of India introduced the system of MoU in the year 1986, based on recommendations given by Arjun Sen Gupta Committee report (1984). The report recommended that the Central Public Sector Enterprises (CPSEs) should enter into agreements with their Administrative Ministries for five years, with progress to be reviewed annually. MoU is an agreement between the Administrative Ministries/ Departments and the management of CPSE. CPSEs are assigned a set of targets and their performance is evaluated at the end of the year against these pre-decided targets.

5.1.2. **Scope**: All CPSEs (Holding as well as Subsidiaries) are required to sign a MoU. The holding CPSEs sign the MoU with their Administrative Ministries/ Departments, while the subsidiaries sign the MoU with their respective holding companies. The table below depicts year-wise data of MoU signed over the past 10 years. The number of MoU signing CPSEs has decreased over the period due to various reasons such as the closure of CPSEs; merging of the subsidiaries with holding companies; exemption from signing of MoU for sick/ under closure/ under-construction/ non-operational CPSEs or other grounds as per the recommendation from the Administrative Ministry.

Year	MoU signed		Year	MoU signed
1987-88	4		2011-12	197
1991-92	72		2012-13	196
2001-02	104		2013-14	197
2002-03	100		2014-15	214
2003-04	96		2015-16	215
2004-05	99		2016-17	231
2005-06	102		2017-18	196
2006-07	113		2018-19	165
2007-08	144		2019-20	144
2008-09	147		2020-21	124
2009-10	197		2021-22	107
2010-11	198			

5.1.3. **Institutional arrangements for Implementation of MoU Policy:**

(a) **High Powered Committee (HPC)**: The HPC gives guidance and directions with respect to the determination of the principles and parameters for evaluating the performance of CPSEs. HPC is headed by the Cabinet Secretary and comprises following members:

CEO (NITI Aayog), Finance Secretary, Secretary (Expenditure), Secretary (Statistics & Programme

Implementation), Chairman (Public Enterprises Selection Board); Chief Economic Advisor (Economic Affairs); Chairman (Tariff Commission) and Secretary (DPE).

(b) **Inter-Ministerial Committee (IMC)**: The IMC sets the basic parameters of the MoU and also lays down the financial and physical targets against each of the parameters. The IMC comprises of Secretary (DPE) as Chairman, Chief Economic Advisor (Department of Economic Affairs), Representatives of Department of Expenditure, MoSPI, NITI Aayog and Secretary of Administrative Ministry as special invitee. Any other expert can be co-opted by IMC on need basis.

5.1.4. **MoU Framework (up to 2020-21):** As CPSEs function across diverse sectors under different conditions, the evaluation parameters had been designed for a uniform comparison. There were two broad categories of parameters – Mandatory and Optional – with equal weightage (50%) to each. The mandatory category comprised of three financial performance parameters namely revenue from operations, operating profit and return on investment (i.e., ratio of PAT/Net-worth) applicable uniformly to all CPSEs [excluding those that depend on government grants or perform function of distribution of grant]. For the remaining 50% weightage, a menu of parameters was in place for selection by the Administrative Ministry. The IMC was authorized to take decision on finalizing the appropriate and relevant parameters for measuring the performance of respective CPSEs.

5.1.5. **Revised MoU Framework (2021-22 & onwards):** Based on the recommendations of the HPC, the framework for MoU System using an online dashboard for the target setting and performance evaluation of CPSEs has been put in place and made applicable from FY 2021-22 & onwards. The parameters included in the revised MoU process are market oriented reflecting the shareholders' interest in terms of growth in revenue; EBITDA margin; return on net worth; return on capital employed; asset turnover ratio and market capitalization. Adequate weightage has also been given to production linked parameters pertaining to CPSE's core operations. All the parameters are quantifiable and verifiable from the documents in public domain. Besides certain government's priorities/ programmes such as procurement from GeM, MSE sector, etc. have been also been included for compliance by CPSEs, the non-compliance of which would result in deduction of marks. The revised MoU framework also provides for benchmarking based on growth and emerging trends of the sector; vision that has been worked by the Ministry about the sector and peer performance.

5.1.6. **General Guidelines related to MoU Framework**

5.1.6.1. **Target setting**: Each CPSE is required to upload data in respect to its physical and financial performance for a period of 5 years preceding the year for which MoU is to be signed. Based on this data of CPSEs, the sectoral vision from the Administrative Ministry and data of industry peers, IMC sets the requisite levels of performance against each of the parameters as benchmarked targets. These benchmarked targets are for 'Excellent' level.

5.1.6.2. **MoU Score and Rating**: MoU score is an aggregate of score on all parameters with respect to performance vis-à-vis the targets. To distinguish between good and poor performing CPSEs, there are five performance ratings - 'Excellent', 'Very Good', 'Good', 'Fair', and 'Poor'. Score and rating are subject to fulfillment of certain compliance parameters/ criteria failing which aggregate MoU score is reduced and the rating is modified accordingly. The rating system of CPSEs based on the MoU aggregate score is as follows:

Aggregated Score	Rating
90≤Score≤100	Excellent
70≤Score<90	Very Good
50≤Score<70	Good
33≤Score<50	Fair
0≤Score<33	Poor

5.1.6.3. **MoU Evaluation**: CPSEs are required to enter data from their audited balance sheet and Profit & Loss statement on the dashboard through which the score is automatically calculated against the benchmarked targets for each parameter on proportionate basis. Score on all parameters are thereafter added to arrive at MoU aggregate Score.

5.1.6.4. The basic framework of MoU parameters and inter se distribution of marks is given at **Annexure-7**.

5.1.7. **MoU Assessment Outcomes:**

5.1.7.1 The year wise figures for signed MoU and evaluation for CPSEs are tabulated below:

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Total MoUs Signed	231	196	165	144	124
Evaluation Report Submitted	198	186	144	140	122

5.1.7.2. A comparison of the MoU ratings secured by the CPSEs during the last 5 years is as under:

Rating	Number of CPSEs under each rating over Years				
	2016-17	2017-18	2018-19	2019-20	2020-21
Excellent	49	49	42	25	22
Very Good	54	41	38	34	40
Good	40	36	30	32	27
Fair	31	39	16	25	21
Poor	24	21	18	24	12
Total	198	186	144	140	122

5.2. Corporate Governance

5.2.1. The term Corporate Governance includes the policies and procedures adopted by a corporate entity in achieving its objectives in relation to shareholders, employees, customers & suppliers, regulatory authority and the community at large. In general parlance, it means a code of corporate conduct in relation to all the stakeholders, whether internal or external. Corporate Governance implies transparency of management systems and encompasses the entire mechanics of the functioning of the company. It provides a system by which corporate entities are directed and controlled, besides attempting to put in place a system of checks and balances between the shareholders, directors, auditors and the management.

5.2.2. Keeping in view the importance of Corporate Governance principles in ensuring transparency and enhancing the trust of stakeholders and the fact that there was a continued need to adopt and apply the good Corporate Governance practices in respect of CPSEs where huge public funds are invested, Guidelines on Corporate Governance for all CPSEs on mandatory basis was approved by the Government in March, 2010.

5.2.3. The Guidelines cover issues like composition of Board of CPSEs, Audit Committee, Remuneration Committee, Disclosures, Code of Conduct and Ethics, Risk Management, etc.

5.2.4. Each year CPSEs are assessed in respect to their performance on the parameters laid out in the extant Guidelines.

6. Corporate Social Responsibility (CSR)

6.1 As per Section-135 of the Companies Act, 2013, all profit-making corporates, including Central Public Sector Enterprises (CPSEs) exceeding threshold limits prescribed in the Act of net worth 500 crore, or turnover of 1000 crore or net profit of 5 crore are mandated to spend at least 2% of the average net profits (Profit Before Tax) of the company made during the three immediately preceding years on CSR activities as per the items listed in Schedule VII of the Companies Act, 2013.

6.2 The CPSEs are required to follow the provisions contained in Section-135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014 notified thereunder by Ministry of Corporate Affairs and the Schedule-VII of the Act, which lists the activities that can be undertaken under CSR.

6.3 Based on the recommendations of CPSEs Conclave held in April, 2018, with the approval of competent authority, Department of Public Enterprises has issued guidelines on 10^{th} December,2018 to all administrative Ministries & CPSEs for adopting a theme based focused approach every year on CSR expenditure by CPSEs. These guidelines inter-alia provide that CSR expenditure for such thematic programmes should be around 60% of annual CSR expenditure of CPSEs. The aspirational districts identified by NITI Aayog may be given preference. The common theme identified for the FY 2021-22 is 'Health & Nutrition, with special focus on COVID related measures including setting up makeshift hospitals and temporary COVID care facilities'.

6.4 DPE organized an Interactive Workshop of CSR Heads of CPSEs on 24^{th} November, 2021 at Guwahati. The Workshop was attended by more than 80 senior executives of various CPSEs.

6.5 DPE organized an Interactive Workshop of CSR Heads of CPSEs on 27-28^{th} December, 2021 at Patna. The Workshop was attended by 62 participants including CSR heads of various CPSEs, senior officers from Health and Education Department of Govt. of Bihar and officers/ executives of implementing agencies from five Aspirational Districts of Bihar.

7. Scheme for Counselling, Retraining and Redeployment (CRR) & Scheme for Research, Development and Consultancies (RDC)

7.1 The Scheme for Counselling, Retraining and Redeployment (CRR) of Rationalized Employees of CPSEs is being implemented by Department of Public Enterprises (DPE) as a Central Sector Plan Scheme since 2001-02. CRR Scheme was modified in November, 2007 in order to widen its scope and coverage. One dependent of VRS optee is also eligible in case the VRS optee himself/herself is not interested. The Scheme has been subsequently modified in February, 2016 in order to broaden the network of Training Providers and also to follow standardized methodology of training, design and delivery.

7.2 Objectives of the CRR Scheme

(i) Bringing separated employees of CPSEs and/or their dependents into the mainstream economy through appropriate re-skilling.

(ii) Reorientation of VRS/VSS optees/ dependents to enable them to adjust to new environment and adopt new vocations

7.3 The Main elements of the CRR scheme

Counselling: Counselling is the basic pre-requisite of the rehabilitation programme of the separated employees. The separated employees need psychological counselling to absorb the distress of loss of assured livelihood and to face the new challenges and also needs support to plan his compensation amount prudently. He/she also needs to be made aware of the new environment of market opportunities so that he/she may, depending upon his/her aptitude and expertise, take up economic activities and continue to be in the production process.

Retraining: The objective of training is to help the separated employees acquire necessary skill/expertise/ orientation to start new vocations and re-enter the productive process after loss of their jobs.

Redeployment: The scheme also envisages redeployment of separated employees in the production process. At the end of the programme, VRS/VSS optee/ dependents should be able to engage themselves in alternate vocations of self/wage employment.

7.4 CPSEs are the key to the success of the scheme. They are expected to extend all possible support for the welfare of the separated employees by clearing their compensation/dues before release. Long association with employees puts CPSEs in a better position to identify their retraining needs.

7.5 Year wise number of persons trained under the scheme is shown as under:

Year	Number of VRS optees trained
2001-02	8,064
2002-03	12,066
2003-04	12,134
2004-05	28,003
2005-06	32,158
2006-07	34,398
2007-08	9,728
2008-09	9,772
2009-10	7,400
2010-11	9,265
2011-12	9,400
2012-13	7,506
2013-14	3,230
2014-15	2,525
2015-16	3,150
2016-17	1,576
2017-18	1,792
2018-19	1528
2019-20 & 2020-21*	1,141

* Due to Covid-19, there was disruption in training programmes under CRR as they were kept suspended during this period and implementation of scheme for the year 2019-20 has rolled over to 2020-21.

7.6 Physical/Financial Targets under CRR Scheme for the year 2021-22 and 2022-23

FY	BE / RE (₹ crore)	Physical Targets (in Nos.)
2021-22	3.40 / 2.70	1500
2022-23	3.40	1500

7.7 CRR scheme – 2019-20 and Addendum

7.7.1 A tripartite agreement was signed for 2019-20 between the Department of Public Enterprises (DPE), National Skill Development Fund (NSDF) under the Ministry of Skill Development & Entrepreneurship (MSDE) and National Skill Development Corporation (NSDC) to provide skill training under National Skills Qualification Framework (NSQF) to implement the scheme.

7.7.2 Due to COVID-19 outbreak, the programmes under CRR scheme were adversely affected. An addendum to MoU for the year 2019-20 was signed between DPE, NSDF and NSDC on 19.8.2021 for extending the period of completion upto March, 2022.

7.7.3 The following sectors and job roles have been selected for the skill training during the years 2019-20 and 2020-21.

S.N.	Sector	Job Role
1	Electronics & Hardware	Field Technician- Other Home Appliances
2	Retail	Retail Sales Associate
3	Electronics & Hardware	Field Technician-Other Home Appliances
4	IT-ITES	Domestic Data Entry Operator
5	IT-ITES	CRM Domestic Non-Voice
6	Electronics & Hardware	Field Technician Ups and Inverter
7	Plumbing	Plumbing (General)
8	Tourism & Hospitality	Assistant Catering Manager
9	Electronics & Hardware	Field Technician-Other Home Appliances
10	Electronics & Hardware	Field Engineer RACW

7.8 Tripartite MoU for CRR-V

A tripartite MoU (CRR-V) was signed between DPE, National Skill Development Fund and National Skill Development Corporation for implementation of CRR Scheme for FY 2021-22.

7.9 Scheme in respect of Research, Development and Consultancies (RDC)

DPE is implementing another Central Sector Plan Scheme of Research, Development and Consultancies (RDC) for the executives of Central Public Sector Enterprises (CPSEs) and State Level Public Enterprises (SLPEs). Under the Scheme Management Development Programmes on various topics for increasing the knowledge & skillsets of executives of CPSEs and SLPEs are organized at various Centres for Excellence such as IIMs, IITs, IIPA New Delhi etc. DPE plans to organize 25 training programmes and 18 workshops during the year 2021-22 under the RDC Scheme.

7.10 Physical/Financial Targets under RDC Scheme for the year 2021-22 and 2022-23

Year	BE/RE (₹ crore)	Physical Targets (Nos. of Training Programs & Workshops)
2021-22	5.15/4.10	43
2022-23	5.15	43

7.11 Statement of Scheme wise Expenditure for the year 2020-21 is enclosed at **Annexure-8.**

8. Implementation of New Public Sector Enterprises (PSE) Policy

8.1 The Government notified the new Public Sector Enterprise (PSE) Policy on 4th February, 2021. The new PSE policy envisages classification of CPSEs into Strategic and Non-Strategic Sectors and exempts certain CPSEs such as those setup as not for profit companies under the Companies Act, 2013 or those supporting vulnerable and weaker sections of society, from the scope of the policy. The policy proposes that in Strategic Sector, bare minimum presence of the existing public sector enterprises at holding company level will be retained under the Government control. The remaining enterprises in Strategic Sector will be considered for privatisation or merger or subsidiarization with another CPSE or for closure. CPSEs in Non-Strategic Sector shall be considered for privatisation, where feasible, otherwise such enterprises shall be considered for closure.

8.2 The Department of Public Enterprises (DPE) has been brought under the Ministry of Finance vide notification dated 6th July, 2021 of Cabinet Secretariat. Vide order dated 17th August, 2021 of Finance Secretary, demarcation of certain responsibilities between DIPAM and DPE has been done. DPE has been entrusted with the responsibility to identify CPSEs for closure or privatisation in Non-Strategic Sector in consultation with administrative Ministries/Departments. DPE is also required to drive the closure process for CPSEs approved for closure. For implementation of the above, a Disinvestment Division has been created in DPE.

8.3 In order to operationalize the New Public Sector Enterprise (PSE) Policy for CPSEs in Non-Strategic Sector and to drive the closure process of CPSEs identified for closure, DPE has prepared guidelines in consultation with D/o Expenditure, D/o Economic Affairs, D/o Revenue, DIPAM and NITI Aayog. These guidelines have been issued on 13.12.2021and are provided at **Annexure-9**.

8.4 The salient features of the guidelines are given below:

i) identification of the CPSEs either for closure or privatization in Non-Strategic Sector will be done in consultation with the concerned Administrative Ministries/Departments, NITI Aayog, Department of Expenditure and DIPAM;

ii) the details of CPSEs approved for disinvestment by CCEA will be communicated to DIPAM for taking necessary action as per its extant procedure. Whereas, DPE will drive the process for CPSEs approved for closure and

iii) the guidelines propose to transfer leasehold land of CPSEs under closure to the respective state governments. The freehold land will be transferred to Special Purpose Vehicle (SPV) to be set up for their disposal. The alienation of land from the CPSEs under closure will help in expediting the closure process.

9. Voluntary Retirement Scheme (VRS)

9.1 As a result of the restructuring in some Central Public Sector Enterprises (CPSEs), Government announced the Voluntary Retirement Scheme (VRS) in October, 1988. A comprehensive scheme was later notified by the Department of Public Enterprises (DPE) in May, 2000.

9.2 VRS in CPSEs that can support the scheme on their own

Enterprises, which are financially sound and can sustain VRS on their own, can frame their own schemes of VRS and make it attractive enough for employees to opt for it. They may offer as compensation upto 60 days salary (only Basic Pay +DA) for every completed year of service. Such compensation will, however, not exceed the salary for the balance period of the service left.

9.3 VRS in marginally profit or loss Making / sick / unviable CPSEs

Marginally profit /loss making CPSEs as well as sick and unviable units may adopt either of the following models:

Gujarat Model, under which the compensation is computed by allowing 35 days salary for every completed year of service and 25 days for each year of the balance service left until superannuation subject to the condition that compensation shall not exceed the sum of salary for the balance period left for superannuation.

Department of Heavy Industry (DHI) model, under which ex-gratia payment made is equivalent to 45 days emoluments (Pay + DA) for each completed year of service or the total emoluments for the balance period of service, whichever is less. The employees who have completed not less than 30 years of service will be eligible for a maximum of 60 (sixty) months' salary/wage as compensation and this will be subject to the amount not exceeding the salary/wage for the balance period of service left.

10. Executive Development Programmes

10.1 The Central Public Sector Enterprises (CPSEs) design their own human resource development programmes to upgrade skills and knowledge of middle and senior level executives by giving them training in various fields of management development through their own management institutes or outsourcing the services of premier management training institutions in India.

10.2 Secretary, DPE is an ex-officio member of the Executive Board and Governing Council of the Standing Conference of Public Enterprises (SCOPE), New Delhi.

10.3 Secretary, DPE is member on the Board of Governors of the Institute of Public Enterprise, Hyderabad.

10.4 India is a founder Member of International Center for Promotion of Enterprises (ICPE) headquartered in Slovenia. It was established as an inter-Governmental organisation of developing countries for improving the performance of their public enterprises as Strategic instrument of economic and social development. ICPE pursues its goals by carrying out research, education, training, consultancy work and disseminating information through documentation and publishing activities directed towards bridging the gap between theory and practice on a wide range of issues pertaining to corporate governance, management and other related fields.

11. Reservation in Services for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Others, in the CPSEs

11.1 The Personnel and Recruitment Policies in respect of appointments against below Board level posts are formulated by the management of respective CPSEs. However, on matters of general importance, policy guidelines are issued by the Government of India to the enterprises so as to enable them to frame their individual corporate policies. Furthermore, formal Presidential Directives are issued to CPSEs by the concerned administrative Ministries to ensure reservation in regard to employment for Scheduled Castes, Scheduled Tribes and Other Backward Classes (OBCs), on similar lines as applicable in the Central Government Ministries/ Departments. DPE through its OM dated 25.02.2015 has stipulated that those instructions as issued by Government in respect of reservations to SC/ ST/ OBC/ Disability & Ex-servicemen are to be taken as *mutatis mutandis* extended to all the CPSEs concerned unless specified otherwise by DPE.

11.2 A comprehensive Presidential Directive incorporating all important instructions on reservation for SCs and STs was issued by DPE to all the administrative Ministries/Departments concerned on 25th April, 1991 for formal issuance of the same to CPSEs. Necessary changes and modifications are also circulated to CPSEs through their administrative Ministries/ Departments for information and compliance.

11.3 Subsequently, based on the recommendation of the Second Backward Classes Commission (Mandal Commission) and in accordance with the Hon'ble Supreme Court Judgment in the Indira Sawhney case, instructions were issued for providing reservation of 27% of vacancies in favour of Other Backward Classes (OBCs). Reservation for OBCs was made effective w.e.f. 8.9.1993. The Department of Personnel & Training (DoPT) which formulates the policy in respect of reservation in services has been issuing instructions from time to time on various aspects of reservation in respect of OBCs. Department of Public Enterprises (DPE) has been extending these instructions to CPSEs through their administrative Ministries for compliance. A comprehensive Presidential Directive incorporating these instructions was forwarded by the Department of Public Enterprises to all administrative Ministries vide DPE's OM dated 27th July, 1995 for formal issuance to the CPSEs under their control.

11.4 Further in terms of DPE OM dated 25-10-2017, all executives i.e. Board & below board level will be considered as creamy layer subject to the proviso that those executives whose annual income as per criterion given in DoPT OM dated 08-09-1993 is less than Rs. 8 lakhs (as amended vide DoPT OM dated 13-09-2017) will not fall under creamy layer criteria. It is for the concerned CPSE to issue the necessary orders for the posts covered under creamy layer criteria on the above-mentioned principle.

11.5 DPE has issued Presidential Directive on 11.3.1997 to all the administrative Ministries /Departments concerned with the CPSEs in follow-up of DoPT instructions for employment of physically challenged persons in CPSEs. With the enactment of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, the reservation to physically challenged persons have been extended to identified Group 'A' and 'B' posts to be filled through Direct Recruitment. As per the 'The Rights of Persons with Disabilities Act, 2016, not less than 4% posts shall be reserved for persons with disabilities.

11.6 DPE has also extended instructions vis-à-vis the scheme for reservation for Ex-servicemen in CPSEs through the administrative Ministries/ Departments. Instructions for streamlining the procedure for recruitment of Ex-servicemen have also been issued with a view to augment their in-take in CPSEs. Such CPSEs, which are in a position to offer agencies/dealerships, have been advised to reserve quota of such agencies/dealership for allotment to Ex-servicemen.

11.7 The instructions issued by DoPT vide its OM dated 19.01.2019 & 31.01.2019 and DO letter dated 21.01.2019 in respect of 10% reservation to Economically Weaker Sections (EWSs) are also mutatis mutandis extended to all the CPSEs in terms of DPE OM dated 25.01.2019 and 01.02.2019.

11.8 The need to ensure timely filling up of reserved posts and the backlog has been stressed through various instructions issued from time to time. All administrative Ministries/Departments have been requested to advise the CPSEs under their administrative control to take effective steps to fill up the unfilled reserved posts in Direct Recruitment as well as in Promotion in accordance with the existing instructions. Further, the DoPT has issued instructions from time to time to launch a Special Recruitment Drive (s) to fill up backlog of reserved vacancies for SCs, STs & OBCs in CPSEs. DPE has also extended these instructions to all administrative Ministries/Departments dealing with CPSEs to fill up these vacancies in a time bound manner.

11.9 The present quota for providing reservation for candidates belonging to Scheduled Castes, Scheduled Tribes and OBCs as well as other categories of persons entitled to reservation of vacancies is shown below:

Category	Quota for Reservation
Scheduled Castes	15%
Scheduled Tribes	7.50%
Other Backward Classes	27%
Physically Handicapped Persons	4%
Economically Weaker Sections (EWSs)	10%

As per policy of reservation for Ex-servicemen & Dependents of those killed in action, 14.5% posts in respect of skilled workers and 24.5% post in respect of un-skilled posts are reserved for Ex-servicemen in CPSEs.

12. Official Language Policy

12.1 DPE's Official Language Section is primarily responsible for implementation of the various provisions of the Official Language Act 1963 and the Rules framed thereunder. Official Language Section is also responsible for translation of documents required to be issued under Section 3(3) of the Official Language Act, 1963. As more than 80% of the staff of this Department knows Hindi, the Department has been notified under rule 10(4) of the Official Language Rules, 1976.

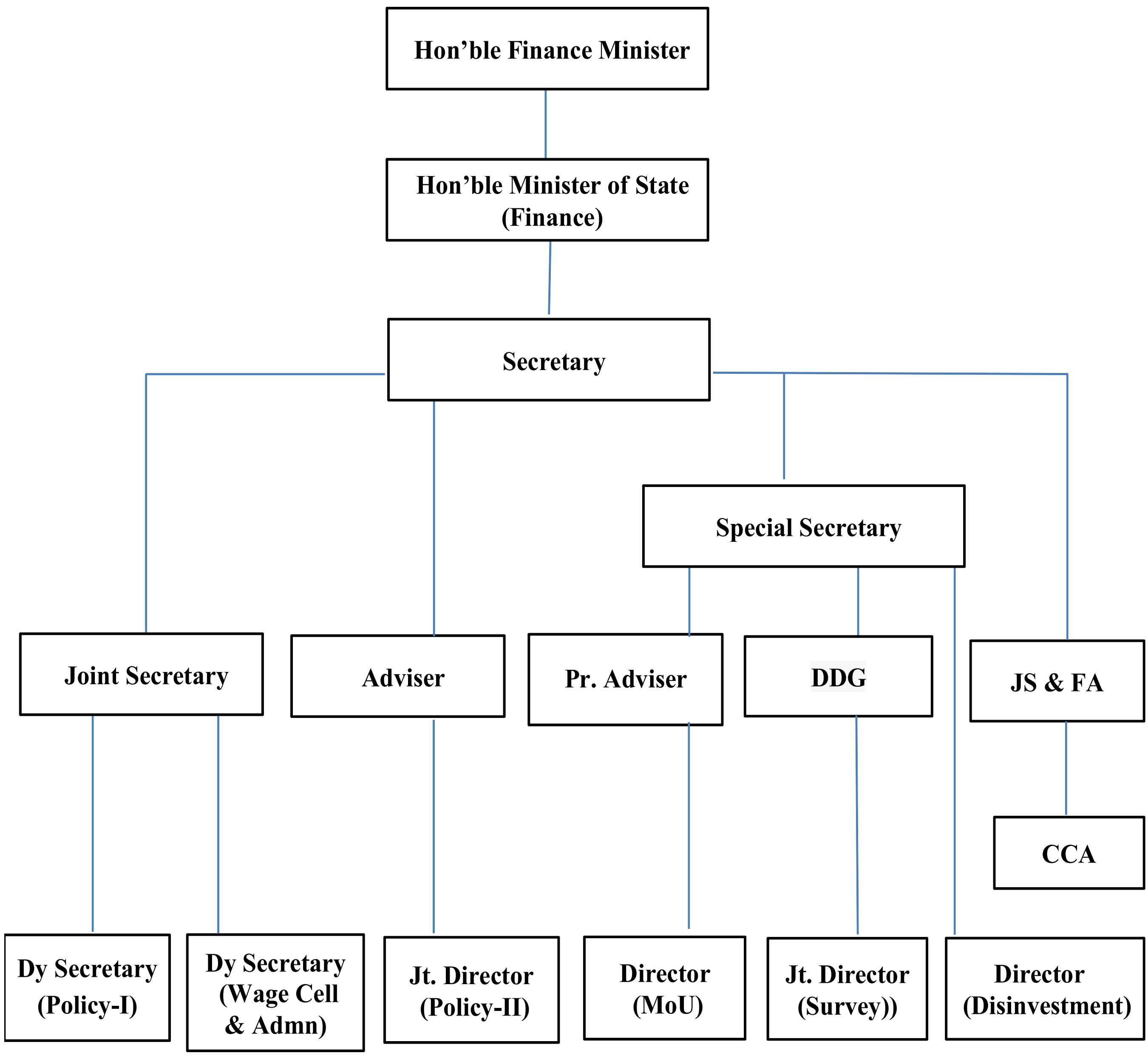
12.2 Resolutions, notifications, notices, circulars, papers etc. to be laid on the Table of the both houses of Parliament have been issued bilingually during the year 2021-22. Efforts were also made to promote original correspondence in Hindi. The Official Language Implementation Committee of DPE continues to function under the Chairmanship of the Joint Secretary.

12.3 To create awareness and expanding the use of Hindi as Official Language, Hindi Pakhwada was organized by the Department from 14th September, 2021 to 28th September, 2021. During the Hindi Pakhwada six competitions namely, Hindi Shrutlekh, Hindi Grammar Chitra Lekhan Hindi Kavita, Hindi Bhashan and Hindi Nibandh were organized for the officers and staff including officials on contract basis.

12.4 Annual Public Enterprises Survey on the working of Central Public Sector Enterprises is presented in the Parliament every year by this Department. This is comprehensive document brought out by the Department simultaneously in English and Hindi.

Annexure-1

Organogram of Department of Public Enterprises



Annexure-2

Table 1: Performance of CPSEs during 2020-21

S.N.	Item/Indicator	2019-20 (Rs Crore)	2020-21# (Rs Crore)	% in Growth
1.	Gross Revenue of (operation) CPSEs	24,58,028	24,26,045	-1.30
2.	Total paid up capital of all CPSEs	3,10,461	3,21,070	3.42
3.	Investment (equity plus long-term loans) of all CPSEs	21,28,179	21,67,479	1.85
4.	Capital employed (Paid up capital + long term loans and reserves & surplus) of all CPSEs	30,96,914	32,46,696	4.84
5.	Profit of (profit making) CPSEs	1,37,657	1,89,320	37.53
6.	Loss of (loss making) CPSEs	-44,277	-31,058	*29.86**
7.	Overall Net Profit	93,379	1,58,262	69.48
8.	Reserves and Surplus of all CPSEs	9,68,735	10,79,216	11.40
9.	Net Worth of all CPSEs	12,46,538	13,61,600	9.23
10.	Contribution of all CPSEs to Central Exchequer	3,78,500	4,96,358	31.14

* *The total loss of loss making CPSEs has declined showing improvement of 29.86%.*

Note: The figures for 2020-21 are provisional and yet to be laid in the Houses of parliament.

\# *Provisional*

Annexure-3

Details of Eligibility Criteria for appointment as Non-Official (Independent) Directors:

Criteria of Experience:

(i) Retired Government officials with a minimum of 10 years' experience at Joint Secretary Level or above.

(ii) Persons who have retired as CMD/CEOs of CPSEs and Functional Directors of the Schedule 'A' CPSEs. The ex-Chief Executives and ex-Functional Directors of the CPSEs will not be considered for appointment as non-official Director on the Board of the CPSE from which they retire. Serving Chief Executives/ Directors of CPSEs will not be eligible to be considered for appointment as non-official Directors on the Boards of any CPSEs.

(iii) Academicians/Directors of Institutes/Heads of Department and Professors having more than 10 years teaching or research experience in the relevant domain e.g. management, finance, marketing, technology, human resources, or law.

(iv) Professionals of repute having more than 15 years of relevant domain experience in fields relevant to the company's area of operation.

(v) Former CEOs of private companies if the company is (a) listed on the Stock Exchanges or (b) unlisted but profit making and having an annual turnover of at least Rs.250 crore.

(vi) Persons of eminence with proven track record from Industry, Business or Agriculture or Management.

(vii) Serving CEOs and Directors of private companies listed on the Stock Exchanges may also be considered for appointment as part-time non-official Directors on the Boards of CPSEs in exceptional circumstances.

Criteria of Educational Qualification

Minimum graduate degree from a recognized university.

Criteria of Age

The age band should be between 45-65 years (minimum/ maximum limit)

This could, however, be relaxed for eminent professionals, for reasons to be recorded, being limited to 70 years.

Annexure-4

Salient Features of Ratna Scheme (Maharatna/Navratna/Miniratna)

1. MAHARATNA SCHEME

1.1 Eligibility Criteria: The CPSEs meeting the following eligibility criteria are considered for Maharatna status: -

a) Having Navratna status

b) Listed on Indian stock exchange with minimum prescribed public shareholding under SEBI regulations

c) An average annual turnover of more than Rs.25,000 crore during the last 3 years

d) An average annual net worth of more than Rs.15,000 crore during the last 3 years

e) An average annual net profit after tax of more than Rs.5,000 crore during the last 3 years

f) Should have significant global presence/ international operations.

1.2 Procedure for grant/divestment of Maharatna status: - The procedure for grant of Maharatna status as well as their review is similar to that in vogue for the grant of Navratna status.

1.3 Powers delegated to Maharatna CPSEs: -

1.3.1 The Boards of Maharatna CPSEs in addition to exercising all powers to Navratna CPSEs, exercise enhanced powers in the area of investment in joint ventures/subsidiaries and creation of below Board level posts. The Boards of Maharatna CPSEs have powers to (a) make equity investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad and (b) undertake mergers & acquisitions, in India or abroad, subject to a ceiling of 15% of the net worth of the concerned CPSE in one project, limited to an absolute ceiling of Rs.5,000 crore (Rs. 1,000 crore for Navratna CPSEs). The overall ceiling on such equity investments and mergers and acquisitions in all projects put together will not exceed 30% of the net worth of the concerned CPSE. In addition, the Boards of Maharatna CPSEs have powers to create below Board level posts upto E-9 level.

1.3.2 The delegated powers to establish financial joint ventures and subsidiary entities would be exercised by the Board of Maharatna CPSEs in the following manner:

(i) The proposal for establishing financial joint ventures and subsidiary entities will be presented to the Board of the concerned CPSE.

(ii) The concerned administrative Ministry/ Department will obtain the concurrence of NITI Aayog for such proposals on a case to case basis and firm up its view on the proposals as the stakeholder for the Board's deliberations through its representative on the Board for appropriate decision.

(iii) The Government Directors will ensure that the views of the Government, being the majority shareholder, on such proposals are properly presented before the Board while a decision on such proposal is being taken. The decision for investment to set up financial joint ventures and subsidiary entities should only be taken by the Board when Government Directors are present in the board meeting.

2. Navratna scheme:

2.1. **Eligibility criteria**: The CPSEs which are Miniratna I, Schedule 'A' and have obtained 'excellent' or 'very good' MOU rating in three of the last five years and have a 'Composite Score' of performance to be 60 or above in six identified performance parameters are eligible to be considered for grant of Navratna status. The composite score is calculated on the basis of performance of the concerned CPSEs during the last three years. For calculation of composite score, 6 performance indicators have been identified based on their general applicability to the CPSEs. The performance indicators have been chosen so as to capture the performance of CPSEs irrespective of their belonging to manufacturing sector or services sector. The 6 identified performance indicators are: -

S.N.	Performance Indicator	(Maximum Weight)
1	Net Profit to Networth	25
2	Manpower Cost to total Cost of Production or Cost of Services	15
3	PBDIT to Capital employed	15
4	PBIT to Turnover	15
5	Earnings per Share	10
6	Inter Sectoral Performance	20
	Total	**100**

2.2 **Procedure for grant/divestment of Navratna status:** The proposals for grant/divestment are initially considered by the Inter-Ministerial Committee and then by the Apex Committee. The recommendations of Apex Committee for grant/divestment of Navratna status are to be placed before Minister (In charge of DPE) for a decision.

2.3 **The Powers Delegated to Navratna CPSEs**:

2.3.1 **Capital Expenditure: -** The Navratna CPSEs have the powers to incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling.

2.3.2 **Technology Joint Ventures and Strategic Alliances: -** The Navratna CPSEs have the powers to enter into technology joint ventures or strategic alliances and obtain by purchase or other arrangements, technology and know-how.

2.3.3 **Organization Restructuring: -** The Navratna CPSEs have the powers to effect organizational restructuring including establishment of profit centres, opening of offices in India and abroad, creating new activity centres, etc.

2.3.4 **Human Resources Management: -** The Navratna CPSEs have been empowered to create posts upto E-6 level and wind up all posts up to non-Board level Directors and make all appointments up to this level. The Boards of these CPSEs have further been empowered to effect internal transfers and re-designation of posts. The Board of Directors of Navratna CPSEs have the power to further delegate the powers relating to Human Resource Management (appointments, transfer, posting, etc.) of below Board level executives to sub-committees of the Board or to executives of the CPSE, as may be decided by the Board of the CPSE.

2.3.5 **Resource Mobilization: -** These CPSEs have been empowered to raise debt from the domestic capital markets and for borrowings from international market, subject to condition that approval of RBI/Department of Economic Affairs, as may be required, should be obtained through the administrative Ministry.

2.3.6 **Joint ventures and Subsidiaries**: -

(a) The Navratna CPSEs have been delegated powers to establish financial joint ventures and wholly owned subsidiaries in India or abroad with the stipulation that the equity investment of the CPSE should be limited to the following: -

i. Rs. 1000 crore in any one project,

ii. 15% of the net worth of the CPSE in one project,

iii. 30% of the net worth of the CPSE in all joint ventures/ subsidiaries put together.

(b) The delegated powers to establish financial joint ventures and subsidiary entities would be exercised by the Board of Navratna CPSEs in the following manner:

(i) The proposal for establishing financial joint ventures and subsidiary entities will be presented to the Board of the concerned CPSE.

(ii) The concerned administrative Ministry/ Department will obtain the concurrence of NITI Aayog for such proposals on a case to case basis and firm up its view on the proposals as the stakeholder for the Board's deliberations through its representative on the Board for appropriate decision.

(iii) The Government Directors will ensure that the views of the Government, being the majority shareholder, on such proposals are properly presented before the Board while a decision on such proposal is being taken. The decision for investment to set up financial joint ventures and subsidiary entities should only be taken by the Board when Government Directors are present in the board meeting.

2.3.7 **Mergers and acquisitions**: - The Navratna CPSEs have been delegated powers for mergers and acquisitions subject to the conditions that (i) it should be as per the growth plan and in the core area of functioning of the CPSE, (ii) conditions/limits would be as in the case of establishing joint ventures/subsidiaries, and (iii) the Cabinet Committee on Economic Affairs would be kept informed in case of investments abroad. Further, the powers relating to Mergers and Acquisitions are to be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

2.3.8 **Creation/Disinvestment in subsidiaries**:- The Navratna CPSEs have powers to transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will be in respect of subsidiaries set up by the holding company under the powers delegated to the Navratna CPSEs and further to the proviso that the public sector character of the concerned CPSE (including subsidiary) would not be changed without prior approval of the Government and such Navratna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

2.3.9 **Tours abroad of functional Directors**: - The Chief Executive of Navratna CPSEs have been delegated powers to approve business tours abroad of functional directors up to 5 days' duration (other than study tours, seminars, etc.) in emergency under intimation to the Secretary of the administrative Ministry.

2.3.10 **Exercise of delegated Navratna powers** is contingent on certain conditionalities.

3. MINIRATNA SCHEME:

3.1 Eligibility criteria

(i) **Category-I CPSEs** should have made profit in the last three years continuously, the pre-tax profit should have been Rs.30 crores or more in at least one of the three years and should have a positive net worth.

(ii) **Category-II CPSEs** should have made profit for the last three years continuously and should have a positive net worth.

(iii) These CPSEs shall be eligible for the enhanced delegated powers provided they have not defaulted in the repayment of loans/interest payment on any loans due to the Government.

(iv) These public sector enterprises shall not depend upon budgetary support or Government guarantees.

(v) The Boards of these CPSEs should be restructured by inducting at least three non-official Directors as the first step before the exercise of enhanced delegation of authority.

(vi) The administrative Ministry concerned shall decide whether a Public Sector Enterprise fulfilled the requirements of a Category-I/Category-II company before the exercise of enhanced powers.

3.2 Procedure for grant of Miniratna status: Grant of Miniratna status to a particular CPSE is done by concerned Administrative Ministry/Department.

3.3 Powers Delegated

3.3.1 Capital Expenditure

(a) For CPSEs in category I: The power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval upto Rs. 500 crore or equal to net worth, whichever is less.

(b) For CPSEs in category II: The power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval upto Rs. 250 crore or equal to 50% of the Net worth, whichever is less.

3.3.2 Joint ventures and subsidiaries:

(a) Category I CPSEs: To establish joint ventures and subsidiaries in India with the stipulation that the equity investment of the CPSE in any one project should be limited to 15% of the networth of the CPSE or Rs. 500 crore, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the networth of the CPSE.

(b) Category II CPSEs: To establish joint ventures and subsidiaries in India with the stipulation that the equity investment of the CPSE in any one project should be 15% of the networth of the CPSE or Rs. 250 crore, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the networth of the CPSE.

(c) The delegated powers to establish financial joint ventures and subsidiary entities would be exercised by the Board of Miniratna CPSEs in the following manner:

(i) The proposal for establishing financial joint ventures and subsidiary entities will be presented to the Board of the concerned CPSE.

(ii) The concerned administrative Ministry/ Department will obtain the concurrence of NITI Aayog for such proposals on a case-to-case basis and firm up its view on the proposals as the stakeholder for the Board's deliberations through its representative on the Board for appropriate decision.

(iii) The Government Directors will ensure that the views of the Government, being the majority shareholder, on such proposals are properly presented before the Board while a decision on such proposal is being taken. The decision for investment to set up financial joint ventures and subsidiary entities should only be taken by the Board when Government Directors are present in the Board Meeting.

3.3.3 Mergers and acquisitions: - The Board of Directors of these CPSEs have the powers for mergers and acquisitions, subject to the conditions that (a) it should be as per the growth plan and in the core area of functioning of the CPSE, (b) conditions/limits would be as in the case of establishing joint ventures/subsidiaries, and (c) the Cabinet Committee on Economic Affairs would be kept informed in case of investments abroad. Further, the powers relating to Mergers and Acquisitions are to be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

3.3.4 Scheme for HRD: - To structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes, etc. The Board of Directors of these CPSEs have the power to further delegate the powers relating to Human Resource Management (appointments, transfer, posting, etc.) of below Board level executives to sub-committees of the Board or to executives of the CPSE, as may be decided by the Board of the CPSE.

3.3.5 Tour abroad of functional Directors: - The Chief Executive of these CPSEs have the power to approve business tours abroad of functional directors up to 5 days' duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary of the administrative Ministry.

3.3.6 Technology Joint Ventures and Strategic Alliances: - To enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements, subject to Government guidelines as may be issued from time to time.

3.3.7 Creation/Disinvestment in subsidiaries :- To transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will be in respect of subsidiaries set up by the holding company under the powers delegated to the Miniratna CPSEs and further to the proviso that the public sector character of the concerned CPSE (including subsidiary) would not be changed without prior approval of the Government and such Miniratna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

3.3.8 Exercise of delegated Miniratna powers is contingent on certain conditionalities.

Annexure-5

(List of Maharatna, Navratna & Miniratna CPSEs as on February, 2022)

Maharatna CPSEs

1. Bharat Heavy Electricals Limited
2. Bharat Petroleum Corporation Limited
3. Coal India Limited
4. GAIL India Limited
5. Hindustan Petroleum Corporation Limited
6. Indian Oil Corporation Limited
7. NTPC Limited,
8. Oil & Natural Gas Corporation Limited,
9. Power Finance Corporation
10. Power Grid Corporation of India Limited
11. Steel Authority of India Limited.

Navratna CPSEs

1. Bharat Electronics Limited
2. Container Corporation of India Limited
3. Engineers India Limited
4. Hindustan Aeronautics Limited
5. Mahanagar Telephone Nigam Limited
6. National Aluminium Company Limited
7. National Buildings Construction Corporation Limited
8. Neyveli Lignite Corporation Limited
9. NMDC Limited
10. Oil India Limited
11. Rashtriya Ispat Nigam Limited
12. Rural Electrification Corporation Limited
13. Shipping Corporation of India Limited

Miniratna CPSEs

Category - I CPSEs

1. Airports Authority of India
2. Antrix Corporation Limited
3. Balmer Lawrie & Co. Limited
4. Bharat Coking Coal Limited
5. Bharat Dynamics Limited
6. BEML Limited
7. Bharat Sanchar Nigam Limited
8. Braithwaite & Company Limited
9. Bridge & Roof Company (India) Limited
10. Central Warehousing Corporation
11. Central Coalfields Limited
12. Central Mine Planning & Design Institute Limited
13. Chennai Petroleum Corporation Limited
14. Cochin Shipyard Limited
15. Cotton Corporation of India Ltd.
16. EdCIL (India) Limited
17. Garden Reach Shipbuilders & Engineers Limited
18. Goa Shipyard Limited
19. Hindustan Copper Limited
20. HLL Lifecare Limited
21. Hindustan Newsprint Limited
22. Hindustan Paper Corporation Limited
23. Housing & Urban Development Corporation Limited
24. HSCC (India) Limited
25. India Tourism Development Corporation Limited
26. Indian Rare Earths Limited
27. Indian Railway Catering & Tourism Corporation Limited
28. Indian Railway Finance Corporation Limited
29. Indian Renewable Energy Development Agency Limited
30. India Trade Promotion Organization
31. IRCON International Limited
32. KIOCL Limited
33. Mazagaon Dock Shipbuilders Limited
34. Mahanadi Coalfields Limited
35. MOIL Limited
36. Mangalore Refinery & Petrochemical Limited
37. Mineral Exploration Corporation Limited
38. Mishra Dhatu Nigam Limited
39. MMTC Limited

40. MSTC Limited
41. National Fertilizers Limited
42. National Projects Construction Corporation Limited
43. National Small Industries Corporation Limited
44. National Seeds Corporation
45. NHPC Limited
46. Northern Coalfields Limited
47. North Eastern Electric Power Corporation Limited
48. Numaligarh Refinery Limited
49. ONGC Videsh Limited
50. Pawan Hans Helicopters Limited
51. Projects & Development India Limited
52. Railtel Corporation of India Limited
53. Rail Vikas Nigam Limited
54. Rashtriya Chemicals & Fertilizers Limited
55. RITES Limited
56. SJVN Limited
57. Security Printing and Minting Corporation of India Limited
58. South Eastern Coalfields Limited
59. Telecommunications Consultants India Limited
60. THDC India Limited
61. Western Coalfields Limited
62. WAPCOS Limited

Category-II CPSEs

63. Artificial Limbs Manufacturing Corporation of India
64. Bharat Pumps & Compressors Limited
65. Broadcast Engineering Consultants India Limited
66. Central Railside Warehouse Company Limited
67. Engineering Projects (India) Limited
68. FCI Aravali Gypsum & Minerals India Limited
69. Ferro Scrap Nigam Limited
70. HMT (International) Limited
71. Indian Medicines & Pharmaceuticals Corporation Limited
72. MECON Limited
73. National Film Development Corporation Limited
74. Rajasthan Electronics & Instruments Limited

Annexure-6

(Schedule-Wise List of Central Public Sector Enterprises as on February, 2022)

Schedule- A

1. Airports Authority of India
2. Advanced Weapons and Equipment India Limited
3. Armoured Vehicles Nigam Limited
4. BEML Limited
5. Bharat Electronics Limited
6. Bharat Heavy Electricals Limited
7. Bharat Petroleum Corporation Limited
8. Bharat Sanchar Nigam Limited
9. Central Warehousing Corporation
10. Coal India Limited
11. Container Corporation of India Limited
12. Dedicated Freight Corridor Corporation of India Limited
13. Electronics Corporation of India Limited
14. Engineers India Limited
15. Fertilizers & Chemicals (Travancore) Limited
16. Food Corporation of India
17. GAIL (India) Limited
18. Heavy Engineering Corporation Limited
19. Hindustan Aeronautics Limited
20. Hindustan Copper Limited
21. Hindustan Paper Corporation Limited
22. Hindustan Petroleum Corporation Limited
23. HMT Limited
24. Housing & Urban Development Corporation Limited
25. I T I Limited
26. Indian Oil Corporation Limited
27. IRCON International Limited
28. Indian Railway Finance Corporation Limited
29. Konkan Railway Corporation Limited
30. KIOCL Limited
31. Mahanagar Telephone Nigam Limited
32. Mangalore Refinery & Petrochemicals Limited
33. Mazagon Dock Shipbuilders Limited
34. MECON Limited
35. MMTC Limited
36. MOIL Limited
37. Mumbai Railway Vikas Corporation Limited
38. Munitions India Limited
39. National Aluminum Company Limited
40. NBCC (India) Limited
41. National Fertilizers Limited
42. New Space India Limited
43. NHPC Limited
44. NMDC Limited
45. National Textiles Corporation Limited
46. NTPC Limited
47. NLC India Limited
48. North Eastern Electric Power Corporation Limited
49. Oil & Natural Gas Corporation Limited
50. Oil India Limited
51. ONGC Videsh Limited
52. Power Finance Corporation Limited
53. Power Grid Corporation of India Limited
54. Power System Operation Corporation Limited
55. RITES Limited
56. RailTel Corporation of India Limited
57. Rail Vikas Nigam Limited
58. Rashtriya Chemicals and Fertilizers Limited
59. Rashtriya Ispat Nigam Limited
60. Rural Electrification Corporation Limited
61. SJVN Limited
62. Security Printing & Minting Corporation of India Limited
63. Shipping Corporation of India Limited
64. Solar Energy Corporation of India Limited
65. State Trading Corporation of India Limited

66. Steel Authority of India Limited
67. Telecommunications Consultants (India) Limited
68. THDC India Limited
69. Yantra India Limited

Schedule- B

1. Air India Asset Holding Company Ltd.
2. Andrew Yule & Company Limited
3. Balmer Lawrie & Company Limited
4. Bharat Coking Coal Limited
5. Bharat Dynamics Limited
6. Bharat Gas Resources Limited
7. Bharat Petro Resources Limited
8. Bharat Pumps & Compressors Limited
9. Brahmaputra Crackers & Polymers Limited
10. Brahmaputra Valley Fertilizer Corporation Limited
11. Biotechnology Industry Research Assistance Council
12. Braithwaite & Company Limited
13. Bridge & Roof Company (India) Limited
14. British India Corporation Limited
15. Burn Standard Company Limited
16. Cement Corporation of India Limited
17. Central Coalfields Limited
18. Central Electronics Limited
19. Central Mine Planning & Design Institute Limited
20. Chennai Petroleum Corporation Limited
21. Cochin Shipyard Limited
22. Cotton Corporation of India Limited
23. Eastern Coalfields Limited
24. Engineering Projects (India) Limited
25. Fertilizer Corporation of India Limited
26. Garden Reach Shipbuilders & Engineers Limited
27. Gliders India Limited
28. Goa Shipyard Limited
29. Handicrafts & Handlooms Export Corporation Limited
30. Hindustan Cables Limited
31. Hindustan Fertilizer Corporation Limited
32. HLL Lifecare Limited
33. Hindustan Newsprints Limited
34. Hindustan Organic Chemicals Limited
35. Hindustan Shipyard Limited
36. Hindustan Steelworks Construction Company Limited
37. HMT (International) Limited
38. HMT Machine Tools Limited
39. HMT Watches Limited
40. India Optel Limited
41. India Tourism Development Corporation Limited
42. India Trade Promotion Organization
43. Indian Drugs & Pharmaceuticals Limited
44. Indian Railway Catering & Tourism Corporation Limited
45. Indian Rare Earths Limited
46. Indian Renewable Energy Development Agency Limited
47. Instrumentation Limited
48. M S T C Limited .
49. Madras Fertilizers Limited
50. Mahanadi Coalfields Limited
51. Mineral Exploration Corporation Limited
52. Mishra Dhatu Nigam Limited
53. National Handloom Development Corporation Limited
54. National Jute Manufacturers Corporation Limited
55. National Projects Construction Corporation Limited
56. National Seeds Corporation Limited
57. National Small Industries Corporation Limited
58. Northern Coalfields Limited
59. Numaligarh Refinery Limited
60. Orissa Mineral Development Company Limited
61. PEC Limited
62. Pawan Hans Limited
63. Projects & Development India Limited
64. Scooters India Limited
65. South Eastern Coalfields Limited

66. Troop Comforts Limited
67. Uranium Corporation of India Limited
68. W A P C O S Limited
69. Western Coalfields Limited

Schedule- C

1. Andaman & Nicobar Islands Forest & Plantation Development Corporation Limited
2. Artificial Limbs Mfg. Corporation of India
3. Brithwaite Burn & Jessop Construction Company Limited
4. Bengal Chemicals & Pharmaceuticals Limited
5. BHEL Electric Machines Limited
6. Bharat Wagon & Engineering Company Limited
7. The Bisra Stone Lime Company Limited
8. Broadcast Engineering Consultants India Limited
9. Central Cottage Industries Corporation of India Limited
10. Central Inland Water Transport Corporation Limited
11. Central Railside Warehouse Company Limited
12. Certification Engineers International Limited
13. Delhi Police Housing Corporation
14. EdCIL (India) Limited
15. FCI Aravali Gypsum & Minerals (India) Limited
16. Ferro Scrap Nigam Limited
17. Hindustan Antibiotics Limited
18. HIL (India) Limited
19. Hindustan Photo Films Manufacturing Company Limited
20. Hindustan Prefab Limited
21. Hindustan Salts Limited
22. HMT Bearings Limited
23. HMT Chinar Watches Limited
24. Hooghly Dock and Port Engineers Limited
25. HSCC (India) Limited
26. Hotel Corporation of India Limited
27. The Jute Corporation of India Limited
28. Karnataka Antibiotics & Pharmaceuticals Ltd
29. Nagaland Pulp & Paper Company Limited
30. National Backward Classes Finance & Development Corporation.
31. National Film Development Corporation Limited
32. National Handicapped Finance & Development Corporation.
33. National Minorities Development & Finance Corporation
34. National Research Development Corporation of India.
35. National Safai Karamcharis Finance & Development Corporation.
36. National Scheduled Castes Finance & Development Corporation
37. National Scheduled Tribes Finance & Development Corporation
38. NEPA Limited
39. North Eastern Handicrafts & Handloom Development Corporation Limited
40. North Eastern Regional Agricultural Marketing Corporation Limited
41. Rajasthan Electronics & Instruments Limited
42. Richardson & Cruddas (1972) Limited
43. STCL Limited
44. Tungabhadra Steel Products Limited

Schedule- D

1. Birds Jute & Exports Limited
2. Hindustan Fluorocarbons Limited
3. Indian Medicines Pharmaceutical Corporation Limited
4. Orissa Drugs & Chemicals Limited
5. Rajasthan Drugs & Pharmaceuticals Limited

Annexure-7

Basic Framework of MoU (2021-22 & onwards)

SN	Parameter	Formula	Marks	Source/ Verification
A.	**Top-line, Bottom-line and Returns Perspective:**			
1.	Revenue from Operations (Rs. in Cr.)	Revenue from Operations	5	Profit & Loss Statement
2.	Asset turnover ratio (%)	$\frac{\text{Total Income}}{\text{Total Assets}} \times 100$	5	P&L Statement & Balance Sheet
3.	EBITDA as a percentage of Revenue	$\frac{\text{EBITDA}}{\text{Total Income}} \times 100$ EBITDA: Earnings Before Interest, Tax, Depreciation & Amortization excluding exceptional or extra-ordinary items	10	P&L Statement
4.	Return on Net Worth (%)	$\frac{\text{PAT}}{\text{Average Net Worth}} \times 100$ Net worth: As per The Companies Act	10	P&L Statement & Balance Sheet
5.	Return on Capital Employed (%)	$\frac{\text{EBIT}}{\text{Total Capital Employed}} \times 100$ Total Capital Employed: Net worth + Non-Current Borrowings	5	P&L Statement & Balance Sheet
6.	Market capitalization/ Share Price improvement over sectoral index on annual basis, including dividend payout (for listed CPSEs) (%) Or Earning Per Share (for unlisted CPSEs)		15	BSE / NSE Data Or P&L Statement & Balance sheet
B.	**Physical Goals; Trade Receivables, CAPEX and R&D**			
7.	Physical Output:			
	Production/ Generation/ Transmission etc.		20	Annual Report of CPSE
	Value of Production/ Services/ Total Income			
8.	Trade Receivables as number of days of Revenue from Operations	$\frac{\text{Trade Receivables}}{\text{Revenue from Operations}} \times 365$	5	Balance Sheet & P&L Statement
9.	i. CAPEX (Rs in Cr.)	Target is based on Budget document of Union Govt. Addition to Property Plant and Equipment, capital work-in-progress, capital advances	10	Balance Sheet
	ii. CAPEX achievement till end of 3rd quarter (31st December) (Rs in Cr.)	Achieving 90 % of target	3	Confirmation by the Administrative Ministry
10.	Expenditure on R&D / Innovations, Initiatives as percentage of PBT (%)	2%	2	Annual Report of CPSE
C.	**Export/ Import**			
11.	Exports as a percentage of Revenue from Operations	$\frac{\text{Value of Exports}}{\text{Revenue from operations}} \times 100$ Should show improvement over previous year.	5	P&L Statement & Balance Sheet
12.	Imports as a percentage of Revenue from operations	$\frac{\text{Imports consumed during the year}}{\text{Revenue from operations}} \times 100$ Should show reduction from previous year.	5	Annual Report of CPSE

<table>
<tr><td>Any other parameter –
• For loss making CPSEs: reduction in losses/ expenses, etc.,
• For Finance & social sector Finance CPSEs: Loan disbursement/ Overdue Loans/ NPA/ cost of raising funds/ Geographical coverage/ last mile disbursement, etc.
• If parameter(s) is not applicable, the weightage may be allocated to other parameter(s).</td><td></td><td>Profit & Loss Statement/ Annual Report of CPSE</td></tr>
<tr><td colspan="3">Note1: During assessment, marks to be calculated proportionately for achievement from 50% to 100% of target figure for each parameter. There will be no marks awarded for the parameters having achievement below 50% of target (except for the parameter on Market Capitalisation).</td></tr>
<tr><td colspan="3">Note 2: In working out achievements for the year, quantified qualifications of CAG/ Statutory Auditors would be adjusted.</td></tr>
</table>

<table>
<tr><td>D.</td><td colspan="3">Aggregate score would be subject to compliances failing which full marks, as indicated below, would be deducted and there will be no partial deduction:</td></tr>
<tr><th>SN</th><th>Compliance Parameters</th><th>Marks</th><th>Source/ Verification</th></tr>
<tr><td>1.</td><td>Procurement from GeM portal in percentage as prescribed by the IMC:
$$\frac{\text{25\% of Procurement of goods and services through GeM portal during the year as per GeM}}{\text{Total procurement of goods and services during the previous year as per Sambandh portal}} \times 100$$</td><td>-2</td><td>Administrative Ministry on the basis of GeM portal and Sambandh portal</td></tr>
<tr><td>2.</td><td>DPE guidelines on select matters
i. Pay Revision guidelines and review of profitability of CPSEs for pay revision
ii. Expenditure Management Economy Measures and Rationalisation of Expenditure
iii. Guidelines on Accessible India Campaign (Sugamya Bharat Abhiyan)
iv. Guidelines on implementation of the Apprenticeship Act, 1961
v. Guidelines issued from time to time on CSR expenditure by CPSEs.</td><td>-2</td><td>Administrative Ministry on the basis of CAG Reports etc.</td></tr>
<tr><td>3.</td><td>Compliance of provisions in the Companies Act, 2013 (or SEBI (LODR) regulations in case of listed entities) on Corporate Governance such as:
(i) Composition of Board of Directors
(ii) Board Committees (Audit Committee etc.)
(iii) Holding Board Meetings
(iv) Related Party Transaction
(v) Disclosures and Transparency</td><td>-3</td><td>Administrative Ministry on the basis of CAG/ Statutory/ Secretarial Auditor Report(s)</td></tr>
<tr><td>4.</td><td>Target as given by DIPAM/ NITI Aayog:
i. Dividend Payout
ii. Assets Monetization Milestones
iii. Specific disinvestment Milestones</td><td>-2</td><td>Administrative Ministry on the basis confirmation from DIPAM/ NITI Aayog</td></tr>
<tr><td>5.</td><td>Procurement and timely payment to Micro Small and Medium Enterprises
$$\frac{\text{25\% of Procurement of goods or services through MSEs (including 4\% from SC/ST MSEs and 3\% from Women MSEs) during the year as per Samband Portal}}{\text{Total procurement of goods and services during the year as per Samband Portal}}$$</td><td>-2</td><td>Administrative Ministry on the basis of Sambandh portal</td></tr>
<tr><td>6.</td><td>Steps and initiative taken for Health & Safety improvement of Human Resources in CPSEs (Target to be prescribed by the Administrative Ministry)</td><td>-1</td><td>Confirmation by the administrative Ministry</td></tr>
</table>

Annexure-8

Statement of Scheme-wise Expenditure

Department of Public Enterprises Demand No. 45			**2020-21**
Scheme			**Rs. In Thousand**
	BE 2020-21	**RE 2020-21**	**Total Expenditure 2020-21 (as on 31.03.2021)**
CRR Scheme			
Publications	0	0	0
Other Administrative Expenses	500	0	0
Professional & Special Services	39,500	19,100	7,547
Grants-in-Aid	500	0	0
CRR Scheme NER **(Grant-in Aid)**	4,500	1,900	0
CRR Total			7,547
RDC Scheme			
Domestic Travel Expenses	2,000	200	200
Foreign Travel Expenses	500	100	0
Publications	2000	1100	330
Other Administrative Expenses	9000	100	0
Professional & Special Services	30,000	18,700	13,730
Grants-in-Aid	500	100	0
Contribution ICPE	10,000	11,000	12,490
RDC Scheme NER **(Grant-in-Aid)**	6,000	3,700	2,726
RDC Total			29,476
Grand-Total	**1,05,000**	**56,000**	**37,023**

Annexure-9

Guidelines for Implementation of New Public Sector Enterprises (PSE) Policy for CPSEs in Non-Strategic Sector

1.1 The Government notified the new Public Sector Enterprise (PSE) Policy on 4th February, 2021 for Atmanirbhar Bharat. The new PSE Policy envisages classification of CPSEs into Strategic and Non-Strategic Sectors and exempts certain CPSEs such as those setup as not for profit companies under the Companies Act, 2013 or those supporting vulnerable and weaker sections of society, from the scope of the Policy. The Strategic Sectors as per the policy are as under:

i) Atomic Energy, Space, and Defence

ii) Transport and Telecommunication

iii) Power, Petroleum, Coal, and Other Minerals

iv) Banking, Insurance, and Financial Services

1.2 CPSEs in the Strategic Sector/ Non- Strategic Sector are to be taken up for privatisation, merger, subsidiarisation with another CPSE or for closure. Only a bare minimum presence of CPSEs in the aforesaid Strategic Sector is to be maintained.

1.3 The Department of Public Enterprises (DPE) has been brought under the Ministry of Finance vide notification dated 6th July, 2021 of Cabinet Secretariat and thereafter, Finance Secretary vide order dated 17th August, 2021 demarked certain responsibilities between DIPAM and DPE. DPE has been entrusted with the responsibility to identify CPSEs for closure or privatisation in Non-Strategic Sector in consultation with administrative ministries/departments and to take in principle approval from CCEA in respect of such identified CPSEs. Besides, DPE has also been entrusted with the task of setting up a Special Purpose Vehicle (SPV) for asset monetisation once the SPV is approved by the Cabinet. DPE is also required to drive the closure process for CPSEs approved for closure, on the lines of disinvestment process being run by DIPAM.

1.4 Accordingly, the following guidelines are prescribed. The closure guidelines as enumerated below will supersede all the closure guidelines issued earlier.

2. Implementation of new PSE policy by DPE:

2.1 Identification of CPSEs of Non-Strategic Sectors for Closure and Disinvestment: Under the New Public Sector Policy, DPE will identify the CPSEs either for closure or privatization in the Non-Strategic Sectors in consultation with the concerned Administrative Ministries/Departments, NITI Aayog, Department of Expenditure and DIPAM.

2.2 Preparation of CCEA Note seeking in-principle: After identification of CPSEs for closure or privatisation under the Non-Strategic Sectors, DPE will prepare a Note for in-principle approval of the CCEA regarding the CPSEs identified for closure and/ or for disinvestment in Non-Strategic Sectors. Such note(s) for in principle approval of CCEA will preferably be prepared separately for individual sectors falling under the category of "Non-Strategic Sector" of new PSE policy. The CPSEs which are approved in principle by CCEA for disinvestment will be communicated to DIPAM for taking necessary action as per its extant procedure. Closure of CPSEs will be done as per the process outlined below at Para 3.

3. Revised closure process of CPSEs:

3.1 Once, the in-principle decision for closure of a CPSE is obtained from CCEA, an IMC will be constituted by DPE to drive the process of the closure of CPSEs.

3.1.1 The Ministry/Department concerned will proceed to work out the details of the closure. This would *inter-alia* include estimation of budgetary support required for financing the closure of the CPSE, the time-lines and phasing of release of funds from the Central Government and updating of records of the movable and immovable assets of the CPSE etc. The brief details of preparatory activities are enumerated below:

a. **Statutory dues:** The statutory dues/ liabilities towards revenues, taxes, cesses and rates due to Central Government or State Government or to local authorities will be worked out by CPSE under the supervision of its Administrative Ministry/ Department.

b. **Serving Closure Notice:** CPSE to give a general notice to employees and other stakeholders intimating about the intention of closure and also write to the Ministry of Labour and Employment regarding the same, as applicable under Industrial Relations Code, 2020. The CPSE with the approval of the Administrative Ministry should also notify the VRS Scheme

c. **Dues of employees:** Funds required for implementing VRS/VSS/ payment of wages/ salaries and statutory dues in respect of the employees till the time of their release by way of VRS/ VSS/ retrenchment will be worked out.

d. **Liabilities towards Secured Creditors** Estimation of the amount to be paid back to the Secured Creditors based on the offers from them for settlement at minimum value. Administrative Ministry/Department may critically examine the best possible settlement including schedule of payment, waiver of interest and penalties with secured creditors.

e. **Dues payable to the Central Government:** The dues payable to the Central Government availed in the form of loans from time to time, segregated into the principal outstanding amount and the interest thereon shall be worked out.

f. **MAT liability:** In case the proposal involves waiver of outstanding GOI loans (and accrued interest thereon), the MAT liability on the same should also be worked out.

g. **Other liabilities:** All other liabilities including any to the unsecured creditors should be worked out.

h. **Estimation of movable assets:** Updating details of movable assets including plant(s) & machineries and verification of inventory from an independent third party e.g., a firm of Chartered Accountants/Cost Accountants. Besides, Book Value of the movable assets, the current estimated market value and realisable value from their sale will be worked out. Wherever movable assets are on lease, negotiation with the lessor will be done by CPSE to ascertain whether lessor would take it back at market price or would like it to be auctioned. Ascertaining whether movable assets are to be utilised by its holding company (in case of subsidiary), if any or by the administrative Ministry/ Department. Market value of brand name, goodwill, trademarks, etc. of the CPSE under closure may also be worked out. In case, market value cannot be determined, the same shall be transferred to the concerned administrative Ministry/Department of the CPSE.

i. **Estimation of receivables**: Ascertaining of trade receivables, securities, loans and advances, etc.

3.1.2 Estimation of budgetary support required for closure: Based on the exercise done as per para 3.1.1, an estimate will be made of requirement of funds for financing the closure of the CPSE. The CPSE's own resources, including amount to be realised from sale of movable assets, which may be available for settlement of liabilities during the course of closure shall be worked out too. Thereafter, the requirement of budgetary support from the Central Government shall be worked out. It is however, clarified that the Central Government reserves the right to decide which of the requirements of funds it will permit out of budgetary support.

3.1.3 Updating of land records of immovable assets: Updating of land records such as title deed, lease hold land, freehold land, conditions of lease, remaining period of lease, current land use, FAR and other rights relating to use of land, whether land compensation (partly/ fully) paid by the CPSEs/ Central Government at the time of acquisition, amount of compensation paid, status of possession of land, encroachments, if any, geo-mapping etc. will be done.

3.1.4 Once the preparatory activities are completed by the administrative Ministry/Department, a Draft Note for Closure of the CPSE will be prepared by DPE based on the inputs of preparatory activities and in consultation with the concerned Administrative Ministry/Department for closure of the CPSE on case-to-case basis. The same will be placed before the IMC which after scrutiny will vet the Note. Thereafter, the approval of the Hon'ble Finance Minister (FM) will be taken.

3.1.5 If the Director(s) of the CPSE(s) fails to co-operate, the Administrative Ministry/ Department can take a view on removing the Functional Directors including the CMD and give additional charge of the CMD to the Joint Secretary concerned and charge of Functional Directors to other senior officers in the administrative Ministry/ Department as per extant guidelines in this regard. This information regarding removal of the Functional Directors including the CMD will be communicated to the PESB.

3.2 Disposal of immovable assets

The process of closure of a CPSE and disposal of its immovable assets will be completely delinked. On approval of Closure Note, the Administrative Ministry/ Department/CPSE shall proceed simultaneously but separately for alienation of immovable properties from its books.

3.2.1 The immovable assets will be alienated from the CPSE in the manner as prescribed below:

a) **Return of leasehold land to the States:** All kinds of leasehold land of the CPSE will be returned back to the State Government without insisting on any compensation (if due as per lease agreement).

b) **Transfer of freehold land to Special Purpose Vehicle (SPV**) will be as per the procedure laid down for the operation of the SPV (to be set up in DPE).

3.2.2 Interim arrangement through Land Management Agency (LMA): Pending setting up of SPV, the closure cases wherein a Land Management Agency (LMA) such as NBCC has earlier been engaged for disposal of land as per the DPE closure guidelines dated 14.06.2018, LMA will continue to manage the land and can dispose off the same to any appropriate agency at best discovered price. The Forward Auction Platform of GeM or MSTC can also be availed by LMA or Administrative Ministry directly for disposal of immovable assets.

3.2.3 The Secretary of the Administrative Ministry/ Department will monitor the progress of alienation of immovable assets from the CPSE.

3.3 Implementation of VRS/VSS:

(a) The Administrative Ministry/ Department through Board of CPSE will settle wages/salaries of employees and statutory dues and complete the VRS/VSS process and payment of compensation to non-VRS optees as per law.

(b) The CPSE staff shall be assigned specific tasks during implementation of VRS/VSS so that all the groundwork is completed within the above-mentioned period and there is no requirement of retaining the staff during subsequent process of closure.

3.4 Settlement of liabilities

(a) The payment of statutory dues/ liabilities towards revenues, taxes, cesses and rates due to Central Government or State Government or to the local authorities to be completed first.

(b) Administrative Ministry/Department will negotiate with the Secured Creditors to settle their dues at the minimum value as One Time Settlement (OTS).

(c) The order of priority of settlement of other liabilities will be in the priority of distribution as mentioned in Section 53 of Insolvency & Bankruptcy Code 2016.

3.5 Disposal of movable assets:

(a) The CPSE shall carry out the processes of disposal of movable assets including plant & machinery in a transparent manner through an Auctioning Agency (such as MSTC) appointed / 'Forward Auction' Platform available on GeM by the CPSE under the supervision of administrative Ministry/ Department.

(b) Intangible assets like brand name, goodwill, trademarks, intellectual property, etc. of the CPSE under closure shall be transferred to the concerned administrative Ministry/Department of the CPSE for disposing of separately.

(c) The leasehold movable assets may be returned to the lessor at latter's option.

(d) In case, any of the movable assets are required by its holding company or by the administrative Ministry/ Department, the same may be transferred to them.

(e) The CPSE in consultation with the administrative Ministry/ Department, if necessarily required, may dispose of factory building structure along with disposal of movable assets.

(f) If the CPSE is not able to dispose of movable assets within the stipulated time-frame, it should be brought to notice of the Administrative Ministry/ Department by the CPSE. Thereafter, the Administrative Ministry/ Department shall redress the matter within 15 days and shall take a decision on settlement of the disposal of movable assets.

3.6 Budgetary support from D/o Expenditure: Based on the detailed liabilities to be settled as per the Closure Note, DPE will make a request for budgetary support to DoE in respect of the liabilities to be settled. However, the right to decide as to which of the requirements of funds is to be permitted out of budgetary support would vest with the Central Government.

4. Filing of application before Registrar of Companies (RoC): Once the requisite formalities related to settlement of all liabilities and assets are completed, the Board of Directors of the CPSE shall take necessary steps for filing the application for removal of name from the Register of Companies as given below:

a) Apply under Section 248 of the Companies Act, 2013 to the RoC for removal of the name of the CPSE from the Register of Companies with the new revised form STK-3A issued by Ministry of Corporate Affairs (MCA) vide notification dated 29th June, 2020 along with other forms (STK-2&4) prescribed under the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 by MCA. This amendment enables the authorized representative (Under Secretary or its equivalent) of the concerned administrative Ministry/ Department to furnish indemnity bond on behalf of the administrative Ministry/Government of India (Owner of CPSE) for any future liability instead of by individual Directors of the CPSE.

b) The Administrative Ministries/Departments and their CPSEs filing closure application before the Registrar of Companies will also take a note of the MCA Circular No. 1/2020 dated 1st July, 2020 issued to all the Registrars of Companies to enable processing of applications of CPSEs having pending litigations relating to service matters, VRS/VSS of employees, so that the same is not the ground for rejection of such closure applications.

5. Policy support: For any policy support or clarification on any issue for completing the closure process, as required by the administrative Ministry/ Department, the same will be provided by the IMC. While taking the "in-principle" approval of CCEA, the approval will also be sought for empowering the Hon'ble Finance Minister to approve the cases of any deviation with respect to the closure process of Non-Strategic Sector CPSEs from the decision of CCEA. The concerned administrative

Ministry/Department shall refer the proposal for clarification/policy support to DPE for placing before the IMC. The recommendations of IMC shall be thereafter referred by DPE to Finance Minister for seeking approval. DPE will function as the secretariat for processing the policy matters to be referred to Finance Minister.

6. Special cases: Closure u/s 248 of CA 2013 is recommended as primary mode under the revised guidelines. In complex cases especially involving exorbitantly high liabilities, IBC 2016 route may be followed while providing adequate justification in the note for CCEA approval by DPE. The process of filing application under IBC 2016 shall be done within 3 months of receipt of Minutes of CCEA approval by concerned CPSE Board & its Administrative Ministry. In addition, in respect of the listed CPSEs, the SEBI Delisting Regulations, 2009 and regulatory requirement(s) will be complied with under the supervision of IMC before filing for removal of company's name from the Register of Companies.

7. Closure of subsidiaries/units of CPSEs: The process of closure of subsidiaries/JVs/units of CPSEs shall be carried out by the Board of Directors of the Holding CPSE(s) in accordance with above guidelines.

8. Process for on-going Cases: Cases in which the Administrative Ministry/ Department has obtained the CCEA/ Cabinet approval for closure, the concerned administrative Ministry/Department will review and seek the budgetary support from D/o Expenditure through Financial Adviser (FA) within 15 days of the issue of these guidelines to complete the closure process as per revised mechanism. However, the right to decide as to which of the requirements of funds is to be permitted out of budgetary support would vest with the Central Government.

9. Time-lines: The entire process of closure of CPSE shall be completed within the Timeframe mentioned in Annex-I.

10. The Finance Minister will be the competent authority for granting approval to make any changes in these guidelines.

Annexure-I to Annexure-9

Timelines of activities for closure of CPSEs

Sl. No.	Milestones/ Activities	Time-Lines
1	In principle approval of closure / disinvestment of CPSEs in a Non-Strategic Sector by the Cabinet/ CCEA. Setting up of IMC for the Sector comprising Secretary, DPE as Chairman, representatives of concerned Administrative Ministry(ies), DIPAM, NITI Aayog and co-opted members, if any	**Preparatory date (T_0)**
2	Preparation of Draft Closure Note for each CPSE by IMC after ascertaining statutory dues, liabilities such as taxes, cess, MAT, dues to secured and unsecured creditors, funds required for VRS / VSS, wages due to employees till the time they are released through VRS / VSS, receivables, value of movable and immovable assets, etc	T_0 + 3 months
3	Vetting of Draft Closure Note by IMC and forwarding the same for approval of FM on case-to-case basis.	T_0 + 5 months
4	Return of leasehold land to the State government	T_0 + 7 months
5	Transfer of freehold land to Special Purpose Vehicle (SPV)	
6	Intimation to the Ministry of Labour and Employment in respect of closure	
7	Request for budgetary support from Department of Expenditure.	
8	Release of budgetary grants by Department of Expenditure	
9	Transfer of assets to Holding company/ administrative Ministry/ Department	
10	VRS / VSS to employees and settlement of wages/salaries of employees and statutory dues *(in case employees not opting for VSR / VSS, retrenchment of employees)*	
11	Settlement of statutory dues/ liabilities towards revenues, taxes etc. payable to State Government / Central Government / Municipal Bodies	
12	Payment of secured creditors as one-time settlement	
13	Disposal of movable assets	
14	Application to Registrar of Companies for removal of name of CPSE	T_0 + 7 months and 45 days.

Annexure-II to Annexure-9

Definitions

i) **Preparatory Date (T_0)** shall be the date on which 'in principle' approval of closure of CPSE has been taken by the CCEA.

ii) **CPSE:** Certain statutory corporations and all Government Companies in which more than 50% equity or controlling stake is held by the Central Government are classified as CPSEs. The Subsidiaries of these Companies in which any CPSE has more than 50% equity are also categorised as CPSEs, if registered in India.

iii) **Inter-Ministerial Committee (IMC)**: Constituted by DPE and comprising Secretary, DPE as Chairman and representatives of concerned Administrative Ministry (ies), DIPAM and NITI Aayog as its members, to drive the closure process. The IMC can also co-opt any other member(s). Secretarial assistance to IMC will be provided by DPE.

iv) **Special Purpose Vehicle (SPV):** 100% government owned company under the administrative control of DPE to facilitate monetization of non-core assets of the Ministries/ Departments and Public Sector Enterprises.

v) **Land Management Agency (LMA):** It can be a CPSE such as NBCC (India) Ltd.(NBCC)/ Engineering Projects (India) Ltd.(EPIL) or a public agency under Ministry of Housing and Urban Affairs (MoHUA) which has been appointed and have the experience of management, development and disposal/monetisation of immovable assets.

vi) **Forward Auction Platform:** It is a facility available on GeM for auction of movable and immovable items in a transparent method.

vii) **Auctioning Agency (AA)** A CPSE such as Metal Scrap Trading Corporation (MSTC), which can be nominated by the administrative Ministry/ Department/ Board of the CPSE under closure to dispose of movable and immovable assets through e-auction in a transparent manner.

viii) **Book Value:** For the purpose of these guidelines, it is the carrying value of the assets in the balance sheet of the CPSE.

ix) **Immovable Asset:** Immovable Asset is a piece of land/property tied to the land, such as estate, building, premises, etc.

x) **Movable Assets:** Any asset other than Immovable asset like Plant & Machinery, Furniture, vehicles etc.

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