सत्यमेव जयते

Government of India

MINISTRY OF FINANCE

ANNUAL REPORT

2020-2021

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Introduction

The Ministry comprises of the five Departments namely:—

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

1. Department of Economic Affairs

Economic Growth

The impositions of strict lockdown and social distancing measures taken to combat the spread of COVID-19 have adversely affected the economy in 2020-21. As per the Second Advance Estimates released by the National Statistical Office (NSO), the growth rate of the gross domestic product (GDP) at constant market prices has been estimated to contract by 8.0 per cent in 2020-21, as compared to the growth of 4.0 percent (1st revised estimates) growth recorded in the previous year. The growth of the gross value added (GVA) at constant basic prices has been estimated to contract by 6.5 per cent in 2020-21, with agriculture and allied sectors, industrial sector and services sector growing at 3.0 per cent, (-) 8.2 per cent and (-)8.1 per cent respectively.

On the demand side, the growth in government final consumption expenditure at constant (2011-12) prices is estimated at 2.9 per cent in 2020-21 (2nd advance estimates), as compared to 7.9 per cent in 2019-20 (1st revised estimates). The growth in gross fixed capital formation at constant prices was 5.4 per cent in 2019-20 (1st revised estimates) as compared to (-) 12.4 per cent in 2020-21 (2nd advance estimates). Exports and imports of goods and services are estimated to contract (at constant prices) by 8.1 per cent and 17.6 per cent in 2020-21.

Information on saving and investment is available only till the year 2019-20. Gross saving as proportion of GDP at current market prices is estimated at 31.4 per cent in 2019-20 as compared to 30.6 percent in 2018-19. Gross capital formation, also known as investment, was estimated to be 32.2 per cent of the GDP at current market prices in 2019-20, as compared to 32.7 per cent in 2018-19. Fixed investment (Gross Fixed Capital Formation) to GDP ratio (at current prices) is estimated to be 26.7 per cent in 2020-21 (2nd advance estimates), vis-à-vis 28.8 per cent in 2019-20 (1st revised estimates).

Prices

Headline inflation based on Consumer Price Index-Combined (CPI-C) fell continuously from 5.9 per cent in 2014-15 to 3.4 per cent in 2018-19 before rising to 4.8 per cent in 2019-20. CPI-C inflation averaged 6.3 per cent in Apr-Jan., 2020-21, but the monthly price index declined in January 2021 to 4.1 per cent, mainly due to decline in the food inflation to 1.9 percent in January 2021 from 3.4 per cent in December, 2020. Food inflation based on Consumer Food Price Index (CFPI) declined from 6.4 per cent in 2014-15 to 0.1 per cent in 2018-19 but rose to 6.7 per cent in 2019-20. During April-Jan, 2020-21 food inflation averaged 8.4 per cent. Inflation measured in terms of Wholesale Price Index (WPI) declined from 4.3 per cent in 2018-19 to 1.7 per cent in 2019-20.WPI inflation averaged 0.2 per cent during April-January, 2020-21 and stood at 2.0 per cent in January 2021 (Table 1).

Table 1: 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*
2018-19	**3.4**	**0.1**	**4.3**	**0.6**
2019-20	**4.8**	**6.7**	**1.7**	**6.9**
2020-21 (Apr-Jan)	**6.3**	**8.4**	**0.2**	**3.8**
Apr-20	7.2	11.7	-1.6	4.4
May-20	6.3	9.2	-3.4	2.7
Jun-20	6.2	8.7	-1.8	3.1
Jul-20	6.7	9.3	-0.2	4.7
Aug-20	6.7	9.1	0.4	4.8
Sep-20	7.3	10.7	1.3	7.2
Oct-20	7.6	11.0	1.3	6.2
Nov-20	6.9	9.5	2.3	4.8
Dec-20	4.6	3.4	1.2	0.9
Jan-21	4.1	1.9	2.0	-0.3

Source: NSO and DPIIT.

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

2. CPI-C inflation for April and May 2020 and CFPI inflation for April 2020 is calculated on the basis of the Imputed Indices released by NSO.

Agriculture and Food Management Sector

During the South West Monsoon (SWM) Season (June - September) of 2020, the country as a whole received 957.6 mm rainfall (9 per cent above normal), as compared to 968.3 mm (10 per cent above normal) received during the same period in 2019. With regard to the category wise distribution of cumulative rainfall, out of 36 meteorological subdivisions of the country, 2 subdivisions received large excess, 13 subdivisions received excess, 16 subdivisions received normal and 5 subdivision remained deficient during the SWM season of 2020. Rainfall during the Post-Monsoon Season (October-December) of 2020 was just 1 per cent above normal (124.1 mm), as compared to 29 per cent above normal rainfall received during the same period of 2019.

As per the 4th Advance Estimates of production of food-grains released by the Ministry of Agriculture & Farmers' Welfare, the total production of food-grains was 296.7 million tonnes in 2019-20, higher as compared to the production of 285.2 million tonnes in 2018-19. As per the 1st Advance Estimates of production of food-grains for 2020-21, the production of kharif food-grains was estimated at 144.5 million tonnes.

Table 1: Production of Major Agricultural Crops

(Million Tonnes)

Crops	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 (4th AE)	2020-21* (1st AE)
Total food-grains	252.0	251.5	275.1	285.0	285.2	296.7	144.5
Rice	105.5	104.4	109.7	112.8	116.5	118.4	102.4
Wheat	86.5	92.3	98.5	99.9	103.6	107.6	--
Total Coarse Cereals	42.9	38.5	43.8	47.0	43.1	47.5	32.8
Total Pulses	17.2	16.3	23.1	25.4	22.1	23.2	9.3
Total oilseeds	27.5	25.3	31.3	31.5	31.5	33.4	25.7
Sugarcane	362.3	348.5	306.1	379.9	405.4	355.7	399.8
Cotton#	34.8	30.0	32.6	32.8	28.0	35.5	37.1

Source: Directorate of Economics & Statistics, Department of Agriculture, Cooperation and Farmers Welfare; 1st AE: First Advance Estimates; * : Kharif Crops Only; # : Million bales of 170 Kgs each.;

The total area sown under Rabi crops as on 29th January 2021 was at 684.6 lakh hectare, higher as compared to the area of 665.6 lakh hectare sown as on the corresponding date of the previous year.

The milk production in the country has increased from 146.3 million tonnes in 2014-15 to 198.4 million tonnes (provisional) in 2019-20. Annual Growth Rate of milk production in 2019-20 was 5.68 per cent. The per capita availability of milk was 407 grams per day in 2019-20 (provisional).

The fish production in India has reached an all-time high of 14.16 million metric tons during 2019-20. The fisheries sector contributes 1.2 per cent to the GVA and 6.6 per cent to the agricultural GVA. The export of marine products stood at 12.9 lakh metric tons with a value of `46,662 crores during 2019-20.

Industry

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 2019-20. 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 2019-20, was (-) 0.8 per cent as compared to 3.8 per cent growth achieved during the corresponding period of the previous year. Out of the three broad sectors, mining and electricity sectors recorded growth of 1.6 per cent and 1.0 per cent in 2019-20 as against 2.9 per cent and 5.2 per cent growth achieved respectively during corresponding period of the previous year. Manufacturing sector fell by 1.4 per cent in 2019-20 as against a growth of 3.9 per cent in the corresponding period of the previous year. During April-November 2020-21, the IIP contracted by 15.5 per cent. The growth of different used based industrial group are given below.

Growth of Index of Industrial Production (IIP) (in Per cent) (Base 2011-12=100)				
Industry Group	**Weight**	**2018-19**	**2019-20**	**2020-21 (April-December)**
Mining	14.37	2.9	1.6	-11.3
Manufacturing	77.63	3.9	-1.4	-15.1
Electricity	7.99	5.2	1.0	-3.6
Growth by use-based industrial group				
Primary Goods	34.04	3.5	0.7	-10.1
Capital Goods	8.22	2.7	-13.9	-27.5
Intermediate Goods	17.22	0.9	9.1	-15.0
Infrastructure/Construction Goods	12.33	7.3	-3.6	-15.2
Consumer Durables Goods	12.83	5.5	-8.7	-24.7
Consumer Non-durables Goods	15.32	4.0	-0.1	-4.5
General Index	100.00	3.8	-0.8	-13.5
Source: NSO, MoSPI				

As may be seen from the table, except primary goods and intermediate goods, other used based goods sectors have attained negative growth in 2019-20. The primary goods and intermediate goods registered positive growth of 0.7 per cent and 9.1 per cent respectively during the period in 2019-20.

Infrastructure Sector

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 grew by 0.4 per cent in 2019-20 as compared to 4.4 per cent growth in 2018-19. During 2019-20, four out of the eight core sectors namely refinery products, fertilizers, steel and electricity sectors achieved positive growth while coal, crude oil, natural gas and cement sectors recorded negative growth. The Eight Core Industries recorded (-) 8.8 per cent growth in April-January 2020-21.

Production growth (per cent) in Eight Core Infrastructure- Supportive Industries				
Industry	**Weight**	**2018-19**	**2019-20**	**2020-21 (April-January)**
Coal	10.33	7.4	-0.4	-1.9
Crude oil	8.98	-4.1	-5.9	-5.6
Natural Gas	6.87	0.8	-5.6	-10.7
Refinery Products	28.03	3.1	0.2	-12.4
Fertilizers	2.62	0.3	2.7	3.0
Steel	17.91	5.1	3.4	-14.0
Cement	5.37	13.3	-0.9	-16.6
Electricity	19.85	5.2	0.9	-2.7
Overall growth	100.00	4.4	0.4	-8.8
Source: Office of the Economic Adviser, DPIIT (Ministry of Commerce & Industry)				

As per the report on Review of Infrastructure Sector Performance for 2019-20 released by the Ministry of Statistics and Programme Implementation (MOSPI), the major infrastructure sectors such as power, coal, finished steel and fertilizers registered positive growth during 2019-20.Further, the widening & strengthening of highways by NHAI grew by 17.71 per cent in 2019-20 as compared to the previous year and cargo handled at major ports grew by 0.79 per cent in 2019-20 over the previous year.

Services Sector

The COVID-19 pandemic, the subsequent lockdown and social distancing measures have had a significant impact on the contact-intensive services sector. During the first half of the financial year 2020-21, the services sector contracted by almost 16 per cent. This decline was led by a sharp contraction in all sub-sectors particularly 'Trade, hotels, transport, communication & services related to broadcasting', which contracted by 31.5 per cent in H1 FY 2020-21. As per the first advance estimates, Gross Value Added (GVA) of services sector is estimated to contract by 8.8 per cent in 2020-21, whereas it grew by 5.5 per cent in 2019-20 (Table 1). Sub-sectors 'Trade, hotels, transport, communication & broadcasting services', 'Financial, real estate & professional services', and 'Public administration, defence & other services' are estimated to contract by 21.41 per cent, 3.68 per cent and 0.82 per cent respectively. It is pertinent to note that while the services sector contracted by over 20 per cent in the first quarter (Q1) of FY 2020-21, the contraction narrowed to 11.4 per cent in the second quarter (Q2) of FY 2020-21. This pace of recovery is broadly aligned with high frequency indicators that point to a pick in economic momentum with the measured opening up of the economy from June 2020.

Air passenger traffic, rail freight traffic, port traffic, foreign tourist arrivals, and foreign exchange earnings all contracted sharply following the first lockdown which was announced in March, 2020. As the economy gradually entered the unlock phase, most of these indicators showed signs of recovery. Services purchasing managers' index, rail freight traffic, and port traffic have bottomed out and are rising steadily now, showing a V-shaped recovery. Domestic passenger air traffic is also increasing gradually on a monthly basis, although travel remains muted as compared to last year.

Table1: Services Sector Performance in India's GVA

	Share in GVA (per cent)	Growth (per cent YoY)					
Sector	2020-21 (AE)	2018-19 (1st RE)	2019-20 (PE)	2020-21 (AE)	2020-21 (H1)	2020-21	
						Q1	Q2
Total Services (Excluding construction)	54.3	7.7	5.5	-8.8	-15.9	-20.6	-11.4
Trade, hotels, transport, communication & services related to broadcasting	15.4	7.7	3.6	-21.41	-31.5	-47.0	-15.6
Financial, real estate & professional services	22.2	6.8	4.6	-0.82	-6.8	-5.3	-8.1
Public administration, defence & other services	16.7	9.4	10.0	-3.68	-11.3	-10.3	-12.2

Source: Ministry of Statistics and Programme Implementation.

Note: Shares are in current prices and growth in constant 2011-12 prices; RE: Revised Estimates. PE: Provisional Estimates. AE: Advance Estimates

In spite of the global disruptions, FDI inflows into the services sector increased by 34 per cent YoY during April-September 2020 to reach US$ 23.61 billion. The jump in FDI equity inflows was driven by strong inflows into the 'Computer Software & Hardware' sub-sector, wherein FDI inflows increased to US$ 17.55 billion which is over 336 per cent higher over the corresponding period last year. High growth in FDI inflows was also present in subsectors such as 'Retail Trading', 'Agriculture Services', and 'Education'.

The year 2020-21 witnessed many significant structural reforms. The space sector was opened up, telecom related regulations were removed from the IT-BPO sector, and consumer protection regulations were introduced for e-commerce.

Social Infrastructure

While the COVID-19 pandemic caused its ripples on the economy and on the social sector, Governments at the Centre and States intervened in a timely manner to respond to the pandemic. The expenditure on social services, as a proportion of GDP increased from 6.2 per cent in 2014-15 to 8.8 per cent in 2020-21 (BE). This increase was witnessed across health, education and other social services sector. Allocation for the health sector during the COVID-19 times flowed especially towards containment and treatment of the COVID-19 virus in the form of ensuring supply of essential medicines, hand sanitizers, protective equipment including masks, PPE Kits, ventilators, adequate testing labs, treatment facilities as well as in vaccinating the population. The government launched the world's largest Covid-19 immunization programmes on 16th January 2021 through the two indigenously manufactured vaccines viz; COVISHIELD and COVAXIN. To mitigate the distress caused to the vulnerable and poorer sections of society during the period of complete lockdown, the Government announced the 'Pradhan Mantri Garib Kalyan Yojana (PMGKY)' relief package of `1.70 lakh crores in March, 2020, which provided for direct cash transfers under National Social Assistance Programme, PM Jan Dhan Accounts, PM Kisan, free supply of food grains and pulses over and above normal PDS entitlements to all National Food Security Act beneficiaries etc. Supply of free foodgrains and pulses was continued upto November 2020 under the comprehensive stimulus cum relief package- 'Atma Nirbhar Bharat Abhiyan' (ANB 1.0) announced in May, 2020.

During the lockdown, online schooling took off in a big way and the Government introduced several measures to make online education accessible to all children. The government announced the new National Education Policy (NEP), 2020 replacing the 34-year-old National Policy on Education, 1986. The new policy aims to pave the way for transformational reforms in school and higher education systems in the country. Besides, scaling up of the efforts to impart necessary skills through a wide network of ITIs focusing on women and launching of Pradhan Mantri Kaushal Vikas Yojana 3.0 have been taken while integration of Vocational Education and Training (VET) in general education has received a big fillip with the NEP, 2020 envisioning giving 50 per cent of school and higher education candidates exposure to VET over the next 5 years.

As per the Periodic Labour Force Survey (PLFS) report 2018-19, there was an increase in employment totalling 48.78 crore during 2018-19 as compared to 47.14 crore during 2017-18. This increase in employment was in both rural as well as urban areas (Table 1). The number of unemployed persons declined by about 0.79 crore during the same period, largely in the category of females, and in rural areas. The net payroll data of Employees' Provident Fund Organisation (EPFO) as on 20th January, 2021 shows a net increase of new subscribers in EPFO of 78.58 lakhs in 2019-20 as compared to 61.1 lakhs in 2018-19. The lockdown period also saw the growth of the gig economy and increasing work from home in the organized sector.

Table 1: Employment Status in 2017-18 and 2018-19

(ps+ss, for all ages, crore person)

Indicators	**2017-18**	**2018-19**
Labour Force	50.97	51.82
Unemployment	3.83	3.04
Employment	47.14	48.78
Self Employed	24.21	25.07
Regular wage/salaried employees	11.45	12.17
Casual Labour	11.46	11.52

Source: Economic Survey 2019-20 & 2020-21

The female labour force participation rate has increased from 17.5 per cent in 2017-18 to 18.6 per cent in 2018-19. The Time Use Survey, 2019 reported that females (15-59 age group) spend relatively more time in unpaid domestic and care giving activities (7.5 hours) as compared to employment related activities (5.7 hours) per day. This is reported to be one of the main reasons for the low female participation in the labour market.

In 2020-21, to mitigate the effects of COVID-19 induced restrictions on loss of livelihood, the Government has taken various measures such as giving incentive to boost employment under the scheme Aatmanirbhar Bharat Rojgar Yojana, higher allocation under Mahatma Gandhi National Rural Employment Guarantee Scheme, Garib Kalyan Rozgar Abhiyan for migrant workers in the destinations States and has also notified path-breaking labour reforms to attract big investment in the economy.

External Sector

Global Economic Environment

According to International Monetary Fund, World Economic Outlook Update, January 2021, after an estimated 3.5 percent contraction in 2020, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022 (Table 1). The estimate for 2020 is 0.9 percentage point higher than projected in the October WEO forecast. This reflects the stronger than-expected recovery on average across regions in the second half of the year.

The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies. The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.

Overview of the World Economic Outlook Projections (Percent change, noted otherwise)

		Projections as per WEO Oct, 2020		Difference from June 2020 WEO Updates	
	2020	**2021**	**2022**	**2021**	**2022**
World Output	-3.5	5.5	4.2	0.3	0.0
Advanced Economies	-4.9	4.3	3.1	0.4	0.2
Emerging Market and Developing Economies	-2.4	6.3	5.0	0.3	-0.1
India	-8.0	11.5	6.8	2.7	-1.2
World Trade Volume (goods and services)	-9.6	8.1	6.3	-0.2	0.9
Advanced Economies	-10.1	7.5	6.1	0.4	1.0
Emerging Market and Developing Economies	-8.9	9.2	6.7	-1.0	0.8

Source: IMF, WEO October 2020.

Further, with respect to External Sector Outlook of trade growth, WEO Update, January 2021, forecasted that global trade volumes to grow about 8 percent in 2021, before moderating to 6 percent in 2022. Services trade is expected to recover more slowly than merchandise volumes, however, which is consistent with subdued cross-border tourism and business travel until transmission declines everywhere.

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

As per the data of Department of Commerce, the developments in India's merchandise trade during 2019-20 and 2020-21 (April-December) may be seen as under:

(Values in US$ billion)

	2018-19	2019-20	% change in 2019-20 over 2018-19	2019-20 (April-December)	2020-21 (P) (April-December)	% change in 2020-21 (Apr-Dec) over 2019-20 (Apr-Dec)
Total Merchandise Trade (Exports + Imports)	844.2	788.1	-6.6	602.5	459.1	-23.8
Merchandise Exports	330.1	313.4	-5.1	238.3	200.8	-15.7
Merchandise Imports	514.1	474.7	-7.7	364.2	258.3	-29.1
POL Imports	140.9	130.6	-7.4	96.7	53.7	-44.5
Non-POL Imports	373.2	344.2	-7.8	267.5	204.6	-23.5
Trade Deficit	-184.0	-161.3	-12.3	-125.9	-57.5	-54.4

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

It may be seen from table above that the merchandise trade deficit had declined by 12.3 per cent to US$ 161.3 billion in 2019-20 from US$ 184.0 billion in 2018-19. During 2020-21 (April-December), trade deficit declined by 54.4 percent to US$ 57.5 billion from US$ 125.9 billion in corresponding period a year ago.

Climate Change

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 promised 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.

The year 2020 was supposed to be the year by which developed country Parties were to fulfill the goal of mobilizing jointly US$ 100 billion. This was to be an important milestone in the discourse of international climate efforts. This essential component in the climate negotiations need to be adhered to by developed countries to bring balance to the Paris architecture. However, this global pandemic has led to the postponement of the COP 26 which has implications on the financial negotiations. Developing country Parties requested the Madrid Climate Change Conference (COP 25) to mandate the Standing Committee on Finance (SCF) to compile a synthesis report on the attainment of the finance goal of US$ 100 billion per year by 2020. This would have provided a valuable input into the process of setting a new long-term collective goal on finance by 2025 and giving an important signal in building momentum to enhance ambition beyond 2020.

COP 26 is expected to take forward the discussions and reach consensus on the transparency mechanism; Article 6 (market and non- market mechanisms); common time frames for nationally determined contributions; long-term climate finance etc.

Banking Sector

Gross Non-Performing Advances (GNPA) ratio (i.e. GNPAs as a percentage of Gross Advances) of Scheduled Commercial Banks decreased from 8.2 per cent at the end-March 2020 to 7.5 per cent at end-September 2020. Restructured Standard Advances (RSA) ratio of Scheduled Commercial Banks (SCBs) increased from 0.36 per cent to 0.41 per cent during the same period. Overall, the Stressed Advances ratio of SCBs decreased from 8.6 per cent at end March 2020 to 7.9 per cent at end- September 2020.

GNPA ratio of Public Sector Banks (PSBs) decreased from 10.25 per cent at the end March 2020 to 9.4 per cent at end-September 2020 and the Stressed Advances ratios decreased from 10.75 per cent to 9.96 per cent during the same period. Net NPA ratios also declined and stood at 2.1 per cent for SCBs and 2.85 per cent for PSBs as at end- September 2020.

Capital to risk-weighted asset ratio (CRAR) of SCBs increased from 14.7 per cent to 15.8 per cent between March 2020 and September 2020 on account of improvement of improvement of CRAR of both Public and Private sector banks.

Credit Growth

Credit growth (YoY) stood at 14.8 per cent in February 2019 and had declined to 5.1 per cent as on October 23, 2020. Note that it subsequently accelerated slightly and stands at 5.9 per cent as on January 29,2021.

The non-food credit growth (YoY), based on sectoral deployment of bank credit data was 6.0 per cent in November 2020 as compared with a growth of 7.2 per cent in November 2019. The moderation in credit growth in 2020-21 was witnessed in mostly all the sectors, barring services. Credit growth to agriculture & allied activities decelerated in first quarter of 2019-20 but then accelerated to 8.5 per cent in November 2020 with significant pick up since September. Credit growth to industry has been decelerating consistently and in fact contracted by 1.7 per cent in October 2020 and 0.7 per cent in November 2020. Services sector bucked the downtrend with credit growth to this sector accelerating to 9.5 per cent in October 2020 and 8.8 per cent in November 2020. Within this sector, credit to 'trade' recorded a double-digit growth of 14.7 per cent in November 2020 as compared to 4.6 per cent a year ago. However, credit growth to commercial real estate and NBFCs declined in 2020-21. Personal loans growth decelerated to 10 per cent in November 2020 from 16.4 per cent in November 2019. Within the personal loan segment, the two main components are vehicle loans and housing loans. While the growth of vehicle loans growth accelerated to 10 per cent in November 2020 from 4.7 per cent a year ago, that of housing loans growth decelerated to 8.5 per cent in November 2020 from 18.3 per cent a year ago.

Major Policy changes related to Banking Regulations

Commercial Banks

a. Merger of PSBs: Consolidation among another 10 PSBs, with Punjab National Bank, Canara Bank, Union Bank of India and Indian Bank as anchor banks came into effect from April 1, 2020.

b. Restructuring of MSME loans: A one-time restructuring of loans to MSMEs that were in default but 'standard' as on January 1, 2019, was permitted, without an asset classification downgrade, subject to certain conditions like aggregate exposure (including non-fund-based facilities) of banks and NBFCs to the borrower not exceeding Rs.25 crore as on January 1, 2019. The borrowing entity has to be GST registered. However, this condition will not apply to MSMEs that are exempt from GST-registration. The cut-off date of January 1, 2019 was extended to March 1, 2020 to support viable MSME entities on account of the fallout of COVID-19. The banks are required to implement the restructuring by March 31, 2021.

c. Large exposure framework: A bank's exposure under the Large Exposure Framework to a group of connected counterparties was increased from 25 per cent to 30 per cent of the eligible capital base of the bank. The increased limit will be applicable up to June 30, 2021.

d. Export Credit: The maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks was increased from one year to 15 months for disbursements made up to July 31, 2020, in line with the relaxation granted in the period of realization and repatriation of the export proceeds to India.

e. Monetary policy transmission - external benchmarking of loans: RBI deregulated the interest rates on advances by SCBs (excluding RRBs). With a view to strengthen the transmission of monetary policy, the banks were mandated to link all new floating rate personal or retail loans and floating rate loans extended to MSMEs to external benchmarks such as repo rate, Treasury Bill Rate and any external benchmark published by Financial Benchmarks India Pvt Ltd (FBIL). Banks can offer such external benchmark linked loans to other types of borrowers as well. In order to ensure transparency, standardisation, and ease of understanding of loan products by borrowers, banks were also advised to adopt a uniform external benchmark within a loan category. Under the external benchmark system, the interest reset period for loans was also reduced to three months with a view to pass on the benefit of reduction in policy repo rate to the borrowers more frequently. Further, to make the benefit of external benchmark linked interest rate regime available to the existing borrowers (Base Rate/MCLR), banks were advised to provide a switchover option to such borrowers on mutually agreed terms.

Co-operative Banks

a. Revision in the target for priority sector lending: To promote financial inclusion, the overall priority sector lending target for Urban Co-operative Banks has been increased from the present level of 40 per cent of adjusted net bank credit (ANBC) or credit equivalent amount of off-balance sheet exposure (CEOBSE), whichever is higher, to 75 per cent of ANBC or CEOBSE, whichever is higher by March 31, 2024.

b. Inclusion of co-operative banks as eligible member lending institutions under interest subvention scheme for MSMEs - issuance of guidelines: All co-operative banks have been advised of their inclusion as Eligible Lending Institutions under the "Interest Subvention Scheme (ISS) for MSMSEs 2018" of the Government. This scheme provides an interest relief of two per cent per annum to eligible MSMEs on their outstanding fresh/incremental term loan/working capital during the period of its validity.

c. Reporting of large exposures to Central Repository of Information on Large Credits (CRILC): Urban Cooperative Banks (UCBs) with assets of `500 crore and above were brought under the CRILC reporting framework. Accordingly, UCBs shall report credit information, including classification of an account as Special Mention Account (SMA), on all borrowers having aggregate exposures of `5 crore and above with them to CRILC.

d. Limits on exposure to single and group borrowers and large exposures: The exposure norms for single borrower and a group of borrowers from 15 per cent and 40 per cent of UCB's capital funds, to 15 per cent and 25 per cent, respectively, of UCB's Tier-I capital. The revised exposure limits shall apply to all types of fresh exposures taken by UCBs, and they shall bring down their existing exposures which are in excess of the revised limits to within the aforesaid revised limits by March 31, 2023. Further, UCBs shall have at least 50 per cent of their aggregate loans and advances comprising loans of not more than ` 25 lakh or 0.2 per cent of their tier I capital, whichever is higher, subject to a maximum of Rs. 1 crore, per borrower.

e. Submission of returns under Section 31 (read with section 56) of the Banking Regulation Act, 1949 - Extension of time: In view of the difficulties faced by UCBs in submission of the returns due to the ongoing COVID-19 pandemic, the timeline for the furnishing of the returns for the financial year ended on March 31, 2020, was first extended by three months, i.e., till September 30, 2020 and then further to December 31,2020.

f. Amendments to the Banking Regulation Act, 1949: Banking Regulation (Amendment) Act, 2020: The Banking Regulation Act has been amended by the Banking Regulation (Amendment) Act, 2020. The key changes in the regulatory regime of UCBs pursuant to the Banking Regulation (Amendment) Act, 2020 are as under:

- The Reserve Bank has been given powers over the management of the UCBs, owing to which it can issue directions relating to the management of UCBs including approval for appointment of Chairman / MD / CEO, removal and remuneration of MD / CEO. Further, the Board of UCBs would be required to have not less than 51 per cent members having special knowledge / practical experience in specified areas.
- The statutory restriction on grant of director-related loans/ advances has been widened and common directorship across banks shall be prohibited as per the provisions of the amended Act.
- The Reserve Bank has been vested with powers of approval of the appointment / removal of statutory auditors of UCBs.
- Provisions of the revised Act will enable UCBs to raise capital by issue of equity/ preference/special

shares and debentures/bonds/like securities subject to such conditions as the Reserve Bank may specify in this behalf.

- The Reserve Bank has been empowered to supersede the Board of Directors of a UCB; though in case of a UCB having operations confined to a single State, in consultation with the concerned State Government.
- The Reserve Bank has been empowered to sanction voluntary/compulsory amalgamation and to prepare scheme for reconstruction of a UCB with the approval of the Central Government.

The amended Act provides for winding up of a UCB by High Court at the instance of the Reserve Bank.

Monetary Developments during 2020-21

The Monetary Policy Committee (MPC) of the Reserve Bank met six times since March 2020. In view of the COVID-19 pandemic, the MPC advanced its first two meetings of 2020-21 from first week of April to end March and from first week of June to May, 20-22. The August and the December 2020 meetings were held as per schedule, while the October meeting was postponed by a week as new external members were onboarded to the MPC. Since March 27, 2020, the policy repo rate has been reduced by 115 basis points (bps) from 5.15 per cent to 4.0 per cent so far. The monetary policy responses during the year 2020-21 were necessitated by the extraordinary situation prevailing due to COVID-19.

In its first bi-monthly monetary policy statement of March 27, 2020, the MPC decided to reduce the policy repo rate by 75 bps from 5.15 per cent to 4.40 per cent. Alongside, the reverse repo rate was reduced by 90 bps to 4.0 per cent, thus creating an asymmetrical corridor to make it unattractive for banks to passively deposit funds with the Reserve Bank and nudge them to use these funds for on-lending to productive sectors of the economy. The MPC decided to continue with the accommodative stance as long as it is necessary to revive growth and mitigate the impact of COVID-19 on the economy. In the second meeting in May 2020, MPC reduced the policy repo rate by 40 bps to 4.0 per cent based on the assessment that the macroeconomic impact of the pandemic was turning out to be more severe than initially anticipated.

MPC decided to keep the policy rate unchanged in its August, October and December 2020 and February 2021 meetings. While the inflation hovered above the tolerance zone for a few months, the committee was of the view that the underlying factors keeping inflation elevated were essentially supply shocks that should dissipate over time as the economy unlocks, supply chains restore and activity normalises.

Liquidity Conditions and its Management

The systemic liquidity in 2020-21 so far has consistently remained in surplus reflecting several liquidity enhancing measures undertaken by the Reserve Bank in the wake of COVID-19 induced disruptions. The main drivers of liquidity during 2020-21 have been Currency in Circulation (CIC), Government cash balances and the Reserve Bank's forex operations. While CIC withdrawals and build-up of Government cash balances resulted in liquidity drainage from the banking system, the Reserve Bank's forex operations augmented systemic liquidity.

Reserve Bank undertook several conventional and unconventional measures to manage the liquidity in the economy starting from February 2020. These measures, inter alia, included:

i. Injection of durable liquidity of more than ` 2.7 lakh crore through Open Market Operation (OMO) purchases between February 6-December 4, 2020.

ii. OMOs in State Development Loans (SDLs) as a special case were also introduced during the current financial year. The OMOs were conducted for a basket of SDLs comprising securities issued by states. Aggregate liquidity to the tune of ` 30,000 crore was injected through three OMO purchase auctions (October 22, 2020, November 5, 2020 and December 23, 2020) under this facility.

iii. Targeted Long-Term Repo Operations (TLTROs) of up to three years' tenor for a total amount of Rs. 1.13 lakh crore for investment in corporate bonds, commercial papers, and non-convertible debentures, in addition to injection of `1.25 lakh crore through Long Term Repo Operations (LTROs) conducted in February-March 2020.

iv. Reduction in the CRR requirement of banks from 4 per cent of net demand and time liabilities (NDTL) to 3 per cent with effect from March 28, 2020 augmenting primary liquidity in the banking system by about `1.37 lakh crore.

v. Raising banks' limit for borrowing overnight under the MSF by dipping into their Statutory Liquidity Ratio (SLR) to 3 per cent of NDTL from 2 per cent, allowing the banking system to avail an additional `1.37 crore of liquidity.

vi. Special Liquidity Facility for mutual funds for ` 50,000 crore; and

vii. Refinance facility worth ` 75,000 crore for all India financial institutions i.e., NABARD, NHB, SIDBI and EXIM Bank.

In the wake of sell off triggered by risk aversion and flight to safety in the beginning of year 2020, RBI conducted two 6-month USD/INR sell/buy swap auctions on March 16 and March 23, 2020 and injected dollar liquidity of US$ 2.7 billion to meet the increased demand for US dollars in the foreign exchange market. The measures listed above coupled with forex purchases resulted in expansion of surplus liquidity, as reflected in average daily net liquidity absorptions under the liquidity adjustment facility (LAF), from `3.43 lakh crore at end of January 2020 to ` 5.47 lakh crore on January 15, 2021.

The increased government spending during April-May 2020 also added to the liquidity surplus. However, the Government's cash balances turned into surplus in June 2020 and July 2020. In Q2 of 2020, although surplus liquidity conditions still existed, there was moderation as compared to Q1. As a result, average daily net absorption under the LAF decreased to Rs. 3.95 lakh crore in July 2020 as average Government cash surplus increased to ` 95,942 crore. Thereafter, daily net absorption increased to ` 4.03 lakh crore in August 2020, which again moderated to ` 3.68 lakh crore in September 2020. This moderation could be attributed to the absorption of banking sector liquidity to the tune of Rs. 1.24 lakh crore under the option given to banks to return the funds availed under LTRO facility before maturity. The moderation in liquidity absorption, however, was reversed in following months as average daily net absorption under the LAF again increased to ` 4.47 lakh crore and ` 5.64 lakh crore in the month of October and November 2020. This is partly a reflection of pick up in government spending.

In order to ensure better monetary transmission through a more even distribution of liquidity across tenors, 14 simultaneous sale-purchase OMO auctions for ` 10,000 crore each were conducted in the financial year 2020-21.

Developments in the G-Sec Markets

During the first half of 2020-21, the 10-year benchmark G-sec yield traded with a softening bias tracking lower policy rates, subdued crude oil prices and surplus liquidity. The 10-year benchmark G-sec yield which was around 6.4-6.5 percent in April 2020 touched a low of 5.73 per cent in mid-May 2020.

In the first quarter of 2020-21, the yields on 10-year benchmark G-sec showed a declining trend. The yields hardened during the first fortnight of April 2020 due to low trading volumes amid the countrywide lockdown and reduced market hours, selling pressure by Foreign Portfolio Investors (FPIs) along with the upward movement of US treasury yields. However, yields softened in the second half of the month, reflecting the impact of a sharp decline in crude oil prices, the announcement by the Federal Open Market Committee (FOMC) to keep the target range of the Fed Funds rate unchanged at 0-0.25 per cent and a lower CPI reading for March 2020 relative to that for February 2020. The yield on 10-year benchmark security opened at 6.20 per cent on April 3, 2020 and closed at 5.89 per cent on June 30, 2020.

The yields continued to harden, tracking higher than expected CPI print for July 2020 and a pause in rate cut by MPC. Subsequently, the benchmark yield drew comfort from a series of special OMOs and outright OMO carried out by the Reserve Bank. Further, OMO on SDLs, increase of OMO amount to ` 20,000 crore and extension of held-to-maturity benefit for SLR securities by one more year to March 31, 2022 provided support to the bond market. Subsequently, new 10-year benchmark yield touched a three-month low of 5.79 per cent on October 26, 2020. However, the yield on benchmark bond drifted up again slightly and stood at 5.92 per cent on January 20, 2021.

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 Adviser 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, 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 Pradhan Mantri Jan Dhan Yojana (PMJDY), Stand Up India, Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Mudra Yojana (PMMY), Atal Pension Yojana (APY) and the Pradhan Mantri Vaya Vandana Yojana (PMVVY).

The Department provides policy support to the Public Sector Banks (PSBs), Public Sector Insurance Companies (PSICs) and Financial Institutions (FIs) like NABARD, SIDBI, NHB, IFCI, EXIM, IIFCL etc. through policy guidelines, legislative and other administrative measures. It also monitors the performance of these PSBs, PSICs and FIs and undertakes policy formulation in respect of the Banking and Insurance Sector in India. DFS also deals with legislative and other issues pertaining to the concerned 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 played a vital role by providing seamless continuous financial services during lockdown due to COVID-19 pandemic. The Department also provided financial assistance to women PMJDY accountholders and insurance coverage of Rs.50 lakh to corona health workers apart from economy boost measures e.g. Emergency Credit Linked Guarantee Scheme (ECLGS), Partial Credit Guarantee Scheme (PCGC), additional working capital refinance facility through NABARD, Credit Card Saturation drive under Aatma Nirbhar Package.

The latest information on number of Banks is as follows:

Scheduled Commercial Banks (as on 31.12.2020)	
Public Sector Banks	12
Private Sector Banks	22
Small Finance Banks	10
Regional Rural Banks	43
Foreign Banks	45
TOTAL	132

Source : RBI

Details of the number of Insurance Companies are as follows:

	Insurance Companies in India (As on 31.12.2020)		
	Private Sector	Public Sector	Total No. of Insurers (Public & Private)
Life Insurers	23	1	24
General insurers	21	4	25
Specialized Institutions	-	2	2
Stand-alone Health Insurers	6	-	6
Reinsurers (including Foreign Reinsurers Branches/Lloyd's India)	10	1	11
TOTAL	**60**	**8**	**68**

Source : IRDA

The Department is also responsible for certain functional issues concerning the Regulatory Bodies [RBI, IRDAI and PFRDA], the PSBs, PSICs and Financial Institutions. Foremost among these functional issues is the appointment of key functionaries of 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) etc of public sector banks, insurance companies and other financial institutions. Matters relating to international banking relations are also dealt with by the Department.

Chapter - I

Department of Economic Affairs

1. Economic Division

1.1 The Economic Division provides expert advice to the Government on important issues of economic policy. The Division monitors economic developments both domestic and external and advises on policy measures relating to macroeconomic policies and on specific sectors such as agriculture, industry and infrastructure sectors of the economy. Every year 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.

The Economic Survey provides a comprehensive overview of important developments in the economy in the past one year. 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 authentic 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.

The Economic Division also brings out the Economic and the Functional Classification of the Central Government's Budget, which is circulated among Hon'ble Members of Parliament. The publication presents an estimate of the savings of the Central Government and its departmental undertakings, gross capital formation and the magnitude of the development and consumption expenditure broken up under broad functional heads.

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.

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.

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

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

Macro Unit

The Macro unit is responsible for : (a) monitoring of India's key economic indicators across all macro-economic sectors on fortnightly, monthly, quarterly and annual basis for a holistic assessment of Indian economy and for enabling evidence-oriented policy interventions by government; (b) preparation of Economic Survey that provides an overview of key sectors of the economy (c) framing replies of Parliamentary debates and questions related to important macro- economic events (c) Preparation of Monthly Economic Report that contains detailed and analytical record of critical economic developments and policy measures; (d) Country coordinator for Special Data Dissemination Standard (SDDS) and Annual updation of metadata in SDDS; (e) Updating of the National Summary Data Page of the economy for web-post in the Ministry of Finance's website; (f) Preparation of State of Economy brief/Note giving an overview of the current economic situation; (h) Preparation of briefs, material/ speeches for G-20, World Bank, IMF and other meetings.

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 end 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) Preparation of information for Government Finance Statistics (GFS) Yearbook to be sent to International Monetary Fund (IMF); (d) Monitoring of Central fiscal parameters, such as, fiscal deficit, revenue deficit, aggregate expenditure; (e) Policies relating to central plan outlays, resources and expenditures; (f) Review of Fiscal position and analysis of fiscal issues; (g) Analysis relating to tax measures, direct and indirect tax proposals/ reforms; (h) 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 developments in the industrial sector and handles issues relating to investment / financing of public sector. The Unit is also responsible for monitoring trends in production of core infrastructure industries.

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, Employment and Human Development’ 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

External Sector Unit

The External Sector (Trade, BOP & EDMU) is responsible for the following:

i. Monitoring and analyzing the developments in India’s External Sector i.e. Trade, Balance of Payments (BoP) and External debt and providing policy inputs/ briefs/ comments, etc., relating to same.

ii. Analysis of recent trends and developments in India’s trade, BoP and external debt which culminates into the External Sector Chapter published in Volume II of the Economic Survey.

iii. 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.

iv. 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.

v. 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.

vi. Dissemination of India’s defence debt data on a quarterly basis to all relevant stakeholders.

vii. Matters relating to Short-term Balance of Payments (STBoP) Monitoring Group.

viii. **Economic Activity tracker:** Data maintenance and updation of India's key trade, BoP and external debt indicators on weekly/monthly/ quarterly/annual basis as per availability of data.

ix. **Policy inputs for Hon'ble FM, MOS, Secretary** on:

- Parliamentary debates and questions related to trade, BoP and external debt,
- Speeches related to important economic events,
- Leading economic discussions at bilateral and multilateral forums such as G-20, World Bank, IMF, OECD, concerning India's trade & BoP position and external debt sustainability.

Services Sector 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: 2001=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 Policy 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. 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 in the capacity development efforts on emerging issues like green growth, innovative and affordable financing options for sustainable development by preparing positions papers and analysis of technical issues and policy options. The Unit is also responsible for preparing and finalizing chapter on climate change and sustainable development for the Economic Survey.

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) Preparation of Annual Report of Department of Economic Affairs (portion relating to Economic Division); (f) Organizing Delhi Economic Conclave, the annual International Conference on thematic issues; (g) Coordination of Parliament work, RTI matters, VIP references, public grievances etc; (h) 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; (j) 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 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/organisations 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 Budget Division also oversees/facilitates the implementation of 'Gender Budgeting' in various Ministries/Department.

2.1.5 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.

2.1.6 In an unprecedented initiative, Union Budget 2021-22 was delivered in paperless form. "Union Budget Mobile App" was also developed for hassle-free access of Budget documents by Members of Parliament and the general public using the simplest form of digital convenience.

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 and overall policy related to Central Government Guarantees.

2.2.2 During the Financial year 2020-2021, the First Batch of Supplementary Demands for Grants 2020-2021 and connected Appropriation Bill 2020 was presented and passed by the Parliament in September 2020, the Second Batch of Supplementary Demands for Grants 2020-2021 was laid in Parliament in the month of February, 2021.

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 and UTs with Legislature under President's Rule.

2.3.2. During the period, Budget Division has examined the recommendations made by the Fifteenth Finance Commission, seeking approval of the Cabinet to implement major recommendations relating to tax devolution and various Grants to be released to States during the financial years 2021-22 to 2025-26. The Final Report has been laid in both Houses of the Parliament on 1.2.2021 along with an Explanatory Memorandum as to the Action Taken Note on the recommendations made by the Fifteenth Finance Commission.

2.4 PLANNING AND ALLOCATION SECTION:

2.4.1 The Planning & Allocation Section is responsible for finalization of Ministry/Department wise Gross Budgetary Allocation, finalization of estimates of Extra-budgetary Resources (EBRs) and their monitoring, reporting, etc. The details of EBRs raised are provided in Statement 27 of Expenditure Profile of Union Budget 2021-22.

2.4.2. This Section also handles issues concerning earmarking of funds for welfare of Scheduled Castes & Scheduled Tribes by obligatory Ministries/Departments as prescribed in NITI Aayog's guidelines. 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.

2.5.2. Small Savings Collections:

The gross deposits under various small savings schemes during 2020-21 are estimated (RE) at Rs.868132.61 crore as against the deposit of Rs.846660.74 crore during 2019-20. An amount of Rs.20376.39 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.18702.87 crore transferred to these states and UTs (with Legislature) during 2019-20.

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 UT.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 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.99636 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 2020-21 is given below:

Rate of Interest in FY 2020-21 (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 Central Government's normal borrowing through issue of dated securities for financing the fiscal deficit was budgeted in BE 2020-21 at Rs. 12,80,000 crore (Gross) and Rs. 10,52,788 crore (net).

2.6.1.2 During the year, Government continued with the policy of announcement of half yearly indicative market borrowing calendar based on its core borrowing requirements.

2.6.1.3 During the financial year 2020-21, Government has planned to borrow Rs. 12,80,000 crore through dated securities, out of which till Feb.08, 2021 borrowing to the extent of Rs. 11,76,365 crore has been accomplished. GoI has also plan to borrow additional amount of Rs. 1,10,000 crore for extending on back to back loans to provide funds to States/UTs on a/c of GST compensation cess.

2.6.1.4 The weighted average yield and maturity of dated securities issued during 2020-21 (April 01, 2020 to Feb.

08, 2021) were 5.77 % and 14.98 years respectively, as compared to 6.84 % and 16.15 years in the corresponding period of the financial year 2019-20.

2.6.1.5 Detailed analysis of existing debt and liabilities of the Government is brought out in the annual debt papers, published during 2011-12, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 (available on https://dea.gov.in/documents-reports).

2.6.2 Cash Management

2.6.2.1 With the objective to improve the Cash Management System in the Central Government, a modified cash management system, including exchequer control based expenditure management system was introduced in respect of 15 Demands for Grants in Central government w.e.f. April 1, 2006 vide this Ministry's O. M. No. 21 (1)-PD/2005 dated January 10, 2006. The system was later extended to 23 & 46 Demands for Grants w.e.f. April 1, 2007 and April 1, 2012. It has now been made applicable to all the Demands for Grants of the Union Government vide this Ministry's O.M. No. 21(1)-B(PD)/2014 dated July 22, 2015 and F. No. 4(10)-W&M/2016 dated August 4, 2016 and F. No. 15(39)-B(R)/2016 dated August 22, 2017.

2.6.2.2 During 2020-21, due to COVID-19 pandemic, revised quarterly Cash Management guidelines were issued for better management of resources to contain the spread of pandemic and to provide necessary assistance to the masses/needy people of the country.

2.6.2.3 As per the guidelines of the system, all the Demands for Grants are required to prepare and send their Monthly Expenditure Plans (MEPs) and Quarterly Expenditure Allocations (QEAs) to Cash Management Cell for better monitoring and compliance of the guidelines of the Ministry of Finance regarding expenditure management. The revised guidelines also provide that the expenditure in the last quarter and last month of the financial year may be within the budgetary provision.

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 April 1, 2020 to December 31, 2020, in compliance with the relevant provisions of the FRBM Act and Rules framed thereunder the following documents were prepared and laid before both Houses of Parliament:

A) Statements of fiscal policy presented with Union Budget 2020-21.
   - a) Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement
   - b) Macro-Economic Framework Statement

B) Disclosure statements:
   - 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 2019-20
   - b) First Half of the financial year 2020-21- This will be presented during Budget Session.

2.7.3 Fiscal indicators in FY 2019-20 and targets for RE 2020-21 and BE 2021-22 are as below:

Fiscal Indicators/ Year	2019-20	2020-21 (RE)	2021-22(BE)
Fiscal Deficit	4.6	9.5	6.8
Central Government Debt*	50.3	62.2	61.0

Note: GDP for the year 2019-20 is 203.51 lakh crore at current prices as shown in First Revised Estimates issued by M/o Statistics & Programme Implementation on 29.01.2021.

*Central Government Debt includes all liabilities of the Central Government against the consolidated fund of India and all public account liabilities, reduced by the cash balance available at the end of that date with external debt valued at current exchange rate. EBR (fully serviced Government Bonds) have also been included. External Debt is at historical cost (book value).

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).

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 2020-2021 and Budget Estimates 2021-2022. 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, 2020 to 31st January, 2021, 29 Reports of the C&AG of India were laid before the Parliament and 25 proposals of entrustment/re-entrustment of audit of various bodies to the C&AG of India were dealt by this Section.

2.10 PUBLIC DEBT MANAGEMENT CELL

2.10.1 As a first step towards the establishment of autonomous Debt Management Office, a Middle Office (MO) was set up in the DEA, MoF in September 2008. This was required to build skills and develop expertise in debt management functions which is a time consuming process.

2.10.2 Consequent upon the announcement in Lok Sabha in April 2015 by FM, consultations were held with RBI and other stakeholders on way ahead and it was decided to initially set up a Public Debt Management Cell (PDMC) as an interim arrangement before setting up of an independent and statutory PDMA in due course. The interim arrangement will allow separation of debt management functions form RBI in a gradual and seamless manner, without causing market disruptions. It was also decided that the work for moving towards PDMA would be taken up in a phased manner.

2.10.3 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 coming into being. 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.

2.10.4 In addition to carrying out various advisory functions assigned to it, PDMC has also been working towards formation of statutory PDMA and initiated many necessary steps in this regard, namely, building an independent debt database, increased role in planning the borrowing of GoI, increased interaction with market participants etc. It has also endeavoured to build expertise in the sphere of debt management, in order to ensure seamless and disruption free separation of debt management functions from RBI to PDMA.

2.10.5 One of 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 country, consolidated debt data relating to public debt, debt management strategies 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 is under progress. 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.

2.11 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 2020-21, the Budget Press contributed in execution of 1st paperless Union Budget 2021-22 presented on 1st Feb, 2021 in the Parliament amid Covid 19 pandemic, which involved timely preparation & consolidation of total 24 documents in digital format and was uploaded in the Union Budget App in Hindi & English. Apart from this, total 101 various documents were printed in all with as many copies required during 1.4.2020 to 31.1.2021.

2.11.2 Apart from Union Budget, the Budget Press printed First Batch and Second Batch of Supplementary Demands for Grants for the year 2020-21, Detailed Demands for Grants for the year 2021-22, Action Taken Report, Cabinet Note (Hindi & English) and Discussion Paper. The Annual Report 2020-21 was printed during February-March, 2021.

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 Market Division

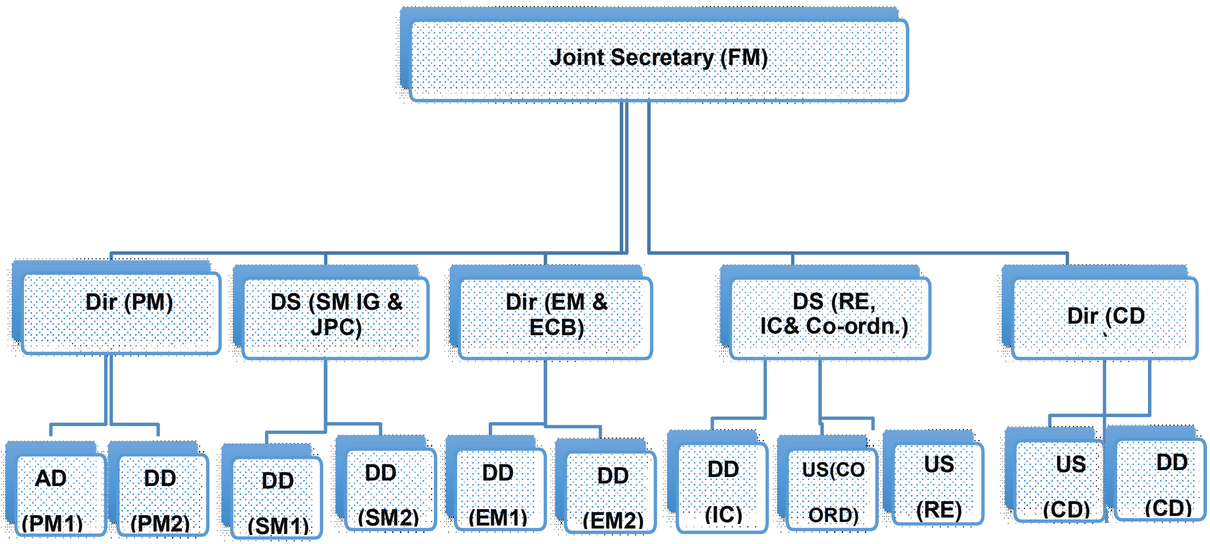
A. Work Allocation in Financial Markets (FM) Division

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 rules regulations and notifications thereunder. Issues related to erstwhile Forward Contracts (Regulation) Act, 1952 is also handled in the FM Division.

Organogram



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 Primary Capital raising 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 Provident 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. 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

10. Sectoral charge of Ministry of Law and Ministry of Parliamentary Affairs

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 SEBI, appointment of Presiding Officer and Registrar of SAT and administration of related Rules and Regulations

2. Constitution of the FSRASC

3. Establishment matters of SEBI like general fund, audit, and 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. Tribunal, Appellate Tribunal and other Authorities (Qualifications, Experience and other Conditions of Service of Members) Rules, 2017

8. MoU between SEBI and any foreign country

9. Remittances from SEBI to the consolidated fund of India

10. 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. Bilateral Trade arrangement with Iran

4. Indo-US Financial Regulatory Dialogue /Indo-US Financial Initiative

5. Indo Japan Financial Regulatory Dialogue

6. India-UK Financial Market Dialogue

7. Indo-UK Financial Partnership

8. India-EU Financial Regulatory Dialogue

9. Bilateral Trade arrangement with Iran

10. Other International matters

11. 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. Residual work related to Unit Trust of India/ SUUTI/ UTIAMC.

7. 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 LIMB Sportals 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

B. Recent Developments

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

1. Capital market, both debt and equity, has become increasingly important for Indias growth story. On the equity side, despite the disruption caused by COVID shock, the total funds raised through public issue [Initial Public Offering (IPO), Rights Issue, Preferential Issue, Qualified Institutional Placement] have touched Rs. 1.43 lakh crores till October 2020. On the debt side, the funds raised through corporate bonds this financial year till October 2020 are around Rs. 4.4 lakh crores. The Assets under Management (AUM) of mutual fund industry stood at Rs. 28, 22,941 crores. Detailed data is given in **Annexure A.**

2. The Securities and Exchange Board of India (SEBI) in consultation with Government has taken several measures to ease the process fund raising from primary markets.

i. SEBI on 22 June 2020 has relaxed the framework for stressed companies to raise funds from the market, through preferential issue based on the last two weeks price (instead of following the extant pricing norm of higher of the 26 weeks or 2 weeks price), subject to certain conditions.

ii. SEBI, on 16 June 2020, amended the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to relax the requirement of minimum 6 months time gap between two consecutive QIP issues so that a subsequent QIP may be initiated after expiry of two weeks from the date of the previous QIP.

*Source: SEBI *(till Oct 2020)*

iii. Measures were also taken for streamlining of process of issue of Rights in securities by listed entities while reducing the time period involved in the entire process from around 55 days to 31 days, relaxations in eligibility conditions for Fast Track Rights Issue, Fast Track Further Public Offer (FPO), etc.

3. DEA vide notification dated 31st July 2020 has amended the Securities Contract (Regulation) Rules, 2020 to give extension of one additional year till August, 2021 to listed Public Sector Undertakings and listed Public Sector Banks to ensure compliance with Minimum Public Shareholding Requirements.

4. The MF industry AUM which stood at Rs. 22.26 crores on 31st March 2020 has increased to around Rs. 28 lakh crores by October, 2020. In order to deal with sudden unplanned redemptions in liquid schemes, SEBI, in consultation with Government, has strengthened the prudential norms to be followed by Mutual Funds (MFs) to enhance the safeguard available for investors and maintain the orderliness and robustness of MFs. SEBI has mandated all open-ended debt schemes to hold at least 10% of their net assets in liquid assets. SEBI, vide circular dated 5 October 2020, has introduced guidelines for determining the place of a mutual fund on its *risko meter* tool, w.e.f.1st Jan 2021. Mutual Funds have to update the risk-o-meter on a monthly basis on their websites and the AMFI website. It is useful for investor awareness and protection.

5. Government of India in coordination with financial sector regulators has been taking concerted steps to develop the corporate bond market in India.

i. SEBI on 08.10.2020 brought about certain amendments in SEBI (Debenture Trustee) Regulations, 1993 and other relevant regulations to strengthen the role of debenture Trustees (DT(s) in carrying out continuous monitoring and due diligence for protecting the interest of debenture holders.

ii. SEBI, on 08.10.2020, amended the SECC Regulations to facilitate setting up of a Limited Purpose Repo Clearing Corporation focused on development of repo market for corporate bonds.

iii. SEBI vide circular dated October 05, 2020 standardized timelines for listing of securities issued on private placement basis to T+4 trading day under its Regulations.

Annexure A.

Details of Funds mobilized through Primary Market (As per SEBI November, 2020 Monthly Bulletin)

Capital Raised from the Primary Market (Equity) (amounts in Rs. crores)												
Year/Month	Total		Rights		QIP		Preferential Issues		IPOs (Main board)		IPOs on SME platform	
	No. of issues	Amount	No. of issues	Amount	No. of issues	Amount	No. of issues	Amount	No. of issues	Amount	No. of issues	Amount
2018-19	551	2,37,077	10	2149	14	8678	404	210163	13	14243	110	1844
2019-20	369	3,06,192	16	55,642	14	54389	282	174875	11	20791	46	495
2020-21*	188	1,43,451	14	60,536	16	56,475	132	18,705	9	7623	17	112

*Source: SEBI *(till Oct 2020)*

Table 2: Data on corporate bond issuance (2014-15 to 2020-21)

Issue Type	2018-19		2019-20		2020-21	
	No.	Amount (Rs Cr)	No.	Amount (Rs Cr)	No.	Amount (Rs Cr)
Public Issue (Debt)$ Pvt.	25	36,679	34	14,984	7	1332
Placement of Corporate Bonds*	2,358	6,10,318	1,787	6,74,703	1157	4,42,526
Total Debt (Public & Pvt.)	2,379	6,46,997	1,820	6,89,687	1164	4,43,858

**Source: SEBI website (up to 31.10.2020)*

Table 3: Secondary Market Trading in Corporate Bonds

Year	Traded Value (in Rs. Crores)	No. of Trades
2018-19	17,99,660.00	1,03,527
2019-20	22,27,821.00	1,38,227
2020-21 (upto 31 October 2020)	12,35,751	80,064

Source: SEBI

Table 3 : Asset under Management (AUM) by Mutual Funds (Rs. Crores)

Asset Under Management (AUM) by Mutual Funds (Rs. Crores)	
Year	AUM of MFs
2014-15	9,45,320.55
2015-16	12,32,823.53
2016-17	17,54,619.08
2017-18	21,36,035.75
2018-19	23,79,584.13
2019-20	22,26,202.87
2020-21*	28,22,941.00

Source: SEBI Statistics, * up to Oct 2020.

I. External Markets:

A. International Financial Services Centres Authority (IFSCA):

Pursuant to the passage of IFSCA Act in December 2019, IFSCA was 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 IFSCA Act have been notified in the Official Gazette. The following key notifications pertaining to IFSCA were also notified by DEA during the year:

- **Notification of Aircraft lease which shall include operating and financial lease as financial product and Global in-House Centres (GIC), as financial service**: Vide Gazette notification dated 16th October, 2020 aircraft leasing and global in- house centres were notified as a financial product and financial service respectively. The notifications will go a long way in improving the ease of doing business within the IFSC and will fast track the development of GIFT IFSC into a global hub for aircraft financing and leasing and for finance-related GICs.
- **Notification of bullion as a financial product and related services as a financial service:** vide Gazette Notification dated August 31st, 2020 Bullion was notified as a financial product and related services as financial services under the IFSC Authority Act, 2019. This has paved the way for the establishment of International Bullion Exchange at IFSC Gandhinagar.

IFSCA, the unified regulator for IFSC area, has also brought out key regulations such as the IFSCA (Banking) Regulations, IFSC (Bullion) Regulations and IFSC (Global In-House Centres) Regulations. As a step towards making GIFT-IFSC a global FinTech hub IFSCA has issued the framework for “Regulatory Sandbox” and “Innovation Sandbox” as well.

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 ambition 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. These endeavours 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.

Snapshot of External Market

B. **Participation of Foreign Portfolio Investors (FPIs) in Securities Market FPI/FII Investment in India from 2012-13 to 2020-21**

Calendar Year	INR Crores				
	Equity	Debt	Debt - VRR	Hybrid	Total
January	12122.6	-11648	529.2	-46.3	957.5
February	1819.8	2096.8	2637.3	2416.4	8970.2
March	-61972.8	-60375.8	4164.8	-19.3	-118203.1
April	-6884	-12552	4033	544	-14859
May	14569	-22935	1000	11	-7356
June	21832	-1545	3766	1957	26009
July	7563	-2476	-1786	1	3301
August	47080	-3310	2762	3347	49879
September	-7783	3958	406	2222	-1196
October	19541	1641	851	-207	21826
November	60358	-1806	4399	-169	62782
December **	44209	5384	-1089	169	48673

Source: NSDL, ** Up to 16th December 2020

- FPI flows were in the positive territory for the first two months of 2020 with total net investment inflows of Rs.9927 cr. Thereafter, for a short period as the impact of COVID-19 began to unfold around the world, there were outflows in net FPI investment during Mar-May to the tune of Rs. 1,40,418 cr. There soon followed a strong rebound in FPI flows from June 2020 largely driven by equity investment. FPIs made a net investment of Rs. 1,88,071 crores up to Dec 8, 2020 with the month of November witnessing the highest ever monthly FPI inflows at Rs. 62782 cr.
- The robust FPI inflows which have happened in the latter half of 2020 has been aided by several proactive measures taken by the Government and the regulators to improve the business environment for FPIs. 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 10. 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.

C. External Commercial Borrowing in India:

ECB net inflows from FY 2016-17- till date is presented as under to capture the trends and patterns:

USD Million

2016-17	2017-18	2018-19	2019-20	2020-21 (Till October 2021)
(-) 4,526	2,245	13,349	52,932	14663

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

The following broad trends emerge out the data:

a) The actual inflows have increased for ECBs in the last two financial years.

b) The net inflows for ECBs were negative for the FY 2016-17. However, the last two years have seen the net inflows turn positive and there has been a substantial increase in FY 2019-20.

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, 2020: Regarding Press Note 3 (2020) of DPIIT pertaining to the review of Foreign Direct Investment (FDI) policy for curbing opportunistic takeovers/acquisitions of Indian companies due to the current COVID-19 pandemic was notified on 22nd April, 2020.

ii. FEM NDI (Second Amendment) Rules, 2020: Regarding Press Note 1 (2020) of DPIIT pertaining to the review of Foreign Direct Investment (FDI) policy in Insurance Sector was notified on 27th April, 2020.

iii. FEM NDI (Third Amendment) Rules, 2020: Regarding Press Note 2 (2020) of DPIIT pertaining to the review of Foreign Direct Investment (FDI) policy in Civil Aviation and for transferring the administration of NDI Rules to RBI was notified on 27th July, 2020.

iv. FEM NDI (Fourth Amendment) Rules, 2020: Regarding Press Note 4 (2020) of DPIIT pertaining to the review of Foreign Direct Investment (FDI) policy in Defence Sector was notified on 8th December, 2020.

III. Secondary Markets :

Indian Market Performance

In the current year 2020, as on 30th November 2020, the NSE benchmark index NIFTY 50 gained 7.02% and BSE benchmark index Sensex gained 6.58%. For the previous calendar year, Nifty 50 and Sensex gained 14.38% and 12.02% respectively.

Index	Last Day of the calendar year 2018 (31st December, 2018)	Last Day of the calendar year 2019 (31st December, 2019)	As on 30th November, 2020	Performance in Calendar Year 2019 (% change for the calendar year 2019)	Performance in Calendar Year 2020 till 30th November, 2020
Indian Markets					
SENSEX, India	36068.33	41,253.74	44149.72	14.38	7.02
NIFTY, India	10862.55	12,168.45	12968.95	12.02	6.58
Emerging Markets					
Indice BOVESPA, Brazil	87887	115964	108888	31.95	-6.10
KOSPI, South Korea	2041.04	2197.67	2591.34	7.67	17.91
TAIWAN TAIEX, Taiwan	9727.41	11997.14	13722.89	23.33	14.38
Developed Markets					
S&P 500, US	2485.74	3230.78	3621.63	29.97	12.10
DAX, Germany	10558.96	13249.01	13291.16	25.48	0.32
FTSE 100, UK	6734	7542.4	6266.2	12.00	-16.92
CAC-40, France	4678.74	5978.06	5518.55	27.77	-7.69
NIKKEI 225, Japan	20014.77	23656.62	26433.62	18.20	11.74
HANG SENG, Hong Kong	25504.2	28189.75	26341.49	10.53	-6.56

Source: Cogencis

Key Developments:

1. **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, an announcement was made in Union Budget 2018-19 on this reform. Accordingly, 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 these were to come into force from 9th January, 2020, which was later extended to 1st April, 2020 vide notifications dated 8th January, 2020. Further, in order to ensure smooth functioning of Indian Stock Markets and in continuation to several relief measures in view of COVID-19, the Government of India extended the date of implementation of amendments in the Indian Stamp Act, 1899 brought out through Finance Act, 2019 and Rules made thereunder from 1st April, 2020 to 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

(through the Stock Exchanges or Clearing Corporations authorised by the stock exchange or by the Depositories) on one Instrument. A mechanism for appropriately sharing the stamp duty with relevant State Governments based on state of domicile of the buying client has also been included. 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 stamp duty and its collection process has been working smoothly. In the four months (July to November, 2020) alone, State Governments have collected nearly Rs. 1029.9 crores.

2. **Interoperability among Clearing Corporations - Amendments to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 wherein** SEBI has enabled interoperability among clearing corporations (CCPs) which provides for linking of multiple CCPs.

3. **Protected Systems/Critical Information Infrastructure (CII):** This Department has declared the Bombay Stock Exchange Online Trading System (BOLTPlus) and its underlying computer resources of the Bombay Stock Exchange (BSE); the Clearing and Settlement System (CLASS) and its underlying computer resources of Indian Clearing Corporation Ltd. (ICCL); the Trading System and its underlying computer resources of the National Stock Exchange Ltd (NSEIL); and the Clearing and Settlement System and its underlying computer resources of the NSE Clearing Ltd. (NCL) to be Protected System under sub-section (1) of section 70 of the Information Technology Act, 2000 (21 of 2000). This Department also issued Order dated 24th February, 2020 in pursuance of sub-section (2) of section 70 of the Information Technology Act, 2000 (21 of 2000), authorizing the persons mentioned in the Schedule of the Order dated 24th February 2020 to access the protected system of the BSE, ICCL, NSEIL and NCL. This Department has also sent list of identified CII and authorized personnel having role-based access to the CII for BSE, ICCL, NSEIL, NCL, MSEIL (Metropolitan Stock Exchange of India Limited), MCCIL (Metropolitan Clearing Corporation of India Limited), NSDL (National Securities Depository Limited) and CDSL Central Depository Services Limited to SEBI for bringing in notice to the respective organisations.

IV. Commodity Derivatives :

COMMODITY DERIVATIVES MARKET

1. **In October 2019**, Ministry of Finance (Dept. of Economic Affairs) **notified "option in commodities" as a *derivative*** under the Securities Contracts (Regulation) Act, 1956. With this enablement, the plain vanilla options, structured directly on commodities would become tradable on exchange platforms. These commodity derivatives are much simpler and hedger-centric than the "options on commodity futures" which are being traded at present and can be used to avail price risk insurance in the commodity derivatives market.

2. **A working group has been constituted** by DEA under the Chairmanship of Joint Secretary Financial markets) on 23.12.2019 to encourage the participation of government procurement agencies in the commodity derivative markets.

3. In order to develop regulated warehousing ecosystem for non - agriculture commodities in India under the purview of Warehousing Development and Regulatory Authority (WDRA), a Working Group was constituted by DEA under the chairmanship of Whole Time Member (SEBI) which submitted its Report in October 2019 suggesting roadmap and relevant standards for warehousing of non-agri commodities, which are being taken up for implementation.

4. In pursuance of the request from DEA, the Department of Consumer Affairs has issued an order on 16th December 2019, exempting stocks of commodities hedged on commodity exchanges from stock limits prescribed under Essential Commodities Act, 1955. This would encourage hedgers to participate in the commodity exchanges.

II. International Cooperation:

Indias 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) and Rating and Investment Information Inc., Tokyo (R&I) and DBRS Morningrator. 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	13.07.2020	Baa3	Negative	Baa3	Negative

Rating Agency	Date of affirmation of ratings	Foreign Currency		Local Currency	
		A-2		A-2	
Fitch	18.06.2020	BBB- (LT)* F3 (ST)#	Negative	BBB- F3(ST)	Negative
S&P	25.09.2020	BBB- (LT) A-3 (ST)	Stable	BBB- (LT) A-3 (ST)	Stable
JCRA	*29.10.2020*	BBB+	Stable	BBB+	Stable
R&I	March 19, 2020	BBB (LT) A-2 (ST)	Stable	No ratings were given	
DBRS	21.05.2020	BBB R-2 (high)	Negative	BBB R-2 (high)	Negative

*LT-Long Term, #ST-Short Term

I. Regulatory Establishment

Securities Appellate Tribunal:

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 Act -1992, 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 30.11.2020, 662 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 (1 yr. – 2 yrs.)	Pendency (2 yr. – 3 yrs.)	Pendency more than three years	Total Disposal of cases upto November 2020
Nov-20	**SEBI**	646	452	165	29	00	374
	IRDA	13	00	11	01	01	03
	PFRDA	03	00	00	03	00	00

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 Council is the Finance Minister of India, Members include Minister 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 Council 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 Council.

4.1.3 Till 30th November, 2020, FSDC held 22 meetings. In 2020-21, the 22nd meeting were held on 28th May 2020. In this meeting, the Council reviewed the current global and domestic macro-economic situation, financial stability and vulnerabilities issues, major issues likely to be faced by banks and other financial institutions as also regulatory and policy responses, Liquidity / Solvency of NBFCs/HFCs/MFIs and other related issues. Besides, market volatility, domestic resource mobilisation and capital flows issues, were also discussed by the Council. The Council also reviewed activities undertaken by the FSDC Sub-Committee Chaired by the Governor, RBI, and the action taken by Members on the decisions taken in earlier Meetings of the Council.

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 the MoS (Finance), all members of the FSDC are also the members of the Sub-Committee. Additionally, all four Deputy Governors (DG) of RBI, and Secretary (FSDC), are also the members of the Sub-Committee. 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 Sub-Committee. The Sub-Committee has met 25 times till 30th November, 2020.

4.2.2 During the year 2020-21, FSDC-SC held two meetings, i.e., the 24th meeting held on June 18, 2020 and the 25th meeting held on August 31, 2020. In these meetings, the Sub-Committee reviewed the major developments in global and domestic economy and financial markets that impinge on the financial stability. The Sub-Committee also discussed about the proposal of setting up of an Inter Regulatory Technical Group on Fintech (IRTG-Fintech); the National Strategy on Financial Education (NSFE) 2020-2025; the status and developments under the Insolvency and Bankruptcy Code (IBC), 2016; the working of credit rating agencies; the initiatives and activities of National Centre for Financial Education (NCFE); the activities of various technical groups under FSDC-SC and the functioning of State Level Coordination Committees (SLCCs) in various states/UTs. The regulators reaffirmed their commitment to continue co-coordinating on various initiatives and measures to strengthen the financial sector in these extraordinarily challenging times.

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, 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, 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). 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). Besides, 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.

4.3.4 During the year 2020-21, considering the travel restrictions relating to Covid-19, virtual meetings of the FSB Plenary were held on 26th June 2020 and 5th October 2020. SCSI virtual meetings were held on 5 May 2020, 2 June 2020, 8 July 2020, 6 October and 3 November. Besides, one virtual meeting of the Regional Consultative Group for Asia was held on 3 November 2020. All these meetings were attended by representatives of DEA at suitable levels. Apart from these, as part of its programme to examine the effects of post-crisis financial reforms that were agreed by the G20, FSB launched an evaluation of "too-big-to-fail" (TBTF) reforms for banks. DEA, as a member in this working group also attended these virtual meetings. Continuous engagement was maintained through various virtual meetings/ conference calls of Plenary, SCSI, TBTF 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 WB published their reports, including the Financial System Stability Assessment Report (FSSA)[1] (along with IMF Press Release, Supplement on Bank Recapitalization measures and Buff statement of India's ED in IMF) and Financial Sector Assessment (FSA) report[2] respectively on December 21, 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 23 meetings till date. .

4.6. Financial Data Management Centre (FDMC)

4.6.1 It has been decided to set up a Financial Data Management Centre (FDMC) to facilitate integrated data aggregation and analysis in the financial sector. During the year under review, progress has been made towards finalization of the draft Cabinet Note and the draft FDMC Bill to set up FDMC as a statutory body, in consultation with financial sector Regulators, Ministry of Law & Justice, and Departments concerned.

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

4.7.1 To ensure cyber security in Financial Sector and to fulfil the objective behind setting up of a Computer Emergency Response Team for the financial Sector (CERT-Fin), an alternate arrangement has been done in the form of Computer Security Incident Response Team-Finance Sector (CSIRT-Fin) which has been made operational from 15.5.2020 under the Indian Computer Emergency Response Team (CERT-In) within the Ministry of Electronics and Information Technology (MeitY). As agreed by Department of Economic Affairs (DEA), Ministry of Finance, Ministry of Electronics and Information Technology (MeitY) and all the financial regulators, the CERT-In is to provide the requisite leadership for the operations of CSIRT-Fin under its umbrella. In case any challenges arise in the smooth operations of CSIRT-Fin in future, MeitY may consider the amendment of Information Technology Act (IT Act) to provide for statutory status to CSIRT-Fin so as to enable it to operate as a separate statutory organisation.

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1 http://www.imf.org/en/Publications/CR/Issues/2017/12/21/India-Financial-System-Stability-Assessment-PressRelease-and-Statement-by-the-Executive-45497

2 http://documents.worldbank.org/curated/en/704231513810603813/India-Financial-Sector-Assessment

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.

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.

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.

2. Financial Sector Legislative Reforms Commission- Main recommendations

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.

3. Recommendations on the Financial Regulatory Architecture

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.

4. Implementation Status of the recommendations of the FSLRC

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. Financial Market Division, Department of Economic Affairs (DEA) has been assigned the task to initiate necessary steps for the setting up of FSAT.

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 a non-statutory FDMC. FS&CS Division, DEA has been assigned the task to initiate necessary steps for the setting up of FDMC.

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. Budget Division, DEA has been 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, has notified the inflation target in the Gazette of India Extraordinary dated August 5, 2016, for the five years ending on the March 31, 2021, as under:

Inflation Target	:	Four per cent.
Upper tolerance level	:	Six per cent.
Lower tolerance level	:	Two per cent.

(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. Other Legislative Reforms

Providing a Legal Framework for Bilateral Netting of Qualified Financial Contracts

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.

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.

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' to lay down the mechanism for close-out netting of the financial contracts. The Cabinet approved the proposal to introduce the Bill in Parliament in its meeting held on March 20, 2020. The Bill was passed by the Parliament in September, 2020. The Bilateral Netting of Qualified Financial Contracts Act, 2020 was published in the Gazette of India Extraordinary on 28th September, 2020. The Act has been brought into force w.e.f. 1st October, 2020.

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. It will enable India to become one of the major markets for the Over-The-Counter (OTC) Derivatives products and 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 & Finance (IPF) Division

Infrastructure Policy & Finance (IPF) Division is headed by Shri Baldeo Purushartha, Joint Secretary. The Division has the following Units:

Infrastructure Finance (Infra-Fin),

Energy Sector Policies & Programmes (ESPP),
Infrastructure Policy & Programme (IPP)

and

Public Private Partnerships (PPP).

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

E-Governance initiatives of the Division: All the units of IPF Division have migrated to e-office mode (e-files, leave, advances, etc).

6.1 Infrastructure Finance (Infra-Fin) Unit

6.1.1 Major Functions:

Infrastructure 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:

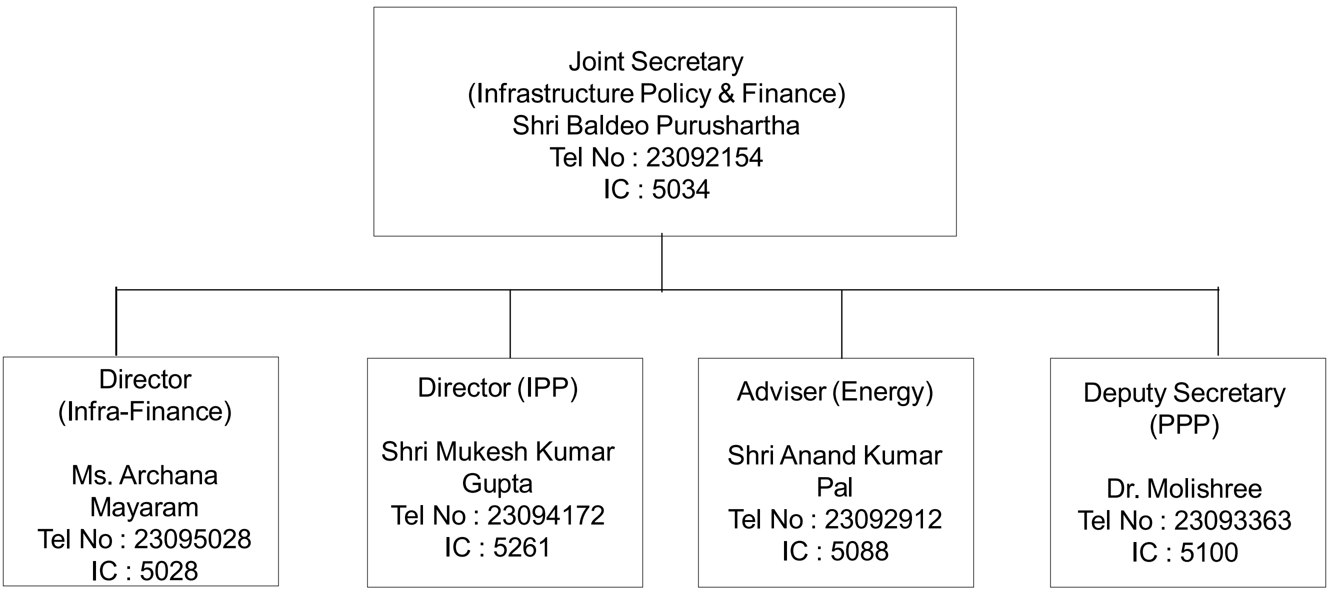
- Matters related to infrastructure financing, including development of new mechanisms/ instruments for promotion of investment in infrastructure.
- Matters relating to Infrastructure Debt Funds (IDFs), Real Estate Investment Trusts (REITs)/ Infrastructure Investment Trust (InvITs), Tax Free Bonds, Municipal Bonds and other instruments meant for infrastructure financing and credit enhancement.
- Matters relating to Special Purpose Vehicle (SPV) for Credit Enhancement of Infrastructure Projects.
- 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 New Credit Rating System for Infrastructure.
- Matters related to National Infrastructure Pipeline (NIP)
- Matters relating to Infrastructure Working Group (IWG) of G-20.
- Matters relating to BRICS Taskforce on PPP and Infrastructure
- Matters relating to meetings of Board of Directors of IIFCL as JS (IPF) is Government nominee on its Board of Directors;
- External charge- GCC Countries (United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait, and Yemen), Turkey, Cyprus, Lebanon, Jordan;

6.1.2 Major Policy Initiatives/ Achievements:

6.1.2.1 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.

ORGANISATIONAL CHART OF IPF DIVISION



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 Harmonised 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. The 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

6.1.2.2 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.

In 2020, under the Saudi Arabia's Presidency, G20 IWG prepared the Riyadh Infratech Agenda which was subsequently endorsed by the G20 Finance Ministers and Central Bank Governors (FMCBG) and G20 Leaders'. The Infratech Agenda promotes the use of technology in infrastructure, with the aim of improving investment decisions over the lifecycle, enhancing value for money of infrastructure projects, and promoting quality infrastructure investments for the delivery of better social, economic and environmental outcomes. India, through its interventions at the IWG meetings, advocated for increasing access to technology for all end-users, bridging the digital divide between economic classes and regions. India also emphasized the need to develop new and innovative financing models and instruments that will help governments' tap into the large pool of private capital available with long-term institutional investors (such as sovereign wealth funds, pension funds etc) that are amenable to infrastructure investment.

Further, in line with the G20 Roadmap for Infrastructure as an Asset Class (endorsed by the G20 Leaders in 2018), the G20 also welcomed G20/OECD Report on the Collaboration with the Institutional Investors and Asset Managers on Infrastructure Investment, which reflects investors' view on issues and challenges affecting private investment in infrastructure and presents policy options to address them.

6.1.2.3 BRICS Task Force on Public Private Partnership (PPP) and Infrastructure:
India will be assuming chairmanship of the BRICS countries in 2021. India will also be assuming chairmanship of the BRICS Task Force on Public Private Partnership (PPP) and Infrastructure in 2021.

6.1.2.4 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, eight InvITs and three REITs have been successfully launched and have collectively raised around Rs.80,000 crore.

6.1.2.5 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 unde MF route are in Operation.

6.**2.** **Energy Sector Policies & Programmes (ESPP) Unit**

6.2.1 The major functions of ESPP Unit, inter alia, include the following:

- All policy related issues pertaining to energy sector, viz. Petroleum and Natural Gas, Coal, Power, Atomic Energy and New & Renewable Energy;
- Ministries/ Department: MoPNG, MNRE, Atomic Energy, Space, Coal, Power, Mines;
- Examination of the investment proposals in energy sector requiring the approval of Cabinet/ CCEA/ CoS/ PIB/ EFC for their viability and justification;
- Matters relating to ONGC Videsh Ltd. (OVL) and International Solar Alliance (ISA);
- Matters related to Committee on Allocation of Natural Resources (CANR);
- Matters relating to OPEC Fund for International Development (OFID);

- International Territorial Charge: Iran, Iraq, Israel;
- States: Maharashtra, Gujarat.
- Coordination matters related to IPF Division.

6.2.2 Major Policy Initiatives/ Achievements:

6.2.2.1 ESPP Unit is the Secretariat of the Monitoring Committee (MC) set up to review the implementation status of the recommendations of the Committee on Allocation of Natural Resources (CANR). Monitoring Committee is chaired by Cabinet Secretary. Out of 81 recommendations of CANR, 66 recommendations as they are and three recommendations with reformulations were accepted for implementation by respective Ministries/ Departments. One recommendation was not accepted.

6.2.2.2 Action on Remaining 11 recommendations was decided by the Department in consultation with concerned Ministries/ Department. For implementation of recommendations pertaining to Land, following two committees under the Chairmanship of Secretary, Economic Affairs were constituted –

i. Working Committee to create a centralized databank of inventory of all Govt. land including that belonging to Government controlled Statutory Authorities and CPSUs: The Government Land Information System (GLIS) has been created by Ministry of Electronics and Information Technology (MeiTy) and Ministry of Housing and Urban Affairs (MoHUA). In the meeting chaired by Secretary, DEA on 22.03.2018 to review the status of uploading of land data on web portal, it was decided that as uploading of land data on the web portal is an ongoing exercise therefore, with this functional and populated portal the mandate of working group has been achieved. A brief note on the work done by the Committee was sent to Cabinet Secretary on 24.04.2018.

ii. Committee for suggesting Broad Guidelines on the issues relating to Procedures for Exchange, Transfer, Leasing, Licensing and Sale of land held by Govt. and Govt. Controlled Statutory Authorities and CPSUs. The Report of the Committee has been sent to the Cabinet Secretary for consideration.

6.2.2.3 CAPEX Review Meetings to monitor performance of CPSEs with annual target Rs. 500 crore or more were held under the chairmanship of Hon'ble Finance Minister in order to revive the economy. The primary focus is to Review the progress of CAPEX targets and take steps required for expediting CAPEX Works. Five such CAPEX Review Meetings in respect of 35 CPSEs under 13 Ministries/Departments have been held so far.

6.2.2.4 CCEA in its meeting held on 20.5.2020 approved the proposal of M/o Coal regarding adoption of methodology for auction of coal and lignite mines/ blocks for sale of coal/ lignite on revenue sharing basis and tenure of cooking coal linkage. The proposal mandated constitution of an Empowered Committee of Secretaries (ECoS) to deliberate and decide/ recommend on the certain matters pertaining to auction methodology and associated matters, issues in operationalisation of blocks allocated for sale of coal, etc. Accordingly, M/o Coal vide its OM dated 28.05.2020 constituted ECoS of which Secretary (EA) is a member. Two meetings of ECOS have been held till now.

6.2.2.5 Eighteen Cabinet/ CCEA/ ECS Note/ other proposals from the line Ministries/ Departments have been examined during the year. In addition, three PIB proposals and five EFC proposals have been examined during the year.

6.3. Infrastructure Policy & Programme (IPP) Unit

6.3.1 Major Functions:

Analyzing investment proposals concerning Road Transport & Highways, Ports, Shipping, Inland Water Transport, Railways, Telecommunications, Civil Aviation & Urban Development sectors

Matters relating to Projects (non-PPP) of Ministry of Road Transport and Highways.

Servicing Steering Committee, Inter-Ministerial Committees, High Level Committees, Group of Secretaries, Institutional Mechanism on the Harmonized Master List of Infrastructure Sub-sectors.

Matters related to Evaluation Committee for finalization of PIM/EOI in respect of strategic disinvestment of CPSEs to Division holding the Sectoral Charge of relevant Ministry.

Providing comments on DCNs received from MI Division Institutions: DMICDC/NICDIT, NHAI, IRFC, Digital Communications Commission.

External Territorial Charge: Nil

Ministries/Departments: Ministry of Road Transport and Highways, Shipping (including Ports & Inland Water Transport), Civil Aviation, Railways, Ministry of Housing and Urban Affairs, Telecommunications, Posts.

States: Madhya Pradesh, Chhattisgarh

6.3.2 Major Policy Initiatives/ Achievement:

6.3.2.1 "Affordable Rental Housing Complex" is included in the Harmonized Master List (HML) of Infrastructure Sub-sectors. 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."

6.3.2.2 Five DIB Memorandum, Seven PIB Memorandum, Seven EFC Memorandum, seventy three

SFC Memorandum and twenty nine CCEA/Cabinet/GoM Notes received from line Ministries/Departments have been examined during the year.

6.4. PUBLIC PRIVATE PARTNERSHIPS (PPP) CELL

6.4.1 Major Functions:

- Appraisal & approval of Central Sector PPP Projects as per Cabinet approved guidelines and orders for delegation of powers;
- Scheme for financial support to PPPs in Infrastructure-Viability Gap Funding (VGF) Scheme;
- Scheme for India Infrastructure Project Development Fund (IIPDF);
- PPP Policy & Programmes;
- PPP Capacity Building programmes;
- Innovative interventions and PPP Pilot project initiative;
- Mainstreaming PPPs including technical assistance and programmes from bilateral/ multilateral agencies and support to State and local governments;
- International interface on PPPs and other matters concerning PPPs;
- Matters relating to management of PPP related information.

6.4.2 Government of India has systematically rolled out the Public Private Partnerships (PPP) program to bridge the infrastructure gap, and create an enabling environment for private sector investment in infrastructure through PPPs for the delivery of high-priority public infrastructure and services. The PPP Cell acts as the Secretariat for Public Private Partnership Appraisal Committee and Empowered Institution (EI)/ Empowered Committee (EC) for the projects posed for financial support through DEA's Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding (VGF)).

6.4.3 Major Policy Initiatives/Achievements:

6.4.3.1 Public Private Partnership Appraisal Committee

The Public Private Partnership Appraisal Committee (PPPAC) was setup to streamline the procedure for approval of PPP projects, ensure speedy appraisal of projects, eliminate delays, adopt international best practices and have uniformity in appraisal mechanisms and guidelines. The PPPAC is chaired by Secretary, Economic Affairs with Secretaries of Department of Expenditure, Department of Legal Affairs, NITI Aayog and the Sponsoring Ministry/Department as members to consider and approve the proposals of Central Sector PPP Projects. **During the period from April 2020 till date, 8 projects with total project cost (TPC) of Rs. 67,723.39 crore have been recommended by PPPAC**.

6.4.3.2 Financial Support to Public Private Partnership in Infrastructure (Viability Gap Funding Scheme)

Infrastructure projects are often not commercially viable on account of their public good nature, having substantial sunk investment and low returns. However, they continue to be economically essential. Accordingly, the Scheme for Financial Support to Public Private Partnership in Infrastructure (Viability Gap Funding Scheme) was formulated to provide financial support in the form of grants, one time or deferred, to infrastructure projects undertaken through PPPs with a view to make them commercially viable.

Union Cabinet in its meeting held on 11.11.2020 has approved Continuation and Revamping of the Scheme for Financial Support to Public Private Partnerships (PPPs) in Infrastructure Viability Gap Funding (VGF) Scheme till 2024-25 with total outlay of Rs. 8,100 crore. Revamping of the proposed VGF Scheme will attract more PPP projects and facilitate the private investment in the social sectors (Health, Education, Waste Water, Solid Waste Management, Water Supply etc.). Creation of new hospitals, schools will create many opportunities to boost employment generation. The revamped Scheme is mainly related to introduction of following two sub-schemes for mainstreaming private participation in social infrastructure:

a) **Sub scheme -1** to cater to Social Sectors such as Waste Water Treatment, Water Supply, Solid Waste Management, Health & Education sectors etc. The projects eligible under this category should have at least 100% Operational Cost recovery. The Central Government will provide maximum of 30% of Total Project Cost (TPC) of the project as VGF and State Government/ Sponsoring Central Ministry/Statutory Entity may provide additional support up to 30% of TPC.

b) **Sub scheme -2** to support demonstration/pilot social sectors projects. The projects may be from Health & Education sectors where there is at least 50% Operational Cost recovery. In such projects, the Central Government and State Governments together will provide up to 80% of capital expenditure and up to 50% of Operation & Maintenance (O&M) costs for the first five years. The Central Government will provide a maximum of 40% of the TPC of the Project. In addition, it may provide a maximum of 25% of Operational Costs of the project in first five years of commercial operations.

6.4.3.3 India Infrastructure Project Development Fund (IIPDF)

While quality advisory services are fundamental to developing well-structured, value-for-money PPPs, the costs of procuring PPPs, and particularly the costs of transaction advisors, are significant. Development of robust projects with a sound financial structure and optimal risk allocation is critical for evincing a market response in respect of the projects. The scheme for 'India Infrastructure Project Development Fund' (IIPDF) had been launched to finance the cost incurred towards development of PPP projects. The IIPDF supports up to 75 % of the project development expenses.

6.4.3.4 PPP Structuring Toolkits

PPP Toolkits have been designed to assist PPP practitioners to strengthen decision-making at all key stages of the PPP project cycle and also improve the quality of the PPPs that are being developed. It is a web-based on-line Toolkit that facilitates identification, assessment, development, procurement and monitoring of PPP projects. The Toolkit is structured to cover the full life cycle of PPP projects. While the general structure has incorporated international best practices, the Toolkit has been built on specific approaches for project procurement, approval etc. currently in place in India to ensure that it forms a relevant resource for practitioners in India. The on-line nature of the Toolkit ensures updating of resource quickly over time as the approaches in place develop and change. The toolkit covers four sectors, viz. highways, ports, solid waste management and urban transport. The toolkit is available to practitioners through DEA PPP Cell's website, www.pppinindia.gov.in.

6.4.3.5 PPP Practitioners Guide

A comprehensive guidance for PPP practitioners titled "PPP Guide for Practitioners" has been developed to provide step-by-step guidance on various processes in the PPP project life cycle including the pre-award phase. It highlights best practices that could be adopted by practitioners, to ensure transparency, fairness and accountability in the development and implementation of PPPs. The Guide, available on DEA's PPP Cell website, i.e. pppinindia.gov.in, is divided into 17 modules which discusses stages and concepts in the PPP project development process. The Guide is interspersed with examples, key takeaways, web links and case studies.

6.4.3.6 Post-Award Contract Management Guidelines

Guidelines, Manuals and Online Toolkits have been developed to guide Project Authorities during the Post-Award implementation phase of the PPP project. The Guidelines / Manual have been designed to deal with the changing contexts over the concession period, uncertainties and effectively handle disputes which are critical for the overall success of the PPP projects. While the Guidelines provide key principles of Contract Management during the Post-Award phase, these have been further adapted to sector specific Manuals based on the contractual obligations enshrined in the Concession Agreements. These are further supported by an interactive web-based toolkit, easily accessible through DEA's PPP Cell website, i.e. www.pppinindia.gov.in, and have been designed to provide practical application-oriented assistance to Project Authorities in undertaking project management.

6.4.3.7 Contingent Liability Management Tool

An Application Tool has been developed for estimation and management of contingent liabilities arising from PPPs sponsored by Line Ministries, Departments and State-owned Enterprises of the Central and State Governments. The Tool is a browser-based application designed to estimate contingent liabilities of PPP projects at different stages of their implementation using an inbuilt contingent liability framework that is aligned to various provisions relating to termination risks and termination payments provided in the concession agreements. This Toolkit is easily accessible through DEA's PPP Cell website, i.e. www.pppinindia.gov.in.

6.4.3.8 Guidance on use of Municipal Bond Financing for Infrastructure projects: PPP Cell, DEA has prepared a Guidance Manual which serves as a handy reference to practitioners and policy makers on the use of Municipal Bond Financing for Infrastructure projects and is available at DEA's PPP Cell website (www.pppinindia.gov.in). The initiative has been taken to build capacities of Urban Local Bodies (ULBs) to raise financing through the Capital Market for financing infrastructure projects. The Guidance Manual provides actionable step-wise inputs on preparatory actions, the regulatory framework and process of bond issuance.

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. Matter related to Gold including Gold Monetisation Scheme, Indian Gold Coins Scheme, International bullion Exchange etc.

3. To coordinate with M/o Steel, MSME, M/o Textiles, Department of Chemical and Petro Chemicals, DIPAM, DIPP, DFS, RBI and SEBI, 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 NIIF.
6. Matters pertaining to the Evaluation Committee meeting, IMG, ECGC, EXIM BANK, NEIA etc.

7.2 Section-wise Allocation of Work

A) FDI AND ODI (FOREIGN DIRECT INVESTMENT & OVERSEAS DIRECT INVESTMENT)

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 2020) in the extant Consolidated FDI Policy 2020 (FDI Policy), effective from October, 2020 and as amended from time to time:

a. Amendments to curb opportunistic takeovers/acquisitions of Indian companies due to the current COVID-19 pandemic:

GoI vide Press Note 3 (i) (2020) after Press Note 3 in para named as (a) has reviewed the extant FDI policy for curbing opportunistic takeovers/acquisitions of Indian companies due to the current COVID-19 pandemic and notified that an entity situated in a country which shares land border with India, or where the beneficial owner of an investment into India is situated in or is a citizen of any such country can invest in Indian entities only under the Government approval route. Further, any transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the purview of the above restrictions, would also require the Government approval.

b. FDI in Insurance Sector

GoI vide Press Note 1 (2020) amended the FDI policy to allow 100% FDI for insurance intermediaries, which includes insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrators, surveyors and loss assessors and such other entities. However, FDI for insurance company is still capped at 49%.

c. FDI in Civil Aviation Sector

The GoI vide Press Note 2 (ii) (2020) has made changes in FDI in Civil Aviation Sector according to which NRIs 100% FDI is permitted under automatic route in Scheduled Air Transport Service/Domestic Scheduled Passenger Airline subject to the condition that (i) Foreign Investment(s) in M/s Air India Ltd., including that of foreign airline(s) shall not exceed 49% either directly or indirectly except in case of those NRIs who are Indian Nationals, where foreign investment(s) is permitted upto 100% under automatic route, (ii) Substantial Ownership & Effective Control shall be vested in Indian Nationals as per aircraft rules, 1937.

Therefore, although 100% FDI is permitted under automatic route for NRIs in Scheduled Air Transport Service/Domestic Scheduled Passenger Airline, it is restricted to be only 49% in case of M/s Air India.

d. FDI in Defence Sector

GoI vide Press Note 4 (2020), has increased FDI limit in defence sector through automatic route from 49% to 74%. However, FDI in defence sector shall be subject to scrutiny on the ground of National Security and Government reserves the right to review any foreign investment in the Defence Sector that affects or may affect national security.

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
		FIPB	unincorporated bodies			
1	2015-16	40.01	1.11	10.41	4.03	55.56
2	2016-17	43.48	1.23	12.34	3.17	60.22
3	2017-18	44.86	0.66	12.54	2.91	60.97
4	2018-19 (P)	44.37	0.69	13.67	3.27	62.00
5	2019-20 (P)	49.98	1.76	14.18	8.48	74.39
6	2020-21 (P) (Upto September, 2020)	30.00	0.79	7.42	1.73	39.93
Cumulative FDI inflows in India since 2000 (upto September, 2020)		**502.88**	**17.99**	**161.71**	**39.19**	**721.78**

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. 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. The new Indian Model BIT text is the base text for replacing the existing BIPA with and for having new agreements.

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 Agreement	Date of Enforcement	Present Status
1.	**Belarus**: Bilateral Investment Treaty	24th September, 2018	5th March, 2020	Active
2.	**Brazil**: Investment Cooperation & Facilitation Treaty	25th January, 2020		To be ratified
3.	**Kyrgyz Republic**: Bilateral Investment Treaty	14th June, 2019		To be ratified
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	14th February, 2019	Active

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 and Turkmenistan

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 including Gold Monetisation Scheme (GMS) & and Indian Gold Coin (IGC), drafting Policy for promotion of Gold as a Financial Asset Class, setting up of International Bullion Exchange at IFSC-GIFT, Negotiation of Investment Chapter under Comprehensive Economic Cooperation Agreements (CECA)/ Comprehensive Economic Partnership Agreements (CEPA)/ Free Trade Agreements (FTAs)/ Preferential Trade Agreement (PTAs), and other multilateral agreements like APTA, BIMSTEC etc. negotiated under the aegis of Ministry of Commerce & Industry with various countries and regional blocs, matters relating to EXIM Bank, ECGC and NEIA, providing advice on references received from Ministry of Commerce and Heavy Industries, Coordination within Investment Division and CABMC Cell.

1. International Bullion Exchange (IBE) at IFSC-GIFT:

In pursuance of Budget Announcement made in the Budget Speech (2020), the International Bullion Exchange (IBE) is being set up in GIFT IFSC as an additional platform to trade in bullion for the global participants. It envisages achieving transparency in the pricing of bullion and that India should become a price setter in the area of international bullion trade. IBE is expected to be operationalized by end of the current Financial Year.

- *Government of India has notified the bullion spot delivery contract and bullion depository receipt (with bullion as underlying) as Financial Products and related services as Financial Services under the International Financial Services Centres Authority (IFSCA) Act, 2019.*
- *International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020 have been approved by the Authority*
- A Steering Committee has been constituted to study the report of working group constituted to facilitate wider discussion on *the modalities; structure, framework etc. of the IBE.* The recommendation of the Steering Committee would be submitted to the Government for the required regulatory changes.

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 30 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)

Schemes GMS is running successfully. Till December 2020, approximately 23373 kilograms of gold have been mobilised under GMS. The details are as under:

Details of Gold Mobilized under GMS (5th Nov, 2015 to 31 Dec., 2020)

Sl.No.	Types of Deposit	Deposited gold as on 31.12.2020 (in grams)
1	Cumulative Quantity of Gold (in grams)	23,372,736.534
a	Short Term Gold Deposit	7074302.925
b	Medium Term Gold Deposit	5786807.098
c	Long Term Gold Deposit	10511626.511
2	Number of participating Banks	08
3	Number of depositors	3448

3. Indian gold Coin

The Indian Gold Coin (IGC) promotes both Gold Monetization Scheme & Make in India. It is manufactured out of domestic gold (received under GMS) and it is domestically manufactured (Make in India) standard gold coins/bars in different denominations which may eventually replace the imported coins. Till December, 2020, 792.365 Kgs of Indian Gold Coin has been sold out as per summary placed below:

IGC SALES Details (5th Nov 2015 to 31 Dec., 2020)

	Turnover (In crores)	Weight Sold (In Kgs)	Qty. Sold (in Nos.)	Denomination-wise details (in number)		
				5 GM	10 GM	20 GM
Grand Total	264.918	792.365	87601	38073	38856	10672

4. Current Account Balance Monitoring Cell

To monitor the impact of imports and exports having a direct bearing on Current Account Balance, a Cell has been constituted in the Foreign Trade Section of Department of Economic Affairs, Ministry of Finance. The Cell interacts with Industry chambers and concerned Departments/Ministries regularly and seek inputs on foreign trade, sudden surges/fall of imports/exports, NTMs, etc. and offer its views to balance trade in our favour. It identifies any sudden upsurge or reduction in imports and exports in any tariff line of significance, including services, NTMs/standards pertaining to HS codes of the products being imported/exported, their upgradation, inspections and applicability, which are causes for such surges/slides, etc., and trigger alerts.

5. Investment Chapter Negotiations under CEPA/ CECA/FTAs- For the promotion of trade and investment relations with potential partner countries, a number of CEPA/CECA/FTAs with Investment Chapter are being negotiated by the Government in the Department of Commerce. The following investment Chapter of such Agreements is being negotiated by DEA in the FT Sub Division.

a. **Indian-Peru Trade Agreement**: Till date 5 Rounds of India Peru Trade Agreement Negotiation have been held. Thereafter VC was held on 27th February to discuss some aspects of Investment Chapter and on 14th October, 2020, an inter-sessional Meeting of Chief Negotiators was held through VC.

b. **India-Korea CEPA Upgrade Negotiations**-Till now 8 rounds of upgrade negotiations between India and Korea on Investment issues have been held. The last round was held during 15-16 June, 2019.

c. **India-APTA**–Till now 5 Meetings of India APTA Working group have been held. The 3rd, 4th and 5th Meetings were held in the year 2019.

d. Apart from the negotiations mentioned above, FT Section also deals with work/ negotiations related to India Japan CEPA, India Singapore CECA, India Malaysia CECA, India Sri Lanka Economic and Technical Cooperation Agreement (ETCA) and BIMSTEC.

D) DOMESTIC INVESTMENT (DI)

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 28.7.2015. 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. NIIF has been registered as a Category II Alternate Investment Funds (AIF) under SEBI Regulations.

National Investment and Infrastructure Fund Trustee Ltd. (“NIIF Trustee Ltd.”), which is a 100% Govt. company, is the Trustee of NIIF and National Investment and Infrastructure Fund Ltd. (“NIIF Ltd.”) is the Investment Manager, company, with GOI equity of 49% at present.

As on date, three funds i.e. National Investment and Infrastructure Fund or Master Fund, NIIF Fund of Funds-I and National Investment and Infrastructure Fund-II (or Strategic Opportunities Fund) have been established under the NIIF platform and registered with SEBI as Category II Alternative Investment Funds. A trusteeship company NIIF Trustee limited (NIIFTL) monitors the functioning of the funds. NIIF Funds are managed on a day-to-day basis by NIIF Limited, a company registered under the Companies Act, 2013 and regulated by SEBI as a fund manager of the three SEBI-registered AIFs in NIIF. Government of India has made a commitment of INR ~20,000 crore across three funds established under umbrella of NIIF.

2. OTHER SIGNIFICANT DEVELOPMENTS

2.1 The first fund registered by SEBI is National Investment and Infrastructure Fund, or Master Fund, which aims to focus on investing in companies and projects in core infrastructure sectors such as transportation, energy, telecom, urban infra, etc. The Master Fund investors currently include Government of India, Abu Dhabi Investment Authority (ADIA), Ontario Teachers, Australian Super, CPPIB, Temasek, Axis Bank Ltd, HDFC Asset Management Company Ltd, HDFC Standard Life Insurance Company Ltd, Housing Development Finance Company Ltd, ICICI Bank Ltd, and Kotak Mahindra Life Insurance Company Limited. Target size for Master Fund is INR 14,000 crore and it has raised 14,449 crore as on November 30, 2019.

2.2 Master Fund Investments

Ports and logistics platform: NIIF Master Fund created Hindustan Infralog Private Limited (HIPL), a joint venture with DP World, a global ports operator. HIPL’s current portfolio includes: a) controlling stake in Continental Warehousing Corporation (CWC), leading multi-modal logistics company along with a supply chain business; b) 60-year concession to develop and operate an 18 hectare free trade warehousing zone (FTWZ) in Mumbai at an estimated cost of ~INR 1,000cr; c) controlling stake in a cold chain business; d)76% stake in KRIBHCO Infrastructure Limited (KRIL), a logistics company operating PFTs-cum-ICDs in North India along with pan-India container train operations.

Renewables platform: NIIF Master Fund alongside Green Growth Equity Fund (GGEF) has acquired 51% stake (25.5% stake each) in Ayana India. Ayana is focused on developing and operating utility-scale renewable power projects in India. It was created by CDC-UK in March 2017 and CDC-UK continues to own 49% stake in Ayana post the transaction. Ayana currently has a portfolio of 1.1GW of solar power projects which are in different stages of development, has acquired a portfolio of two operating solar projects with a combined capacity of 40MW and has executed binding documentation to acquire 300 MW of solar capacity.

Roads platform: NIIF Master Fund has created a wholly owned development company, Athaang Infrastructure, and an initial team with experienced road sector professionals from technical, operations & management, and investment diligence backgrounds have been onboarded. Athaang Infrastructure will manage the road assets acquired by the Fund and play an important role in diligence of acquisition assets. The Fund has acquired two roads assets - a strategic arterial 22 km six lane toll road in the state of Karnataka, connecting Bengaluru city and its airport and a 60 km four lane toll road in the state of Telangana.

Energy Efficiency Platform: NIIF and Energy Efficiency Services Limited (EESL) have created a new platform, Intellismart Infrastructure,which will be engaged in funding, implementing and maintaining the smart meter infrastructure for various electricity distribution companies across India. NIIF owns 51% stake in Intellismart while EESL owns remaining 49% stake. Intellismart has entered a project management and consulting (PMC) agreement with EESL and has gradually taken over a large share of the responsibility and overseeing the various work streams for the roll-out of smart meters that are being executed by EESL. The management has started participating and leading the business development discussions alongside EESL with various distribution companies to demonstrate the smart meter value proposition and assisting them to start taking decisions on smart meter implementation.

Investment pipeline: NIIF Master Fund is actively evaluating opportunities in the renewables, road, mid/downstream oil and gas and digital infrastructure sector.

2.3 NIIF Fund of Funds-I: In March 2019, the Fund of Funds ('FoF') admitted Asian Infrastructure Investment Bank (AIIB) as the anchor investor with a US$100 million commitment and a potential US$100 million prior to the final closing of the FoF. Subsequently in March 2020, FoF admitted Asian Development Bank (ADB) with a US$100 million commitment. With these closing, the FoF capital commitment is now US$700 million (including GOI's commitment of US$500 million).

2.4 Renewable Energy Fund:

The Green Growth Equity Fund (GGEF) is the first investment of NIIF's Fund of Funds-I. FoF and the UK Government through DFID (Department of International Development), as Anchor investors have committed INR 1,080 crore (~GBP 120 million) each into the Fund. It is managed by EverSource Capital, an equal joint venture between Everstone Group and Lightsource BP.

GGEF will invest in scalable green and sustainable businesses across the themes of renewable energy, energy efficiency, e-mobility and resource conservation.

GGEF has set up 4 platforms and overall has committed ~59% of the current fund size to the various platforms.

- Ayana India, a utility scale renewables platform: GGEF has committed INR 6,290 million to this platform, along with an equivalent amount of co-investment from the NIIF Master Fund. Ayana India currently has a portfolio of 1.1GW of solar power projects which are in different stages of development. Further, Ayana has entered into binding agreement to acquire another 300MW of operating solar generation capacity.
- Radiance Renewables, a commercial and industrial distributed energy platform: GGEF committed INR 2,800 million to this platform. Currently, Radiance has an operating capacity of 33.5 MW.
- EverEnviro Resource Management, an integrated waste management platform: This platform will look at opportunities in the across Municipal Solid Waste (C&D, C&T and WtE), Industrial / Hazardous / E-waste and Effluent treatment. GGEF has committed INR 2,050 million to this platform. EverEnviro won a Swiss Challenge Bid for 100% acquisition of ILFS's waste management company, IL&FS Environmental Infrastructure & Services Limited (IEISL). The transaction is expected to close in March 2021.
- GreenCell Mobility, a e-mobility platform: This platform will provide mobility as a service by owning and operating e-buses in various states. GGEF has committed INR 2,800 million to this platform. GreenCell won the bid for 48 intercity e-buses in Rajasthan and have acquired stake in two e-buses concessions totalling 350 intracity e-buses in Uttar Pradesh.

GGEF continues to evaluate investment opportunities within the platforms and other sectors within their investment mandate.

2.5 Affordable Housing Fund: FoF has made a commitment to HDFC Capital Affordable Real Estate Fund-2 (HCARE-2). NIIF committed INR 669 crores to HCARE2 in October 2018, with the other investor, ADIA, having an INR 3,300 crore commitment. This fund is managed by HDFC Capital Advisors. The target sectors of this fund are urban Mid-income and affordable housing, primarily in 5 key large cities.

2.6 Mid Market Growth Equity: FoF's third commitment is to Multiples Private Equity Fund III (Fund III), a mid-market growth equity fund. The fund is currently being raised and it is managed by Multiples Alternate Asset Management. NIIF has committed INR 878 Crore (~USD 125 million) at first close of Fund III, which has also seen participation from some of the leading multilaterals and pension funds.

Multiples is one of the leading managers in the mid-market space in the country with previous track record of successfully raising and deploying 2 funds and USD ~ 1 billion in a similar strategy, over the last decade. This fund will enable provision of equity capital into the Indian mid-market segment allowing them to scale-up over a period of time. A large portion of the capital is expected to be channeled into sectors that have strong returns potential as well as high direct and indirect development impact.

The Fund has not drawn any capital to date.

2.7: SME Healthcare: NIIF FOF has committed INR 125 crore to Somerset Indus Healthcare India Fund ("Somerset Fund II"), managed by Somerset Healthcare Investment Advisors Private Limited ("Somerset").

Somerset Fund II is structured as a Category II Alternative Investment Fund and along with an offshore fund, is expected to have a corpus of USD 90-100 million by final close.

The said commitment will enable provision of equity capital into SME healthcare companies that provide affordable healthcare solutions to the masses, allowing them to scale-up over a period of time, while also having the potential to create a large development impact. Some of the sub-sectors within healthcare which the Portfolio Fund is expected to invest into include healthcare delivery, diagnostics, medical equipment, pharma distribution, etc.

With a portfolio of 10 companies across two funds, Somerset has a credible track record of creating long-term value in partnership with entrepreneurs. Recognizing that capital is but one aspect of investment, Somerset actively engages with promoters and management teams to explore various value-addition possibilities across strategic, operational and financial aspects.

The fund has not drawn any capital to date.

2.8 NIIF Strategic Opportunities Fund or NIIF -II

The third fund i.e NIIF-II has been established to invest largely in equity and equity-linked instruments. The Strategic Opportunities Fund is aimed at investing in growth and development stage investments in companies and sectors that are strategically important to the Indian economy and are likely to benefit from India's growth trajectory over the medium to long term. The sectors of initial focus are financial services, food & agriculture, healthcare, education among others.

2.9 Infrastructure Debt Financing Platform:

SOF set up this Platform by first acquiring a controlling stake in NIIF IFL (erstwhile IDFC IFL), a NBFC-IDF in March 2019. The acquisition of NIIF IFL acted as an anchor for creating NIIF's Infrastructure Debt Financing Platform. Subsequently, SOF incubated Aseem Infrastructure Finance Limited (AIFL), a NBFC-IFC in January 2020. These two companies together form the NIIF Infrastructure Debt Financing Platform. This Platform will straddle across the entire infrastructure debt financing spectrum through these two separate but complimentary vehicles.

NIIF IFL has an outstanding loan book of INR 7,200 crores and zero gross NPAs as on 30th September 2020. Post the acquisition, NIIF has been actively involved in a number of key initiatives to ensure a smooth transition of the business from IDFC to NIIF and to support its continued growth. These include:

- Debt Funding: Leading discussions for arranging debt funding from large Indian institutions (e.g. LIC, SBI) to facilitate debt funding raising for continued growth of the business; LIC and SBI have recently sanctioned debt funding of INR 500 crore each to IFL.

- Governance: (i) Undertaken a detailed review of policies to strengthen the governance framework including enhancing the quality of credit committee with addition of nominees on the credit committee with extensive underwriting experience. (ii)Transition of relevant business and support functions out of IDFC to enable IFL to operate as a stand-alone entity

As a NBFC-IFC, AIFL would be a classic project financier and lend across infrastructure assets in different phases of implementation. In addition, post receiving the registration as a NBFC-IFC, AIFL acquired the balance 30% stake in NIIF IFL from IDFC and became sponsor of NIIF IFL in March 2020. Post incorporation, NIIF has been very closely involved the operationalisation of AIFL including hiring of the team as well as setting up strong governance and processes. Further, NIIF has also supported AIFL to get its long term rating and set up debt lines within its first year of operations.

NIIF IFL and AIFL would complement each other and capitalise on their advantages as well as synergies in terms of sector expertise and investment capabilities. This Platform will thus allow NIIF to play a meaningful role in infrastructure debt financing which has a growing need for long-term financing given India's infrastructure ambitions.

Additionally, highlighting the focus on accelerating infrastructure development, on 12th November 2020, the Hon'ble Finance Minister of India announced an infusion of approximately INR 6,000 crores of capital into NIIF's Infrastructure Debt Financing Platform (NIIF IFL and AIFL) as part of the Atmanirbhar Bharat Package 3.0.

2.10 Fund Raising:

Master Fund:

The Master Fund has completed its Fifth and Final Close.

Fund of Funds:

The Fund of Funds is in the process of completing its Third Close. This is expected to be completed in December 2020.

Strategic Opportunities Fund:

The Strategic Opportunities Fund is in discussions with select international and domestic investors for a potential investment in the Fund. One of the investors is in the process of completing due diligence and will be seeking internal approval for the investment. Two other investors have recently initiated diligence of the Fund.

Other initiatives:

NIIF, in collaboration with the Ministry of Finance, Government of India, organized the Virtual Global Investor Roundtable 2020. The event witnessed participation from 20 of the world's largest institutional investors. At the Roundtable, the Hon'ble Prime Minister shared his vision of India and the Government's commitment to continue creating an investor-friendly ecosystem. The Roundtable provided investors with an opportunity to engage with the Hon'ble Prime Minister, the Hon'ble Minister of Finance and Corporate Affairs and senior officials of the Government of India to discuss potential investment opportunities and ongoing policy reforms. One on one meetings with the investors and Hon'ble Prime Minister are being set up following this Roundtable.

3.0 Strategy and Policy:

NIIF closely worked with the NHAI, MoRTH and DEA to develop an off-balance sheet funding structure to attract commercial capital for development of the Delhi-Mumbai Expressway. During this process we organized and facilitated discussions with a wide set of stakeholders – including potential institutional equity investors, large national and international lenders, multilateral institutions and credit rating agencies – to improve and test the workability of the proposed funding structure. The envisaged funding arrangement has now been approved by the Board of NHAI, and the Authority is progressing on various aspects of implementation.

NIIF has been assisting the Government in channelizing long-term capital available with domestic institutional investors (DIIs) such as pension funds and insurance companies into the infrastructure sector in India. Towards this end, NIIF conducted a series of workshops to share practical experiences and insights (both domestic and global) on infrastructure as an important Alternative Asset class for the DIIs. In parallel, NIIF has also been exploring creation of innovative lower risk investment structures that could fit in with the investment strategy and risk appetite of the DIIs.

NIIF has also been working with certain State Governments and their agencies to ideate and provide suggestions on viable investment structures to attract private sector capital and participation in infrastructure. NIIF has entered into a framework arrangement with Infrastructure Development Corporation Karnataka Ltd. (iDeCK) in Karnataka and with the Kerala Infrastructure Fund Management Ltd. (KIFML) in Kerala to support preparation of high potential infrastructure opportunities. NIIF has also engaged other States including Maharashtra, Uttar Pradesh and Madhya Pradesh to identify opportunities for collaboration and support in their infrastructure / economic development initiatives.

In parallel, NIIF has been helping across sectors to strengthen the investment environment for the infrastructure sector in the country. For instance, NIIF had shared inputs on several major policy documents and model contracts, (for instance, comments on standard bidding documents for discom privatization, draft Electricity Amendment Act 2020,proposed model concession agreements for roads, PPP framework for medical education, ideas for monetization of DFC etc.). NIIF has also been working with the National Heath Authority on the policy framework for promoting PPP in healthcare sector in India. NIIF participated as a member of expert committees constituted by the DEA to identify innovative sources of financing for the US$ 1.5 trillion National Infrastructure Pipeline. Recently, NIIF also supported the DEA in organizing the Virtual Global Investor Roundtable (VGIR) where some of the world's largest sovereign funds and pension funds shared constructive feedback and ideas for attracting a higher quantum of foreign direct investment into India. Hon'ble Prime Minister and Hon'ble Finance Minister addressed the VGIR besides several other senior officials of the Government and Indian business leaders.

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

I. Background:

The Union Cabinet approved setting up a 'Special Window' in the form of AIF to provide priority debt financing for the completion of stressed / stalled housing projects 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 Sponsor of the Fund is the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India on behalf of the Government of India. The Government of India has committed a fund infusion of up to INR 10,000 crores in the Special Window and 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 construction and development has to be completed.

The investment strategy of the Fund is as follows:

- 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
- This is an opportunity to invest to complete construction of stressed projects. Our market study has shown that INR 55,000 cr 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
- 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.

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.

The Fund provides weekly updates on its progress to the Department of Economic Affairs. Additionally, the Investment team presented a detailed update on the progress achieved by the Fund to the Honorable Finance Minister on July 23, 2020.

2. CURRENT STATUS OF SWAMIH Investment Fund I

The Fund has made four drawdowns as of Dec 9, 2020 and called for a total INR 709.3 crores and all investors have completed their capital contribution as required.

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**

The Fund investment team has been scaled up to 36 members, making it one of the largest real estate private equity teams in India. 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 9, 2020, the Investment Committee (IC) has held 27 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 9, 2020)	No. of deals	Deal amount (INR cr)	Project cost (INR cr)	Total units
Deals with Final IC approval	36	4,421	13,220	27,952
Deals with Preliminary IC approval	99	8,770	27,264	58,825
Total	**135**	**13,191**	**40,484**	**86,777**
Deals rejected	5	896	3,422	6,240

Further, disbursements commence after deals that have got the final IC approval also comply with the requirements stated in the condition precedents and after satisfactory completion of pending documentation. Even after that, Fund disbursements will always be gradual as they are calibrated to progress of construction, will be disbursed in several tranches over the period of construction of 1-3 years with no lump sum investment because of the past history of diversion of funds in most of the investee companies. As on Dec 09, 2020, the Fund has disbursed INR 583.3 crores in 17 deals where the aggregate committed amount is in excess of INR 1,990 crores. This has activated construction at these 17 work sites and would assist in completing ~ 9,500 homes.

2.2 Actual Status of Commitments and Investments made by Fund (as on 09.12.2020)

Sr. No.	Deal	Sanctioned Amount (INR cr)	Disbursed Amount (INR cr)	Project Cost (INR cr)	Total Units
1	CCI Projects Pvt. Ltd.	180	113.3	1,215	710
2	Shree Naman Developers Pvt Ltd	165	40	417	423
3	Urban Land Management Pvt. Ltd	77	31	423	600
4	Virgo Realtors Pvt Ltd	34	12	108	249
5	Macrotech Developers Ltd	306	70	824	1,165
6	SS Group Pvt Ltd	166.3	50	448	669
7	Bini Builders Pvt Ltd.	60	15	120	123
8	TDI Infracorp (India) Ltd	242	80	880	1,318
9	Ramprastha Promoters and Developers Pvt. Ltd.	70	25	309	483
10	Subham Commercial Developers	23	9	62	113
11	A R Amboli Developers Pvt Ltd	52	16	103	227
12	Castles Vista Pvt Ltd	360	50	1,837	1,800
13	G R Realcon Pvt Ltd	89	30	241	353
14	Taruchaya Colonizers Pvt Ltd	55	15	140	376
15	Shree Vardhman Infrahome Pvt Ltd	31.3	6	259	575
16	KRP Industries Ltd	38.8	11.0	93.5	244
17	Newa Technocity (I) Pvt Ltd	41.0	10	105	108
	Total	**1,990.4**	**583.3**	**7,584.5**	**9,536**

The Fund does not have a focus on just Tier 1 cities and does investments anywhere in India where RERA is applicable. The geographical spread of the 135 deals that have received investment approval is as follows:

City	No of Deals
Northern Capital Region	44
Mumbai Metropolitan Region	41
Pune	10
Bengaluru	11
Chennai	5
Other Tier II cities	24

Other Tier II cities include cities such as Karnal, Mohali, Chandigarh, Panipat, Lucknow, Ahmedabad, Surat, Dehradun, Kota, Jaipur, Bhopal, Nashik, Nagpur, Hyderabad, Vizag, Coimbatore, Thrissur

3. OTHER SIGNIFICANT DEVELOPMENTS

- In view of the hardships faced particularly by the real estate industry due to the COVID-19 pandemic, resultant slowdown and anticipated slow pace of recovery, the Investment Manager, after consultation with the Sponsors, reduced the rate of return by the Fund on all its investments from erstwhile 15.0% IRR to 12.0% IRR. The reduction was proposed in an environment when there have been significant reduction in interest rates due to repo rate cuts announced by RBI and representations from real estate industry bodies for a rate reduction to make projects viable.

- **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 has directed the Receiver and the Fund to formulate the precise modalities. A snapshot of the order is presented below:
- The Fund will be investing only to complete the construction at 6 identified sites
- The Fund's investment will be provided based on 'collection milestones' as may be agreed upon between SBICAPs, Receiver and NBCC
- The Fund will have security over sold, unsold receivables including FAR of the 6 sites
- SBICAPs along with the Receiver assisted by Court appointed committee are to formulate legal structure for the funding and state the finer details of the method and manner of investment by the Fund for the completion of 6 sites

The Hon'ble Court has approved the funding of INR 625 crores in the 6 Identified site(s). SWAMIH-I plans to revise the funding amount to INR 650 crores in the revised Scheme to be submitted to the Hon'ble Court. The Court appointed Receiver is in the process of forming a Section 8 company post which the documentation shall be completed to initiate the funding.

The investment committee members of the Fund in the 18th IC meeting held on July 29th 2020, were of the view that given the manner of implementation of this investment, i.e., pursuant to a scheme approved by the Supreme Court of India and in light of the terms of the draft scheme, the approval of the investors in the Fund should be sought for this investment. Accordingly, the Investment manager has written a detailed note to the Investors seeking their approval.

Review by Finance Minister/Department of Economic Affairs: The investment manager of the fund provides weekly updates on the performance of the fund to the Finance Minister. A Meeting with Secretaries of Department of Economic Affairs (DEA) and Department of Financial Services, Senior Management Team of the State Bank of India, SBI Capital Markets Limited and SBICAPS Ventures Limited (SVL) was also chaired by the Finance Minister on July 23, 2020 to review the performance of the fund. A meeting was also held between Secretaries of Department of Economic Affairs and Department of Financial Services, SBICAPS Ventures Limited (SVL) and senior management of key public sector banks and financial institutions on July 6, 2020 in order to streamline the process of referral of funding proposals by the banks / financial institutions to the fund and also identify and address issues relating to consummation of such proposals. The Lenders were directed to provide quick response to the fund and refer deals more actively to the fund. The Fund shall provide the lenders with project related information shared by the developers to assist the lenders in their internal analysis

C. FinTech -

Steering Committee on Fintech: In pursuance of the Budget Announcement of 2018-19 regarding the need to promote FinTech ecosystem in India to help growth of MSMEs, Department of Economic Affairs constituted a steering committee under the chairmanship of Secretary Economic Affairs, 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 deliberated on how FinTech can be leveraged to enhance financial inclusion of MSMEs. A sub group under this committee was also formed with a view to enable flow based lending, using the Goods and Services Tax Network (GSTN) data base for creating a repository of 'trusted invoices', to be made available to lenders through an Open Application Programming Interface (API) system. **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 four times since and one stakeholder consultation with AgriTechs has been conducted. DEA has also participated in several Fintech conferences organised by various organisations, prominent being the Global Fintech Fest held in July 2020.

A peer learning session with State governments was also organised recently in December 2020 with UN-based Better Than Cash Alliance to share how Fintech is being leveraged at both Central and State Governments.

Joint Working Groups on Fintech

India has two Joint Working Groups (JWG) on Fintech, with Singapore and the UK. Two meetings have been held of the JWG with Singapore – first meeting on October 26, 2018 and second meeting on February 26, 2019. And two meeting has been held of the JWG with UK on February 11, 2019, and March 3, 2020.

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

1.1 The first meeting of the Joint Working Group (JWG) on Fintech with Singapore was held on October 26, 2018 through video conferencing. The purpose of the first meeting was to identify areas of collaboration between the two countries. The areas discussed were related to – (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.

1.2 On SME digitization and finance, Singapore presented on the concept of 'Global Connect' (now termed as 'Business sans Borders' [BsB]) which was subsequently announced at the Singapore Fintech Festival 2018. India also shared experience on India Stack, which has enabled greater financial inclusion, and the initiative taken by NPCI for transferring money from one account to another without using internet. Thereafter, Singapore proposed to collaborate on setting up a 'Global Stack' to export a digital platform based on India Stack to emerging countries. Both the concepts, BsB and Global Stack, were discussed in detail in the second JWG meeting.

1.3 Singapore also briefly shared their approach on cyber-security, regulatory sandbox, RegTech and SupTech to which Indian regulators raised queries regarding certain issues they face.

1.4 India hosted Singapore for the second meeting of the JWG at North Block on February 28, 2019. The agenda for second meeting identified four areas of collaboration – (i) Payment linkages, (ii) Global Stack, (iii) SME initiatives, and (iv) Data corridor. On payments linkages, India presented on the initiatives taken by NPCI towards global acceptance of RuPay cards and the possible integration of cross-border payment flows (IMPS - FAST). The possibility of integration between NETS and NPCI was suggested so that Indian tourists in Singapore and similarly Singapore tourists in India will be able to make seamless payments. Facilitating collaboration to enable two-way flow of remittances in real time was also discussed.

1.5 India then shared the concept of 'Asia+ Stack', based on the concept of Global Stack discussed during the first JWG meeting. It was proposed that the technology developed here for the India Stack can be shared with other countries and it was suggested convening a forum before June inviting other countries to explain what can be provided through this initiative while understanding their needs so that similar standards can be built for them. The idea was well received by Singapore as they suggested collaborating on this concept and taking it globally.

1.6 Subsequently, Singapore shared the concepts of BsB and API Exchange (APIX) platform. BsB is a platform-of-platforms (i.e. a meta-platform), utilising AI and machine learning to match demand and supply of products and services arising from various SME platforms, including from government platforms. It is a B2B platform linking one platform to another while allowing each platform to retain its sovereignty and providing SMEs opportunities to access overseas market. It is still at the PoC stage and Singapore is keen to launch it at the SFF 2019 with India as a key founding member. *Three Indian platforms, GeM, GST and TReDS, have already expressed its interest in joining the platform.*

1.7 APIX is a global online platform that enables Financial Institutions (FIs) and FinTech firms to discover, connect, collaborate on experiments and deploy digital solutions with the objective of driving financial inclusion across ASEAN and beyond. It was launched by Hon'ble Prime Minister of India at SFF 2018. It will allow smaller banks who lack the capability of developing in-house technology to reach out to a wider market for Fintech solutions to the problems they face. *Singapore shared they plan to conduct an India focused workshop in mid-2019. India also decided to have a sub-group involving association of banks to devise a way for them to be on this platform.*

1.8 Lastly, Singapore discussed their proposal of a Data Connectivity Agreement (DCA) for financial services between the two countries. As per their proposal, DCA would enable a tech startup in India provide services to a financial services firm in Singapore without having to relocate resources to Singapore. As India is still formulating its data protection bill and such cross-border data flow is a sensitive issue, RBI and SEBI are not in support of this proposal. However, *it was decided to look at legal alternatives for specific use cases until a final law is put in place in India to facilitate collaboration with Singapore.*

1.9 The third meeting of the Group was held on 18 February, 2020 through Video Conferencing. The agenda of the meeting was to discuss – (i) Payment Linkages, (ii) SME Initiatives, (iii) Global Stack, (iv) Investment Facilitation, and (v) Regulatory Collaboration. On Payment Linkages, it was noted that good progress has been made between NETS and NPCI with key milestones between February and June 2020. India further proposed to link the two countries' retail payment system (UPI and FAST) with a wider objective of reducing the cost of remittances.

1.10 Under SME initiatives, Singapore pointed the areas where it need the JWG to support the growth of BsB, especially in connecting with eNAM and GeM and other trade bodies in India. Singapore offered to share flow diagrams in follow up to this item with the Group. In respect of APIX, an update on the developments was shared with the Group by AFIN. To increase India's participation on the platform, Singapore proposed partnering with Indian institutions such as NPCI, NITI Aayog and Startups. It was suggested that Singapore share a compiled list of India-specific examples on APIX.

1.11 Singapore had shared the Terms of Reference on Global Stack in November 2019 for comments from India requesting to formally announce it in the Singapore Fintech Festival 2019 held in November 2019. Since that did not happen, Singapore discussed how the Group can take this agenda forward. It was decided to draft a concept paper by building on the document already shared by Singapore by constituting small teams from both countries. Invest India proposed collaborative initiatives with the MAS in the Fintech ecosystem. Further, it was added that Invest India should engage with the APIX team in exploring such opportunities. On regulatory collaboration, SEBI and IRDAI invited Singapore Fintech companies to actively participate in their regulatory sandbox. Singapore shared that MAS and RBI can be the first two central banks to work with BIS in its Innovation Hub in Singapore on Regtech / Suptech experimentation.

2. United Kingdom

2.1 The first meeting of the JWG with U.K. on Fintech was held on February 11, 2019. The agenda for the meeting was to share the areas in which both countries have made progress and the experience so far. UK shared details about their initiative on open banking, and experiences on designing and setting up a regulatory sandbox. They explained that their sandbox is not a regulatory free zone, instead Fintech firms work with the regulator to test their products at a small scale before rolling it out to the market. And the their first open banking services went live in January 2018 which include services like financial advice, enhanced credit assessment and payments.

2.2 It may be noted that UK has standardized the top layer of API which inherently restricts societal innovations while India has standardized the bottom layer of API. India has already made significant progress in 'Open Banking' including its initiative on Public Credit Registry and Account Aggregator which can be attractive for other countries to adopt.

2.3 Further discussions were held on a proposal by NPCI for acceptance of RuPay cards and UPI payments in UK. As remittance flows from UK to India is one of the highest, India mentioned that a possible remittance flow through UPI could also be explored with UK.

2.4 The second meeting of the JWG was held on March 3, 2020 through Video Conferencing. The agenda of the meeting was to discuss (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. Invest India then shared its initiatives to facilitate investment into Indian Fintech firms as well ease the process of doing business for UK Fintech companies entering Indian market. This was supposed to be taken by at the Invest India Road show with DIT in June. UK presented on Oyster Card from which India was keen to learn more about while developing its own National Common Mobility Card. Further discussion needs to be explore before the next meeting.

Virtual Global Investor Roundtable (VGIR)

Department of Economic Affairs along with National Investment and Infrastructure Fund organized a Virtual Global Investor Roundtable (VGIR) on 5th November, 2020. It was chaired by the Prime Minister and witnessed an exclusive dialogue between leading global institutional investors, Indian business leaders and the highest decision makers from the Government of India and Financial Market Regulators. Union Finance Minister, Union Minister of State for Finance, Governor, RBI and other dignitaries were also present on the occasion.

Twenty of the world's largest pension and sovereign wealth funds with a total Assets Under Management of about US$6 trillion participated in the VGIR, 2020. These included investors representing key regions including the US, Europe, Canada, Korea, Japan, Middle East, Australia, and Singapore.

VGIR 2020 focused on discussions around India's economic and investment outlook, structural reforms and the government's vision for the path to a USD 5 trillion economy. It provided an opportunity to leading global investors and Indian business leaders to engage and deliberate with senior policymakers on how to further accelerate the growth of international investments in India. It also provided an occasion for all stakeholders to further cement the strong partnerships that have been built and to foster engagement with international institutional investors who are looking to increase their Indian investments. The VGIR, 2020 was followed up with one-on-one meeting of global investors with Hon'ble Prime Minister.

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 institution 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 achieving the Sustainable Development Goals aimed at sustainable poverty reduction.

8.2.2 India is member of the 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 and IFC for the private sector. 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 India and World Bank Group

8.3.1 In the Resolution of Capital Increase of the International Bank for Reconstruction and Development (IBRD) (adopted on October 1, 2018) India was allocated additional 15,252 shares (through General Capital Increase and Selective Capital Increase). India became the 7th largest shareholder in IBRD with a vote share of 3.01%. The Resolution provides that members will have 5 years from the date of adoption of the Resolutions to subscribe their allocated shares.

8.4 World Bank India Portfolio

8.4.1 The World Bank portfolio as on November 12, 2020 comprises 97 projects with a commitment of USD 24.96 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, Accelerating India's COVID-19 Social Protection Response Program (PMGKY- Pradhan Mantri Garib Kalyan Yojana), support for Micro, Small & Medium Enterprises , PMGSY(Pradhan Mantri Gram Sadak Yojana) Rural Roads Project, National Rural Livelihoods Project, Swachh Bharat Mission Support Operation, National Ganga River Basin Project etc.

8.5 Major activities pertaining to the World Bank in 2020-21

8.5.1 **World Bank's commitment for India :** World Bank has committed USD 5.11 billion worth of loans to India in the Financial Year (WBFY) 2019-2020 (July 01, 2019 to June 30, 2020), which is one of the highest in recent years. Further, the projected commitment by World Bank for WBFY 2020-2021 is about USD 2.79 billion.

8.5.2 **COVID-19 Assistance:** The Government of India has signed three loans worth USD 2.5 billion related to COVID-19 crisis response: - 1) 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 the project is USD 503 million. 2) Accelerating India's COVID19 Social Protection Response Program which was signed on May 15, 2020 for USD 750 million. This loan has been fully disbursed as on date. 3) Economic Stimulus Measures to support MSMEs under Atmanirbhar Bharat which was signed on July 06, 2020 of USD 750 million. This loan has also been fully disbursed as on date.

8.5.3 **Loans Signed & Disbursement:** Nine World Bank assisted projects were signed during April-November 2020, amounting to USD 3.48 billion of assistance. The projects signed during year 2020 included India COVID-19 Emergency Response and Health Systems Preparedness Project, Accelerating India's COVID-19 Social Protection Response Program (PMGKY), West Bengal Major Irrigation and Flood Management Project, Tamil Nadu Housing Sector Strengthening Program, Tamil Nadu Housing and Habitat Development Project, Micro, Small & Medium Enterprises Emergency Response, Second National Ganga River Basin Project, Himachal Pradesh State Roads Transformation Project and Meghalaya Integrated Transport Project. Total Disbursement for the period April to November 2020 was approximately USD 3.62 billion (IBRD approximately USD 2.78 billion).

8.5.4 **Monitoring of the World Bank Portfolio:** 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 the Government of India and the World Bank and attended by officials from Department of Economic Affairs (DEA), World Bank and Implementing Agencies of World Bank assisted projects. During April - November, 2020, two Pipeline Review Meetings were held on June 10, 2020 and October 7, 2020 and two tri-partite Review Meetings were held on June 16-17, 2020 and September 22-24, 2020 for reviewing World Bank assisted projects of various sectors.

8.5.5 **India as donor to IDA:** During the IDA 18 Replenishment Meetings, it was announced by India that it would prefer the Word Bank Group to meet its needs through IBRD resources and hence, part of the IDA resources offered to India as transition support be made available to meet the needs of other IDA clients. Thus, India would no longer be a borrower from IDA. As a commitment to India's shared objective of eliminating extreme poverty, reducing vulnerability and increasing resilience across countries, India decided to become donor to IDA with a contribution of 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.

8.6 Meetings of World Bank Group

8.6.1 The Development Committee (DC) Meeting of World Bank Group (WBG) during Spring Meeting of WBG and IMF, 2020 were held virtually on April 17, 2020. From India, Hon'ble Finance Minister attended the DC Meeting as Speaker. Secretary,DEA also attended the meeting along with officials from FB Division.

8.6.2 The Development Committee (DC) Meeting of World Bank Group (WBG) during Annual Meeting was held on October 16, 2020. Hon'ble Finance Minister attended the meeting as a Speaker. Secretary, DEA also attended the meeting along with officials from the FB Division. Further, a bilateral meeting between Secretary, DEA with Mr. Axel van Trotsenburg, Managing Director (Operations), World Bank was held on October 22, 2020.

8.6.3 Remote IDA Day Meetings held during April-November 2020 are as follows: - 1) IDA19 Technical Briefing meeting was held on April 23, 2020. The meeting was attended by Director (Fund Bank). 2) IDA19 Informal Consultation meeting was held on June 24, 2020. The meeting was attended by the Director (Fund Bank). 3) IDA Deputies and Borrower Representatives Meeting was held on October 26, 2020. The meeting was attended by AS (BC & FSDC) accompanied by Director (Fund Bank).

8.7 International Finance Corporation (IFC)

8.7.1 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 15 billion in India since the first investment in 1958. Currently, IFC investments are spread over 200 clients in India. As of June 2020, 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 FY20 (July 2019-June 2020) with a commitment of USD 1.5 billion (including mobilised financing) in India. During July 2019-June 2020, DEA has approved a total of 22 Article III Notifications. Further, DEA has granted approval for three advisory engagements of IFC between July 2019 and June 2020.

8.8 International Monetary Fund

8.8.1 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 establishment of 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. The Governor, Reserve Bank of India (RBI) is India's Alternate Governor.

8.8.2 **Meetings of Board of Governors:** 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 (India is represented by the Hon. 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.

8.8.3 The last Spring Meetings of the IMF/ World Bank, meetings of G-20 were held virtually from April 15 to April 17, 2020. 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 during her intervention outlined various measures taken by the Govt. of India to mitigate the impact of the health crisis and to alleviate hardships of the poor and vulnerable. The Hon'ble Finance Minister also informed the IMFC about India's role as a responsible member of the global community by providing critical medicines required during COVID19 pandemic to other nations.

8.8.4 The Annual Meetings of the IMF/ World Bank, meetings of G-20 were held virtually from October 12 to October 16, 2020. 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 emphasized that India supports IMF's view that policy support assumes great significance at a time when economies across the globe are witnessing the worst slowdown in decades and that withdrawal of policy support could trigger liquidity shortfalls and insolvencies. Further, even though India conducted a strict lockdown that did impede economic activity but the Policy support measures announced by the Government have fostered a quick recovery and the V-shaped pattern is being seen in several high-frequency indicators, including Manufacturing PMI, thereby presenting a strong recovery prospects.

8.8.5 **India and IMF:** 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. Consequently, India's quota in the IMF is SDR 13,114.40 million with a shareholding of 2.75%. India ranks 8th in terms of quota holding in IMF. Consequent to this Quota Increase in IMF, India has provided for the Quota increase of SDR 7292.9 million under the 14th General Review of Quotas as SDR 1,823,225,000 through India's SDR holdings for Reserve Asset Portion (25% of quota increase) and SDR 5,469,675,000 for Local Currency Portion (75% of quota increase) through issuance of non-interest bearing, non-negotiable Government of India Rupee Securities.

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). As part of efforts to overcome the global financial crisis, in April 2009, G-20 economies agreed to increase the resources available to the IMF by up to $500 billion to support growth in emerging market and developing countries. The increase was made through (i) increase in bilateral financing from IMF members and (ii) by incorporation of this financing into an expanded and more flexible NAB. The amended NAB, which became effective on March 11, 2011 increased the maximum amount of resources available under NAB to SDR 370 billion from SDR 34 billion.

The NAB was rolled back from SDR 370 billion to SDR 182 billion, pursuant to the effectiveness of the 14th Review quota increase resulting in a decline in the financing ratio (NAB: quota) from 3:1 to 1:1. However, the NAB continues as a standing facility and the rolled back NAB resources continue to be counted toward the Fund's overall lending capacity. As NAB arrangement expired on November 16, 2017, India had already concurred to the proposal to renew the NAB for a period of five more years upto November 2022.

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. This included BRICS countries wherein USD 10 billion was contributed each by India, Brazil and Russia. India's commitment of contributing

USD 10 billion is implemented through the mechanism of Note Purchase Agreement (NPA) between Reserve Bank of India (RBI) and the IMF.

India has agreed to commit USD 10 billion to the BBA 2016 as on August 10, 2017, which was to expire in December 2019. However, India has consented to a one-year extension of term through December 31, 2020 of the Note Purchase Agreement to effect the BBA 2016 between IMF and RBI.India has also agreed to enter into agreement with IMF regarding BBAs 2020.

8.8.6 **South Asia Regional Training and Technical Assistance Center (SARTTAC) :** 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 has been 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, enhance their technical and analytical skills and improve the quality of their inputs into policy. 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.

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

8.8.8 **Article IV Consultations :** 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 , various line Ministries / Departments of Central Government and various other stakeholders. The Article IV Consultations are concluded with a meeting of IMF Executive Board at Washington DC which discusses the Article IV Report. Due to current Covid-19 situation and a lack of clarity on the macro-economic situation, the 2020 Article IV Mission for India could not take place. The next Article IV Mission is expected to be held during second quarter of FY 2021.

8.9 Asian Development Bank

8.9.1 **Membership of ADB:** 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.

8.9.2 ADB has 68 members (including 49 regional and 19 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 IJS$10.3 billion. India holds 6.32% of shares in ADS, equivalent to 672,030 shares (@US$ 12063.5 per share). India has 5.35% voting rights. Japan and the United States are the largest shareholders with 15.57% each of shares. China and India are the third (6.43%) and fourth (6.32%) largest shareholders, respectively.

8.9.3 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.

8.9.4 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).

8.9.5 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 53rd Annual Meeting was held virtually on 17-18 September 2020 due to the COVID-19 pandemic.

8.9.6 ADB assistance to India commenced in 1986. The ongoing sovereign lending portfolio of ADB projects in India consists of 67 loans worth $13.6 billion. ADB's annual sovereign lending in India increased to an all-time high of $3.18 billion in the calendar year 2019. The contract awards also rose to a record total of $2.97 billion while disbursement was about $2.09 billion in 2019. During the same year, ADB committed $965.1 million for its private sector investments in India. In 2020, sovereign annual lending increased to $3.92 billion 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. The 2020 regular program of assistance included projects in transport, energy, urban, 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 2020, two such TPRMs were held virtually under the pandemic environment.

8.9.7 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.

8.9.8 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.

- 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.
- Energy sector initiatives contribute to the strengthening of power transmission and distribution networks in India. ADB supported initiatives aim to provide uninterrupted power supply to all, while promoting low-carbon solutions, renewable-including solar energy, and energy efficiency.
- The urban sector program focuses on expanding the coverage, quality, and continuity of basic services to improve the urban quality of life. It is aligned to support GoI's urban flagship initiatives.
- The finance sector program endeavors to support leveraging of finance for infrastructure through loans and equity finance, investment funds, credit lines, and guarantees.
- The agriculture and natural resources sector interventions provide assistance in the key areas of water use efficiency and climate resilience.
- The human development program encompasses interventions in the skills/ education and health sectors. Skills/education projects aim to help increase the supply of qualified labor to industries and services essential to growth, and include support to state-level efforts in skills development with a 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.

8.9.9 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 intraregional 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 subregion 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 subregional 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. SASEC countries have signed and implemented 62 ADB-financed investment projects worth around $13.63 billion in the above-mentioned four focus areas. The transport sector accounts for most projects (42 projects worth a cumulative $11.25 billion), followed by energy (12 projects worth $1.58 billion), economic corridor development (three projects worth $697 million), 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 13 ADB-financed SASEC investment projects worth more than $5 billion. In addition to the projects, ADB-financed technical assistance has supported SASEC investment projects in India, regional cooperation forums and knowledge-sharing initiatives, and pilot projects since 2001. A total of nine national technical assistance projects (cumulative worth around $10.28 million) have assisted India in project preparation, strategic planning, and capacity building.

8.9.10 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,

8.9.11 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.

8.9.12 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.

8.10 Global Alliance for Vaccines and Immunizations (GAVI Alliance)

8.10.1 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 2 million per annum to the GAVI Alliance during the replenishment cycle of four year i.e. 2017-20.

8.10.2 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) is likely to be signed shortly.

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

8.11.1 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 38 million lives since 2002.

8.11.2 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 first contribution to the GFATM for 2020-21 (USD 7 million) was paid in July 2020.

8.12 Global Facility for Disaster Reduction and Recovery (GFDRR)

8.12.1 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.

8.12.2 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.

8.13 Multilateral Investment Guarantee Agency (MIGA)

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.

8.14 Global Development Network (GDN)

GDN was created as World Bank Initiative in 1999. Its mission is to develop research capabilities in social sciences in developing countries. Its purpose is to facilitate local actors in not only generating relevant local development knowledge but also intermediate globally produced knowledge and formulate locally owned policy choices. 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.

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. BRICS India Presidency 2021-Matters related to Finance Agenda
6. SAARC, SDF
7. ASEAN, Caribbean Union
8. World Economic Forum (WEF)
9. OECD, SCO
10. Asia Europe Meeting (ASEM)
11. 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 -

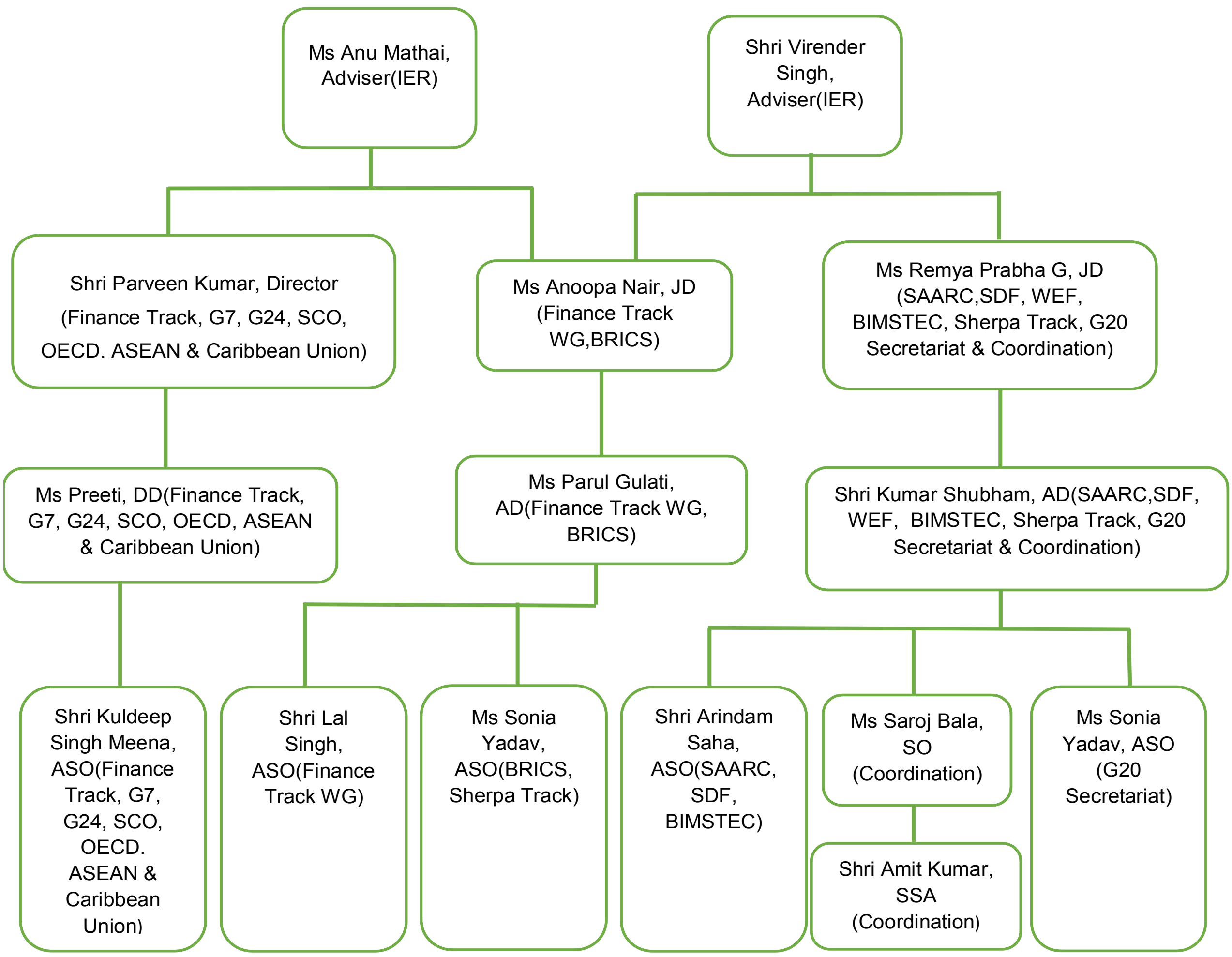
a) Ministry of Defence,

b) Ministry of Tribal Affairs

E- Governance:

As far as e-governance is concerned, IER division is processing all the files in electronic mode from December 2016. All the physical files have been converted into Electronic files in December 2018.

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 thirteen 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), Buenos Aires (2018) and Osaka (2019). **The 15th G20 Riyadh Summit under the Saudi Arabian Presidency was held virtually on 21st-22nd November, 2020.** The 16th G20 Summit under the Italian Presidency will be held in Rome on 30th-31st October, 2021.

India will take over the G20 Presidency in 2023. The Presidency of G20 is usually held for a year with various meetings taking place (across a range of policy issues) culminating with a Leaders' Summit.

The 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 and inclusive growth, international taxation and financial sector regulations are deliberated. The highest level of meeting under Finance Track is G20 Finance Ministers and Central Bank Governors (FMCBG) Meeting which is held twice or thrice in a year. G-20 member countries are represented by their Finance Ministers and Central Bank Governors. Preceding every FMCBG Meeting, Finance and Central Bank Deputies 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.

Finance Track issues are discussed broadly in four Working Groups which are as follows:

a. **Framework Working Group (FWG)** discusses the ongoing macroeconomic issues, growth strategies and structural reforms. India along with UK co-chairs this Working Group.

b. **International Financial Architecture (IFA) Working Group** that deals with issues related to international financial architecture such as Global Financial Safety Net (GFSN) and debt sustainability among others.

c. **Infrastructure Working Group (IWG)** deliberates on quality infrastructure investments including innovation in mobilizing financial resources for infrastructure investment.

d. **Global Partnership for Financial Inclusion (GPFI)** works for advancing financial inclusion globally.

Priorities of the G-20 in 2020 under Saudi Arabian Presidency

The 2020, G20 Saudi Arabian Presidency under the theme *'Realizing Opportunities of the 21st Century for All'* had the following key aims:

a. **Empowering People,** by creating the conditions in which all people - especially women and youth - can live, work and thrive.

b. **Safeguarding the Planet,** by fostering collective efforts to protect our global commons.

c. **Shaping New Frontiers,** by adopting long-term and bold strategies to share benefits of innovation and technological advancement

The agenda of the G20 Saudi Arabian Presidency was calibrated with the need to address the outbreak of the COVID-19 pandemic. An Extraordinary G20 Leaders' Virtual Summit on COVID-19 was held in March, 2020 wherein Leaders' committed to do whatever it takes to overcome the pandemic.

The Key Finance Track priorities were as follows:

a. Reviewing the global economic outlook as well as the situation of the global financial system

b. Efforts to overcome the Covid-19 Crisis

c. Enhancing Access to Opportunities for All

d. Advancing Digital Financial Inclusion for Women, Youth and SMEs

e. Utilizing the Benefits of Technology for Infrastructure

f. Framing Supervisory and Regulatory Issues for the Digital Era

g. Addressing the Tax Challenges arising from the Digitalization of the Economy

Key Outcomes of Riyadh Summit, 2020 under the G20 Finance Track

1. **Reflections on Global Economic Outlook -** Leaders agreed that while the global economy experienced a sharp contraction in 2020 due to the impact of the COVID-19 pandemic, global economic activity has

partially picked up and the positive impact of G20 economies' significant policy actions started to materialize. However, they noted that recovery is uneven, highly uncertain and subject to elevated downside risks including those arising from renewed virus outbreaks in some economies. In this context, G20 Leaders underscored the urgent need to bring the spread of the COVID-19 virus under control, which is key to supporting global economic recovery. They also determined to continue to use all available policy tools as long as required to safeguard people's lives, jobs and incomes, support the global economic recovery, and enhance the resilience of the financial system, while safeguarding against downside risks.

2. **The G20 Action Plan in response to COVID-19 -** The Action Plan sets out key principles and commitments to drive forward international economic cooperation as G20 economies navigate this crisis and take steps to support the recovery and achieve strong, sustainable, balanced and inclusive growth. G20 Leaders endorsed the October 2020 updates to the G20 Action Plan, thereby guiding the G20 economies to continue to respond promptly to the evolving health and economic situation.

3. **Access to Opportunities -** G20 Leaders agreed to continue their efforts to reduce inequalities, reaffirming their previous commitments to promote inclusive growth. Leaders also endorsed the G20 Menu of Policy options to enhance access to opportunities for all that can be leveraged to support the immediate response to the COVID -19 pandemic and move towards a strong, sustainable, balanced and inclusive recovery.

4. **Debt Service Suspension Initiative (DSSI) -** Leaders committed to implementing the Debt Service Suspension Initiative (DSSI) including its extension through June 2021, allowing DSSI-eligible countries to suspend official bilateral debt service payments. As of 13 November 2020, 46 countries requested to benefit from the DSSI, amounting to an estimated USD 5.7 billion of 2020 debt service deferral. For debt treatments beyond the DSSI, the Leaders' also endorsed the "Common Framework for Debt Treatments beyond the DSSI", which is also endorsed by the Paris Club.

5. **International Financial Architecture-** Leaders reiterated their commitment to ensure a stronger global financial safety net with a strong, quota-based, and adequately resourced IMF at its center. They remained committed to revisiting the adequacy of quotas and to continue the process of IMF governance reform.

6. **Infrastructure Investment -** Leaders endorsed the G20 Riyadh InfraTech Agenda, which promotes the use of technology in infrastructure and also agreed to advance the work related to the G20 Principles for Quality Infrastructure Investment.

7. **Financial Sector -** Leaders agreed that the pandemic has reaffirmed the need to enhance global cross-border payment arrangements to facilitate cheaper, faster, more inclusive and more transparent payment transactions, including for remittances. In this regard, they endorsed the G20 Roadmap to Enhance Cross-Border Payments. They also reaffirmed the importance of orderly transition away from LIBOR to alternative reference rates before end-2021.

8. **Technological Innovation -** Leaders agreed that responsible technological innovations can deliver significant benefits to the financial system and the broader economy, but there is a need to remain vigilant to existing and emerging risks. In this regard, the leaders welcomed the reports on the so-called 'global stablecoins' and other similar arrangements submitted by the FSB, the Financial Action Task Force (FATF) and the IMF.

9. **Combating money laundering and terrorist financing -** G20 Leaders supported the Anti-Money Laundering (AML)/Counter-Terrorist Financing (CFT) policy responses detailed in Financial Action Taskforce's (FATF) paper on COVID-19 and reaffirmed their support for the FATF, as the global standard-setting body for preventing and combating money laundering, terrorist financing and proliferation financing. Leaders also reaffirmed their commitment to strengthening the FATF's Global Network of regional bodies, and called for the full, effective and swift implementation of the FATF standards worldwide.

10. **Globally fair, sustainable, and modern international tax system -** Leaders agreed to continue their cooperation for a globally fair, sustainable, and modern international tax system and remained committed to further progress on work related to addressing the tax challenges arising from the digitalization of the economy and urged the G20/OECD Inclusive Framework on BEPS to address the remaining issues with a view to reaching a global and consensus-based solution by mid-2021.

11. **Digital Financial Inclusion -** The Leaders endorsed the G20 High-level Policy Guidelines on Digital Financial Inclusion for Youth, Women, and SMEs prepared by the Global Partnership for Financial Inclusion (GPFI) and welcomed the 2020 G20 Financial Inclusion Action Plan, which will guide the work of the GPFI for the next three years.

Contribution of India for the Summit

12. India made significant contributions to the discussions and deliberation of the priority issues under the Saudi Presidency. India extended its support to the Debt Service Suspension Initiative (DSSI) for the benefit of the low income countries and to address their short term liquidity needs in the wake of COVID crisis. India participated actively in the discussions on Infrastructure and International taxation, Financial Inclusion and

International Financial Architecture issues to ensure that the outcomes are in line with the requirements and priorities of the developing countries. Ministry of Finance participated actively in the drafting of key outcome documents of the G20 Finance Track.

13. As a co-chair of the Framework Working Group, India led the discussions on G20 Action Plan in response to COVID-19 and access to opportunities for all. On Action Plan, India contributed proactively in drafting the G20 Action Plan, its October update as well as July and November progress reports. India also worked to ensure that the updated commitments enshrined in the Action Plan pillars relating to economic response and recovery are simple, effective and relevant in the current policy context.

14. India has shared country experiences related to 3 policies in the G20 Menu of Policy options to enhance access to opportunities for all. These include *Stand Up India* reflecting policy aimed at women's economic empowerment, *Pradhan Mantri Mudra Yojana* reflecting financial inclusion and *SHREYAS (Scheme for Higher Education Youth in Apprenticeship and Skills)* reflecting policy focused on empowering youth through skills training.

15. On addressing the tax challenges of digitalization, India is continuously making all efforts in the G20 forum to ensure that the global and consensus-based solution is reached by mid-2021 and is one that addresses the concerns, in particular, of developing countries.

Priorities of the G-20 in 2021 under Italian Presidency

16. In 2021 G20, under Italian Presidency, will focus on three broad, interconnected pillars of action: People, Planet, and Prosperity.

17. Within these pillars, Presidency shall aim to take the lead in ensuring a swift international response to the pandemic - providing equitable, worldwide access to diagnostics, therapeutics and vaccines - while building up resilience to future health-related shocks.

18. It shall also focus on reducing inequalities, on women's empowerment, on the younger generations, protecting the most vulnerable through promoting the creation of new jobs, social protection and food security, bridging the digital divide, improving productivity among others.

19. Focus will also be on promoting better use of renewable energies and protecting climate and environment.

II BRICS

DEA co-ordiantes the work in India on **BRICS Finance Agenda.** The Chairship of BRICS was taken over by Russia from Brazil on 1st February 2020. In 2020, under the Russian Chairship, three meetings of the BRICS Finance and Central Bank Deputies and one meeting of the BRICS Finance and Central Bank Governors were held.

Under BRICS Financial Cooperation, the following agenda items were discussed during the 2020 Russian Chairship[1] :

Issues under Ministry of Finance

a. International Cooperation and Response to COVID-19 pandemic

b. Exchange of views on the G20 Saudi Presidency outcomes

c. Digital Platform to encourage infrastructure investment in BRICS countries

d. New Development Bank membership expansion

Issues under Central Bank

a. Contingent Reserve Arrangement

b. Information Security Cooperation

c. Payments Systems Cooperation

Key outcomes of the BRICS Summit, 2020 on Ministry of Finance issues

1. **Strong, sustainable, balanced and inclusive economic development and growth -** The BRICS Leaders agreed to strengthen their efforts as necessary to promptly navigate the BRICS countries towards strong, sustainable, balanced and inclusive economic development and growth in the post-COVID-19 era. The Leaders acknowledged substantial fiscal, monetary and financial stability measures implemented in BRICS countries in order to support economic growth and reaffirmed their determination to continue to use available policy tools to safeguard people's lives and livelihoods. They also committed to continue coordination and collaborative efforts within the G20 on issues of mutual interest to the BRICS countries with the aim to advance in the G20 the interests and priorities of emerging market economies and developing countries.

2. **BRICS response to COVID 19-** The BRICS Leaders recognizing the complexity and interconnectedness of the challenges posed by the COVID-19 pandemic on international economy, healthcare systems, financial sector and development, well-being of the most vulnerable groups in societies, reaffirmed their commitment to contribute to healthcare and economic recovery and lead in reinvigorating

[1] *The work under BRICS Finance Agenda has areas identified for Ministry of Finance as well as Central Bank. The work is carried out by BRICS Finance and Central Bank Deputies who report to BRICS Finance Ministers and Central Bank Governors who then eventually report to BRICS Leaders. In India, the BRICS Finance Deputy is Secretary, Economic Affairs and BRICS Central Bank Deputy is Deputy Governor, RBI.*

multilateral cooperation, aimed at elaborating common, efficient and sustainable solutions to tackling the current crisis and ensuring economic growth.

3. **Strong, quota-based and adequately resourced IMF:** The Leaders reaffirmed their commitment to a strong, quota-based and adequately resourced IMF at the center of the global financial safety net. The Leaders called upon the IMF to explore additional tools that could serve its Members' needs as the crisis resulting from the COVID-19 outbreak evolves, drawing on relevant experiences from previous crises. They also look forward to expeditious actions on completing the 16th General Review of Quotas within the agreed time frame and implementing the long overdue governance reforms in the IMF.

4. **Infrastructure Initiative -** The BRICS Leaders acknowledged the initiative on exploring sharing relevant and already existing national data on infrastructure investment projects into a common Data Room on a voluntary basis. They also took note of the progress made by the BRICS Taskforce on PPP and Infrastructure and look forward to further cooperation among BRICS countries and to possible modalities of NDB's engagement in this initiative.

5. **NDB response to COVID 19 -** The Leaders commended the NDB for providing financial resources to reduce human, social and economic losses caused by the coronavirus outbreak and to restore economic growth in the BRICS countries. They underscored timely measures taken by the NDB in order to combat the COVID-19 pandemic and its consequences embodied in the Emergency Assistance Program aimed to provide up to USD 10 billion for Emergency Loans to its member countries.

6. **NDB regional office -** The Leaders welcomed the opening of the NDB Eurasian Regional Center in Moscow - the third NDB regional office - and look forward to opening the NDB regional office in India next year.

7. **NDB Membership Expansion -** The BRICS Leaders supported the NDB membership expansion process based on relevant decisions by the NDB Board of Governors. Further, they also highlighted that the process of expansion should be gradual and balanced in terms of geographic representation in its membership as well as supportive of the NDB's goals of attaining the highest possible credit rating and institutional development.

BRICS India Chairship 2021

India will assume the rotating Chairship of BRICS grouping from January 1, 2021 for one year. During the period, India will be steering the BRICS agenda and will hold the 13th BRICS Leaders' Summit, along with other ministerial level meetings including BRICS Finance Ministers and Central Bank Governors meetings as well as meetings of working group and task force around the year.

During India's Chairship of BRICS in 2021, Ministry of External Affairs will be the nodal Ministry, overseeing and coordinating across all areas of BRICS cooperation. **Department of Economic Affairs (DEA),** in consultation with stakeholders from Government of India as well as Reserve Bank of India shall be setting, coordinating and steering the BRICS Finance Agenda throughout the year of chairmanship.

III. G24

1. 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. 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.

3. The last G-24 Ministers and Governors Meeting was held virtually on October 13, 2020. It was chaired by Minister of Finance of Ghana and was followed by the adoption of a Communiqué. The discussions were focused on Managing the Impact of COVID-19, particularly for developing countries where the pandemic has had a severe health and economic impact with potential long-lasting effects on growth and development.

[2] *G-24 member countries are: Algeria, Argentina, Brazil, China, 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.*

IV. The OECD

1. 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 members3 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 to 1960 Convention on the OECD and are committed to democracy and market economy[3].

2. 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. A prominent publication is the OECD Economic Survey of India, typically done on a two-year cycle and last released in December 2019.

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 thrice. In 2015, it was extended by the Union Cabinet and in 2017 by Hon'ble Finance Minister. The 'Framework on Currency Swap Arrangement for SAARC Countries' along with some modifications was further extended in 2019 by Hon'ble Finance Minister for a period of three years i.e. till 13th November, 2022. During 2020-till date, the facility has been availed by Maldives and Sri Lanka.

[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).*

10. Aid Accounts & Audit Division (AAAD):

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 2020-21 (as on 11th Jan 2021)

10.2.1 Total of 1371 live loan/accounts are being handled by AAAD. Out of these, 366 loan/Grants accounts are in disbursement mode. Rest of the loans are live from debt servicing point of view.

10.2.2 External receipts on Government Account during financial year 2020-21 (upto 11t h Jan. 2021) is ₹88,701/- crore. In addition to loan receipts, a sum of ₹460/- Crore has been received as Cash Grant.

10.2.3 A comparative position of receipts and repayment/payment in the current year as compared to previous financial year and upto 11th Jan 2020 is as under.

In ₹ crore

Sl. No	Description	2019-20	2019-20 (as on 11th Jan 2020)	2020-21 (as on 11th Jan 2021)
1	Receipts (Loans and Grants)	61,040	47,424	89,181
2	Payments (Principal and Interest)	43,044	32,549	32,667
3.	Net Transfer (1-2)	17,996	14,875	56,514

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. In case of ADB also the claims from PIAs to AAAD and from AAAD to ADB are in e-claim form through a portal known as CPD.

10.3.3 The customized software of this division (ICS) is being upgraded with a Technical Assistance (TA) from. Asian Development Bank (ADB).

10.4 Trainings & Facilitation

10.4.1 In order to familiarise the officers/staff of the PIAs, training on E- submissions are organized by this Division from time to time. PIAs have been imparted trainings. As a result of initiatives taken by this Division more claims are being received in e-claim forms. In 2020-21 till now 15 officers/staff members of different, Training programme is being withheld due to pandemic.

10.4.2 In order to increase the capacity of the officers and staff of this division frequently officers are being nominated 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. This office has developed; over a period of time; an excellent centre of cross learning as a result of continuous interactions of the officers and staff at international, national and state level conference/ workshops.

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 other ministries to be used 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. PIAs, 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, quarterly Management Review Meeting (MRMs) are being held. In MRMs performance is critically reviewed and methods/suggestions for maintenance/improvement of the service delivery standards are discussed by the management.

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.

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 23 stations for promotion of Export. During the financial year 2020-21 a sum of ₹1420 lakh has been recovered till January, 2021 as compared to previous year corresponding figures of ₹2315 lakh as a follow up action on the audit observations made by this division.

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 therein is given in Annex. 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 1.1.2020 to 31.12.2020 a total of 201 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 2020, a total of 2590 fresh public grievance cases were received in the Department besides 218 brought forward from the previous year. Out of these 2808 cases, 2567 cases were disposed off during the year. Apart from these, 436 Covid-19 Public Grievances were also received and the same were disposed of.

11.5.2 Adviser (IER & Admn.) has been nominated as the Nodal Public Grievances Officer and Additional Secretary (Admn.) has been nominated as Appellate Authority 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 reply to the RTI applications pertaining to the Department, 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) In March, 2020, the proactive disclosure page was uploaded on the Department's website (www.dea.gov.in) which contained information as required under the Section 4 of the RTI Act, 2005. It also contains the details of the Department's functions along with its functionaries etc. as required under section 4(1) (b) of the RTI Act.

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

(iv) Deputy Secretaries/ Directors/ Addl. Economic Advisers have been designated as First Appellate Authorities in terms of Section 19 (1) of the Act, 2005, to deal with the Appeals preferred by applicants who does not receive a decision within the time specified in the RTI Act or is aggrieved by a decision of the Central Public Information Officer, as the case may be.

(v) The list of CPIOs and First Appellate Authorities is updated and uploaded from time to time on the website of DEA for the information of Public. To facilitate the public, the RTI Cell is functioning at Gate No.8 outside the North Block to receive the RTI applications. The applications received are further forwarded to the CPIOs/ Public Authorities concerned.

(vi) The RTI application can be filed through online portal - www.rtionline.gov.in. The RTI applicants can see the status of their application as well as their replies through the website. Further, transfer of application can also be done online. These all processes have resulted in significant reduction in processing of RTI applications.

(vii) During the year 2020 from January 1, 2020 to December 18, 2020, 3150 RTI applications (including 252 physical applications) and 262 first appeals, were received in the Department. An amount of ₹6078/- (Rupees Six Thousand and Seventy Eight only) was received 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:

Hindi month

Like other years this year also during 1 September 2020 to 30 September 2020 **'HINDI MONTH'** was organised in the department. On this occasion honourable Finance Minister released a message on 14 September 2020, **'HINDI DIWAS'** in the Ministry of Finance and its subordinate offices in which she 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.

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.

Official language inspection

i. **Inspection of Subordinate Offices:** The National Savings Institute, New Delhi was inspected on 10.11.2020 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), Deputy Director (OL) and Senior Translation Officer participated in this inspection;

ii **Inspection of departmental sections:** Although the sections/divisions of the **department have been inspected** every year this year the inspection of sections/divisions of the department could not be done due to lockdown.

Dispatch of quarterly progress report

Like every year this year too quarterly progress report from all sections/divisions were collected and consolidated and sent to official language department, MHA .

Official Language Implementation Committee meetings

However, due to Covid-19, Official Language Implementation Committee meetings could not be held regularly as before (quarterly meetings could not take place in the period from April to June). However, following the social distancing guidelines a virtual meeting of official language implementation committee was held on 28 September, 2020 under the chairmanship of JS (Admin) and follow up actions were published on DEA'S e-office dashboard.

Inspection of subordinate offices by the Committee of Parliament on Official Language

This year, three subordinate offices of the Department were inspected by the Parliamentary Official Language Committee ,details are as follows: (i) Security Printing and Minting corporation of India Limited, New Delhi on 27.10.2020, (ii) Northern regional office of Securities and Exchange board of India (SEBI), New Delhi on 28.10.2020 and (iii) National Savings Institute, New Delhi on 25.11.2020;

Circulation of Annual Program

Annul Programme 2020-2021, 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.11.8.5.2 A useful links is also provided on intranet by the Library which helps the readers in search and download full text of national and international reports and data.

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 2020-21 will be circulated in the department.

(iii) During the year, 04 RTI cases related to Hindi section were received and are under process.

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

Material for Hindi Budget Translation

All Budget documents are presented to 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 the official documents as envisaged in the official Language Act, 1963 and Rules made there under was also undertaken 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

Introduction

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.

Collection

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.

Services

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.

Digital record

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.

Computerisation

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.

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 BC 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 333.167 billion (₹21,930 crore approx.) for 7 projects to India from January 1, 2020 to November 30, 2020. As on November 30, 2020, 77 loan projects are under implementation with Japanese loan assistance. The loan amount committed for these projects is JPY 2,974.83 billion (₹172,000 crore approx.). The cumulative commitment of ODA loan to India has reached JPY 6,239 billion on commitment basis till November 30, 2020.

12.3.1.3 The ODA loan disbursement to India from January 1, 2020 to October 31, 2020 was JPY 133.14 billion (approx. ₹9,289.95 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 <u>(3) ongoing Grant-in-Aid projects</u> 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 FY 2020 (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 **<u>13 ongoing projects</u>** under Technical Cooperation Programme.

12.3.4 JOCV Programme

12.3.4.1 JICA's volunteer programs, such as Japan Overseas Cooperation Volunteer (JOCV) and Senior Volunteer (SV), 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 2020 to 30th November 2020, 3 proposals were posed to Embassy of Japan and No-objection to 8 Volunteers 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 2020 to 30th November 2020, DEA has cleared 6 GGP 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.

12.4.4 Under bilateral development cooperation programme, apart from high-level visits, two annual meetings at the level of Joint 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 2020 was held through virtual mode on 27th November 2020. The total volume of funding committed by the German side for Technical and Financial Cooperation projects and programmes in 2020 amounts to EUR 1257.64 million (EUR 1219.99 million FC and EUR 37.65 million TC). The cumulative volume of commitment made by the Germany for bilateral Technical and Financial Cooperation till 2020 amounts to EUR 20.62 billion.

12.4.5 At present, there are 41 ongoing projects receiving financial assistance from KFW to the tune of 5.3 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.

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 2,102 million (equiv. to more than 16,800 cr INR), including a 200 million EUR COVID response loan signed in June 2020. 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. 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 and environment 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 9 ongoing loans of AFD, both sovereign and non-sovereign loans under the Development Cooperation.

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. Two projects, viz., (i) Mumbai-Nagpur Super Communication Expressway ITS Project; and (ii) Redevelopment of Bandra (E) Government Colony Project are under consideration for external funding through EDCF.

12.7 Development Cooperation with European Union (EU)

12.7.1 The European Union (EU) provides development assistance (financial/technical) to India in the form of Grants. The priority areas include environment, public health and education.

12.7.2 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. At present, there is one technical assistance project viz (i) Support to Renewable Energy, Clean Technologies and Energy Efficiency in India whose implementation period and execution period has recently been extended from September 30, 2020 to January 2021 by the European Commission.

12.8 European Investment Bank (EIB)

12.8.1 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'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 2020-2021 by DEA, Government of India

12.8.3.1 DEA signed Finance Contracts for the first tranche of loan of Euro 200 million and second tranche of Euro 150 million for Kanpur Metro Rail Project with European Investment Bank on 31st August, 2020 and 28/29 December 2020 respectively.

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 US $17 billion (approx.) 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 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 contributed a total of 200 ventilators under the health agreement to support India's fight against COVID-19.

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. During the year 2020, two project proposals of technical assistance worth total US $2 million from USTDA for assistance in sectors of infrastructure and energy were approved.

C. Lines of 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. The rate of interest and tenor offered to developing countries has also been made more attractive.

12.11. 2 Under the IDEA Scheme, MEA selects specific projects keeping in view diplomatic considerations and requests received from various developing countries. The proposals are discussed and deliberated upon by a Standing Committee comprising officers of MEA, DEA and Export-Import Bank of India. After obtaining the approval of External Affairs Minister, MEA recommends the proposal to DEA for approval of Finance Minister. DEA, thereafter, issues a formal letter conveying approval of the Line of Credit.

12.11. 3 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.

12.11.4 As on November 30, 2020, 311 LOCs have been extended to 64 countries for an amount of USD 31.55 billion. Out of this, value of contracts covered under the LOC by EXIM Bank is USD 10.62 billion and disbursements made are USD 8.23 billion. During first three quarters of FY 2020-21(i.e. April 01, 2020 to December 03, 2020), 5 LoCs worth USD 311.746 million have been extended to African Countries and 7 LoCs worth USD 1448.00 million have been extended to Non-African Countries, details of which are as Annexure-I.

12.12 Lines of Credit (LoCs) 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, only one Project, i.e., 2X660 MW Maitree Super Thermal Power Project of US$ 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 2020-21, 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 10 dialogues have been held and the 10th EFD was held in virtual format on 28.10.2020. The Dialogue covered sharing of experiences on corona virus response, discussions on issues related to international tax agenda, financial services co-operation with special emphasis on FINTECH and GIFT City, promotion of Sustainable Finance with focus on green finance, etc.

12.13.1.2 During the recently held 10th India-UK EFD on 28.10.2020, it was decided to establish an annual India-UK Financial Market Dialogue and a bilateral India-UK Sustainable Finance Forum.

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 7th India-Korea WGM was held virtually on September 24, 2020 under the co-chairmanship of Additional Secretary, 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. The Indian side was led by Additional Secretary, DEA and the Australian side by Division Head, International Economic and Security Division, Australian Treasury. The topics namely, macroeconomics development with respect of Indian and Australian Economic Outlook, International Cooperation and areas of mutual cooperation were discussed.

12.13.4 Indo-German Finance Ministries Senior Officials' Meeting

12.13.4.1 Indo-German Finance Ministries Senior Officials' Meeting is held annually between the two Finance Ministries of India and Germany for discussing the economic situation in both the countries. The meeting was resumed in 2019 after a gap of six years. The 14th Indo-German Finance Ministries Senior Officials' meeting was held through virtual mode on 23rd November 2020. Topics on current economic and financial situation in India, Germany and the EU particularly the impact of the pandemic as well as the success of counter measures, G20 matters, Digital taxation, banking and insurance issues, SDR allocation, were discussed in the meeting.

12.13.5 International Platform on Sustainable Finance

12.13.5.1 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. In 2020, Indonesia, Japan, New Zealand, Norway, Senegal, Singapore and Switzerland 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, and the International Monetary Fund.

12.13.5.2 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.

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. Currently, 21 projects are ongoing. 11 more projects have been approved; and are in different stages of preparation.

12.16 India-UK Sustainable Finance Forum

12.16.1 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.

D. Short-term Foreign Trainings

12.17 Foreign Training Courses/Programmes

12.17.1 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 2020-21 (upto November, 2020) DEA has processed trainings for 59 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.

Annexure-I

LoCs extended to various African & Non-African countries during the Financial Year FY 2020-21(i.e. April 01, 2020 to December 03, 2020)

Sl. No.	Country	Amount (in USD million)	Purpose	Date of communication from DEA
African Countries				
1.	Eswatini	108.28	For construction of a new Parliament Building in Eswatini.	3-Apr-20
2.	Guinea	20.506	For construction & up-gradation of Regional Hospitals in Kankan & Nzerekore.	21-May-20
3.	Sierra Leone	15.00	Rehabilitation of potable water facilities in four communities.	22-May-20
4.	Nigeria	74.96	For two Solar projects: (i) 50 MW Solar Power Plant in Bauchi, GoN (USD 66.60 million); (ii) Solar PV Renewable Energy Micro utility (REMU) in six political zones of Nigeria (USD 8.36 million).	20-Jul-20
5.	Kenya	93.00	For Power Transmission Lines, Substations and associated infrastructure in Kenya.	13-Oct-20
Sub-Total (A)		**311.746**		
Non-African Countries				
1.	Maldives	400.00	For undertaking the Greater Male Connectivity Project.	17-Sep-20
2.	Uzbekistan	448.00	For Social Infrastructure and other development projects.	22-Sep-20
3.	Sri Lanka	100.00	Projects in Solar Energy Sector	31-Jul-20
4.	Vietnam	180.00	Procurement of 4 Offshore Petrol Vessels(OPV) for Vietnam Coast Guard;	29-Oct-20
5.	Vietnam	120.00	Procurement of High Speed Guard Boats for Vietnam Border Guard;	29-Oct-20
6.	Vietnam	50.00	Procurement of 10 units of submarine batteries.	29-Oct-20
7.	Vietnam	150.00	Upgrade of the Vietnam People's Navy's Anti-Submarine Warships 159A and159AE (Petya Class ships)	29-Oct-20
Sub-Total (B)		**1448.00**		
Total (A+B)		**1759.746**		

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/Fifteenth Finance Commission/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.29-Department of Economic Affairs and Grant No.31-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 2020-21	RE 2020-21	BE 2021-22
29- Department of Economic Affairs	Revenue	3262.57	5738.60	4520.78
	Capital	26045.70	17942.79	56607.40
	Total	**29308.27**	**23681.39**	**61128.18**
31- Department of Financial Services	Revenue	1474.96	12055.57	3710.77
	Capital	9650.04	13650.01	25800.02
	Total	**11125.00**	**25705.58**	**29510.79**

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 12.01.2021 —

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 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	9	...	1	...
2.	2 of 2019	5	...	1	...
3.	4 of 2020	...	18	...	...

Summary of Important Audit Observations:-

Report No. 4 of 2020 - Union Government (Civil)- Accounts of the Union Government for the year 2018-19.

Tabled in the Parliament on: 23rd September 2020

This Report of the Comptroller and Auditor General of India (CAG) on the accounts of the Union Government for 2018-19, analyses the Union Government Finance Accounts (UGFA) and the Appropriation Accounts of the Union Civil Ministries; Defence Services; Postal Services and Railways. The report gives an overview on the Union Government Finances for 2018-19 and consists of observations of the CAG on the UGFA and on Union Government Appropriation Accounts for the year.

Chapter 1: Overview of Union Finances

- Actual revenue receipts fell short of revised estimates by ₹1,86,382 crore (9.35 per cent). As a result of this shortfall, despite compression of revenue expenditure as compared to revised estimates (RE) by ₹1,42,942 crore (5.94 per cent), the actual revenue deficit was higher than anticipated by ₹43,440 crore. This combined with higher shortfall in recoveries of loans and advances compared with the shortfall in disbursement, resulted in actual fiscal deficit being higher than anticipated by ₹15,609 crore. Audit analysis showed that though there were clear trends indicating shortfalls in revenue and expenditure as at end of December 2018, these were not factored in while framing REs. As a result, Actuals with respect to both non-debt receipts and expenditure fell short of Res which indicated an unrealistic assessment of financial resources. ***(Para 1.2 .1)***
- During 2018-19, the Union Government mobilized ₹1,11,98,260 crore. Of this, 81 per cent was deployed for committed expenditure viz. repayment of debt; discharge of Public Account liabilities; interest payments and mandatory transfer of tax receipts to States. After Grants-in-aid to States/ UTs and accounting for the closing cash balance, only 16 per cent of the resources were available for all other expenditure of the Government of India. ***(Para 1.2 .3)***
- In comparison to previous year i.e. 2017-18, total receipts of the Union Government grew by three per cent; non-debt receipts by 3.75 per cent and debt receipts by 3.12 per cent. Tax Revenue Receipts and Non-Tax Revenue Receipts increased by six and ten per cent respectively, over the previous year. The largest contributor to the increase in non-tax revenues was 'Dividend and Profits'. Capital receipts however, fell by five per cent. ***(Para 1.2 .4)***
- During 2018-19 as compared to FY 2017-18, total expenditure increased by four per cent (₹3,60,765 crore). Of this; revenue expenditure increased by 5.67 per cent and capital expenditure by 22.89 per cent. The increase in capital expenditure was largely on account of bank "recapitalization". ***(Para 1.2 .4)***
- The Union Government's total investment in Statutory Corporations Government Companies, Co-operative Banks and Societies etc., increased by ₹1,93,150

crore during 2018-19. During the same year, the Union Government received ₹72,620 crore from disinvestment. ***(Para 1.3 .1 and 1.3.2)***

- Total Public Debt of Union Government grew from ₹59,69,968 crore as on 31 March 2017 to ₹66,51,365 crore (11.41 per cent) as on 31 March 2018 and further to ₹73,44,902 crore (10.42 per cent) as on 31 March 2019. In addition as on 31 March 2019, the total outstanding Guarantees given by the Union Government was ₹4,47,626 crore.
(Para 1.3 .3 and 1.3.4)

- Outstanding Public Account liabilities as on 31 March 2019, reflected in the UGFA stood at ₹8,82,119 crore as against the actual Public Account liabilities of ₹318,12,015 crores as on 31 March 2019 (₹15,09,505 crore as Small Savings and Provident Fund and ₹3,02,510 crore as other obligations).
(Para 1.3 .5)

Chapter-2: Observations of Finance Accounts Issues of transparency and disclosures

- There was persistent use of Minor Head 800"Other Expenditure" / "Other Receipts" resulting in lack of transparency in the UGFA. In respect of 11 expenditure Major Heads, expenditure of ₹7,428 crore, constituting more than 50 per cent of the total expenditure booked under these heads, was accounted for under Minor Head 800. In 24 receipt Major Heads, receipts amounting to ₹13,678 crore, representing over 50 per cent of the total receipts booked under these heads, were booked under Minor Head 800. Wrong booking of tax revenue of ₹3,531 crore under Minor Head 800 despite the existence of correct Minor Heads, impacted the calculation of net proceeds and their assignment to States.
(Para 2.2 .1)

- Critical information related to total Public Account liabilities; External Debt at current exchange rates; Revenue Deficit and difference with RBI's closing cash balance have been persistently disclosed for years through footnotes in the UGFA rather than in the body, affecting the transparency of the accounts. Information on significant transactions were given as footnotes, which were brief and cryptic.
(Para 2.2 .2)

- UGFA depicts only the net of the credit/debit balances under suspense heads instead of showing the credits and debits separately, resulting in significant understatement of suspense balances both at Major and Minor Head levels.
(Para 2.2 .3)

Issues relating to accuracy of accounts.

- Through a Journal Entry after the close of the year, Accounting Authorities transferred, ₹10,250 crore from the Central Road Fund, and booked this, in violation of accounting procedure, as non-tax receipts.
(Para 2.3 .1)

- There was an aggregate net balance of ₹56,980.28crore (Debit) under Suspense heads as on 31 March 2019. In addition there was a net outstanding balance of ₹42,104 crore (Credit) under the Major Heads relating to 'Cheques and Bills'. Continued existence of unadjusted balances under suspense heads distorts the depiction of Government receipts and expenditure.
(Para 2.3 .2)

- Adverse balances are those which are erroneously accounted as credit instead of debit and vice versa. There were 69 cases of adverse balances amounting to ₹20,710 crore in the UGFA of 2018-19. Of these, 40 cases amounting to ₹8,138 crore have remained unresolved for over five years.
(Para 2.3 .3)

Issues of Data Integrity and Completeness of UGFA Statements

- Monitoring and oversight over guarantees by Ministry of Finance was inadequate and there were discrepancies in some cases between the records of Ministries/Departments and data included in UGFA. There was short-receipt of guarantee fee of ₹1,627 crore in two Ministries.
(Para 2.4 .1)

- The information contained in the Annual Accounts of five entities and the information contained in the UGFA on the equity investment of Government in these 5 entities, did not tally. The information on 73 entities contained in the UGFA was either incomplete or not updated.
(Para 2.4 .2)

- Against the total amount of loans including arrears of interest, of ₹2,97,077 crore outstanding against State/UT Governments and other entities as on 31

March 2019, repayment of ₹57,244 crore was in arrears.

(Para 2.4 .3)

- With respect to IGST, during 2018-19, a sum of ₹15,001 crore was erroneously transferred and accounted as state's share of net proceeds of IGST instead of being apportioned between Centre and States. In addition, a balance of ₹13,944 crore was left un-apportioned under the head and retained in CFI, even though the amended IGST Act now provides for ad-hoc apportionment of IGST. As a result States, received overall less funds on account of IGST.

(Para 2.4 .4)

Issues relating to accounting of Cesses and Levies

- The Union Government collected ₹2,74,592 crore from 35 cesses/levies in 2018-19. Under the scheme, such cesses and levies are required to be first transferred to designated Reserve Funds and utilised for the specific purposes intended by Parliament. However, only ₹1,64,322 crore was transferred to Reserve Funds/Boards and the rest was retained in CFI. In addition "Social Welfare Surcharge" on Customs amounting to ₹8,871.19 crore was levied but not dedicated fund for the same was envisaged. Non-creation/ non-operation of Reserve Funds makes it difficult to ensure that cesses and levies have been utilised for the specific purposes intended by the Parliament.

(Para 2.5)

- During the year, GST Compensation Cess of ₹40,806 crore was short-credited to the related Reserve Fund; ₹10,157 crore of the Road and Infrastructure Cess collected during the year was neither transferred to the related Reserve Fund nor utilised for the purpose for which the cess was collected. In addition, ₹1,24,399 crore representing the Cess on Crude Oil collected in the last decade had not been transferred to the designated Reserve Fund (Oil Industry Development Board) and was retained in CFI. Other short transfers to designated reserve funds included ₹2,123 crore in the case of Universal Service Levy and ₹79 crore in the case of National Mineral Trust Levy.

(Para 2.5)

Chapter 3: Observations on Appropriation Accounts

- During the year 2018-19, there was excess disbursement of ₹5,204.56 crore over authorization involving two Grants of Defence Services, one grant of Union Civil Ministries and one Grant of the Railways. These excess disbursements require regularisation under Article 115(1)(b) of the Constitution.

(Para 3.2.1)

- Savings of more than ₹100 crore aggregating ₹4,69,669.55 crore had occurred in 79 segments of 57 Grants / Appropriations. Significant savings totaling to ₹1,31,073.18 crore were on account of regulation of expenditure comprising inter-alia withdrawal of food subsidy to FCI of ₹69,889.71 crore; short transfer of GST Compensation Cess to GST Compensation Fund of ₹35,725 crore and reversal of expenditure on Defence Pension of ₹5,000 crore. In addition, savings of ₹43,104.51 crore indicate shortfalls in performance in schemes and activities and of ₹1,43,999.12 crore show unrealistic budget formulation.

(Para 3.2.2)

- Out of savings of ₹4,52,111.82 crore under Civil Grants/Appropriations, 39.07 per cent (₹1,76,630.70 crore) were not surrendered, but was allowed to lapse. In addition, ₹67,825.68 crore relating to 17 Civil Grants/ Appropriations, was surrendered on the last day of the year i.e 31 March 2019.

(Para 3.5)

- In violation of basic accounting principles, the Accounting authorities did not book expenditure of approximately ₹14,000 crore under Grant No. 22 - 'Defence Pension', and instead, continued to be held under 'Suspense'. In addition expenditure of ₹5,000 crore booked under Defence Pension head was transferred to Suspense Head through Transfer Entry in March 2019.

(Para 3.7 and 3.13)

- Article 114(3) of the Constitution of India provides that no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law. In violation of this provision, the Central Board of Direct Taxes (CBDT) incurred expenditure of ₹20,566.33 crore during 2018-19 on interest on refunds without the authorisation of Parliament.

(Para 3.14)

14. Currency & Coin Division

1. The Currency and Coin Division is concerned with policy matters relating to production and designs of banknotes and coins, introduction of new banknotes and coins, demonetisation of any existing banknotes and coins, currency and coin related legislations, etc. Further, the matter relating to security features of Banknotes are handled by C&C Division. Security Printing and Minting Corporation of India Ltd. (SPMCIL) is under the administrative control of this Division. In recent years, certain issues with regard to legislation on virtual currencies and block chain technology are also looked after by this Division.

2. Over the years, this Division has been making signification contribution in terms of appropriate availability of currency notes and coins for circulation, thereby helping in the growth and development of our economy. Some of the major achievements of this Department during the financial year 2020-21 are given below:

2.1 New security features of the banknotes: 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 render the currency notes practically counterfeit free.

2.2 Commemorative Coins: During the last 1 year, the Government issued Gazette Notifications for release of 5 Commemorative Coins viz. to mark the occasion of 125th departure anniversary of Shri Shyamacharan Lahiree Mahashaya, 75th Anniversary of Food and Agriculture orgainsation and Commemorative Coin to celebrate the occasion of 100th year of Lucknow University, 125th Birth Anniversary Year of Netaji Subhas Chandra Bose and 125th Birth Anniversary of Srimat Swami Pranavanandaji Maharaj.

2.3 Draft Report and Bill on Cryptocurrencies: For examining the issues of cryptocurrencies, the Government has constituted an Inter-Ministerial Committee (IMC) under the Chairmanship of Secy (EA) with Members of MeiTY, SEBI and RBI. The Report of the IMC on VCs has since been submitted by its Members, but is awaiting approval of the Government. The Report and Banning of Crypto currency & Regulation of Official Digital Currency Bill, 2019 is being examined by the Government through inter-ministerial consultation.

14.1 Currency Section

14.1.1 Currency Section deals with all policy issues and matters relating to design, form and material of currency notes/banknotes including security features, production planning of printing of currency notes and other security documents. Others include currency related legislation, indigenization of bank notes production items in respect of supply of material of printing of bank notes and other security products, expansion, up-gradation and modernization of Presses, Paper Mills, Ink factory, Postal Stamp; Revenue Stamp, NJSP, Passports, fair price determination of Bank Notes and Postal Stamps, etc.

14.1.2 The production of banknotes by BRBNMPL and SPMCIL is strictly and regularly monitored by this Section. The Meetings of Strategic Planning Group (SPG) and Production Planning Committee (PPC) are also held regularly under the Chairmanship of Secretary (EA) and Sr. Economic Adviser (C&C) respectively. During 2020-21, several meetings of SPG and PPC were held to review the indent and production of banknotes. The cumulative production of notes by BRBNMPL and SPMCIL during 2020-21 up to 12.12.2020 is given below:

Press	Total indent allocated for 2020-21	Cumulative production 01.04.2020 to 12.12.2020	Remaining Production for 2020-21
	Quantity in million pieces		
BRBNMPL	13575	10075.9	3499.1
SPMCIL	9084	4640	4444
Total	22659	14715.9	7943.1
	Face value		
SPMCIL	251734	107767	143967
BRBNMPL	365300	274226.1	91073.9
Total	617034	381993.1	235040.9

Source: BRBNMPL&SPMCIL

14.1.3 Notes in Circulation (NICs): The trends in NICs are strictly monitored. The NICs at the time of Demonetization (4th November, 2016) were ₹17,74,200 crore. NIC as on 04.12.2020 was ₹27,46,809 crore. NICs has risen by ₹4,97,885 crore as compared to NIC as on 06.12.2019.

14.2 Coin Section

14.2.1 The work profile of this section inter alia include policy formulation regarding design, shape and size of circulation coins including fixation of fair prices of coins, coins related legislations and issuance of Commemorative Coins. Others include production planning of coins and determination of indent of coins. Like in the case of banknotes, the production and indent of coins is also regularly monitored by this section through the Meetings of Strategic Planning Committee (SPC) and Production Planning Committee (PPC).

14.2.2 Coins in Circulations (CICs): The trends in CICs are also strictly monitored. As on 11.02.2021, the CICs of ₹26,039.91 crore. CICs has risen to ₹492.14 crore as compared to CICs as on 11.02.2020.

14.2.3 Guidelines and Costing Policy for Commemorative Coins: 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 to mark occasion of great personalities with unique, durable and outstanding contribution towards society, etc. and to remember events which had great historical significance, as per Guidelines approved by the Government. .

14.2.4 The Guidelines being followed for issue of a commemorative coin is not static, but a dynamic one. Changes were made in the Guidelines to address emerging issues or incorporate new elements, which could not be foreseen in the past. The revision of Guidelines was also carried out on the basis of lessons learnt from our examination of proposals received.

14.2.5 The Old Guidelines for issue of commemorative coins/currency dated 29.03.1991 was revised on 06.01.2017 by making the Guidelines more specific to coins but elaborate in nature. The Guidelines were further revised on 25.02.2019 to incorporate a Proforma/Format for submission of proposal for commemorative coin, as we received lots of proposals which were not as per our Guidelines. The revision of the Guidelines was made on 27.03.2019 to incorporate "Commiserative Coins" viz. Commemorative Coins to be issued on occasion to express sympathy/grief/exhibit respect for the sacrifice. The existing Guidelines have been revised on 29.09.2020 for issue of 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.

14.2.6 Since 2014, the Government has issued many commemorative coins. The details of commemorative coins issued in 2020-21 are given below:

COMMEMORATIVE COINS ISSUED BY GOVERNMENT OF INDIA IN 2020

Sl. No.	Name of Commemorative Coin	Denomination	Notification No. & Date
1.	125th departure anniversary of Shri Shyamacharan Lahiree Mahashaya.	₹125	G.S. R. 506 (E) Dated 17.08.2020
2.	75th Anniversary of Food and Agriculture orgainsation.	₹75	G.S.R.565 (E) Dated 17.09.2020
3.	Commemorative Coin to celebrate the occasion of 100th year of Lucknow University.	₹100	G.S.R. 727 (E) Dated 18.11.2020
4.	125th Birth Anniversary Year of Netaji Subhas Chandra Bose	₹125	G.S.R. 37 (E) Dated 20.1.2021
5.	125th Birth Anniversary of Srimat Swami Pranavanandaji Maharaj	₹100, ₹50, ₹10	G.S.R. 41 (E) Dated 22.1.2021

14.2.7 Minting Capacity and Utilization: To meet the indent of coins from RBI, the minting capacity of SPMCIL was enhanced to 7750 mpcs in 2016-17 from 5954 mpcs in 2010-11. However, in recent years, there has been a glut of coins since 2016-17 owing to reverse flow of coins. In case of commemorative coins, SPMCIL has a combined installed capacity of manufacturing commemorative coins in the range of 5,00,000-7,00,000 pcs per annum. Over last 5 years, on an average, SPMCIL manufactured approximately 1,50,000 commemorative coins and medallions (per annum) for fulfilling domestic demand. This leaves sufficient spare capacity for catering to global demand.

14.2.8 Policy for Costing of Commemorative Coins: In the past, the Government through SPMCIL had been selling commemorative coins on the basis of 10% Profit Margin of the Total Cost Plus Postal Charges and Applicable GST Rate of the Total Cost. There was no policy as such for costing of commemorative coins and recovery of actual costs plus profits. To bring more clarity on the costing of commemorative coins, the Government has come out with a Policy for Costing of Commemorative Coins on 18.10.2019. This policy has been prepared in consultation with SPMCIL.

14.2.9 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. These coins have been issued and circulated.

14.2.10 The new prototypes of coins which are friendly to visually impaired people are minted through SPMCIL. The difficulties being faced by visually impaired persons with the 2011 series of circulation coins include no definite pattern of shape or size in this coin series for easy differentiation by visually challenged among different denominations. 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 over RBI counters and are supplying them to all RBI ROs and currency chests for wider distribution among public.

14.2.11 Other important Issues relating to coins: In recent years, mints and presses are diversifying their business across the globe from traditional trade of circulation coins and banknotes to medals, medallions, numismatic coins, bullions, security papers and documents, security inks, etc. Accordingly, SPMCIL also needs to diversify its business activities to counter the uncertainty of the domestic demand for coins, banknotes and security documents.

Bank Note Paper Mill India Private Limited (BNPMIPL)

14.3.1 BRBNMPL 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. BRBNMPL along with a Security Printing and Minting Corporation of India Limited (SPMCIL) has set up the Bank Note Paper Mill India Private Limited (BNPMIPL) in Mysuru, which manufactures Cylinder mould VAT made Watermarked Bank Note (CWBN) paper required for banknote production, with a production capacity of 12,000 metric tonnes per annum. BRBNMPL, as part of its concerted efforts for backwards integration with a view towards achieving self-sufficiency, has set up an Ink Manufacturing unit (IMU) within its Mysuru Press premises. The captive unit has an installed capacity to manufacture 1500MT of Offset, Intaglio, Numbering and Colour Shift Intaglio Inks (CSII) per annum in two shift operations. The production of Offset, Intaglio and Numbering inks commenced from August 2018 and that of CSII commenced from March 2019. The requirement of Offset, Intaglio, Numbering and CSII for the year 2019-20 onwards has been met by the BRBNMPL's in house manufacturing unit. BRBNMPL is also supplying CSII to the two currency printing presses of SPMCIL. Previously, CSII which is one of the security features, was being imported and therefore, setting up the ink manufacturing unit at Mysuru is a significant step toward self-sufficiency ('AtmaNirbhar').

Bank Note Paper Mill, Mysuru

14.4.1 As per the direction of MOF, GOI, Bank Note Paper Mill India Private Limited was incorporated as a 50:50 Joint Venture Company of SPMCIL and BRBNMPL in 2010, to manufacture of CWBN paper indigenously by establishing a paper mill at Mysuru with installed capacity of 12000 MT per annum. The Paper Mill was commissioned in the year 2016.

14.4.2 Status of Implementation: The Company has successfully optimised is processes to manufacture banknote paper has produced 15874 MT of paper (132% of rated capacity) during 2019-20. The Company was able to meet the demand of CWBN paper of BRBNMPL Mysore, BRBNMPL Salboni, CNP Nashik and BNP Dewas, thereby stopping import of paper until now. The Company has also been certified for the international quality standards of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, and has been able to perform very efficiently producing international quality banknote paper with world-class productivity of 44MT/person/annum. The Company has also implemented the ERP system and established its transparency in its operation.

14.4.3 Plan of expansion: The Company has taken up the upgradation/modification of machines for production of banknote paper with new security features in Indian banknotes. As clarified and directed by the RBI, to meet the future demand of CWBN paper, the Company has sought permission/No Objection of MEA, MOF, GOI, to enhance domestic capacity of manufacturing banknote paper by establishing a new paper mill to make India self-reliant in currency paper.

14.4.4 CSR Activity: As part of Corporate Social Responsibility, BNPM 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. The Company has earmarked ₹13 Crores under CSR expenditure until FY 2019-20, and has spent around ₹12 crores.

Security Printing and Minting Corporation of India Limited (SPMCIL)

14.5.1 The Department of Economic Affairs is the Administrative Department of SPMCIL and look into all issues relating to appointment to Board Level posts in SPMCIL and Residual establishment matters of the nine Units of SPMCIL. Others include, SPMCIL Pension Fund Trust; MoU with SPMCIL etc.

14.5.2 Security Printing and Minting Corporation of India Ltd. (SPMCIL), a Miniratna Category-I, Schedule-'A' Central Public Sector Enterprise (CPSE) 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 (Ministry of Finance) directly. The Company 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 31.03.2020.

14.5.3 The Reserve Bank of India (RBI) is the customer for currency notes supplied by two Currency Presses of the Company, i.e. Bank Note Press (BNP), Dewas and Currency Note Press (CNP), Nashik. The Ministry of External Affairs (MEA) and Ministry of Home Affairs (MHA) are customers for passports and visa stickers respectively and the State Governments are customers for Non-Judicial Stamp Papers and allied stamps and the Postal Department is the customer for postal stationery, stamps, etc. supplied by the two Security Presses of the Company, i.e., 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, certificates etc. for various customers. The Department of Economic Affairs (DEA), Ministry of Finance is the customer for circulating coins supplied by the four India Government Mints (IGMs) of the Company at Mumbai, Kolkata, Hyderabad and Noida. 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 and BRBNMPL.

14.5.4 As a company which is manufacturer of instruments of faith, SPMCIL is inspired by its vision to serve national priorities of producing state-of-the-art security products leveraging core competency and building design capabilities. With the commitment to aid the nation by manufacturing world class and highly secured banknotes, coins and security documents, SPMCIL has almost 100 years of security printing experience and over two centuries of experience in the field of minting.

14.5.5 The Company had produced 9824 million pieces of the Bank Notes and supplied 8453 million pieces of Bank Notes to Reserve Bank of India (RBI) during the year 2019-20. This is 6.28% lower than the production of 10482 million pieces of the Bank Notes during the year 2018-19 and this reduction in production is due to lockdown declared by the Government of India to combat the outbreak of COVID-19 pandemic. Production of the Bank Notes per employee has increased to 3.33 million pieces in 2019-20 as against 3.29 million pieces achieved during the last year 2018-19. The Company had produced 3282 million pieces of the Circulating Coins and supplied 3169 million pieces of the Circulating Coins to RBI during the year 2019-20. This is 38.43% lower than the production of 5331 million pieces of Circulating Coins achieved during the last year 2018-19. Production of Coins per Employee has also decreased to 1.55 million pieces in 2019-20 as against 2.24 million pieces achieved in the last year 2018-19. The decrease in the production of Circulating Coins is mainly due to huge reduction in the indent of Circulating Coins by RBI during the year 2019-20.

14.5.6 The Company had produced 7010 Metric Ton (MT) of Security Paper and supplied 6765 MT of Security Paper to the printing presses during the year 2019-20. This is 16.77% higher than the production of 6003 MT of Security Paper during the last year 2018-19. Production of Security Paper per Employee has increased to 7.03 MT in the year 2019-20 as against 5.68 MT achieved during the previous year 2018-19. The Company had produced 850.93 Metric Ton (MT) of Security Inks in the year 2019-20 at Ink Factory, Dewas and supplied 861.09 Metric Ton Inks to printing presses during the year 2019-20. This is 13.14% higher than the production of 752.12 MT of Security Inks during the last year 2018-19. Production of Security Ink per Employee has increased to 13.30 MT in the year 2019-20 as against 11.23 MT achieved during the previous year 2018-19.

14.5.7 The Company had produced 14.72 mpcs of travel documents/passport booklets in the year 2019-20 and supplied 14.96 mpcs travel documents / passport booklets to Ministry of External Affairs (MEA) during the year 2019-20. This is 4.32% higher than the production of 14.11 mpcs of travel documents/ passport booklets during the year 2018-19. The company had also produced 341.36 mpcs of Non-Judicial Stamp Papers (NJSPs) in the year 2019-20 and supplied 288.36 mpcs NJSPs to various State Governments during the year 2019-20. This is 10.31% higher than the production of 309.46 mpcs of NJSPs during the year 2018-19.

14.5.8 The Revenue from Operations of the Company has decreased to ₹4966.07 crores in 2019-20 from ₹5711.34 crores in the year 2018-19. The decrease in revenue is due to reduction in production/sales due to lockdown declared by the Government of India to combat the outbreak of COVID-19 pandemic. Total expenditure for the year 2019-20 is ₹4149.58 crores as compared to ₹5024.53 crores (regrouped) for the year 2018-19. Profit before Tax (PBT) from continuing operations for the year 2019-20 is ₹1026.79 crores as compared to ₹800.69 crores (regrouped) for the year 2018-19 registering a growth of 28.24% over previous year. The Company had achieved a Total Comprehensive Income (TCI) of ₹547.36 crores in the year 2019-20 as compared to ₹517.12 crores (regrouped) in the year 2018-19. The consolidated TCI after taking into account the 50% share of Joint Venture Company, Bank Note Paper Mill India Pvt. Ltd. (BNPMIPL) is ₹677.93 crores in the year 2019-20 as compared to the Consolidated TCI of ₹605.99 crores (regrouped) in the year 2018-19.

14.5.9 During the year 2019-20, in accordance with the guidelines on Capital Restructuring of CPSEs issued by the Department of Investment and Public Asset Management (DIPAM), SPMCIL had bought back 7,67,40,260 Equity Shares of face value of ₹10/- each at the book value of ₹38.24 per share from Government of India. The total amount of consideration was ₹293.45 crores. The free reserves of the Company had been utilized for the purpose of aforesaid buyback of shares.

14.5.10 In accordance with the guidelines on Capital Restructuring of CPSEs issued by the Department of Investment and Public Asset Management (DIPAM), the Company had paid the Final Dividend of ₹218.48 crores for the year 2018-19. For the year 2019-20, the amount of Final Dividend proposed to be paid by the Company is ₹215.48 crores.

14.5.11 The Company had taken-up many modernization and capacity augmentation initiatives. BNP, Dewas has installed and commissioned Computerised Random Numbering (CRN) System on Numbering Machine no. 6 which has improved the Automation and Productivity of the Bank Note. It has also upgraded two numbers of Guillotine (cutting) machine. BNP, Dewas is also in the process of installation of modified touch free suction drum on the Simultan machine No. 7 & 8 which shall increase the speed of machine and reduce the down time due to paper jamming on feeder. Ink Factory, Dewas has installed and commissioned the Base Ink Handling System. The Dust Collection System has also been installed and commissioned in Ink Factory, Dewas. Further, the installation of Tack Testers (2 nos.), Digital Ink Rub Tester (1 no.), Ink Drying time recorder (1 no.), Lab Assessment Cabinet (1 no.) has been completed at Ink Factory, Dewas. Ink Factory, Dewas has also installed one Laboratory Balance to meet the increased work volume at QC lab due to increase in the production. The installation and commissioning of complete printing line consisting of one Offset machine, one Intaglio machine, one Numbering along with varnishing machine & one Finishing machine each at BNP, Dewas and CNP Nashik is in advance stage and shall be completed in the financial year 2020-21. In addition to the above, one intaglio machine each at BNP, Dewas and CNP, Nashik shall also be installed and commissioned in the financial year 2020-21. Intaglio machine was received in financial year 2019-20. IGM, Noida has installed Surface Grinding Machine which has improved the product quality and production rate. IGM, Kolkata has installed Spot laser Welding Machine for welding/brazing of Front and Back plate of Cupro Nickel medal claps, fittings wire of Tombec Bronze. IGM, Kolkata has also installed polishing machine (Buff) with Built-in Dust Collector for surface finishing and polishing of different medals. ISP, Nashik has done up-gradation of Power House by replacement of existing 3 nos. 500 KVA Transformers in Substation No.1 with 1000 KVA Energy Efficient Transformers along with construction of new HT room and HT panel with VCB's and required latest protection system. SPP, Hyderabad has done retrofitting of add on equipment like Hot Stamping, Varnishing, Embossing and auto inking system on Rotatek-II machine. SPP, Hyderabad has also installed Paper Testing Equipment like Tensile Strength Tester, Bending Resistance, Digital Micrometre, Cobb tester, Folding Endurance Tester, Gloss meter, Electronic Weighing Balance etc. during the year 2019-20. SPM, Hoshangabad has replaced 11 KV Oil Circuit Breaker (OCB) by Vacuum Circuit Breaker (VCB). This will avoid fire accident, improve electrical safety and reduce tripping time and reduce fault at lowest level. SPM, Hoshangabad has installed and commissioned Air Filtration Unit at Pulp Plant. SPM, Hoshangabad has done installation of Online Brightness Sensor to maintain the uniform brightness of pulp and take the required corrective action within time. All the hardware and relay based Silk Dosing Panel Control System were upgraded to latest PLC and HMI based control system and also 3 nos. Guillotine Machines have been upgraded by replacing 2nd generation TTL logic based 8 nos. control cards by PLC and HMI based control system at SPM, Hoshangabad. Ink marking system has also been implemented for each thread in Non-Judicial Stamp Gr-II Paper to prevent thread breaking / missing of thread. Installation of Lubricating Oil Purifier has also been completed at SPM, Hoshangabad.

14.5.12 The 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.

14.5.13 The Manpower Strength in the Company had come down to 8218 as on 31.03.2020 which includes 341 Executives, 1045 Supervisors and 6832 Workers working in 9 Units and Corporate office in comparison to previous year's employee strength of 8918. Training and retraining of employees to upgrade their functional skills and expertise along with development of their soft skills and group dynamics are thrust areas for the Company. The Industrial Relations remained peaceful and cordial during the year 2019-20 in all the units of SPMCIL.

14.5.14 SPMCIL has taken-up many CSR projects in the areas of education, healthcare, rural development, skill development, providing drinking water facility etc. in the year 2020. Under the Gram Uday Scheme, BNP, Dewas has adopted Kawaria village and SPM, Hoshangabad has 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 has adopted Barwani District of Madhya Pradesh as the aspirational District. In accordance with the instructions of DPE vide O.M. dated 01.06.2020 that Health and Nutrition be kept as common theme for undertaking CSR activities by CPSEs for the year 2020-21, SPMCIL has taken-up various CSR projects on the specified annual theme in the year 2020-21.

14.5.15 Department of Economic Affairs, SPMCIL and Ministry of Culture are discussing on renovation and development project of Old Mint complex of Kolkata, popularly known as the Silver Mint which was founded in the year 1824 as per the announcement of Union Budget 2020-21 under Para no. 75(1) that "In the historic Old Mint building Kolkata, a museum on Numismatics and Trade will also be located."

14.5.16 Indigenization: One new Security Paper line of 6000 MT capacity at SPM, Hoshangabad was started in May, 2015. The Company had also setup a 50:50 Joint Venture in October, 2010 with Bhartiya Reserve Bank Note Mudran Private Ltd. (BRBNMPL) in the name of Bank Note Paper Mill India Private Limited (BNPMIPL) to implement a Green-Field project of a bank note paper mill with capacity of 12000 MT per annum to bring two state of the art technology paper lines of capacity of 6000 MT per annum each. The commercial production from all the aforesaid paper lines had commenced and India has become self-reliant in indigenous production of CWBN paper requirement leading to import substitution thereby saving valuable foreign exchange. The JV Company, BNPMIPL has produced 15874 MT of Security Paper during the year 2019-20. The ink factory at BNP, Dewas is manufacturing Offset ink, UV ink and Quickset Intaglio ink to meet the requirement of currency/security presses of the Company.

14.5.17 During the year 2020-21, five commemorative coins have been released so far.

14.5.18 RTI Act: SPMCIL has taken various steps towards implementation of the RTI Act, 2005. The desired information is provided to the applicant on time.

Annexure-I

Representation of SCs, STs, and OBCs

Groups	Representatiion of SCs/Sts/ OBCs (As on 30.11.2020)				Number of Appointments made during the previous calendar year										
					By Direct Recruitment				By Promotion			By Other Methods (Internal Recuritment)			
	Total No.of Employees	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'	357	57	18	65	0	0	0	0	7	6	0	0	0	0	0
Group 'B'	998	146	87	168	3	2	0	1	40	6	3	0	0	0	0
Group 'C'	6195	1197	565	884	14	2	0	8	522	108	40	0	0	0	0
Total	7550	1400	670	1117	17	4	0	9	569	120	43	0	0	0	0

Annexure-II

Representation of Persons With Disabilities

					Number of Appointments made during the previous calendar year												
	Representatiion (As on 31.11.2020)				DIRECT RECRUITMENT							PROMOTION					
Groups					No. of Vacancies reserved			No. of Appointments made				No. of Vacancies reserved			No. of Appointments made		
	Total No. of Employees	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	357	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group B	998	9	0	14	0	0	0	0	0	0	0	0	0	0	2	0	0	0
Group C	6195	15	50	118	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Total	**7550**	**24**	**50**	**132**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**

Annexure-I

DEPARTMENT OF ECONOMIC AFFAIRS (MAIN)

Representation of SCs, STs, and OBCs

(As on 30/11/2020)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2020									
					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	145	22	3	23	0	0	0	0	2	0	0	2	0	0
Group B	246	35	35	36	55	14	22	19	20	6	7	0	0	0
Group C	220	80	5	28	0	0	0	0	9	5	0	0	0	0
TOTAL	**611**	**137**	**43**	**87**	**55**	**14**	**22**	**19**	**31**	**11**	**7**	**2**	**0**	**0**

Annexure-II

DEPARTMENT OF ECONOMIC AFFAIRS (MAIN)

Representation of Persons With Disabilities (PWD)

(As on 30/11/2020)

					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	145	0	0	1	0	0	1	1	0	0	1	0	0	0	0	0	0	0
Group B	246	0	1	4	0	0	0	1	0	0	1	0	0	0	0	0	0	0
Group C	220	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**611**	**0**	**1**	**9**	0	0	1	2	0	0	2	0	0	0	0	0	0	0

Annexure-I

NATIONAL SAVINGS INSTITUTE, NEW DELHI

Representation of SCs, STs, and OBCs

(As on 31/12/2020)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2020									
					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	2	1	0	0	0	0
Group B	18	2	1	4	0	0	0	0	0	0	0	0	0	0
Group C	40	10	4	11	6	1	0	0	0	0	0	0	0	0
Total	**61**	**13**	**5**	**15**	**6**	**1**	**0**	**0**	**2**	**1**	**0**	**0**	**0**	**0**

Annexure-II

NATIONAL SAVINGS INSTITUTE, NEW DELHI

Representation of Persons With Disability (PWD)
(As on 31/12/2020)

					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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group B	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group C	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**61**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annexure-I

SECURITIES APPELLATE TRIBUNAL, MUMBAI
Representation of SCs, STs, and OBCs
(As on 30/11/2020)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2020									
					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	5	0	0	1	0	0	0	0	1	0	0	0	0	0
Group B	8	1	0	0	0	0	0	0	2	0	0	0	0	0
Group C	12	2	0	3	2	0	0	0	0	0	0	0	0	0
TOTAL	**25**	**3**	**0**	**4**	**2**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**0**	**0**

Annexure-II

SECURITIES APPELLATE TRIBUNAL, MUMBAI
Representation of Persons With Disabilities (PWD)
(As on 30/11/2020)

					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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group B	8	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group C	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**25**	**0**	**0**	**1**	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Annexure-I

SECURITIES EXCHANGE BOARD OF INDIA

Representation of SCs, STs, and OBCs
(As on 30/11/2020)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2020									
					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**
OFFICERS	781	105	42	211	94	10	1	25	226	35	17	0	0	0
SECRETARIES	72	0	0	3	0	0	0	0	0	0	0	0	0	0
JUNIOR ASST.	2	0	0	1	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
TOTAL	**857**	**106**	**42**	**215**	**94**	**10**	**1**	**25**	**226**	**35**	**17**	**0**	**0**	**0**

Annexure-II

SECURITIES EXCHANGE BOARD OF INDIA

Representation of Persons With Disability(PWD)
(As on 30/11/2020)

					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***	781	10	5	11	2	3	0	94	0	0	0	0	0	0	226	5	0	4
SECRE-TARIES	72	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	**857**	**11**	**5**	**11**	**2**	**3**	**0**	**94**	**0**	**0**	**0**	**0**	**0**	**0**	**226**	**5**	**0**	**4**

Annexure-I

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED (SPMCIL)

Representation of SCs, STs, and OBCs
(As on 30/11/2020)

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2020									
					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	357	57	18	65	0	0	0	0	7	6	0	0	0	0
Group B	998	146	87	168	3	2	0	1	40	6	3	0	0	0
Group C	6195	1197	565	884	14	2	0	8	522	108	40	0	0	0
TOTAL	**7550**	**1400**	**670**	**1117**	**17**	**4**	**0**	**9**	**569**	**120**	**43**	**0**	**0**	**0**

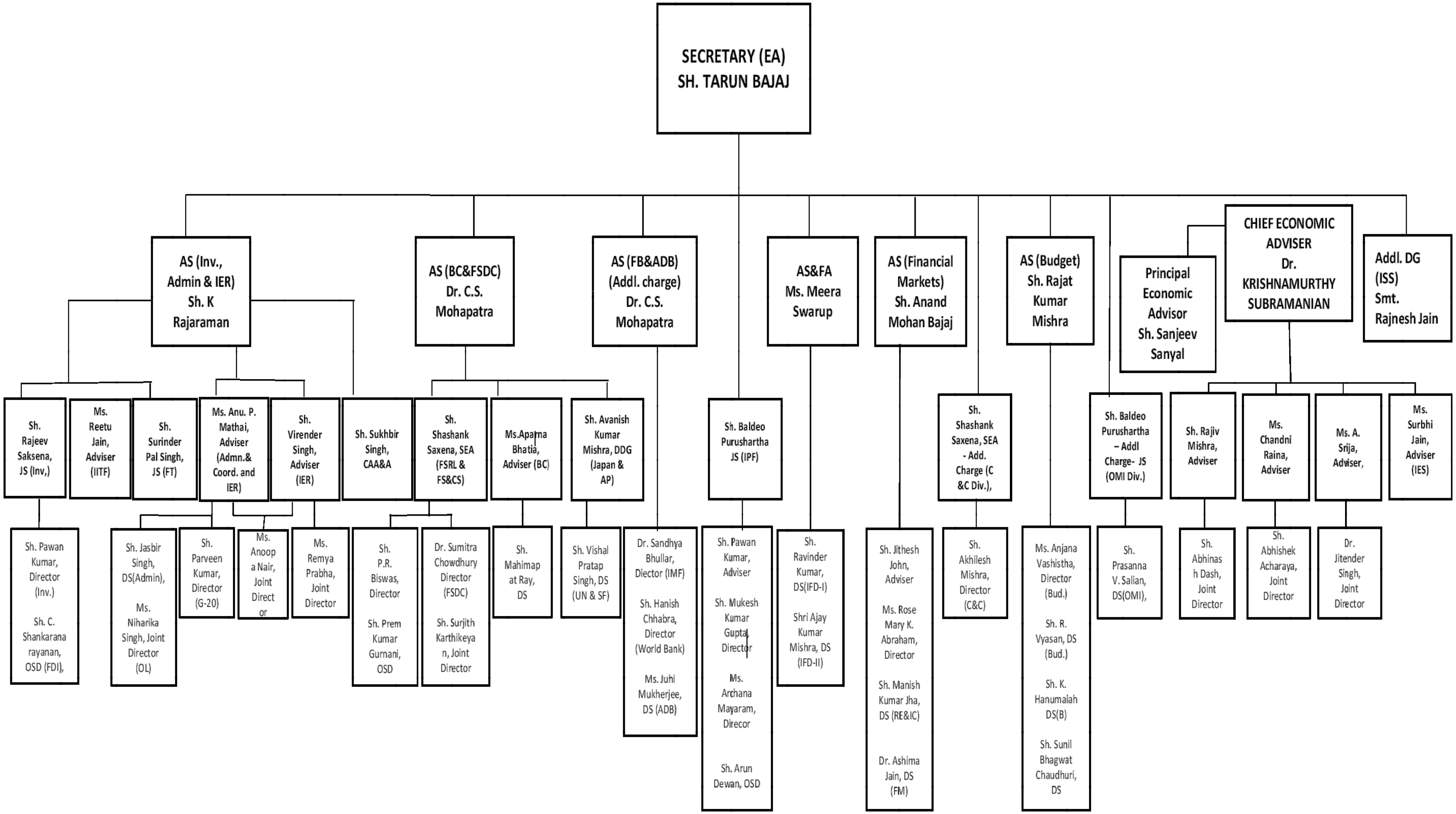
Annexure-II

SECURITY PRINTING & MINTING CORPORATION OF INDIA LTD., (SPMCIL)

Representation of Persons with Disabilities
(As on 30/11/2020)

Groups	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	357	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group B	998	9	0	14	0	0	0	0	0	0	0	0	0	0	2	0	0	0
Group C	6195	15	50	118	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Total	**7550**	**24**	**50**	**132**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**

ORGANIZATION CHART OF THE DEPARTMENT OF ECONOMIC AFFAIRS



Chapter - II

Department of Expenditure

1. Personnel Division

1.1 The Personnel Division works under the Additional Secretary (Personnel) and is responsible for administration of various financial rules and regulations like General Financial Rules (GFRs), Delegation of Financial Power Rules (DFPRs) etc. 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 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.

1.5 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.

1.6 Expenditure Management Commission (EMC)

1.6.1 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 183 actionable points in the EMC report found implementable, 159 have already been implemented. The remaining recommendations have been taken up for implementation by the concerned Ministries/Departments and implementation is going on.

1.6.2 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. NITI Aayog has set up a Committee for comprehensive review of all ABs under the Central Government. In the first instance, the Committee has reviewed ABs incorporated under Societies Registration Act (SRA), 1860 in consultation with 28 Ministries/Departments. Department of Expenditure has also taken up a review of Autonomous Bodies under Ministries/Departments.

1.7 Staff Inspection unit (SIU)

1.7.1 The Staff Inspection Unit (SIU) was set up in 1964 with the objective of securing economy in the staffing of Government Organizations consistent with administrative efficiency and evolving performance standards and work norms 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.

1.7.2 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 studies 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.

1.7.3 The SIU conducts physical inspection/ study of the various Central Government Organisations, autonomous bodies working under the Ministries/ Departments of Central Government on a request from the Financial Adviser of the concerned Ministry/Department.

The studies are taken up after drawing up an Annual Programme as per laid down procedures before conducting the studies.

1.8 Pay Research Unit (PRU)

1.8.1 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.

1.9 RTI Cell & Legal Cell

1.9.1 The Right to Information Act, 2005

1.9.1.1 The Right to Information Act, 2005 is implemented in its true spirit and the information required to be disclosed under the RTI 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 RTI Cell. Suo-Moto disclosure has been made mandatory as per orders of the Department of Personnel & Training.

1.9.1.2 During the year 2019-20 under RTI Act 2005, 1430 RTI Applications and 60 Appeals received in physical form, 4299 RTI Applications and 254 Appeals received online were disposed off in a time bound manner.

1.9.2 Legal Cell

1.9.2.1 The Legal Cell coordinated 120 ongoing Court Cases out of which Department of Expenditure is Respondent No.1 in 41 Court cases and other than Respondent No.1 in 79 Court Cases, pertaining to Other Ministries/Departments.

1.10 Important Orders issued during the year in the wake of COVID-19:-

a) Freezing of Dearness Allowance to Central Government employees and Dearness Relief to Central Government pensioners at current rates till July, 2021, vide OM No.1/1/2020-E.II(B) dated 23rd April,2020.

b) Special instruction relating to relief operations for COVID-19 global pandemic Extension regarding, vide OM No.6/18/2019-PPD dated 1st May,2020.

c) Special instruction relating to relief operations for COVID-19 global pandemic- Procurement by Indian Missions - Extension regarding, vide vide OM No.6/18/2019-PPD dated 1st May,2020.

d) Payment of wages to Outsourced Persons of Ministries/Departments and other organizations of Government of India during lockdown period due to COVID-19 - Extension regarding, vide OM No.23(4)/E.Coord/2020/ 1 dated 20th May,2020.

e) Three (03) orders related to Global Tender Enquiry (GTE) dated 28th May,2020 in pursuance of Atma Nirbhar Bharat package.

f) Orders on Force Majeure Clause (FMC) in contracts Department of Expenditure vide its OM No. 42(02)/PFC-I/2014 dated 4th June,2020 regarding Appraisal and Approval of all Public Funded Scheme/Sub-schemes conveyed that given the prevailing circumstances in the current financial year, no new proposal for a scheme/sub-scheme, whether under the delegated powers of Administrative Ministry including SFC proposals or through EFC should be initiated this FY 2020-21 except the proposals announced under Pradhan Mantri Gareeb Kalyan package, Atma Nirbhar Abhiyan package and any other special package/ announcement.

g) Economy Instructions - Printing activities vide DoE OM No.7(2)/E.Coord/2020 dated 2nd September,2020

h) Expenditure Management - Further Economy Measures vide DoE OM No.7(2)/ E.Coord/2020 dated 4th September,2020

i) Grant of Advance - Special Festival Package to Government Servants vide DoE OM No12(2)/2020-E.II(A) dated 12th October,2020

j) Standard Operating procedure (SOP) for Grant of Advance - Special Festival Package to Government Servants vide DoE OM No12(2)/ 2020-E.II(A) (Pt.) dated 13th October,2020

k) Special cash package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21 vide DoE OM No12(2)/2020-EII(A) dated 12th October,2020

2. Public Finance-State Division

2.1 Scheme for Special Assistance to States for Capital Expenditure

The scheme 'Special Assistance to States for Capital Expenditure' was announced by the Finance Minister on 12th October, 2020 as a part of Aatma Nirbhar Bharat Abhiyan package. The scheme is aimed at boosting Capital expenditure by the State Governments who are facing difficult fiscal environment due to the shortfall in tax revenues arising from the COVID-19 pandemic. Capital Expenditure has a higher multiplier effect, enhancing the future productive capacity of the economy, and result in higher rate of economy growth. Under the scheme 'Special Assistance to States for Capital Expenditure', special assistance has been provided to the State Governments in the form of 50-year interest free loan up to an overall sum not exceeding Rs. 12,000 crore.

27 States had submitted their proposals under the schemes. Capital Expenditure proposals of Rs.9879.61 crore of these 27 States were approved by the Ministry of Finance and an amount of Rs.4939.81 crore was released to the States till 15.12.2020 as the first instalment under the scheme.

2.2 Additional Central Assistance for Externally Aided Projects

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, an amount of Rs. 17,072.60 crore has been released to the State Governments during 2020-21 (as on 15.12.2020) as against Budget Estimates (2020-21) of Rs. 29,000 crore.

2.3 Special Assistance to States

Budgetary allocation of Rs.15,000 crore has been provided under the head 'Special Assistance' in Demand No.38 (Transfers to States) of the Ministry of Finance in the Union Budget 2020-21 (BE). Out of this, Rs. 219.50 crore were released to the State of Nagaland during 2020-21(as on 15.12.2020).

2.4 Borrowings

Annual borrowing ceilings to States for the year 2020-21 has been determined in line with the methodology followed for determining annual borrowing ceilings to States during the period 2019-20. The borrowing limits are worked out by Ministry of Finance (MoF) for each State and Net borrowing ceiling of the 28 States has been fixed at Rs.6.41 lakh crore for the year 2020-21 by anchoring the fiscal deficit target of 3 percent of respective State's Gross State Domestic Product (GSDP).The Net borrowing ceiling of the States (excluding the State of Jammu & Kashmir) was fixed at Rs. 6.06 lakh crore for the year 2019-20.

Further, due to macroeconomic scenario in 2019-20 and lower tax collection in 2018-19, one-time special dispensation has been allowed to the States excluding the State of Jammu & Kashmir for additional borrowings amounting to Rs. 57,769 crore in 2019-20 beyond the State's eligibility.

In view of the unprecedented COVID-l9 pandemic, additional borrowings up to 2 percent of Gross State Domestic Product (GSDP) amounting to Rs. 4,27,302 crore has been allowed to the 28 States for the year 2020-21. One percent of this is subject to implementation of following four specific State level reforms, where weightage of each of the reforms is 0.25 percent of GSDP:

a) Implementation of One Nation One Ration Card System;

b) Ease of Doing Business Reform;

c) Urban Local Body/ Utility Reforms; and

d) Power Sector Reforms

Borrowing permission for the additional borrowings of one percent of GSDP amounting to Rs. 2,13,660 crore has been issued to States in two instalments of 0.50 percent each. Further, the States that have carried out the stipulated reforms have been granted reform linked borrowings permission. Till 15.12.2020, additional borrowings permission of Rs.23,523 crore was accorded to 9 States (Andhra Pradesh, Goa, Gujarat, Haryana, Karnataka, Kerala, Telangana, Tripura and Uttar Pradesh) for implementation of 'One Nation, One Ration Card System'. Besides this, additional borrowings permission of Rs.14,355 crore was accorded to 4 States (Andhra Pradesh, Karnataka, Tamil Nadu and Telangana) for implementing 'Ease of Doing Business Reforms'. The State of Madhya Pradesh has carried out reforms related to the 'Urban Local Body/Utility Reforms' and was given additional borrowings permission to Rs.2,373 crore.

2.5 Finance Commission Grants

The financial year 2020-21 is the first year of the Fifteenth Finance Commission (15th FC) award period. The Union Government vide 'Explanatory Memorandum as to the Action Taken on the Recommendations made by the 15th FC in its Report for financial year 2020-21 submitted to the President on December 5th, 2019 have accepted the recommendations relating to the Post Devolution Revenue Deficit Grant, Grants to Local Bodies and Disaster Management Grants for the financial year 2020-21. The 15th FC recommended Grants-in-Aid amounting to Rs. 1,98,914 crore for transfer to States during 2020-21 as below;

S. No.	Component	Amount Allocated (` in crore)
1.	Post Devolution Revenue Deficit Grant	74,340
2.	Local Bodies Grants	90,000
3.	Disaster Management (Union Share of SDRMF& NDRMF)	34,574
	Total	**1,98,914**

The 15th FC recommended Post Devolution Revenue Deficit Grant and Grants-in-aid to Local Bodies and Disaster Management Grants which is approximately 50% higher than recommended by the Fourteenth Finance Commission (14th FC) for the award year. The 15th FC have recommended a total size of the Grants for Local Bodies amounting to Rs. 90,000 crore. Out of this corpus, the Commission have recommended ` 29,250 crore for Urban Local Bodies and ` 60,750 crore for Rural Local Bodies. Unlike that of the 14th FC recommended Grants-in-aid for Rural Local Bodies, the Rural Local Bodies Grants for the year 2020-21 are also allocated to Fifth and Sixth Schedule Areas as well as Mandal/Tehsil and District/Zila Panchayats. Similarly, Urban Local Bodies Grants are also allocated to the Cantonment Boards. For the first time, Finance Commission Grants are allocated for the purpose of improving Ambient Air Quality in Million Plus Cities/ Urban Agglomerations. As on 15.12.2020, a total of `1,24,767.96 crore has been released to the eligible State Governments as per component-wise details given below;

S. No.	Component	Amount Released (` in crore)
1.	Post Devolution Revenue Deficit Grant	55,755.75
2.	Local Bodies Grants	
3.	Urban Local Bodies	14,625.00
4.	Rural Local Bodies	33,386.48
5.	Disaster Management Grants	
6.	Union Share of SDRMF	16,593.93
7.	NDRMF	4406.81
	Total	**1,24,767.96**

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 various Central Government Ministries/Departments. This Division is handled in two units:- Public Finance (Central-I) and Public Finance (Central-II).

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. The 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 Divison 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 and physical and financial outputs are targeted on a year to year basis. A consolidated Outcome Budget 2020-21 was presented in the Parliament as a part of the Budget Documents of 2020-21.

3.8. During the period from 1st January, 2020 to 30th November, 2020, the Expenditure Finance Committee(EFC) Chaired by Secretary (Expenditure) recommended 44 investment proposals/schemes of various Ministries/Departments costing ` 428909.78 Crores.

3.9. Also, during the period, Public Investment Board (PIB) chaired by Secretary (Exp.) considered and recommended 09 proposal involving an amount of `7437.18 crore.

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 December 2020, detailed instructions regarding continuation of ongoing schemes of various Ministries/ Departments beyond 31st March,2021 till Financial Year 2025-26 were issued, keeping in view the focus on rationalization and output/outcome based funding of scheme 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

Subsequently, the scope of work in PPD was enlarged. The Division now deals with the following items of work:-

i. Public Procurement legislation and rules, notifications, orders thereunder;

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 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. Proposals for exemption to Rule 161(iv)(b) of GFRs regarding Global Tender Enquiry (GTE)

ix. Operational aspects of Government e-Marketplace and quarterly review of GeM.

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 ` 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, approximately more than one lakh tenders with estimated value of more than Rs. One Lakh crore are floated per month using facility of CPPP. 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 programme on Public Procurement and one week training programme on Advance Public Procurement are being conducted through National Financial Management (NIFM) (now online due to COVID 19 Pandemic) with a view to educate and familiarize the concerned executives/ officers with all the relevant rules, regulations and procedures of public procurement. Around 2000 officers are being trained every year.

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. It 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, Hindi stenography/typing training and organization of Hindi day/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 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 30th September, 2020, original correspondence in Hindi with Region "A", "B" and "C" is 65.38%, 51.36% and 29.6% respectively.

5.3 Quarterly meetings of the Departmental Official Language Implementation Committee could not be held regularly due to Covid-19. However, a virtual meeting of the Committee was held on 04th November, 2020 in which reports for quarters ending 31st March, 2020 and 30th June, 2020 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, it is 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.

5.5 The basis of the Official Language Policy of the Union is motivation and encouragement. "Hindi Week" was observed in the Department from 14-21 September, 2020 to motivate the employees for the progressive usage of Hindi in their day-to-day work. Several competitions viz. Hindi Essay Writing, Noting-Drafting, Hindi-English Translation and Poem Writing 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 01 to 30 September, 2020. Several officers and employees of the Department took part in these competitions/campaign enthusiastically.

5.6 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.

5.7 Official language inspection of the subordinate offices and divisions of Department of Expenditure could not be done due to Covid-19. However, during the period under reference, official language inspection of Arun Jaitley National Institute of Financial Management was conducted. During inspection their work was found satisfactory and suggestions were given to them to further improve the progress of Official Language Hindi.

5.8 Hindi translation of the documents falling under section 3(3) of Official Language Act, 1963, applications/ appeals received under the Right to Information Act, 2005 were disposed off in time. Brochure related to salary and allowances published by Pay Research Unit of the Department was also translated. The translation work of the letters/ D.O. letters received from the Finance Minister/ MoS (Finance) and the material/ documents received from various sections of the Department were translated from English to Hindi and vice-versa within the stipulated time frame.

6. Integrated Finance Unit (IFU)

6.1 The Integrated Finance Unit works under Additional Secretary & Financial Adviser (Finance) and deals with the expenditure and Budget related proposals under Grant No.28 - 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 Record keeping Agency for the New Pension Scheme.

6.2 This Unit also monitors the expenditure under Grant No.34 - Indian Audit & Accounts Department; and Grant No.37 - Pensions.

The allocations under the respective Grants are as under:

(` in crore)

Grant No.	Budget Estimates 2020-21			*Revised Estimates 2020-21		
	Revenue	Capital	**Total**	Revenue	Capital	**Total**
28 – Department of Expenditure	535.55	0.00	**535.55**	-	-	**-**
34 – Indian Audit & Accounts Department	5365.27	18.00	**5383.27**	-	-	**-**
37 – Pensions	62169.35	0.00	**62169.35**	-	-	**-**

*Yet to be received.

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 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 Nos. 28, 34 and 37 have consistently been monitored and strict control has been exercised over the Govt. expenditure. A report of the review is regularly submitted to the Secretary (Expenditure) on monthly basis.

7. Chief Adviser Cost

7.1 Office of Chief Adviser Cost (CAC) is one of the divisions functioning in the Department of Expenditure, Ministry of Finance. Office of Chief Adviser Cost (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 Cost and Management Accountants/ Chartered Accountants.

7.2 O/o Chief Adviser Cost is rendering advice to the Central Government Ministries/Departments/ Organizations on complex Price/Cost related issues and financial matters which covers a wide spectrum of sectors/ areas. O/o CAC 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, Storage charges payable by FCI to CWC, cost analysis of different procedures & test undertaken by Hospital (Sree ChitraTirunal Institute for Medical Sciences and Technology) etc.; iii) Subsidy payable to Northern Railway for Catering Units functioning in Parliament House and PMO; 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.

7.3 The Office of Chief Adviser Cost is also cadre controlling office for the Indian Cost Accounts Service (ICoAS) which broadly encompasses recruitment, transfer/ posting and career progressions of CoAS 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.

7.4 Despite the limitations posed by outbreak of COVID-19 pandemic,the Office of Chief Adviser Cost completed 45 studies/ reports during the period from December 2019 to November 2020 following last annual report. The cost-price studies including vetting of claim/ compensation completed during this period are detailed below:

(i) System Study

Fixation of Common Hourly Rates and Overhead Percentage in respect of Government of India Presses at Mayapuri, New Delhi Minto Road, Rashtrapati Bhawan and Temple Street, Kolkata for various years.

(ii) Fair selling price of products/service where Government/ Public Sector Undertaking is the Producer/ Service provider as well as the user : i) Fixation of Fair Price of rails supplied by Steel Authority of India Ltd. (SAIL) from Bhilai Steel Plant to Indian Railways for the year 2018-19; ii) Fixation of Rates of Compensation for nuclear grade ammonium diuranate(NGADU) supplied by Indian Rare

Earths Limited to Bhabha Atomic Research Centre for the year 2016-17; iii) Fixation of Fair Selling Price of the year 2018-19 in respect of Tear Gas Gun and Multi Barrel Launcher manufactured by CENWOSTO, BSF, Tekanpur Gwalior; iv) Fixation of Fair Price of Condoms supplied by M/s HLL Lifecare Limited for the year 2017-18 & 2018-19; v)Fixation of Fair Selling Price of the year 2019-20 in respect of Tear Smoke Munitions (TSMs) manufactured by Tear Smoke Unit (TSU) BSF, Tekanpur Gwalior; vi) Cost of production & Selling Price for items of Postal Stationery produced & supplied by Security Printing Press,Nahsik and Hyderabad to Department of Posts for the year 2016-17to 2018-19; vii) Fixation of Fair Price of Coins supplied by India Govt. Mints at Kolkata, Hyderabad,Noida & Mumbai to RBI for the various years; viii) Fixation of Currency Notes produced by Currency Note Press (CNP) at Nashik to RBI during the year 2018-19; ix) Fixation of Fair Price of Bank Notes supplied by Bank Note Press (BNP) Dewas to RBI during the year 2018-19 and x) Fixation of fair price of DDT 50% supplied by HIL to NVBDCP for the year 2017-18 & 2018-19 and provisional price for the year 2018-19 and 2019-20.

(iii) Fixation of service charges for the services rendered by a Govt. Department/Agency on behalf of the other: Fixation of prices of ACEMU Transformer supplied by BHEL-Jhansi to Indian Railways during 2014-15.

(iv) Determination of subsidy: i) Vetting of claims of NAFED for reimbursement of losses and recovery of Gains under Price Support Scheme (PSS) for various crops/commodities; ii) Payment of Establishment Cost and Subsidy claim to Northern Railway catering units functioning in Parliament House Complex and Grant in Aid claim of PMO for the year 2018-19; and iii) Purchase/Sale of Cotton procured by Cotton Corporation of India for the period 2014-15 to 2018-19.

(v) Other studies : Revaluation of compensation payable to the prior allottees of Coal Blocks for 'Mine Infrastructure Other than Land' for various coal blocks.

7.5. 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 the Committees for Revision of Cost Estimates in various Ministries/ Departments. Proactive role of this Office in the Revised Cost Committee has facilitated rationalisation of revised cost estimates.

7.6 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 such as i) National Pharmaceutical Pricing Authority (NPPA), Department of Pharmaceuticals; ii) Board of Governors and the society of the Arun Jaitely National Institute of Financial Management (AJNIFM), Faridabad; iii) Governing Body of Tear Smoke Unit, BSF, Tekanpur, (Gwalior);iv) Advisory Committee for consideration of techno-economic viability of major/ medium, flood control and multipurpose projects, coordinated by Central Water Commission; v) Price Negotiation Committee for fixing unit price of 13,95,306 Ballot Units, 10,55,716 Control Units and 17,45,840 Votor Verifiable Paper Audit Trail (VVPAT) Units purchased for conduct of Lok Sabha Elections - 2019 - Ministry of Law and Justice; vi) M/o Water Resources, RD&GR -Special Committee for Interlinking of Rivers; vii) Standing Committee of Experts under Drugs (Prices Control) Order 2013;viii) Rate Structure Committee under the Chairmanship of AS&FA, Ministry of Information and Broadcasting for DAVP advertisement rates for (1) Print Media, (2) Private FM Radio Stations, (3) Private C&S TV Channels & (4) Social Media; ix) Committee to suggest a more transparent and objective method for working out compensations for India-based officers/staff posted in Indian Missions/posts abroad; x) Committee constituted to review the rates of deployment charges fixed for Central Armed Police Forces/RAF under the Chairmanship of Special Secretary, MHA; and xi) EFC/PIB meetings in Ministry of Finance, Department of Expenditure for Projects/Schemes of various Ministries as per the request received in this Office.

8. Arun Jaitley National Institute of Financial Maagement (AJNIFM)

8.1 Introduction about AJNIFM

8.1.1 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.

8.1.2 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.

8.2 Key achievements

Due to COVID-19, all training programmes were cancelled. However, AJNIFM started online training programmes. Total 33 Nos. programmes have been conducted through online. Total 1097 Nos. participants have been trained on-line programmes. Total 28 Nos. programmes through on-line have been scheduled from December 2020 to March 2021

8.3 Significant developments - Training Programmes

8.3.1 AJNIFM conducts four long term programmes. These are -

a. Professional Training Course: for Officer Trainees of various Accounts and Finance Services twenty six months duration.

b. Two-years AICTE approved Post-Graduate Diploma in Financial Management for mid-level officers of Central and State Governments and the Armed Forces.

c. A two-years PGDM (Finance): This is a recent program on Financial Markets and attracts participants primarily from the private sector as well as Government.

d. DGAIA (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.

8.3.2 Apart from its regular long term programme, AJNIFM undertakes short term training programmes on various aspects of Finance and Public Financial Management, Participants include government officials from the States and the Centre, Autonomous Bodies, PSUs, Armed Forces, and from the private sector as well. The programmes deal with Specific themes and are specially tailored to the needs of the participants. The approach is multi-pronged.

8.4 Initiatives taken with reference to the Northeast region.

Due to lockdown, no programme was conducted except on-line training.

8.5 Initiatives undertaken for Disabled/ Handicapped and SC/ST as well as other weaker sections of Society

The AJNIFM campus is disabled friendly and any grievances received in respect of SC/ST or other weaker sections are duly attended to.

8.6 Gender Budgeting and Empowerment of Women

Due to lockdown, no programme was conducted.

8.7 Inputs on E-governance

8.7.1 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.

8.7.2 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 have a component on e-governance invariably.

9. Controller General of Accounts

9.1 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.

9.2 The Office of CGA 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.

9.3 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.

9.4 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, O/o CGA also submit the 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; 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.

9.5 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 O/o CGA. PFMS aims to provide a sound Public Financial Management System for Government of India 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. PFMS 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.

9.5.1 Performance & Achievements

i. Receipt Expenditure Advance Transfer (REAT) Module: REAT Module of PFMS provides information on unspent balance with implementing agencies ensuring just in time releases by the ministries and eliminating unnecessary parking of funds.

ii. Some Ministries such as M/o Rural Development have developed their own system for implementation of their major schemes. Ministry of Rural Development decided to implement their four major schemes MGNREGA, PMGSY, PMAY-G and NSAP in four States namely Assam, Uttar Pradesh, Odisha and Tamil Nadu through Scheme specific applications to be developed by the Ministry by way of integration with REAT of PFMS. This will cater to the requirements of the Ministry and proper monitoring. In this regard one application i.e. OMMAS for PMGSY has successfully integrated for Chhattisgarh State as a pilot and made functional. It iimplemented in North Eastern States also successfully. The same is being replicated to other States. Ministry has to take up other systems for other schemes also for integration with PFMS.

iii. States and FCI are procuring food grains under the scheme of Ministry of Consumer Affairs, Food and Public Distribution. Some States have their own systems applications for procuring and monitoring purposes. Some of the systems have been integrated with PFMS e.g. E-Kharid of UP, Chhattisgarh, Madhya Pradesh and some others are in the process of integration.

iv. Except West Bengal all the State/UT Treasuries are integrated with PFMS and sharing data regularly. Owing to constant follow up with the States there are very negligible numbers of schemes remaining unmapped.

9.5.2 Some major Highlights of current FY (2020-21) (up to 30th November, 2020) are as under:

i) Significant developments/policy decisions taken during the year for the development of a particular sector ,including initiatives for improving delivery of public services and for ensuring "inclusive growth"; i.e. (i)DR & BC Plan has been prepared for PFMS to ensure disaster recovery and business continuity in possible exigency situations. (ii) Data Retention and Archival Policy for PFMS has been prepared, incorporating relevant GFR and CAM provisions. (iii) Centralized Beneficiary Master Database has been set up, and is being developed to provide a unified source of information and validation for the beneficiaries of Govt. schemes.

ii) Inputs on E-Governances activities. (i) Banks Integrated during period - 107 (ii) Total No. of

Transactions 90 Crore + (iii) Total Amount Transacted Rs. 18,000 Crore + and (iv) 50+ External systems integrated (NREGASOFT, AWASSOFT, PMKISAN, MCTS, NSP etc. Payment made during Covid times in current F.Y 2020-21(up to 30th November, 2020):

No. of Schemes	Transactions	Amount (in crores)
466	81,96,85,740	1,62,676.08 Cr.

a) Payment of around 65 Lakh beneficiaries from Food and Civil Supplies department of Gujarat through PFMS under the COVID-19 welfare program and many other Centre as well State Government DBT schemes in COVID period.

b) Integration with various State Government portal during the urgent COVID times including- RAHAT Portal (Social Justice UP), Bihar PDS portal etc.

c) Payments under Housing Damage Assistance scheme of Bihar under "Corona Sahayata","Mukhyamantri Vishesh Sahyata", various States pension schemes were done through PFMS.

d) Cash transfer under the Mid-Day Meal Program of States.

e) Cash transfer (Rs.1000 per beneficiary) under the Food security Program of Bihar State during COVID lockdown period.

Year wise DBT Payment:

Financial Year	Number of Schemes	Transaction	Amount (` in crore)
2014-15	56	21,943,733	6,967.17
2015-16	90	67,450,640	22,138.47
2016-17	162	101,148,847	31,393.53
2017-18	297	165,473,305	90,754.95
2018-19	416	509,725,682	154,748.87
2019-20	510	1,023,764,443	267,092.98
2020-21 (till Oct.)	466	81,96,85,740	1,62,676.08

iii) (Payment made under major DBT Schemes in F.Y 2020-21 (till 31st October,2020)

Scheme Name	Transaction	Amount (` in crore)
MGNREGA	38,31,77,636	65,649.53
PMKISAN	17,94,01,538	35,880.31
NHM	1,11,91,754	1,814.70

9.6 Government Integrated Financial Management Information System (GIFMIS)

9.6.1 It is envisaged to develop GIFMIS to be a part of PFMS and to include enhancements in PFMS in terms of coverage of processes and functions of Government. The components of GIFMIS would include; Integration with Non-Civil Ministries for real time flow of accounting data, Budget Control, Account Automation, Just in Time Releases, Management Information System, Debt Accounting and Information System, Complete coverage of Tax Accounting, Employee Payroll System, Financial Asset Module and Investment Module.

9.6.2 Progress towards GIFMIS

O/o CGA has begun working on the expansion plan of the current IT Platform i.e Public Finance Management System (PFMS), which could cover the essential attributes of GIFMIS.

The integration with Non-Civil Ministries has been completed and flow of monthly accounts data has been established. A comprehensive budget control module at various levels is being envisaged and is being developed. PFMS has been configured to handle Treasury Single Accounts System for Autonomous Bodies. This system has ensured Just in Time releases with the help of Reserve Bank of India. After completion of pilots in two Autonomous Bodies, the system is rolled out further in phases. The system is expected to reduce the float in the system and would help in efficient Public Financial Management. The PFMS is being configured to bring out various MISs related to Scheme implementation in the Government.

This would cover both Central Sector and Centrally Sponsored Schemes. Debt Accounting Module will be developed in the PFMS system to include all the loans and liabilities of the Union Government.

The coverage of Direct and Indirect Tax accounting would be enhanced to include the complete Tax Accounting through PFMS and GIFMIS. The existing EIS system would be upgraded to Employee Payroll System to have a wider coverage of personnel management which would include paramilitary forces and other large establishments which cannot be catered in the present system. The Financial Asset module for the Government is being developed to include the loans, advances and other financial assets of the Union Government. The investment of Government in Public Sector Units would be covered under this module.

9.7 I.T. Initiatives

The Office of the Controller General of Accounts leverages Information Technology for developing robust, reliable, speedy financial payment, accounting, reporting and reconciliation processes for seamless flow of information from the executing level to the policy making level.

(i) Treasury Single Account (TSA)

In order to minimize the cost of Government borrowings and to enhance the efficiency in fund flows to Autonomous Bodies (ABs), Department of Expenditure decided to bring Autonomous Bodies under the Treasury Single Account (TSA) system in a phased manner as per the recommendation of the Expenditure Management Commission (EMC), in their report (September 2015). Guidelines for implementation of TSA System were issued by the Department of Expenditure, Ministry of Finance. Indian Council of Medical Research (ICMR) under Ministry of Health and Family Welfare and IIT Delhi under Ministry of Human Resources Development and Education were selected for Pilot run of the TSA System.

Consequent to the successful implementation of TSA in ICMR and IIT Delhi on pilot, implementation of TSA System has been further extended and at present, 15 ABs have been on-boareded in the TSA system. Just in Time (JiT) releases to the specific ABs is being ensured through the TSA system wherein funds are being released to the ABs when the payments are actually made by them to the beneficiaries (vendors/ suppliers/ third parties). The system eliminates the float with the ABs to a large extent. This will be extended to other ABs once the system stabilizes.

(ii) PRAKALP (Pratyaksh Kar Lekhankan Pranali)

PRAKALP system is being developed on the Public Financial Management System (PFMS) platform to integrate with RBI, Agency Banks and TIN 2.0 for reconciliation and accounting functions of Direct Taxes for Office of Pr. Chief Controller of Accounts, Central Board of Direct Taxes. The different stakeholders will share the information through various formats while being integrated with PRAKALP Accounting and reporting system. Further, the refund of Direct Taxes which is integrated under the Refund banker with SBI will now be routed through PFMS instead of direct refund from TIN to SBI. The process will be based on standard PFMS REAT integration protocol where SBI will be registered as agency in PFMS.

(iii) Identification of expenditure to be incurred on North Eastern Region

The Ministry of DoNER is mandated to monitor Expenditure under the laid down policy of Ten percent (10%) GBS for North East Region by 55 Non-exempt Ministries. Ministry of North Eastern Region had indicated its requirement for obtaining the expenditure incurred under various Schemes for the North Eastern Region. The budget provision for various schemes of North Eastern Region is made under the heads 2552/4552 and then it is taken to functional head and expenditure is then incurred from these functional heads of accounts. A report was developed on PFMS by providing all the re-appropriations made by various Ministries from 2552/4552 to functional head. The report indicates the funds re-appropriated from North East specific heads to functional heads with a presumption that the expenditure would be close to the re-appropriations carried out and would be able to give an indication of the funds spent in North East under various schemes by the Ministries/ Departments.

In pursuance of the approval given by Budget Division, Ministry of Finance for developing a separate flag for NE related expenditure. The underlying principle for identification of expenditure to be incurred against North Eastern Region is that the sanction generating authority shall flag the sanctions in respect of releases to NE States and Agencies located in NE. Through introducing check box functionality in Sanction Module in PFMS, identification and monitoring of expenditure to be incurred on North Eastern Region have been made easy.

(iv) Integration with Service Plus

Service Plus is an application portal which helps Ministries/Departments in end to end digitization of DBT schemes. It is developed by Ministry of Panchayati Raj. PFMS has integrated with Service-Plus for payment in DBT schemes and with UMANG Application: UMANG (Unified Mobile Application for New-age Governance) is developed by Ministry of Electronics and Information Technology (MeitY) and National e-Governance Division (NeGD) to drive Mobile Governance in India.

(v) Development of DBT Dashboard

To enable multiple stakeholders to provide insights and process monitoring analysis for effective solution and decision making for multiple DBT schemes, a DBT dashboard is developed and access have been given to Ministries.

9.8 Internal Audit

9.8.1 As per the provisions of the Chapter VII of the Inspection Code, Internal Audit Division (IAD) set up in the office of Controller General of Accounts provides guidance and support to Internal Audit Wings of Civil Ministries to maintain the requisite technical standards of accounting in the Departmentalized Accounting Offices. This Division is structured in three sections i.e. i) Centre of Excellence ii) Planning & Coordination and iii) Inspection Wing meant to upgrade the knowledge, adequate planning and execution of the programs respectively. The O/o CGA promotes and encourages application of best audit practices which are in line with the International Standards such as Risk based Audit, Gender based Audit, Programme specific/Scheme specific audits.

9.8.2 Risk Based Auditing approach is being encouraged by the office of the Controller General of Accounts so as to focus on the organizational response to the risks it faces in achieving its goals and objectives. The context for audits is thus provided by the Department's objectives, the associated risks and the risk management process rather than on "controls" and deviations there-from. The role of the internal auditor too shifts from an examination of compliance with controls to a review of the risk management process. A pragmatic approach requires that internal audit in conjunction with management undertakes the risk assessment exercise and accordingly draws up its audit plan. Several circulars and publications laying down the principles and guidance have been issued.

9.8.3 During the period from 01.04.2019 to 31.03.2020, the Internal Audit Division has conducted audit of 37 units based on risk based control points, against the target of 35 units. During the 2020-21, this division has introduced a new concept of e-Audit for IAWs of civil Ministries/ Departments on the basis of data available on various modules of PFMS i.e. GPF, NTRP, EIS, PAO, CDDO, Pension, DBT, E-bills etc. Further, this division also issued guidelines for bill passed during COVID-19 and system protocol for Work From Home (WFH) and also monitoring its report from all Civil Ministries/Departments.

9.8.4 The Internal Audit Division at CGA's office provides guidance to enhance the quality of internal audit in the Civil Ministries/Departments. Ministries/Departments prepare Annual Review Reports on the performance of their Internal Audit Wings, which are analyzed and summarized by the Internal Audit Division of CGA for the purpose of consistency and ease of presentation. A consolidated "Annual Review" on the performance of Internal Audit Wings and an "Annual Review At a Glance" are prepared and submitted to Secretary (Expenditure) and Addl. Secretary (Pers) respectively. The annual review also provides the details of units audited and indicates the status of outstanding internal audit paras at the end of financial year. The summarized information regarding outstanding audit paras and units audited by the Internal Audit Wings of line Ministries/Departments is as under:

Outstanding Internal Audit Paras:

Financial Year	Opening Balance (As on 01.04.2019)	Paras raised during the year	Paras dropped during the year	Closing Balance(As on 31.3.2020)
2019-20	1,02,862	27,689	25,298	1,05,253

Units audited during 2019-20:

Units due	Target for 2018-19	Units audited	Achievement	Remarks
5190	2277	1724	76%	Staffing constraints was the main challenge in achieving 100% target.

9.9 Monitoring Cell

9.9.1 Monitoring Cell, O/o CGA, D/o 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.

9.9.2 The number of CAG Audit paras/PAC paras/ Explanatory Notes that have been submitted/settled through the APMS portal to the Lok Sabha (PAC Branch) during 2020-2021 are as under:-

S.No.	Subject	Paras submitted to Lok Sabha Secretariat During 01.04.2020 to 18.11.2020.
(1)	(2)	(3)
1.	C&AG Audit Paras	50
2.	PAC Paras	73
3.	Explanatory Notes	25

9.10 Institute of Government Accounts and Finance (INGAF)

9.10.1 The Institute of Government Accounts & Finance (INGAF) is the training arm of the Controller General of Accounts, 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 center 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.

9.10.2 Customized Or Sponsored Training

INGAF is being regularly approached by various organizations to provide in-depth training for their staff and Officers from Group A, B & C such as Drawing and Disbursing Officers (DDOs)/Heads of Office etc. on a variety of subjects. The Institute has formulated and arranged training courses for such organization and while some of these training courses are undertaken on cost sharing basic, in cases of other courses, the entire cost is charged to the concerned departments. Over the last four years (2016-17 to 2019-20), 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.

9.10.3 International Cooperation

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 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.

INGAF has been functioning as the Secretariat for the Association of Government Accounts Organization of Asia (AGAOA) since November 2007. The purpose of AGAOA is to promote 'professional understanding and technical cooperation among member institutions through exchange of ideas and experiences in the fields covered by Government Accounts Organization to ensure transparency, accountability and good governance'.

The Public Financial Management System has been rolled out by the Controller General of Accounts at the behest of Finance Ministry, Department of Expenditure as a cherished Public Finance Management (PFM) Reform in the country.

INGAF has been nominated as the nodal institute for providing training to officers and officials of Central Government, State Governments, implementing agencies and banks on various aspects, modules and operational management of PFMS. Over the last five years (2015-16 to 2019- 20), this Institute has been training participants in various modules of PFMS. To accelerate the rollout of PFMS, more than 10,000 participants have been trained in use of various PFMS modules.

10. Chief Controller of Accounts

10.1 The Chief Controller of Accounts (CCA) is in overall charge of the payment and accounting set up of the Ministry, 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 organisation

- Budget related works for five Grants of Department of Economic Affairs, Department of Financial Services, Department of Expenditure, Department of Revenue and Department of Investment and Public Asset Management are integrated with O/o CCA.
- CCA oversees the payments and accounting functions of five Departments in Ministry of Finance viz., Department of Economic Affairs,Department of Expenditure, Department of Revenue, Department of Investment and Public Asset Management and Department of Financial Services.
- Another important function of the CCA is financial reporting to Chief Accounting Authority (i.e. the Secretary of the respective Department) and to the Controller General of Accounts. The monthly accounts and annual accounts of five Departments which comprise 8 Demands/ Appropriation of the Ministry of Finance are sent to the office of the Controller General of Accounts for consolidation into the accounts of Government of India.
- The Scheme of Departmentalization of Accounts envisaged a system of management accounts. CCA prepares monthly and quarterly reviews of receipt and expenditure for the 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 CCA. In the Ministry of Finance, the Internal Audit Wing also undertakes the audit of all DDOs, attached and subordinate offices including Banks handling Government Schemes such as Public Provident Fund, Special Deposit Schemes and Senior Citizen Savings Scheme. There are about 132 DDOs 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.

- Oversee 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 one 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.

10.3 Highlights of important functions

10.3.1 Internal debt accounting and reporting:

a) In respect of New Loans this office accounts for all transactions connected with the issue of New Loans on the basis of detailed information supplied by the Reserve Bank of India.

b) Accounting of the discharged loans which inter-alia involves the reconciliation of loan balances as in the books of this office with those of the Reserve Bank of India and to prepare a Statement (14A) & further submitted to Finance Account Section, CGA Office. Accounting of Buyback of Government Securities raised by Government of India.

c) Compilation of Consolidated Abstract of Rupee Loans (Transaction connected with the loans dealt with in Internal Debt & Account Section are also brought to account through this abstract.

d) Accounting of Securities, shares etc., purchased or otherwise acquired held in the Cash Balances; Interest or dividend thereon.

e) Watching the timely payment of principal and payment of interest in respect of all loans mentioned here.

f) Accounting of all securities issued to International Financial Institution like International Monetary Fund, International Bank for Reconstruction and Development etc.

g) Accounting of Special Government of India Securities issued against investment made by National Small Saving Fund (NSSF).

h) Accounting of Special Govt. of India Securities/ Bonds issued to Nationalized Banks Special Government of India Bonds issued to Oil companies, FCI, Fertilizer Companies and Special Securities issue against Securitization of balances under Postal life Insurance which are kept under Public Account.

i) Accounting of different Saving Schemes of Government of India

j) Preparation of the Quarterly and Annual Statement of Internal Debt balances for submission to the Finance Accounts Section of the Controller General of Accounts.

k) Watching the timely payment of Principal and payment of interest in respect of all Securities, Loans, Special Securities, Compensation & Other Bonds etc. and further reconciliation with Quarterly Statement received from DGBA. Central office, Mumbai.

l) Reconciliation of all Treasury Bills & Cash Management Bills with Monthly and Quarterly Statement received from Public Debt Office, Mumbai and DGBA, Central Office, Mumbai.

m) Calculation of Average Rate of Interest chargeable on the Capital Outlay of the Central Government.

10.3.2 Monitoring system for transfer of funds from the Ministry of Finance to State Governments

a) Under the system of Public Financial Management System (PFMS), under the aegis of CGA, scheme wise plan funds released to the states are visible on the PFMS portal. Under this system, the sanctions are received from PF I Division on the "OCEAN" portal. Those sanctions are accepted and settled on the OCEAN portal from where the data get transmitted to Public Financial Management system (PFMS) Portal.

b) The sanctions (in hard copies) are received from various departments including Public Finance State I (PFS-I) Division. The sanctions are processed in the PFMS portal. The Inter Government Advices (IGA) are generated and faxed to RBI, Nagpur in respect of 29 States. IGA advice in respect of State Government of Sikkim and Delhi are sent to RBI, Delhi by special messenger.

c) Grants-in-aid amounting to ` 201125.06 crore towards Externally Aided Projects, Finance Commission Grants including G-i-A for State Disaster Response Fund & Compensation to State/UT Government for Revenue Loss and ` 1624.63 crore towards assistance to states from NDRF for calamities of severe nature were released to state government through PFMS portal.

d) During the Financial Year 2020-21 (up to 18.11.2020) ` 32258.98 crore worth loans (Block loans, Back to Back Loans and B2B Loans to states in lieu of GST Compensation shortfall) were released to state govt. Apart from the above, ` 1914.47 crore were released to UTs (Delhi, J&K and Puducherry) till 18.11.2020 through Letter of Authorisations (LOAs) out of Rs.1,10,208 crore approved as loan to States/ UTs in the Financial Year 2020-21.

e) State share of Taxes to the tune of Rs.297174.40 Crore was transferred to state/ UT Governments through PFMS portal.

f) The time gap between the processing of sanctions to the job of e-Lekha for PFMS portal has been reduced to one day and thus it has brought the process closer to the real time basis.

g) In the case of any default made by State Government in making repayment of Principal and Interest, the Consolidated Fund of State maintained by RBI is debited on the advice of this office.

10.3.3 Details of loans Advanced to States during 2020-21 (upto 17th November,2020)

(` in Crore)

S. No.	Name of States	Opening Balance as on 01.01.2020	Closing Balance as on 31.03.2020	Total Loan given w.e.f. 01.04.2020 to 18.11.2020	Principal repaid upto 18th Nov. 2020	Interest repaid upto 18th Nov. 2020	Closing Balance upto 18th Nov. 2020
	1	2	3	4	5	6	(3+4-5)
1	Andhra Pradesh	10800.62	10908.27	1232.11	706.03	238.55	11434.34
2	Arunachal Pradesh	119.69	112.44	63.62	14.48	5.24	161.58
3	Assam	1086.11	1077.79	292.05	89.66	54.41	1280.17
4	Bihar	12043.04	12090.38	2306.90	526.58	240.16	13870.69
5	Chhattisgarh	2774.62	2775.74	245.22	123.38	71.86	2897.58
6	Goa	1022.81	992.25	223.45	52.63	18.24	1163.07
7	Gujarat	7096.20	7431.72	3261.72	447.90	192.74	10245.54
8	Haryana	1985.63	1872.21	985.44	178.81	47.84	2678.85
9	Himachal Pradesh	1055.43	1040.94	640.72	56.22	50.08	1625.44
10	Jammu & Kashmir	836.34	800.99	10.70	71.00	38.45	740.68
11	Jharkhand	2577.96	2587.45	312.78	100.40	61.01	2799.82
12	Karnataka	14143.76	13883.45	3534.11	836.92	321.47	16580.64
13	Kerala	8812.54	8666.33	105.90	386.90	165.73	8385.33
14	Madhya Pradesh	20300.23	21009.36	4121.95	803.98	444.47	24327.33
15	Maharashtra	6532.29	6370.93	3925.78	530.59	184.27	9766.11
16	Manipur	256.25	244.90	114.82	25.57	9.81	334.16
17	Meghalaya	162.31	157.57	138.27	12.03	7.75	283.81
18	Mizoram	190.96	184.77	11.38	13.42	9.28	182.74
19	Nagaland	90.99	87.23	104.46	11.72	4.18	179.97
20	Orissa	7928.61	7826.15	1459.77	601.34	142.30	8684.59
21	Punjab	4676.42	4652.37	115.34	250.84	89.87	4516.87
22	Rajasthan	17220.02	17266.21	1278.81	607.22	312.97	17937.79
23	Sikkim	88.09	85.72	1.30	5.35	4.16	81.68
24	Telangana	9091.28	7984.57	4407.26	281.57	92.20	12110.26
25	Tamil Nadu	16330.42	17852.62	-1.19	822.41	305.87	17029.02
26	Tripura	148.62	139.74	151.48	17.28	6.77	273.93
27	Uttarakhand	1549.91	802.76	2024.72	30.11	40.85	2797.37
28	Uttar Pradesh	10763.70	11446.42	753.65	946.28	348.29	11253.78
29	West Bengal	15178.81	15034.15	436.50	646.15	395.62	14824.51
	TOTAL	**174863.67**	**175385.42**	**32258.98**	**9196.76**	**3904.43**	**198447.64**

10.3.4: Details of Grants in Aid to States released by Department of Expenditure during 2020-21

(w.e.f 01.04.2020 to 17.11.2020)

(` in Crore)

S. No.	Name of States	Total
1	Andhra Pradesh	7603.61
2	Arunachal Pradesh	599.30
3	Assam	7267.26
4	Bihar	4425.00
5	Chhattisgarh	1301.71
6	Goa	61.50
7	Gujarat	3690.50
8	Haryana	1182.00
9	Himachal Pradesh	8454.46
10	Jammu & Kashmir	96.26
11	Jharkhand	1535.00
12	Karnataka	3174.51
13	Kerala	11578.33
14	Maddhya Pradesh	4782.92
15	Maharashtra	7541.94
16	Manipur	2168.05
17	Meghalaya	616.79
18	Mizoram	1142.96
19	Nagaland	3004.09
20	Orissa	2476.25
21	Punjab	7999.83
22	Rajasthan	3603.17
23	Sikkim	391.33
24	Tamilnadu	5866.05
25	Telangana	1817.00
26	Tripura	2342.27
27	Uttar Pradesh	8190.00
28	Uttarakhand	4589.29
29	West Bengal	7621.38
	Total	**115122.78**

Grants in Aid to States/UTs by Department of Revenue(Compensation to State/UT Government for Revenue Loss ` 86002.28 crore due to phasing out the Goods & Services Tax (GST).

Total Grant in aid released to state ` 201125.06/- crore

10.3.5: Balance under important component of Internal Debt (including Major Small Saving Schemes & Special Deposits)

(` Rs. In Crores)

S.N.	NAME OF SCHEME	BALANCE AS ON 01.01.2019	NET ADDITION JAN 19 TO Oct. 19	BALANCE AS ON 01-11.2019	NET ADDITION Nov. 19 TO Oct. 2020	BALANCE AS ON 31.10.2020
	2	3	4	5	6	7
A	**Internal Debt**					
1	Market Loan	5391972	503744	5895716	813174	6708890
2	Special Securities issued to International Institutions	99637	2099	101736	399	102135
3	Compensation and Other Bonds	46447	2583	49030	17481	66511
4	14 day Treasury Bills	141376	-31121	110255	-2964	107291
5	91 day Treasury Bills	178711	8711	187422	34329	221751
6	182 day Treasury Bills	138264	8769	147033	165705	312738
7	364 day Treasury Bills	217096	-14306	202790	199790	402580
8	Special Securities issued against National Small Saving Fund	528535	159676	688211	236176	924387
9	Marketable Securities issued in conversion of Special Securities	47688	-7000	40688	-5000	35688
10	Special Security issued against PLI Fund	20894	0	20894	0	20894
11	Sovereign Gold Bond Scheme, 2015	7124	1585	8709	12014	20723
12	Gold Monetisation Scheme,2015	2450	446	2896	1505	4401
13	Special Securities issued to Banks & Financial Institutions	131533	119281	250814	15534	266348
A	**Total Internal Debt**	**6951727**	**754467**	**7706194**	**1488143**	**9194337**
B	**Major Small Savings Schemes**					
1	Balances under Senior Citizen Saving Scheme 2004 (collection through bank only)	73132	29345	102477	42503	144980
2	SukanyaSamriddhi Account	10485	5652	16137	7888	24025
3	Collection of fund under PPF – 1968 Scheme (collection through bank only)	444140	64132	508272	72232	580504
	Total Major Small Savings Scheme	**527757**	**99129**	**626886**	**122623**	**749509**
C	**Special Deposits and Accounts**					
1	Balances under Special Deposit Superannuation and Gratuity Fund - 1975	102161	-374	101787	-964	100823
2	Special Securities issued to Nationalised Banks	9996		9996	0	9996
3	Petroleum Bonds 10.5% Oil Company G.O.I.S.B. 2006	130923		130923	0	130923
4	Special Securities issued to Stressed Assets Stabilisation Fund	4226	-110	4116	-210	3906
5	Special Securities issued to FCI	16200		16200	0	16200
6	Special Securities issued to Fertilizers Companies as Compensation towards Fertilizer Subsidy	15705		15705	0	15705
7	Special Securities issued to REC/UTI/IDBI & others	1831	163	1994	50	2044
C	**Total Special Deposits and Accounts**	**281042**	**-321**	**280721**	**-1124**	**279597**
	TOTAL (A+B+C)	**7760526**	**853275**	**8613801**	**1609642**	**10223443**

10.3.6 Internal Audit

a. The Revised Charter of Financial Advisors released by the Ministry of Finance envisages the Roles and Responsibilities of the Chief Controller of Accounts. Accordingly, Internal Audit functions under the control and supervision of the CCA focuses on the Audit of all DDOs attached and subordinate offices including Banks handling Government Schemes such as Public Provident Fund, Special Deposit Scheme and Senior Citizen Deposit Scheme. This involves appraisal, monitoring and evaluation of individual scheme assessment of adequacy and effectiveness of internal controls in general, and soundness of financial systems and reliability of financial and accounting reports in particular. Identification and monitoring of risk factors (including those contained in the Outcome Budget). During the year 2020-21, Audits of 12 units were conducted up-to 19.11.2020 and 6 more units will likely to be audited upto 31.03.2021.

b. The penal interest is levied on all remittances, which are not credited to Government Account at Central Accounts Section RBI, Nagpur within the prescribed time limits i.e. T+1 day (excluding holiday) for public sector banks and T+1 day (including holidays for private banks). Banks are liable to pay penal interest for the entire period commencing from the date of receipt at receiving Branch of the Bank to the date of settlement with RBI (CAS) Nagpur.

10.3.7 Achievements

1) Recovery of outstanding Penal Interest from Banks: Audit of banks handling PPF-1968, SCSS- 2004 & Sukanya Samridhi Account-2016 scheme is conducted by Office of CCA (Finance) to check timely deposit of collections pertaining to PPF & SCSS Schemes in CAS, Nagpur within prescribed time limit. Penalty is levied on banks not adhering to the prescribed time limit. "In case of delays beyond the permissible period (i.e. within T+1 days including holidays for private sector banks and excluding holidays for public sector banks), the penalty payable by accredited banks on such delayed remittances shall be the applicable rate of interest payable to the depositor plus 0.5% in case of delays upto 30 days and plus 1% in case of delays beyond 30 days."

Details of Delayed Penal Interest of all the Banks regarding PPF, SCSS and SSA (as on 19/11/2020)

(Amount in `)

	PPF	SCSS	SSA	Total
Outstanding as on 31/03/2019	**52708992.81**	**17805865.09**	**-**	**70514857.90**
Levied during 2019-20	4266258	53032767	-	57299025
Recovered during 2019-20	43031577	2883042	-	45914619
Contested and dropped during 2019-20	0	0	-	0
Total outstanding as on 31/03/2020	**13943673.81**	**67955590.09**	**-**	**81899263.90**
Levied during 2020-21 (upto 19/11/2020)	91609170	82719885	4414679	178743734
outstanding as on 19/11/2020	**105552843.8**	**150675475.1**	**4414679**	**260642997.90**
Recovered during 2020-21 (upto 19/11/2020)	102259	25259435	0	25361694
Contested and dropped during 2020-21(upto 19/11/2020)	0	0	0	0
Net outstanding as on 19/11/2020	**105450584.8**	**125416040.1**	**4414679**	**235281303.90**

2) Authorization of bank branches for participation in Small Saving Schemes.

All branches of Nationalized Public Sector Bank and ICICI, HDFC and Axis Banks have been authorized for handling Small Saving Schemes of Ministry of Finance.

3) All the Pay and Accounts offices of the Ministry have implemented Public Financial Management System. All payments are being made through PFMS. Use of cheques as the mode of payment has been eliminated. E-payments are made to concerned parties and maximum payments are 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.

4) This Department has moved to Government e-Market Place for nearly all procurements. Officials were

provided training on GeM and the procurements are being made through GeM. Procurements are now more streamlined, efficient and transparent and have 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.

5) The entire pension cases of this department are being processed through the "Bhavishya Portal" resulting in speedy processing of the pension related work. The check points in the "Bhavishya Portal" ensure the procedural accuracy of the pension cases. Pension cases of Pre-2016 are being revised electronically on the E- portal eppo.nic.in/revision.

6) All work related to feeding of budget, supplementary, re-appropriation and surrender orders for each grant along with mapping of heads to each scheme had been successfully done in 2019-20.

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: CPAO issues SSAs to the CPPCs of Banks in fresh and revision of pension cases. In the financial year 2020-21 (as on 23rd Nov,2020), 23,758 and 26,497 authorities were issued in fresh and revision of pension cases respectively.

Projection or estimate for the remaining period:-

(i) Fresh Pension Case- 11,000 (Approx.)

(ii) Revision of pension case- 13,249 (Approx.)

11.3 Significant developments/ policy decisions taken during the year for the development of a particular sector, including initiatives for improving delivery of public services and for ensuring "inclusive growth"

1. Electronic- Pension Payment Order (e-PPO) Project- Paperless movement of digitally signed e-Special Seal Authority (e-SSA) from Central Pension Accounting Office (CPAO) to 39 Central Pension Processing Centres (CPPCs) of 24 Authorized Banks for pension is in operation and all the CPPCs are getting digitally signed Special Seal Authority (SSA) in fresh as well as the revision pension cases directly into their SFTP servers.

2. Online Allotment of 12 digits Pension Payment Orders (PPOs) number: With effect from 1st Jan, 2016, Central Pension Accounting Office (CPAO) has started facility of online allotment of PPO numbers on CPAO website to Pay & Accounts Offices to avoid paper based allotment of PPO numbers. This has resulted in less paperwork & the process has been faster than earlier. It has also resulted in saving time & postage cost.

3. **Grievance Mechanism-** A fully functional Grievance Redressal Mechanism (GRM) is in place where a pensioner can lodge grievance through telephone on Toll Free No, website, e-mail, letters or personal visit. The queries and grievances of pensioners are attended on highest priority by qualified personnel.

4. Facility to download Special Seal Authority (PPO) from CPAO's website by using login and password provided by CPAO has been given to pensioners. Consequently, they need not separately approach CPAO to provide copies of their SSAs issued to the banks. This facility ensures digital presence and availability of records for pensioners.

5. All Banks have confirmed payment of revision of pension & arrears of Pension for 7th CPC for about 9.10 Lakhs pensioners. CPAO is also compiling the information separately based upon the e-scrolls received from banks.

11.4 e-Governance Initiatives of CPAO

11.4.1 CPAO is a fully computerized office. A wide range of software's/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 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 Government services 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 1st March, 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**

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: Pensioners can view their basic details and also bank and PAO details. They can update/provide their contact details like mobile number, email, and Aadhaar number.

b) Digital Record of Pension & Revision Orders: Pensioners can view list of all Pension Payments & Revision Orders sent to banks from CPAO, authorization of payment of pension with details like PPO& SSA No. and date sent from CPAO to bank.

c) Download Facility of Pension/Revision Orders Sent to Banks: Pensioners can download the Pension/Revision Orders sent to Banks from CPAO.

d) Pension Processing Status Tracking: Both retired and retiring pensioners can track status of their pension cases both in fresh as well as revision cases like date of receipt of their cases in CPAO and date sent from CPAO to bank.

e) Monthly Details of Pension Payment: Pensioners can view the details of monthly payments of pension, which are credited to their accounts by the bank, i.e. their basic pension, dearness relief, medical allowance, arrear payments, etc. This information is being made available from the monthly scrolls received from the banks. Previous six months transactions payment details are made available.

f) Grievance Redressal: Apart from computers, Pensioners can now lodge their grievances from their mobile devices and view/ track the status of their grievances. Besides lodging their grievances online on CPAO website, facility to lodge grievance by letter, fax, email, Toll free Number and personal visits and tracking the status is already provided. After receiving the grievances from pensioners; CPAO forwards the same online to the banks and field offices for redressal and status is updated in its website for the information of pensioners.

g) SMS Facility: Pensioners are now provided SMS facility for pension process status at CPAO and at the stage of grievance registration & disposal.

h) Links to Jeevan Pramaan, Bhavishya and CPENGRAMS Portals: To facilitate the pensioners for submission of Digital Life Certificate (DLC) in the month of November, a link to Jeevan Pramaan Portal has been provided on CPAO website.For those

Government servants who are going to retire soon, a link has been established with Bhavishya Portal of DP&PW to enable them to track the status of their pension cases even before it reaches CPAO. A link to CPENGRAMS (Central Pension Grievance Redress and Monitoring System) has also been provided so that if pensioners desire, they can lodge and track their grievances in CPENGRAM.

i) **Dashboards:** For the purpose of monitoring, a dashboard facility with MIS reports has been provided to following:

- Pensioners: In the pensioners' dashboard, facilities to view personal and pension details, last six payments transactions, view and download of SSA, registration and tracking of grievances have been provided.
- Banks: In the banks dashboard, detailed information on pensioners grievances forwarded to the banks and their settlement status has been provided to the heads of CPPCs and Government Accounting Divisions/Government Business Units.
- Ministries/Departments: Dashboards have been created for PAOs, Chief Controller of Accounts & Joint Secretaries (Administration) to track the status of Grievances pertaining to their Ministries/Departments and take timely action to dispose of the Grievances. Further, Dashboards are also provided on details of uploading of quarterly lists of retiring government employees so that they may keep tracking of progress on providing these lists and pendency in processing of such cases. The status of list of retiring employees is also provided in the Dashboards for Financial Advisors.

j. Social Media Presence of CPAO- Official Social Media Accounts of Central Pension Accounting Office (CPAO) on platforms Facebook, Twitter and YouTube have been created to provide better services to the pensioners/family pensioners and to lodge their grievances. This is over and above the latest modes available to the pensioners to contact and communicate with CPAO. Various instructive videos have been made for the better use of the WRPS facility, e-Revision Utility for pensioners and other stakeholders.

Twitter @ CPAO_Social

Facebook @ cpaosocial

YouTube @ CPAO ONLINE Delhi

11.4.2 All these initiatives aim at establishing seamless processing and accounting of pension disbursement to enhance efficiency and effectiveness of the pension delivery mechanism.

(i) e-PPO/e-revision:- This system has been developed for sending online digitally signed authorities from CPAO to CPPCs of banks for arranging payment to the pensioners. At present, under this project, digitally signed revision authorities are being sent to CPPCs from CPAO.

(ii) Grievances Redressal Management Software:- NIC, CPAO has developed a software for Grievance handling where grievances received from pensioners are registered and processed.

(iii) e-scroll software:- This software has been developed and introduced recently for processing of payment and receipt scrolls from CPPCs and 'put through statement' from Reserve Bank of India for speedy accounting and reconciliation at CPAO.

(iv) Database Management Software:- Software for comparison of bank's database with CPAO's database of pensioners has been developed and exception reports are generated by it to clean up the database and establish a completely matching database.

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	414	63	18	49	284	06	02	01	01	02	24	02	-	-	22	-	-	-	-	-
Group B	690	110	42	121	417	-	-	-	-	-	86	19	10	-	57	-	-	-	-	-
Group C	301	78	12	62	149	15	06	-	05	04	40	10	02	-	28	-	-	-	-	-
Total	1405	251	72	232	850	21	08	01	06	06	150	31	12	-	107	-	-	-	-	-

Annexure-II

DEPARTMENT OF EXPENDITURE

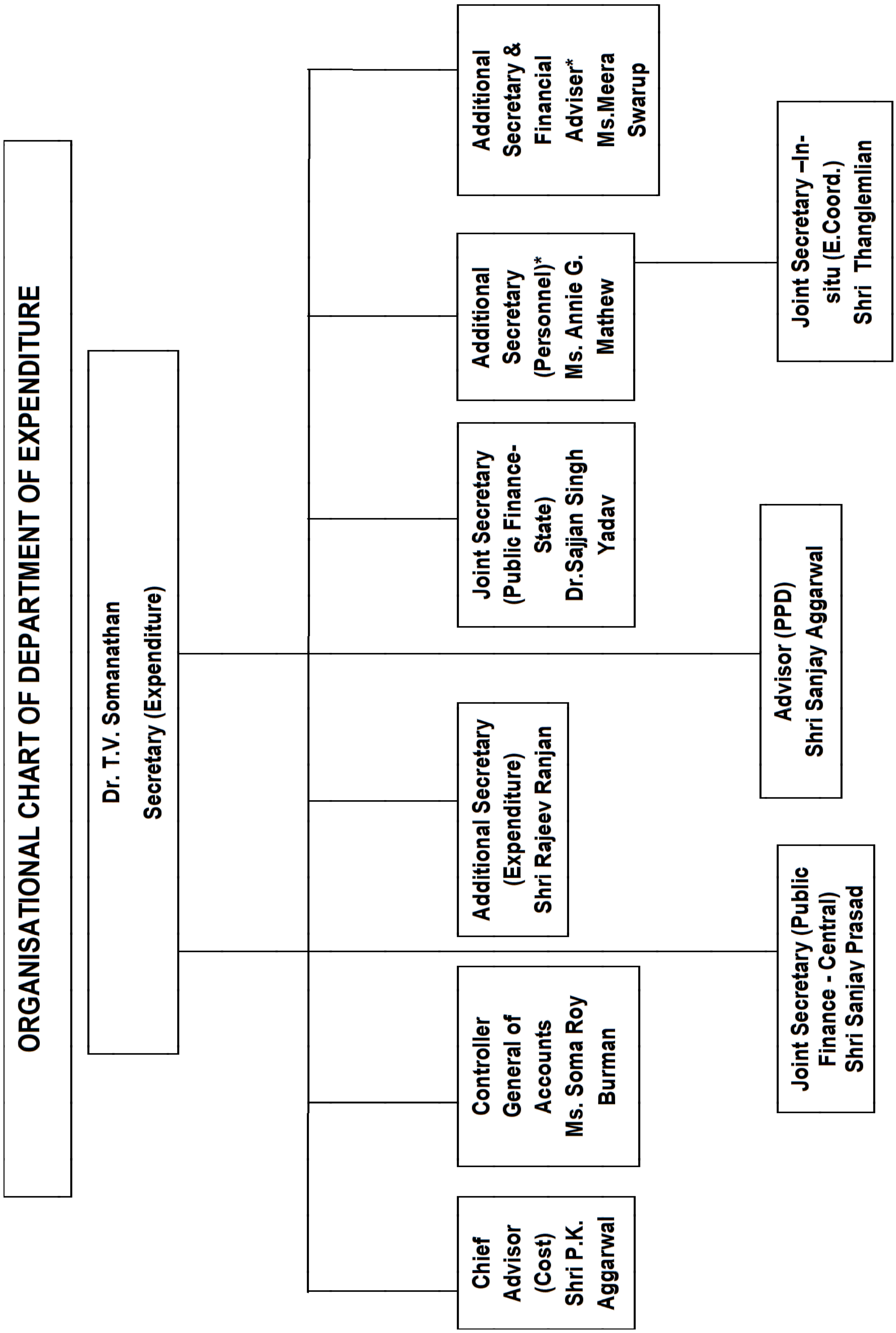
Representation of Persons With Disabilities

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
A	414	01	01	03	01	-	04	-	-	-	-	-	-	-	-	-	-	-
B	690	01	01	04	-	-	01	01	-	-	01	-	-	-	-	-	-	-
C	301	02	04	02	-	02	03	04	-	02	02	-	-	-	-	-	-	-
Total	1405	04	06	09	01	02	08	05	-	02	03	-	-	-	-	-	-	-

Annexure-III

Summary of important observations included in Audit Reports

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.	2020	0	0	0	5



***Note:**The posts of JS(Pers) and JS&FA have been temporarily upgraded to AS Level by ACC

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. Chapter VII of Finance Act 2005 (Relating to Banking Cash Transaction Tax)

vi. Chapter V of Finance Act, 1994 (relating to Service Tax)

vii. Central Excise Act, 1944 and related matters;

viii. Customs Act, 1962 and related matters;

ix. Central Sales Tax Act, 1956;

x. Custom Tariff Act, 1975

xi. Central Excise Tariff Act 1985

xii. Narcotic Drugs and Psychotropic Substances Act, 1985;

xiii. Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988;

xiv. Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976;

xv. Indian Stamp Act, 1899 (to the extent falling within jurisdiction of the Union);

xvi. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974;

xvii. Prevention of Money Laundering Act, 2002;

xviii. Foreign Exchange Management Act, 1999.

xix. Union Territory Goods & Services Tax Act, 2017

xx. Goods & Services Tax (compensation to States) Act, 2017

xxi. Central Goods & Services Tax Act, 2017

xxii. State Goods & Services Tax Act, 2017; and

xxiii. 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. 2019-20 and F.Y. 2020-21 (provisional) is as follows:

(₹. in crore)

S. No.	Nature of Taxes	Amount collected	
		2019-20	2020-21 (Provisional)
1.	Corporate Income Tax	5,56,876	3,11,377*
2.	Personal Income Tax (excluding STT & WT)	4,80,343	2,93,497*
3.	Other Direct Taxes (WT, STT, etc.)	13,462	12,785*
4.	**Total Direct Taxes (1+2+3)**	**10,50,681**	**6,17,659***
5.	GST (CGST, IGST & Comp. Cess)	5,98,749	3,31,104**
6.	Non-GST (Customs, Central Excise & Service [Tax Arrears])	3,54,764	2,98,616**
7.	**Total Indirect Taxes (5+6)**	**9,53,513**	**6,29,720****

* Figures of F.Y. 2020-21 are provisional and upto 31st December, 2020

** Figures of F.Y. 2020-21 are provisional and upto November, 2020

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 (CBDT)

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.**

2.1 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:

(i) Principal Directorate General of Income Tax (Administration & Tax Payer Services)

a) Directorate of Income Tax (Public Relations, Printing and Publications)

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

c) Directorate of Income Tax (Tax Payer Services-I)

d) Directorate of Income Tax (Tax Payer Services -II)

e) Statistics (Research & Statistics) Wing

f) Directorate of Income Tax (Infrastructure)

g) Directorate of Income Tax (Expenditure Budget)

(ii) Principal Directorate General of Income Tax (Systems)

(iii) Principal Directorate General of Income Tax (Training)

(iv) Principal Directorate General of Income Tax (Human Resource Development)

a) Directorate of Income Tax (Human Resource Development)

b) Directorate of income Tax (Exam & Official Language)

(v) Principal Directorate General of Income Tax (Vigilance)

(vi) Principal Directorate General of Income Tax (Legal & Research)

a) Directorate of Income Tax (Legal & Research)

b) Directorate of Income Tax (Audit & Inspection)

c) Directorate of Income Tax (Recovery)

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 Chief Commissioner of Income Tax (Exemptions) supervises the work of 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. The Income Tax department has its presence in 530 cities and towns across the country, having more than 8.45 crore Taxpayers (AY 2018-19).

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

The Principal Chief Controller of Accounts, CBDT with the assistance of Zonal Accounts Officers is responsible for accounting of revenue collections as well as expenditure of the Income Tax Department.

2.2 Direct Taxes Collection and Cost of Collection

The performance of the Income Tax Department during the FY 2020-21 in various key areas is as under:

(i) The collection of direct taxes has decreased from ₹ 6,93,519 crores in Financial Year 2019-20 (up to 31.12.2019) to ₹ 6,17,659 crores (provisional)* in Financial Year 2020-21 (up to 31.12.2020), i.e. a growth of (-)10.9% over the last Financial Year. The growth rate under corporate Income Tax is (-)15.73% and growth rate under Personal Income Tax** is (-)5.6%. In Financial Year 2020-21, about 46.83% of the Budget Estimate of ₹13,19,000 crores has been collected till 31.12.2020.

(ii) TDS collection for Financial Year 2020-21 (up to 31.12.2020) is at ₹3,58,246 crores showing growth of (-)1.2% over the last financial year for the corresponding period (up to 31.12.2019) and constitutes 46.05% of the gross direct tax collection.

(iii) During the Financial Year 2020-21 (up to 31.12.2020), collection under Advance Tax is ₹3,08,806 crores showing a growth of (-)5.6% over the last financial year for the corresponding period (up to 31.12.2019) and constitutes 39.70% of the gross direct tax collection.

(iv) Cost of collection remained low at 0.66% (provisional) during 2019-20 meaning thereby that the Income Tax Department spends only 66 paisa for each ₹100 collected.

* Provisional (Source Pr.CCA, CBDT)

** Personal Income Tax includes STT

2.3 Tax Policy and Legislation (TPL) Division

Tax policies are formulated to mobilize financial resources for the nation, achieve sustained growth of the economy, ensure macroeconomic stability and promote social welfare by providing fiscal incentives for investments in the social sector. The underlying theme of the tax proposals for the Budget 2020-21 is to focus on governance and financial sector to enhance the ease of living. Continuing this aspiration, it focuses on providing momentum to the buoyancy in direct taxes through deepening and widening of the tax base, reducing corporate tax rate, promoting horizontal equity in personal income tax, reducing litigations, simplifying tax procedure, reducing the tax rates, and enhancing the effectiveness, transparency and accountability of the tax administration. In this endeavour, few of the legislative measures taken recently are mentioned below:

(A) Reduction in tax rates & Simplification of direct tax laws

(i) **Corporate Tax -**The Finance (No.2) Act, 2019 reduced the base corporate tax rate for small and medium sized domestic companies whose turnover does not exceed ₹ 400 crore to 25 %. Further, in order to attract fresh investment, create jobs and stimulate overall economic growth, The Taxation Laws (Amendment) Ordinance, 2019 was promulgated on 20.09.2019. Subsequently, the Ordinance has been enacted as the Taxation Laws (Amendment) Act, 2019. The said Act has, *inter-alia*, further reduced the corporate tax rates. It provides that existing domestic companies may opt for a concessional tax regime at an effective tax rate of 25.17% (22% tax, plus surcharge at 10% and cess at 4%) if they do not avail the specified deductions and incentives. Further, new manufacturing domestic companies set up on or after 01.10.2019 may opt to be taxed at an effective tax rate of 17.16% (15% tax, plus surcharge at 10% and cess at 4%), provided that they do not avail of any specified incentives or deductions and fulfil certain pre-conditions. The domestic companies opting to be taxed under any concessional tax regime will also not be required to pay Minimum Alternate Tax (MAT). However, for companies which continue to avail incentives or deduction, the existing rate of MAT has been reduced from 18.5% to 15%.

(ii) **Personal Income Tax-** Further, in order to reform personal income tax, Finance Act, 2020 has provided an option to individual taxpayers for paying income-tax at lower slab rates if they do not avail specified exemption and incentive. Apart from the above, Finance Act, 2020 has also provided an option to the co-operatives to pay taxes at concessional rates without claiming any specified deduction or incentive.

(iii) **Abolition of Dividend Distribution Tax (DDT) -**In order to increase the attractiveness of the Indian Equity Market and to provide relief to a large class of investors in whose case dividend income is taxable at the rate lower than the rate of DDT, the Finance Act, 2020 removed the Dividend Distribution Tax and reverted to classical system of taxing dividends in the hands of shareholders.

(B) Widening and deepening of tax base:

(i) TDS on E-commerce transactions**:** In order to widen and deepen the tax net, section 194-O has been inserted to the Income-tax Act, 1961 (the Act) vide Finance Act, 2020 to provide that an e-commerce operator shall deduct TDS on all payments or credits to e-commerce participants at the rate of 1% in PAN/Aadhaar cases and 5% in non-PAN/Aadhaar cases. In order to provide relief to small businessman, exemption is provided on payment made to an individual and HUF e-commerce participants who receives up to ₹ 5 lakh and furnishes PAN/Aadhaar.

(ii) Enlarging the scope of TDS on interest: Section 194A of the Act has been amended vide Finance Act 2020 in order to extend the TDS on interest paid by certain large co-operative societies whose gross receipts exceeds fifty crore rupees during the last financial year.

(iii) Widening the scope of Tax Collection at Source (TCS): Through the Finance Act, 2020, section 206C has been amended to:

a) provide for collection of tax at the rate of 5% — (1) by an authorised dealer for remittance out of India under the Liberalised Remittance Scheme of the Reserve Bank of India for a purpose other than purchase of overseas tour package on the amount of remittance exceeding ₹ 7 lakhs during the financial year; (2) by a seller of overseas tour programme package from the buyer of such package on the total amount of such package during the financial year.

In case if the remittance made abroad is in relation to a loan taken from a financial institution for the purpose of pursuing any education, then TCS is to be deducted at the rate of 0.5% on the amount of remittance exceeding ₹ 7 lakhs during the financial year. Moreover, exception has been drawn in case of a person, who is a buyer and is required to deduct tax under any other provision of the Act and has deducted the same on the said amount.

b) provide for collection of tax at the rate of 0.1% by a seller on sale of goods (other than those mentioned in sub-section (1) or sub-section (1F) or sub-section (1G) of the said section) of the value or aggregate of such value exceeding ₹50 lakh in a previous year. The above provision will not be applicable on any goods exported out of India. Further, if a person being the buyer of goods is liable to deduct TDS under any other provision of the Act on the goods so purchased by him from the seller and has deducted TDS on the same, then the above provision will not be applicable.

(iv) Broadening of scope of Equalization Levy : The scope of Equalization Levy (EL) has been enlarged *vide* the Finance Act, 2020, to provide that EL shall be paid by an e-commerce operator at 2%, from 1st April 2020, on consideration received or receivable for e-commerce supply or services, if the consideration is two crore rupees or more during the previous year, made or provided or facilitated by it to a person resident in India or a non-resident in specified circumstances or a person buying such goods or services or both using internet protocol address located in India.

(v) TDS on certain cash withdrawals- Section 194N was inserted through the Finance (No.2) Act, 2019 to provide for deduction of tax at the rate of 2% on payment made by banking company or co-operative society engaged in the business of banking or post office in cash exceeding ₹ 1 crore during the financial year in aggregate from one or more account maintained by the recipient with such payer.

In order to make the provisions of the said section more stringent in case of non-filers, Finance Act, 2020 amended section 194N of the Act to provide that in case of a person who has not filed income tax return for all of the three assessment years relevant to the previous year preceding the previous year in which such amount is withdrawn, then TDS is to be deducted at the rate of 2% on amount of cash withdrawn exceeding ₹ 20 lakh but less than ₹1 crore; and 5% on the amount of cash withdrawn exceeding ₹ 1 crore in aggregate from one or more account maintained by such recipient during the financial year.

(vi) TDS to be deducted by individual/HUF on contractual work/professional fees-Section 194M was also introduced vide Finance (No.2) Act, 2019 to provide for levy of TDS at the rate of five per cent on the sum, or the aggregate of sums, paid or credited in a year on account of contractual work or professional fees or commission by an individual or a Hindu undivided family, not required to deduct tax at source under section 194C, 194H and 194J of the Act, if such sum, or aggregate of such sums, exceeds ₹ 50 lakh in a year. However, in order to reduce the compliance burden, it is provided that such individuals or HUFs shall be able to deposit the tax deducted using their PAN and shall not be required to obtain TAN.

(vii) Deemed resident in India- Section 6 of the Act has been amended vide Finance Act, 2020 to provide that an Indian citizen or a person of Indian Origin who comes on a visit to India in any previous year and whose total Indian income exceeds ₹ 15 lakh, shall be considered a resident, if his stay in India is 120 days or more. Also, a citizen of India who is not liable to tax in any other country shall be deemed to be a resident in India, if his Indian income exceeds ₹ 15 lakhs during the previous year.

(viii) Mandatory furnishing of ITR- Through Finance (No.2) Act, 2019, it has been provided that persons entering into high value transactions such as having a deposit of an amount/aggregate of the amounts exceeding one crore rupees in one or more current account, incurred expenditure of an amount/aggregate of the amounts exceeding two lakh rupees for himself or any other person on foreign travel, has paid an electricity bill of an amount/aggregate of the amounts exceeding one lakh rupees or fulfils any other prescribed condition shall be mandatorily required to file ITR.

(ix) Pre-filling of return by enlarging scope of SFT: Pre-filled Income Tax Returns (ITR) have been provided to individual taxpayers with income from salary, house property, capital gains from securities, bank interest, dividends and various tax deductions. Information regarding these incomes and deductions are being collected from concerned sources such as banks, mutual funds, EPFO etc. to enable pre-filling. The scope of furnishing of Statement of Financial Transactions (SFT) has been widened by requiring more organisations/institutions to submit information in respect of financial transactions facilitated or undertaken by them.

(C) Measures undertaken to promote digitalization of Economy

(i) Finance Act, 2020 has amended section 44AB of the Act to increase the monetary threshold to get the books of accounts audited from ₹ 1 crore to ₹ 5 crore if the total turnover or gross receipts made in cash does not exceed 5% of the total turnover and total payments including purchases in cash does not exceed 5% of the total payments.

(ii) Finance (No.2) Act, 2019 introduced Section 269SU in the Act to provide that every person, carrying on business, shall, provide facility for accepting payment through the prescribed electronic modes, in addition to the facility for other electronic modes of payment, if any, being provided by such person, if his total sales, turnover or gross receipts in business exceeds fifty crore rupees during the immediately preceding previous year.

(iii) Section 269ST has been inserted in the Act to prohibit cash receipt of rupees two lakh or more. Further, in order to enforce restriction on cash transactions, a new section 271DA has been inserted in the Act so as to provide that if a person contravenes the provisions of section 269ST, he shall be liable to pay penalty of a sum equal to the amount of such receipt.

(iv) The existing rate of deemed profit under section 44AD of the Act has been reduced from 8% to 6% in respect of the amount of total turnover or gross receipts received through banking channel/ digital means.

(v) In order to expand the scope of section 269SS and section 269T of the Act an amendment has been made so as to cover payment/advance in relation to transfer of immovable property under said sections.

(vi) To bring transparency in the source of funding to political parties the provisions of section 13A of the Act has been amended to inter alia provide that no donations of ₹2000/- or more shall be received otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account or through electoral bonds

(D) Ease of Compliance for Taxpayers

(i) **Faceless E-assessment Scheme -** In order to remove the existing human interface and to improve the quality of orders, Faceless Assessment procedure has been introduced. Further details are mentioned in {Para 2.4 (A)}.

(ii) **Faceless appeals –** Most of the Income-tax appeals pending at the level of Commissioner of Income-tax (Appeals) will be finalized in a faceless and jurisdiction-less manner. Further details are mentioned in {Para 2.4 (B)}

(iii) **Taxpayer Charter** - With the commitment to provide a transparent and taxpayer friendly regime, taxpayer charter has been adopted on 13.08.2020 underlining the rights and responsibilities of the taxpayer. It also draws the expectations which the tax administration has from the taxpayers. The set of rights to the taxpayer is aimed towards taxpayer centric administration holding itself accountable.

(E) Direct Tax *Vivaad se Vishwas* Act, 2020 – 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 on 17th March, 2020 under which the declarations for settling disputes are currently being filed.

2.4 Income Tax Administration (ITA) Division

Important initiatives taken by the ITA Division during the year 2020-21 are as follows:

It has been a constant endeavour of the Central Board of Direct Taxes (CBDT) to reduce human interface in scrutiny assessment proceedings through use of Information Technology. The steps taken by the CBDT towards making assessment proceedings electronically with minimum human-interface are summarized as below:

(A) Faceless Assessment Scheme, 2019

(i) To eliminate interface between Assessing Officer and the assessee during the course of assessment proceedings and for optimum utilization of the resources through economics of scale and functional specialization, on pilot basis e- Assessment Scheme 2019 was notified by the CBDT on 12th September, 2019 in 8 Metro Cities in India. The Scheme was extended to Pan India level with the notification of Faceless Assessment Scheme, 2019.

(ii) The Scheme ensures that all communication with the assessee or any other person for the purpose of making assessment under the Scheme, as also internal communication among the functional units shall be through the National e- Assessment Centre (NeAC) and shall be made exclusively in electoral mode. Under the Scheme, a person shall not be required to appear before the Centre or any unit either personally or through authorized representative. There will not be any fixed territorial jurisdiction and the cases will be assigned by the system in a randomized manner.

(iii) After the notification of the Scheme, requisite jurisdiction orders under section 120 of the Income-tax Act, 1961 (the Act) and the orders for the diversion of the man power for the newly created NeAC and 30 Regional e –Assessment Centers (ReACs) have been issued by ITA Division. The division issued several orders and instructions to streamline the implementation of the scheme. The filed formations were provided with templates and assistance at every level to help them in smooth transition from the old system into the new regime. Several clarification and guidelines were issued to the filed formations.

(B) Faceless Appeal Scheme, 2020:

(i) In order to further the objective of minimal interface and maximum governance and to ensure that the reforms initiated by the Department to eliminate human interface from the system reach the next level, Faceless Appeal Scheme, 2020 was launched on 25th September, 2020. Filing of appeals before Commissioner (Appeal) has already been enabled in an electronic mode.

(ii) Hence, the CBDT notified the Scheme, applicable to all the pending appeals as well as new appeals filed forthwith before the CIT(A). The scheme aims at conducting appeal proceedings in a Faceless manner in electronic mode, with no human interface, having notices to be issued electronically by a Central cell, with cases to be allocated to Appeal Units in a random manner and the central Cell i.e. National Faceless Appeal Centre (NFAC) to be single point of contact between appellant, the assessing officer or any other person and the Department.

(iii) In order to give effect to the scheme, the NFAC at Delhi and 4 Regional Faceless Appeal Centres (RFACs) with 293 Appeal Units have been created across the country.

(C) Inputs on the improving the ease of doing business for Start-ups:

In order to provide a cohesive ecosystem to the Start-ups, various taxation related issues of the Start-ups are addressed on priority. In this regard, Circular no. 16 of 17th August, 2019, and a consolidated circular dated 30th August, 2019 has been issued stating that all cases recognized by DPIIT and submitting form-2 will be exempt from provisions u/s 56(2)(vib) of the Income-tax Act, 1961. A dedicated Start-up cell has been constituted under a Member of CBDT with 4 other officers from CBDT for sorting out the grievance and taxation related issues of start-ups.

(D) Issue of IT orders, notices, summons, letters etc. through a centralized system:

CBDT vide its circular No. 19/2019 dated 14.08.2019, has directed that all communications to the taxpayers by income-tax authority relating to assessment, appeals, order, statutory or otherwise, exemptions, investigation, penalty, prosecution, rectification, approval shall be issued from 1st day of October, 2019 onwards with a computer-generated Document Identification Number (DIN) duly quoted in such communication. As per the said Circular, only in certain exceptional circumstances, the communications can be issued manually after taking written approval of CCIT/DGIT concerned and such communications have to be regularized within 15 working days of its issuance by generating a DIN number and uploading on the systems. This reform will help the Department to maintain proper audit trails of all communication between the taxpayers Income-tax Department.

2.5 Investigation Division

During the Financial Year 2019-20, 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 FY 2019-20, search and seizure actions were carried out against more than 984 groups leading to seizure of assets worth over ₹1280 crore and admission of undisclosed income of over ₹ 10370 crore. Whereas, during F.Y. 2020-21* (up to October, 2020), search and seizure actions were carried out in over 138 groups. The actions in these cases led to seizure of assets worth over ₹ 195 crore and an admission of undisclosed income of over ₹ 670 crore.

Further, during F.Y. 2019-20, over 12720 surveys were conducted leading to detection of undisclosed income of over ₹ 22240 crore. Whereas, during F.Y. 2020-21*(up to October, 2020), over 80 surveys were conducted leading to detection of undisclosed income of over ₹ 2060 crore. *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 the F.Y. 2019-20, over 1225 prosecution complaints were filed and 49 persons were convicted. Whereas, during F.Y. 2020-21* (up to August, 2020), 8 prosecution complaints have been filed and 3 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, etc. 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 31/03/2020**, undisclosed foreign assets and income valued at over ₹13500 crore (subject to fluctuations in currency conversion) have been detected. Further, as on 31/03/2020, more than 96 prosecution complaints have been filed under the BM Act.

Whereas, as on 31/10/2020, undisclosed foreign assets and income valued at over ₹14,200 crore (subject to fluctuations in currency conversion) have been detected. Further, as on 31/10/2020, more than 99 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. 2019-20, show cause notices for provisional attachment of benami properties were issued in over 430 new cases and provisional attachment was made in over 380 cases. The value of properties under attachment was over ₹ 4480 crore. In more than 460 cases, references were made to the Adjudicating Authority under the Act. Further, in 910 cases, the Adjudicating Authority confirmed the orders of provisional attachment passed by the ITD. Moreover, during the F. Y. 2020-21 (up to October, 2020), show cause notices for provisional attachment of benami properties were issued in 38 new cases and provisional attachment has been made in 34 cases. The value of properties under attachment is over ₹180 crore. In 30 cases, references have been made to the Adjudicating Authority under the Act. Further, in over 95 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 ₹8400 crore has been brought to tax on account of deposits made in unreported foreign bank accounts. Further, concealment penalty of about ₹ 1200 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 ₹11,010 crore of credits in the undisclosed foreign accounts so far and 99 prosecution complaints in 58 such cases have already been filed before criminal courts.

In Panama paper cases, as on 31/10/2020, Search & Seizure action conducted in 81 cases; assessment proceedings u/s 10 of the Black Money Act have been initiated in 66 cases; criminal prosecution complaints have been filed in 46 cases and undisclosed foreign investments detected of approx. ₹1710 crores.

In Paradise paper cases, as on 31/10/2020, 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 foreign investments detected of approx. ₹ 207 crore.

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.

(vi) Updating of Technique of Investigation Manual

In view of the economic transactions getting integrated across the borders and to keep the tax authorities abreast with the cutting-edge developments in the field of tax investigations, the 'Manual on Techniques of Investigation', released in the year 2002 has been revised and updated Volumes I to VII of the "Techniques of Investigation Manual" have been published.

2.6 Audit and Judicial Division

I. The Judicial Division of CBDT is tasked with handling the following works:

(i) Litigation Management, matters relating to pendency of appeals before various appellate forums and policy matters thereto.

(ii) Examination of matters relating to settled view Circulars and other matters relating to appeals and revisions.

(iii) Monitoring the performance of CIT(A) *vis-à-vis* targets allocated.

(iv) Empanelment of Standing Counsels, Special Counsels and Special Public Prosecutors.

(v) Matters relating to suits/ writ petitions with respect to Income Tax Act.

(vi) Attending to all RTI appeals, Parliamentary questions and other parliamentary matters (Standing Committee) relating to the aforesaid matters.

II. Measures initiated to reduce litigation and improve transparency & efficiency of the appellate fora:

The following steps have been taken to reduce litigation at various appellate fora & improve transparency and efficiency thereof:

(i) The Faceless Appeal Scheme, 2020 made under sub-section (6B) of section 250 of the Act, has been notified vide notification no. 76 of 2020 of the Government of India in the Ministry of Finance, Department of Revenue, number S.O. 3296(E), dated the 25th September, 2020, to improve the transparency and efficiency of the appellate process at the first appeal level and as a measure to provide uniform and unbiased faceless disposal of appeals by the various Appeal Units across the country.

(ii) To reduce pendency and enable faster disposal of pending cases in Supreme Court, after a thorough exercise for bunching of cases, a total of 40 group of cases, having similar substantial questions of law (SQLs) have been identified, which comprised of 653 Departmental SLPs and 137 assessee SLPs. Accordingly, 40 applications/ affidavits for tagging of 790 (653+137) cases have been finalized and 30 applications have been filed so far. A request has also been made to the Hon'ble Supreme Court for fixation of these cases on priority. The disposal of these cases by the Hon'ble Supreme Court shall not only lead to disposal of 653 SLPs of Revenue with disputed tax of ₹ 1.01 Lakh Crore (80% of Disputed Tax in SC & 20% of Total Revenue SLPs as on 31/08/ 2020) and 136 Taxpayers' SLPs but also shall have cascading effect in settling very large numbers of tax disputes and disputed taxes pending on these 40 SQLs, before various High Courts, Income Tax Appellate Tribunals, Commissioner (Appeals) etc

(iii) Vide CBDT Circular No. 17 of 2019 dated 08.08.2019, Monetary limit of filing department appeals to ITAT/High Court/Supreme Court were significantly enhanced to tax effect of ₹ 50 lakh, 1 Crore and 2 Crore respectively from earlier limits of ₹ 20 lakh, 50 lakh and 1 Crore respectively. As a result, 6127 and 6156 Departmental appeals have been identified and withdrawn from ITAT and HC, respectively. Similarly, 1104 cases have been withdrawn from Supreme Court.

(iv) Central Technical Committee (CTC) has been created at the level of CBDT to resolve contentious legal issues and to formulate Departmental View/Settled View. The CTC has issued 30 circulars on Settled Issues/ Departmental View, with directions to withdraw/ not press such Departmental appeals before HC/ SC.

(v) The Department has issued Standard Operating Procedure for handling matters relating to such frequently litigated sections, i.e. section 14A, 68 and 147 of the Income-tax Act, 1961. It is expected that these standard procedures will go a long way in minimizing litigation.

2.7 Foreign Tax and Tax Research Division

2.7.1 Policy Issues on International Taxation

India's Active participation in work related to addressing tax challenges of Digital Economy

(i) The current international tax rules were made in early 20th century and technological development coupled with globalization and new business models have rendered these rules obsolete. The sustained participation of the businesses in the economic life of a country without physical presence can give rise to profits, which are not taxed given the present international tax rules. This creates a mismatch between the source of generation of profits and the jurisdiction where they are taxed. This mismatch is a result of a combination of factors like scale without mass, reliance on intangibles, user data and contribution and the fact that digital business models can supply goods and services in a jurisdiction without physical presence.

(ii) The discussions on addressing tax challenges arising from digitalization have been ongoing since past seven years. Now there is a general agreement among jurisdictions that the present international tax rules are not sufficient to address the tax challenges arising from digitalization. The present nexus rules based on physical presence are no longer fit and the profit allocation rules based on Arm's Length Principle fail in case of digital economy. All the jurisdictions realize that there is a need to have a multilateral solution and presently are engaged constructively in the discussion in the G20/ OECD Inclusive Framework on BEPS.

(iii) As a part of follow up work on outcomes of Action 1 report of BEPS project on addressing the challenges of digital economy, India has been an active participant in OECD/G20 initiatives relating to taxation of digital economy and has consistently supported the need to address the tax challenges arising out of new business models in digital technology which have transformed the way the business operates. The present framework of discussion is centred around the agreed Programme of Work (PoW) finalised in Inclusive Framework (IF) meeting in May 2019 and updated in IF January 2020. The work explores technical issues to be resolved through the two main pillars.

a. Pillar One focuses on the allocation of taxing rights and seeks to undertake a coherent and concurrent review of the profit allocation and nexus rules;

b. Pillar two focuses on the remaining BEPS challenges and is designed to ensure that large internationally operating businesses pay a minimum level of tax regardless of where they are headquartered or the jurisdictions, they operate in.

(iv) The work on the design elements of the two Pillars was carried out by way of Virtual Meetings in light of the Covid-19 pandemic. Initially, the G20 deadline was the end of 2020 to find a consensus-based solution but the deadline has now shifted to next year. In its meeting on 8-9th October 2020, the G20/ OECD Inclusive Framework (IF) on BEPS, which consists of 137 countries, has approved the Reports on blueprints of Pillar One and Pillar Two for public consultations. The Chapeau (cover note) of the blueprints communicates to the wider world, capturing the essence of the two highly technical reports and emphasizes that while the work has not yet been completed, good progress have been made to prepare a solid foundation for an agreement in the future. The Blueprints are the result of the technical work that has been carried out by the working parties and Steering group from February 2020 onwards and extensive discussions and comments from all the jurisdictions. India was deeply engaged in these discussions through written comments and oral interventions from time to time. The G20/OECD IF conducted a public consultation on these blueprints which closed on 14 December, 2020 and more than 240 public comments comprising of more than 3000 pages were received by the OECD on the blueprints. In this connection, public consultation meetings (virtual) are scheduled to be held on 14th and 15th January 2021. The blueprints have been endorsed by the G20 in their October 2020 Finance Ministers and Central Bank Governors (FMCBG) meeting.

2.7.2 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) India is a signatory to the MLI along with the 94 other signatories (as on date) and it has notified 93 DTAAs under Covered Tax Agreements proposed to be modified by the MLI depending upon the treaty partners notifying the same under MLI. India has already ratified the MLI and deposited the instrument of ratification along with India's final MLI position with the depository i.e. the OECD on 28th June, 2019, as a result of which, MLI has entered into force for India w.e.f. 1st October, 2019 and its provisions will have effect on India's DTAAs from F.Y. 2020-21 onwards.

(iii) As on 18.12.2020, 41 countries (amongst those which have included India in their list of Covered Tax Agreements) have ratified the MLI. Synthesized texts have been prepared and published on the CBDT website in respect of many such Agreements, and are at advanced stages of preparation in respect of other agreements.

(iv) 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 DTAAs with Inclusive Framework countries. Implementation of minimum standards under these BEPS action 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). In cases where the minimum standard has not been implemented through the MLI, either because the other jurisdiction has not signed or ratified the MLI, or because it has not included its DTAA with India among its CTAs, the same is being pursued through bilateral negotiations.

(v) 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.

(vi) Following developments with respect to bilateral treaties took place during the year:

- The Protocol amending the Agreement between India and Kyrgyz Republic DTAA was signed on 14th June, 2019 and ratified by the Hon'ble President of India and coordination with MEA (and Kyrgyz Republic) is under way for entry into force of the Protocol (Reminder has given last month).
- The DTAA between India and Iran was signed on 17th February, 2018 and ratified by the Hon'ble President of India. Both India and Iran have completed their internal procedures for entry into force of the agreement. Steps are being taken to notify the agreement in the official gazette.
- The Cabinet has approved the signing and ratification of protocol amending India-Sri Lanka DTAA on 12th February, 2020 and coordination with MEA (and Sri Lanka) is under way for signing of the Protocol (Reminder has been given).
- The India-Chile DTAA has been signed. This needs to be ratified by the respective countries and the countries have to notify each other about such ratification after which, the DTAA may be notified in the Official Gazette. India has ratified the DTAA and notified the same to Chile. India is awaiting ratification by Chile and has requested it to provide the status of the same."
- Cabinet has approved the signing of the protocol amending the DTAA between India and Brazil. The Protocol could not be signed as the internal procedures in Brazil could not be completed. Brazilian side has stated that they are not in a position to indicate tentative timelines due to the COVID-19 crisis. In October 2020, Brazilian side has proposed a final reading of the Amending Protocol before signing.

- The signing of the India-Brunei Darussalam Tax Information Exchange Agreement (TIEA) took place on 28.02.2019 in New Delhi which entered into force on 30.01.2020. The Agreement has been notified in the Gazette of India (Extraordinary) on 09.03.2020.

- The signing of the India-Samoa TIEA took place on 12.03.2020 in Apia, Samoa. The Instrument of Ratification was signed by the Hon'ble President on 22 May 2020. In June 2020, MEA was requested to inform Samoa about completion of internal procedures and seek confirmation from them on completion of their internal procedures. In September 2020, an update was sought in this regard from the MEA.

2.7.3 Role of Tax Treaties in Prevention of Fiscal Evasion and Tackling of the Menace of Black Money

(i) Effective investigation in respect of cases involving undisclosed foreign assets is possible only if there is access to actionable information from foreign countries through various legal instruments.

(ii) The "legal instruments" through which information can be efficiently obtained for the purposes of investigation under Indian tax laws are the 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, which create a legal obligation on a bilateral basis to provide information.

(iii) India can obtain information which is "foreseeably relevant" for administration or enforcement of domestic laws concerning taxes from 162 countries/jurisdiction under DTAAs/TIEAs/ Multilateral Convention/SAARC Multilateral Agreement. With some countries/jurisdictions, there can be more than one agreement e.g. DTAA as well as Multilateral Convention, under which information can be received.

(iv) Under most of the DTAAs and Multilateral Convention, Automatic Exchange of Information (AEOI), which is systematic and periodic transmission of "bulk" taxpayer information by the source country to the residence country, is also possible. Common Reporting Standard (CRS), a global standard on AEOI has, been developed under guidance and leadership of G20 countries which has made a sea change in our ability to address offshore tax evasion by way of exchange of financial account information amongst various jurisdictions. Apart from this, India, also periodically receives information from some countries related to interest, dividend, salary, pension etc. Further, under tax treaties, the Contracting States may also provide information to their treaty partners with a view to prevent fiscal evasion even if no specific reference is received in this regard under "spontaneous exchange of information".

(v) In many Indian DTAAs, there is provision for assistance in collection of taxes under which the Contracting States are obliged to assist in collection of tax dues from assets located in their country. The provision for assistance in collection of taxes is also present in certain TIEAs. Assistance in Collection of taxes is also possible under the Multilateral Convention if the signatory country has not given a reservation and also under the SAARC Multilateral Agreement. The other form of administrative assistance possible under tax treaties are tax examinations abroad, simultaneous examination, joint audit, service of notices, etc.

(vi) The following additional 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 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 trainings programs have also been held virtually for DTRTIs in Mumbai, Delhi, Bengaluru etc. to equip the officers with requisite knowledge and skills to make appropriate requests/enquiries under the prevailing legal instruments

c) Steps are also being taken to ensure that the information received from our treaty partners is effectively utilized to combat tax evasion and avoidance.

d) Efforts are also being made to complete investigations quickly and file complaints/ prosecutions in appropriate cases expeditiously.

2.7.4 Tax Issues in G20

(i) 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. The relevant paragraph on tax issues in the recent communiqué of the G-20 Finance Ministers and Central Bank Governors meeting held virtually under the Presidency of Saudi Arabia on 14th October 2020 states as follows:

"We will continue our cooperation for a globally fair, sustainable, and modern international tax system. We acknowledge that the COVID-19 pandemic has impacted the work of addressing the tax challenges arising from the digitalization of the economy. We welcome the Reports on the Blueprints for Pillar 1 and Pillar 2 approved for public release by the G20/OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS). Building on this solid basis, we remain committed to further progress on both pillars and urge the G20/OECD Inclusive Framework on BEPS to address the remaining issues with a view to reaching a global and consensus-based solution by mid-2021. We welcome the report approved by the G20/OECD Inclusive Framework on BEPS on the tax policy implications of virtual currencies. We welcome the progress made on implementing the internationally agreed tax transparency standards. We will continue our support to developing countries in strengthening their tax capacity to build sustainable tax revenue bases."

The G-20 leaders in the Riyadh Summit from 21-22 November, 2020 endorsed the above.

(ii) Certain jurisdictions are yet to exchange information with all interested appropriate partners on an automatic basis. In this context, India has urged that the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) should continue to update the progress made by all committed jurisdictions with respect to actual exchanges carried out between all interested appropriate partners within the committed timelines. India has consistently stated that a level playing field should be maintained in the implementation of the global standards on tax transparency. This is particularly significant as the financial assets would be shifted to such jurisdictions which are outside the ambit of AEOI and would go unreported thereby rendering the entire process ineffective and also pose a serious threat to the maintenance of a level playing field.

(iii) The worldwide implementation of AEOI under CRS in 2017 has ushered in a new era of tax transparency. India believes that there is a need for adopting a whole of Government approach in dealing with cross-border exchange of financial information automatically under the CRS and hence, towards this goal, it is necessary for the recipient jurisdiction to share the financial information received under CRS with other domestic Law Enforcement Agencies. India also believes that the goal on promoting exchange of information may be broadened in scope to *'Enhancing mutual administrative assistance in tax matters'*. India is of the view that any exchange of financial account information will be more effective and useful when there is a legal instrument between jurisdictions to provide assistance in collection of taxes so that the offshore assets of the taxpayer are not only taxed but ultimately brought back to the country of residence through recovery of taxes raised against those assets. In this context, there is a need to initiate work towards broader cooperation and standards-setting in the area of Administrative Assistance in Collection of Taxes.

2.7.5 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 on December 2020, a total of 137 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.*

(iii) The Steering Group of the Inclusive Framework 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.

(iv) In the last 2-3 years, significant progress has been made in implementation of the BEPS package, including the four minimum standards, and these measures are already having major impact on BEPS activities. The work of the Inclusive Framework in this period has been related to the establishment of the peer review processes, the ongoing standard-setting work and delivery of guidance on implementation, as well as the assistance being delivered, often in partnership with other international organizations and regional bodies, to ensure all countries and jurisdictions are supported in the BEPS implementation process. In all these processes, India has played active role and supported positive initiatives keeping in mind concerns of developing nations.

(v) The major work being undertaken by the Inclusive Framework this year is with respect to taxation of the Digital Economy. As indicated already, on 12 October 2020, the Inclusive Framework released a package consisting of the Report on the Pillar One Blueprint and the Report on the Pillar Two Blueprint. These Blueprints reflect the convergent views on many of the key policy features, principles and parameters of both Pillars, and identify remaining technical and administrative issues as well as policy issues where divergent views among Inclusive Framework members remain to be bridged.

2.7.6 Automatic Exchange of Information (AEOI)

(i) 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, 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, 47 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:

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, Pakistan[3], Panama, Qatar, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Singapore, Sint Maarten, Switzerland, Trinidad and Tobago, Turkey, United Arab Emirates, Uruguay, Vanuatu
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2019 (2)
Ghana[3], Kuwait[4]
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2020 (7)
Albania[3], Kazakhstan[5], Ecuador[3], Maldives[3], Nigeria[3], Oman[4], Peru[3]
DEVELOPING COUNTRIES HAVING NOT YET SET THE DATE FOR FIRST AUTOMATIC EXCHANGE (47)
Armenia, Benin, Bosnia and Herzegovina, Botswana, Burkina Faso, Cape Verde, Cambodia, Cameroon, Chad, Côte d'Ivoire, Djibouti, Dominican Republic, Egypt, El Salvador, Eswatini, Gabon, Georgia, Guatemala, Guinea, Guyana, Haiti, Honduras, Jamaica, Kenya, Lesotho, Liberia, Madagascar, Mauritania, Moldova, Mongolia, Montenegro, Morocco, Namibia, Niger, North Macedonia, Papua New Guinea, Paraguay, Philippines, Rwanda, Senegal, Serbia, Tanzania, Thailand, Togo, Tunisia, Uganda, Ukraine

(ii) For implementation of AEOI under CRS, as on 15.12.2020, 110 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.

(iii) 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 and 2019 on reciprocal basis with jurisdictions with whom AEOI has been activated. During this year, despite the COVID-19 pandemic, India fulfilled its international obligations by transmitting AEOI information for the Calendar Year 2019 to its various exchange partners within the stipulated timelines.

2.7.7 Inter-Governmental Agreement (IGA) with USA for purposes of FATCA

(i) 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 are 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 and 2019 has already been exchanged between the two countries. During this year, despite the COVID-19 pandemic, India fulfilled its obligations by transmitting information for the Calendar Year 2019 to the USA within the stipulated timelines.

(ii) For implementation of FATCA and CRS, necessary legislative changes were made through Finance (No. 2) Act, 2014, by amending section 285BA of the Income-tax Act, 1961. Income-tax Rules, 1962 were amended vide Notification No. 62 of 2015 dated 7th August, 2015 by inserting Rules 114F to 114H and Form 61B to provide a legal basis for the Reporting Financial Institutions (RFIs) for maintaining and reporting information about the Reportable Accounts.

(iii) A Guidance Note was released on 31st August 2015(further updated on 31.12.2015, 31.05.2016 and 30.11.2016) to provide guidance to the Financial Institutions, Regulators and officers of the Income Tax Department for ensuring compliance with the reporting requirements provided in Rules 114F to 114H and Form 61B of the Income-tax Rules, 1962. To address the evolving issues in the implementation, certain clarifications were issued with respect to the Guidance Note on 30.07.2020.

2.7.8 India's Association with OECD

(i) OECD is an organization of 34-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).

(ii) 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.

(iii) The Indian delegates have been participating 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. The policy adopted by India has been continuously engaging and participating in the development of international standards to protect our revenue interests while ensuring at the same time that the reservations and positions of India are taken into account during the updating of various standards and guidelines being developed by the OECD.

(iv) In the last few years, the work of OECD has been primarily concentrated on BEPS and AEOI discussed above. Some of the other 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.

Forum on Harmful Tax Practices (FHTP) of CFA, OECD 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) Finalization of review of member/associate county regimes; (ii) A strategy to expand participation to non-OECD member countries; (iii) Revision of existing criteria.

During 2020, India's transparency framework under Action 5 of the Base Erosion and Profit Shifting was reviewed positively.

The Inclusive Framework approved the resumption of the application of the substantial activity factor to no or only nominal tax jurisdictions (hereafter the "Standard") in November, 2018. Pursuant to the Standard no or nominal tax jurisdictions (hereinafter, NNTJs) are 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. In order to receive relevant information, potential recipient jurisdictions have to opt-in to the exchange process in respect of each no or only nominal tax jurisdiction. In procedural terms, the opt-in process is by way of notification required to be submitted to the Coordinating Body Secretariat of the Convention. India has submitted the final opt-in template to the Coordinating Body Secretariat.

(c) OECD's Working Party 1

The Working Party 1 (WP-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 with regard to formulation of new nexus rule under Pillar 1 and treaty related issues under Pillar 2. Considering India's active involvement and valuable contribution to the ongoing work on taxation of digital economy, India has also been opted as member of Extended Bureau of the WP1, which proposes to undertake the technical work on formulating new nexus rule under Pillar 1 and the tax treaty-related issues arising out of Pillar 2 (GloBE) encompassing the design of a switch-over rule for tax treaties; a subject to tax rule for inclusion in tax treaties; and the compatibility of the Pillar 2 proposals with tax treaty obligations. During the year, numerous meetings of the WP1 took place to discuss the technical issues concerning the various design elements and building blocks of both Pillar 1 and Pillar 2.

(d) OECD's Working Party 2

The Working Party No. 2 (WP2) on Tax Policy Analysis and Tax Statistics provides an opportunity to convey India's views on important subjects of tax policy. It has been mandated with taking forward the work on the BEPS Action 11 report "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.

WP2 has also been charged with conducting an Economic Impact Assessment of the proposals being considered to address the tax challenges of digitalization of the economy. India has been regularly coordinating with the WP2 in this project, giving inputs wherever necessary. The final report of the Economic Impact Assessment was presented before the Inclusive Framework in October, 2020 and has now been placed in public domain.

As part of their work on Tax Policy Analysis, the WP2 has also compiled a list of tax related measures taken by various jurisdictions to combat the COVID-19 pandemic.

(e) OECD's Working Party 6

The Working Party No. 6 on the Taxation of Multinational Enterprises' current mandate is to: i) pursue its work on issues pertinent to transfer pricing and modify the OECD Transfer Pricing Guidelines for Tax Administrations and Multinational Enterprises as necessary; ii) monitor the implementation of the Guidelines, in co-operation with the tax authorities of Adherents and with the participation of the business community and other stakeholders, and report to Council in light of this monitoring every five years; and iii) develop its dialogue with jurisdictions that have not adhered to the Guidelines, with the aim of assisting them to become familiar with and adhere to the Guidelines.

India has been regularly participating in the deliberations of WP-6 and contributing to working on issues related to emerging areas of transfer pricing, development of transfer pricing guidance on Financial Transactions, and most recently, on developing a Guidance to deal with transfer pricing issues arising due to the COVID-19 pandemic.

In view of the ongoing work on taxation of digital economy, WP6 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 with regard to the following work streams under Pillar 1: segmentation framework, losses under Amount A, elimination of double taxation, and Amount B. During the year, numerous meetings of the WP6 took place to discuss the technical issues concerning the various design elements and building blocks of Pillar 1, wherein India made active contributions to the ongoing deliberations.

(f) 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 during the year

- Discussion on development of exchange framework for Virtual assets and E-money
- Initiation of review process of the Common Reporting Standard

(g) OECD's Working Party 11

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 has been called upon to advance the work on Pillar Two liaising with other working parties as necessary. WP-11 has to work on technical aspects of Pillar 2, which will concentrate on areas such as income inclusion rule, switch over rule, under taxed payments rule, subject to tax rule 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 actively participating so that India is able to take an appropriate position on addressing remaining BEPS risk of profit shifting to entities subject to no or very low taxation. During the year, various meetings of the WP11 were held in order to develop the Pillar 2 blueprint.

(h) 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 11 years, the Global Forum has achieved considerable progress in implementing the international tax transparency and exchange of information standards. Currently, the Global Forum has 161 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 (18 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.

The 13th Plenary Meeting of the Global Forum was held on 9-11 December 2020. The Hon'ble Finance Minister was the keynote speaker at the opening of the Plenary Meeting where she, inter alia, emphasized on the need of robust international cooperation and tax transparency framework. She also called upon the global community to further strengthen and push forward the tax transparency framework with a view to address the remaining challenges and emerging/new challenges. The theme of the Plenary Meeting was "Transparency for Tax Purposes in the time of COVID-19 – Working together to promote the fairness of tax systems and generate revenue". During the year, numerous meetings of the Steering Group were held to deliberate upon the future work of the Global Forum and assess the impact of the COVID-19 pandemic on the work of the Global Forum and its member jurisdictions and take policy decisions on the way forward. 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. India also provided Expert Assessors for peer reviews conducted by the Global Forum.

(i) 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.

2.7.9 Coordination with other Multilateral Agencies

(i) India is an Associate member of the Inter-American Centre of Tax Administrations (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. During 2020, 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'.

(ii) 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. During 2020, India participated in the Taxation of International Transactions (TOIT) program held virtually by the Malaysian Tax Academy in association with CATA. India also participated in the virtual workshop for CATA Country correspondents and Regional Directors.

(iii) Capacity Building in Developing Countries: In continuation of its efforts of developing the tax capacity of developing countries, India organized an International Workshop on Modern Techniques of Investigation and Intelligence Gathering in collaboration with CATA National Academy of Direct Taxes, Nagpur in October, 2020. A total of 100 participants, including around 80 international participants, who were nominated by their respective countries, attended this webinar from 18 Commonwealth Countries. In this webinar various topics were covered including International Taxation, Money Laundering, Taxation issues in Virtual Currencies, etc. Due to Covid 19 Pandemic, the program was conducted online. The program has received a very good response especially from the international members of CATA. India also received an appreciation letter from the Executive Director of CATA for its efforts of conducting the program.

2.7.10 Income Tax Overseas Units

(i) During the year 2020, Income Tax Overseas Units (ITOUs) remained functional in eight Indian Missions viz. Mauritius, Singapore, France, Japan, Netherlands, UK, Germany and USA. IRS officers have been posted as First Secretary (Economic), in these Income Tax Overseas Units (ITOUs).

(ii) Selection process of IRS officer to the post of First Secretary in the Income Tax Overseas Unit (ITOU) at Germany was completed during the year and the officer has joined the Indian Mission at Germany.

(iii) The tenure of officers posted in most of these ITOUs would be getting over soon and the process of selection of successors is going on.

2.7.11 Cooperation with BRICS Countries on Tax Matters

(i) BRICS is an important multilateral block that seeks to represent the interests of the developing countries. The BRICS countries together account for 30% of the global land, 43% of the global population and 21% of the world's GDP. This platform aims to promote peace, security, prosperity and development in multi polar, interconnected and globalized world. The BRICS countries represent Asia, Africa, Europe and Latina America, which gives their cooperation a transcontinental dimension making it especially valuable and significant.

(ii) The Heads of Revenue of all the BRICS countries had agreed in 2018 on a High-Level Capacity Building Action Plan in which all the BRICS countries shall be identifying their areas of strength and invite delegation from other BRICS countries with an aim towards building capacity of the other countries in that area. Under this Action Plan, workshops/symposiums have been held at Brazil, Russia, India and South Africa.

(iii) Russia is the host country of BRICS in the year 2020. Due to COVID-19 global pandemic, the Heads of Tax Authorities and tax experts Meetings were conducted virtually this year. India brought up multiple points to the Heads of Tax Authorities Meeting and which were supported by the other BRICS countries in these meetings. These points are summarized below:

- Commitment to take measures to ensure business continuity, in the current global Covid-19 pandemic, while acknowledging the responsibility to secure tax revenue;
- Continuing support for international initiatives towards reaching a globally fair and universally transparent tax system;
- Reiteration of BRICS' support to the G20/OECD project on addressing tax challenges posed by digitalisation;
- Continuing support towards implementation of the global standards on transparency and exchange of information, and the minimum standards of BEPS Action Plan;
- Endorsement for the global Common Reporting Standards (CRS) for the automatic exchange of information;
- Reaffirming their commitment to need-based capacity building and recognising great advantages of mutual understanding, inclusiveness and mutually beneficial cooperation.

2.7.12 India's Collaboration with Forum on Tax Administration (FTA)

(i) 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.

(ii) Being a member of the FTA and its Bureau, India is an active participant in the work programme of the FTA. The Forum is also supported by sub-groups and specialist networks formed of subject-matter experts from participating revenue bodies for undertaking work in specific areas. The work programme of FTA comprises activities that are of importance for checking cross border tax avoidance, improving tax administration and ushering in an era of automatic exchange of financial information, thus putting an effective check on black money. FTA's present collaborative work is organized under three pillars, representing the challenges and opportunities created by a changing business environment, rapid technological change and an increasing global economy:

a) Tax Certainty and BEPS:

- Dispute prevention and resolution.
- BEPS implementation and impacts.
- International Compliance Assurance Programme (ICAP).

b) Tax Co-operation

- Effective use of information received under the Common Reporting Standard (CRS).
- Common Transmission System (CTS): expansion and enhancements.

c) Digital Transformation

- Tax administration 2030.
- Small and medium sized enterprises (SMEs): improving compliance and reducing burdens.
- Sharing and Gig Economy: Effective Taxation of Platform Sellers.

(iii) 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.

(iv) India has been regularly participating in these projects through emails and virtual meetings and wherever required comments/inputs are being sent by the FT&TR Division to the FTA Secretariat from time to time. Recently, India participated in the 13th Forum on Tax Administration (FTA) Virtual Plenary Meeting held on 7th – 8th December, 2020.

2.7.13 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, the 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) Three 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 the 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) During the year, in aggregate approximately 130 MAP cases were resolved pertaining to JS (FT&TR-I) Charge with treaty partners in North

America and Europe. During the period from April, 2014 till December, 2020, about 790 cases (assessment years) have been resolved under MAP, which resulted in significant reduction of litigation in India.

(vii) During this year, India and Japan have been conferred an award jointly for the best MAP caseload management in transfer pricing MAP cases in the year 2019.

2.7.14 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. The programme has been accepted well by taxpayers and tax consultants, which is evinced by the fact that 345 APAs have been entered into till date by CBDT.

(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) Data related to signing of APA is published from time to time and a total of 345 APAs (298 Unilateral APA and 47 bilateral APA) have been signed during the period from March, 2014 to November, 2020. The CBDT has also started the process of digital signing of APAs due to the constraints caused by Covid-19. A total of 16 APAs (8 Unilateral APA and 8 bilateral APA) have been signed digitally during the period from April 2020 to November, 2020. All Bilateral and Unilateral APAs were signed by using the remote signing protocol due to challenges in physical signing during the CoVID-19 pandemic.

2.8 Directorate of Systems

2.8.1 Project Name: PAN

(a) Permanent Account Number (PAN)

As per section 139A of Income-tax Act, 1961 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, 2020 (cumulative) is 53,04,23,511. During the current year (up to, October 31, 2020) 2,57,53,856 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 demat 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) One Person- One PAN

The Income-tax Act, 1961 permits one person to have only one PAN. To avoid issuance of duplicate PAN, the data is checked for duplication by using the software having phonetic matching algorithm. In order to further strengthen the de-duplication process the PAN database is being seeded with Aadhaar number for individuals.

(d) PAN Verification Facility

PAN verification facility is provided through the website of the Income-tax department through link "Know Your PAN" facility on official website of Income-tax department www.incometaxindiaefiling.gov.in, if name, father's name and date of birth (DoB) /Date of Incorporation (DoI) are known.

Service for PAN verification is also provided by Income-tax PAN Service Providers (UTITSL and NSDL e-Gov) to agencies falling under any of the approved categories **as per procedure laid down by the Directorate of Income-tax (Systems).**

(e) 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 **incometaxindiaefiling.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.

(f) 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 October, 2020 since the inception of the project is 35,17,884.

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 October 31, 2020 is 4,58,126 and the number of TAN allotted through this facility till October 31, 2020 is 4,59,162.

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 31, 2020 is 161.

d. Aadhaar address update facility

Facility to update address in PAN data base, with the address given in Aadhaar data base has been launched. This facility is free of cost and works through integration with UIDAI.

e. 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 times. e-PAN can be downloaded in pdf format. Further, facility to download in .xml format (machine readable) has also been launched.

f. 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.

g. 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.** Till 09.11.2020 a total of 34,96,56,533 PANs of individuals have been seeded with Aadhaar data base, which is approximately 67.38% of total PAN allotted to individuals. Seeding of Aadhaar in remaining PANs is presently going on.

2.8.2 Project Name: Project Insight

2.8.2.1 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 processing, data quality monitoring and report rectification.

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 2019-20 was executed. As a result, 6.36 Lakh identified non-filers filed their return and self assessment tax of 3,467 crore was paid by target segment after campaign.

b. E-campaign for significant transactions (during FY 2019-20) was implemented for 5,35,115 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, 1,08,404 taxpayers paid advance tax of ₹ 9,081 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 71,952 taxpayers for A.Y. 2019-20. 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. During the campaign, more than 33,000 taxpayers submitted online response. Out of the target segment, 3903 taxpayers revised their returns out of which 1692 taxpayers increased the income in revised return by 1438 Cr.

v. **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.

vi. **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.

vii. **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.

viii. **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".

ix. **Insight Learning Hub**, an integrated platform consisting of learning management system, online courses, competency tests and training material repository has been rolled out to supports 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.

2.8.2.2 In implementation of faceless schemes Insight System is being leveraged for automated allocation of cases, verification, risk assessment of draft orders, bulk signing etc.

2.8.2.3 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:

i. Comprehensive API based integration with internal (CPC 2.0, ITBA) and external (Reporting entities, Exchange Partners) systems.

ii. Implementation of Intelligent Decision Support System to meet the requirements of Centralised e-Verification Scheme.

iii. Implementation of Annual Information Statement (AIS).

iv. Aadhaar based login on Compliance, Reporting and Data Exchange Portal.

v. Mobile app for basic Insight functionalities.

2.8.2.4 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.

2.8.2.5 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 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.

2.8.2.6 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 (up to Nov 20)	85.67	91.76

New Payment solution (TIN 2.0) is being rolled out under CPC 2.0 during FY 2020-21.

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

2.8.2.7 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 National Securities Depository Ltd. (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, 2019-20 (up to December 2019), 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(up to Nov 2020)	44,51,503	117	44,51,620	99.99

During FY 2020-21, 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.

2.8.3 Project Name: Integrated E-filing & Centralized Processing Centre (CPC) 2.0

With a view to provide a major fillip to e-governance in the Income Tax Department, Integrated e-Filing & CPC 2.0 Project is under development which will build upon the success and learnings from e-filing 1.0 & CPC 1.0 projects. The project which was approved by the Union Cabinet on 16/01/2019, will employ 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. The four components of this would be speed, usability, convenience and accuracy in terms of website efficiency and availability as well as processing outcomes. The project envisages various functionalities such as pre-filling of ITR and acceptance by taxpayer as a means to improve accuracy and to reduce refund/processing turnaround time drastically, facilitation to taxpayers in resolving outstanding tax demands, integrated contact centres for taxpayer assistance and tax payer outreach program through digital media and employer/partner accreditation program to bring significant enhancement in services to taxpayers.

Status till December 2020

Phase I i.e. CPC component of the project has gone live from 25th November 2020. The broad objectives of Phase I of project are listed as under:

a. Faster and accurate outcomes for taxpayer.

b. First time right approach.

c. Enhancing user experience at all stages with revamped communications.

d. Improving taxpayer awareness and education through continuous engagement.

The Phase I of the CPC2.0 project envisages streamlining of the process and up scaling of the processing capacity to reduce refund/processing turnaround time drastically. This will, inter-alia, bring significant enhancement in services to taxpayers. Three weeks since the go-live of Phase I of CPC component, 93.71% of the total processable ITRs (2.09 crore) were processed till 10th December 2020 and intimations were sent to 66.83% taxpayers (1.34 crore). Further, refunds in 77.57% cases (58.37 lakhs) were initiated till 13th December 2020 in a record time.

Enhanced version of grievances management will be launched as part of integrated communication management to facilitate taxpayers via. social media, chatbot, grievance portal, mobile application, integrated helpdesk. By faster processing of returns and issue of refunds to the taxpayer's bank account directly and by adhering to international best practices and standards (ISO certification) along with providing processing status updates and speedy communication, email, SMS and on the Department website, CPC 2.0 project will ensure transparency and accountability.

2.8.4 Project Name: TAXNET Project

2.8.4.1 Aims and object of the ongoing TAXNET project is to provide seamless connectivity (IP- VPN services) to the departmental users in the income Tax department all over India.

The TAXNET project acts as the architectural backbone of the entire digital edifice of the Direct tax administration in India. It provides seamless, secure, efficient & dedicated connectivity to more than 780 locations spread over more than 500 cities in India. It is like golden thread which permeates through all modules, applications & platforms of the Income Tax Department. In effect, it serves as a force multiplier for the entire digital machinery of the department. The ultimate success and the execution of the all the modules like a Operation Clean Money, ITBA, CPC-TDS and CPC-ITR-Bangalore, Project Insight etc., in this critical way, entirely rest on its shoulders. It works silently in the background, being successfully executed since the year 2008.

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

These are executed as per the departmental requirement and requisitions from the field formations. The table below gives the brief description of Change Order Management, received during the F.Y. 2020-21 (till 18/12/2020).

Sl. No.	Shifting of Sites		New Site		Relocation Nodes	Addl. Nodes
	No of Sites	Total No of Nodes	No of Sites	Total No of Nodes		
	16	305	07	371	592	425
Grand Total No. of Nodes						1693

2.8.4.2 NEW TAXNET 2.0 PROJECT FOR SELECTION OF MSP FOR WAN, LAN, FMS AND VC SERVICES FOR ITD

The RFP for Taxnet 2.0 was **approved by the IFU, the Ministry of Law and the Revenue Secretary.** After due approvals, the RFP was **released on 02.12.2019 but due to covid pandemic not started**. The Taxnet 2.0 project is for selection of MSP for WAN, LAN, FMS and VC Services. The major scope of work of Taxnet 2.0 is proposed as under:

i. Taking over of the existing LAN and creation/ augmentation of LAN to provide assured End-to-End Secured Network connectivity: The Department now seeks to have about **97% of its sites on OFC** as the medium for last mile connectivity as this would ensure a dependable and reliable connectivity.

ii. Implementation and management of Network Operating Centre: A **Network Operating Centre** with **Network Monitoring System** is envisaged in the premises of the Department that would facilitate visibility and management of the entire network centrally.

iii. Supply, operating and maintaining the VC facility equipment at about 120 locations, provision for **software-based Video Conferencing solutions** including allowing third party conferences over internet.

iv. Provide comprehensive **Facility Management and Maintenance** Services across all Income Tax offices.

v. Further, the **technical and security specifications** of all the hardware and equipment required have been upgraded.

2.8.4.3 NETWORK IMPLEMENTATION MANAGEMENT & MONITORING SERVICES (NIMMS)

NIMMS is envisaged as a Project Monitoring Unit (PMU) of Taxnet 2.0. Through NIMMS, the Department seeks to engage qualified manpower to, inter alia, **oversee implementation** of Taxnet 2.0, perform **acceptance testing**, **monitor** the network as well as perform network and security **audit**, **SLA verification** etc.

The NIMMS RFP is under finalization and the NIMMS Service Provider is expected to be on-boarded at the same time as the MSP for Taxnet 2.0.

2.8.4.4 Web Master Project

The National Website (https://www.incometaxindia.gov.in) hosts a number of services with user friendly functionalities and features. Amongst the various services that the website hosts are a number of facilities put online relating to 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.

The website contains '**Tax Payer Services Module'** and **'Aaykar Setu (Mobile Application on Android)'**.

The main highlights of the Aaykar Setu 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 will be available on all working days (i.e. Monday to Friday) between 10:00 AM to 06:00 PM

iii. **Tax Return Preparer's 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** – To facilitate tax calculations for filing ITR, various tax tools are available, which give output required for ITR on the basis of inputs / information available with user.

v. **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.

vi. **Latest Updates on website through 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.

vii. **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.

Other Features of Website:

i. **Comprehensive content for Faceless Scheme**

ii. **Complete information related to Direct Taxes due dates.**

iii. **Promoting Tax Payers to take Integrity Pledge –** Integrity pledge is being promoted through publishing of relevant web link at Home Page of the Website.

iv. 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.

v. **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.

Other features in the same regard include:

a. More than 130 Tax Treaties, which India had entered into with Foreign Countries, have been uploaded (with unique facility of Treaty comparison)

b. Tax rates as per Income Tax Act vis-à-vis Tax Treaties.

c. Relevant provisions under Income-Tax Act, Companies Act, Service Tax and FEMA for Non-residents

d. 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 12 countries has been uploaded.

vi. **Providing information to the Tax Payer in the form of FAQs / Tutorials / Tax Information series booklets.**

vii. **Cross linking: -** Cross linking across all the sections of Income-Tax Act 1961, has been provided. Further, all related Income-Tax Rules 1962, FAQs, Tax Services, Income-Tax forms are available on that page itself.

viii. **Services centric information Page for various services such as** PAN / TAN, Return Filing, Tax Payment, Tax calendar, Tax Chart & Tables, Tax utilities, Tax Help lines and more have been provided.

ix. 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.

x. **Separate corner for Senior Citizens.**

xi. **Latest News & Press Release are updated on real time basis.**

xii. **Other facilities**

a. Income Tax Office Locator (covers details of all Income-tax Offices across India)

b. Separate pages of Pr. CCIT / DGIT- Includes information about field offices, Grievance Redressal Mechanism, respective CPIOs, Appellate Authorities under RTI Act.

c. Tenders from Department.

During the FY 2019-20, the portal experienced total number of 231,21,95,134 hits and had 85,46,952 total number of visitors. This shows that the website is being very widely used by the taxpayers and members of public and the website has gained sufficient visibility.

2.8.4.5 Video Conferencing –

Video Conference (VC) facility is available across 48 stations (57 sites), which is assigned to the Telecommunications Consultants India Limited (TCIL) with effect from April 2017. The bandwidth for the purpose is being provided under Taxnet project, the maintenance of Video Conferencing devices and facilitation during such conferences are ensured by the O/o ADG-4 team. The importance of VC has grown tremendously since its inception in the year 2006 given that senior authorities of the Department now frequently resort to such conferences to save precious time and resources. The VC is also used by the System Directorate for imparting training and resolving queries.

2.8.4.6 Facility Management Services (FMS) –

The O/o ADG-4 team, through its MSP, provides the Facility Management Services (FMS) to all the offices across the country. Till 1st June 2014 the FMS was supporting 13,000 network users. The network user count increased to 14500 in 2015, 15500 in 2016 and as on December 2017 and this has further increased to **19684 currently**. The **RSA tokens** are supplied and supported by TCS and distributed by the FMS team through respective CIT (Admin & TPS) concerned. The FMS team also facilitates the video conferences organized for various field offices across the country.

2.8.5 Project Name: ITBA

It has been a constant endeavor of the CBDT to reduce human interface in assessment and appellate proceedings through use of Information Technology. The steps taken by the CBDT towards making assessment and appellate proceedings electronically with minimum human-interface are summarized as below:

i. Faceless Assessment Scheme, 2019

The Scheme ensures that all communication with the taxpayer or any other person for the purpose of making assessment under the Scheme, as well as internal communication among the functional units, shall be through the National e-Assessment Centre (NeAC) and shall be made exclusively in electronic mode. The field formations were provided with templates and assistance at every level to help them in smooth transition from the old system into the new regime. The detailed scheme is outlined in the ITA section.

ii. Faceless Appeal Scheme, 2020:

The scheme aims at conducting appeal proceedings in a Faceless manner in electronic mode, with no human interface. Notices would be issued electronically by a Central cell. A central Cell i.e. the National Faceless Appeal Centre (NFAC) would be single point of contact between the appellant, the assessing officer or any other person and the Department. The NFAC is based at Delhi and 4 Regional Faceless Appeal Centers (RFACs) with 293 Appeal Units have been created across the country.

2.8.6 Project Name: CPC, Bengaluru

Performance and achievements of the Centralised Processing Centre:

Centralized Processing Centre for Income Tax Returns is the processing unit of the Income Tax Department for processing and accounting of all Income Tax Returns filed electronically.

- CPC has processed 7.08 crore returns of income during Financial Year 2019-20. Further till 31st Oct 2020, CPC has processed 89 lakh returns in Financial Year 2020-21.
- CPC has achieved a peak processing capacity of 12.30 lakhs returns per day.
- CPC has processed 38.24 crore E-Returns till 31st Oct 2020, as against the target of 2.7 crore e-filled returns, that CPC was to process in 5 years.

Increased adoption of EVC: Electronic Verification Code (EVC) process has been implemented in April 2015 through E-filing. 69% of taxpayers now use EVC for verification of the return of income electronically filed on the e-filing portal. CPC has already processed 3.84 crore returns validated through EVC for AY 2019-20 as on 31st October 2020.

Faster Processing of ITRs: Average processing time is reduced to 87 days for AY 2019-20, which is less than the period specified in citizen's charter (6 months) and much less than performance in manual processing.

Activity	Achievements during 01-04-2018 to 31-03-2019 (In Lakhs)	Achievements during 01-04-2019 to 31-03-2020 (In Lakhs)	Achievements during 01-04-2020 to 31/10/2020 (In Lakhs)
Processing of returns	711	708	89
Rectifications	6.03	11.61	3.61
Calls handling	9.46	9.28	1.88
Email-Communications	2336	2064	424
SMS Communications	2153	1766	563

Savings by use of email: Till 27.11.2020, CPC has sent around 124.92 Crore digitally signed PDF based intimations by email, around 116.03 Crore SMS alerts and around 5.58 Crore intimations sent by Speed Post all over the country. Savings due to e-delivery as compared to postage is ₹ 1,873 crore.

Financial Year	Communications via email sent to taxpayers	Postage cost saved (₹ Crores)#
FY 2010-11	59,27,080	8.89
FY 2011-12	3,67,69,270	55.15
FY 2012-13	4,29,43,613	64.42
FY 2013-14	6,56,30,267	98.45
FY 2014-15	9,39,41,486	140.91
FY 2015-16	23,23,66,069	348.55
FY 2016-17	11,82,45,615	177.37
FY 2017-18	17,09,14,052	256.37
FY 2018-19	23,36,33,529	350.45
FY 2019-20	20,64,71,561	309.7
FY 2020-21	4,24,19,900	63.62
Total savings in 11 FY's		1,873.88

Average cost of speed-post/ordinary post taken as ₹15/-

- To enable handling of large volume and managing size of the e-mails and improving aesthetics of intimations and campaigns, email through HTML template has been enabled and used.

Customer Service: 90 call center agents attend to over 5,000 calls daily in 3 languages. Around 9.28 lakh calls attended till 31st March 2020. For FY 2020-21, 1,88,555 calls have been attended till Oct 2020. IVRS services were enabled for providing updates to taxpayers as to the status of processing and refunds from April 2020 till June 2020 as the lockdown was in force.

Outbound calls: CPC call center made 8,70,528 outbound calls to Assessing Officers in connection with Demand Management till 31st October 2020. The Officers at CPC conducted additional drive by making outbound calls to Assessing Officers to impress upon the filed formations to complete the activities pending with the field formations. Auto Dialer and outbound calls as reminder for outstanding demands discontinued from April 2020 due to COVID.

Grievance Redressal: CPC has enabled Web based Taxpayer Grievance Mechanism in the FY 2016-17. Under this system, the taxpayers can login to the e-filing web portal of the department and submit their grievances online. The resolution of the grievances and other assistance is provided through registered e-mails of the taxpayers. Status of redressed of the grievance is also updated on the e-filing web portal. Up to 31st March 2020, 28.65 lakh grievances have been received out of which 25.54 (90%) lakh grievances have been addressed. E-Nivaran Centralized Grievance System has been integrated with Online Grievance Portal from 19th August 2016. For FY 2020-21, out of 2.79 lakh grievances received, 2.32 lakh have been redressed till 31st October 2020.

Rectification: Rectification requests received from taxpayers processed within statutory time limits. Overall, till FY 2019-20 CPC has processed 58.12 Lakh requests processed out of 61.19 Lakh requests filed. For FY 2020-21, 3.49 lakh rectifications are disposed till 31st October 2020. Due to the higher accuracy level of processing at CPC, there has been a sharp drop in overall rectification requests.

Refund Reissue: Refund reissue requests due to refund failures at bank, incorrect bank account number, etc. involving amount of ₹ 23,320.01cr. for FY 2019-20 were processed. All such requests are processed within 7 days of request accepted by CPC.

Demand Management: To deal with the issue of updating of arrear demands, the outstanding demand position in CPC FAS (Financial Accounting System) was made available to field AOs through the AO Portal and to taxpayers through 'My Account' on e-filing website. As on 31st October 2020, AO has acted on 39,91,793 entries involving arrear demand of ₹ 7,90,966.28 Crore. CPC has also facilitated Taxpayers to revert on the demand position by agreeing/disagreeing to the demand through E filing website. Responses received in 74,59,771 entries totalling to rs.13,62,473.59 Crores have been received from Taxpayers through efiling website.

Services to AO via ITBA: CPC has enabled completion of Scrutiny Assessments through the ITBA system. 2,60,170 lakh orders were processed during FY 2019-20. For FY 2020-21, 15,865 orders were processed as on 31st October 2020.

Physical Returns Processing: CPC has enabled processing of Physical ITR (paper) that are digitized in the field formation across the country. In FY 2019-20, 4.93 lakh digitized physical returns received through ITBA have been processed at CPC.

Storage of Documents: CPC has stored over 28,21 Crore ITR V physical documents through a Record Management Service and has been awarded ISO 15489 certification, the first entity in Asia to achieve this.

Webinars for tax consultants and tax payers:

CPC conducted six webinars for tax payers and tax consultants across the country to create awareness on the ITR filing and processing of returns and to clarify the queries during August / September 2020. A handbook containing answers to frequently asked questions has been prepared and circulated widely.

2.9 Vigilance

2.9.1 FUNCTIONS/WORKING OF ORGANIZATION

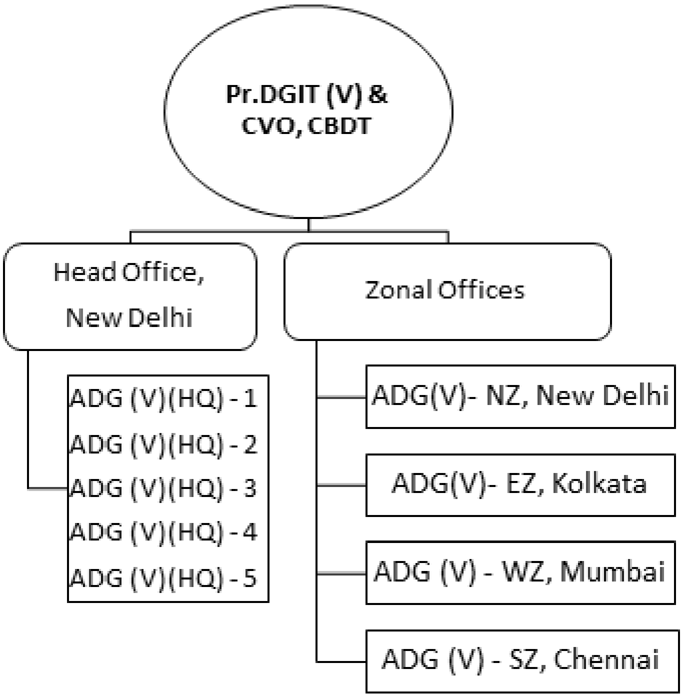
The Vigilance set-up of the Income Tax Department is headed by the Director General of Income Tax (Vigilance), who is also the Chief Vigilance Officer (CVO) of the Organization. CVO is responsible for taking the initial decision on complaints against Group-A officers. CVO is also required to maintain an up to date record of such complaints and their latest status, through the prescribed registers, for submission of reports to the CVC, DOP&T etc. All the complaints against Group-A officers are, therefore, required to be forwarded to the CVO for registration in the CVO's register as well as for further necessary action.

CVO is required to examine and comment on all proposals where a reference to the CVC is required to be made. Apart from the officers posted in the CVO's headquarters, who assist in initial processing of complaints and post disciplinary proceeding cases of Group-A officers, four regional Directorates of Income Tax (Vigilance) assist the CVO in conduct of preliminary verifications or investigations. CVO makes all vigilance related references to CBDT, CVC, DOPT, UPSC etc. All such references are sent to the CVO through the concerned Zonal ADG(Vig.).

Head office attends to all matters concerning disciplinary proceedings against all serving Group ‘A’ officers and all retired Group ‘A’ to Group ‘C’ officers/ officials. Thus, Pr. DGIT(V)/CVO, CBDT, Delhi assists the Disciplinary Authority (DA) i.e. the Finance Minister on all vigilance matters in consultation with CVC, UPSC and DoP&T.

Four Zonal Directorates of Income Tax (Vigilance) assist the CVO in the handling of vigilance matters pertaining to their respective regional jurisdictions. These Directorates process complaints against Group ‘B’ officers and also conduct preliminary verifications and investigations in respect of both Group - A and Group - B officers.

2.9.2 Work allocation:



Zonal offices are headed by officers of the rank of Commissioners who work under the control and supervision of Pr.DGIT(V)/CVO, CBDT. Besides this, they assist Pr.DGIT(V)/CVO, CBDT in respect of all enquiries/ investigation etc. assigned to them by Pr.DGIT(V)/CVO, CBDT from time to time.

2.9.3 PERFORMANCE AND ACHIEVEMENTS DURING CURRENT YEAR APRIL – NOVEMBER, 2020

Performance and achievements during current year April – November, 2020		
S. No.	**ITEMS OF WORK (DISPOSAL)**	**Achievements**
	CORE AREAS OF ACTION	
1	Disciplinary proceedings concluded	40
1 a).	Penalties Imposed	22
1 b).	Out of above J.S. and above Rank	03
2	Dept. Inquiry disposed	149
3	Sanction for prosecution approved/granted	06
4	Vigilance clearance issued	7785

2.9.4 SIGNIFICANT DEVELOPMENTS / POLICYDECISIONS

To expedite the disposal of disciplinary proceedings cases, CVC and the DoPT have issued instructions from time to time, laying down guidelines for expeditious disposal of the disciplinary proceeding cases and emphasized that long delays in finalizing disciplinary matters are not only unjust to officials who may be finally exonerated, but help the guilty to evade punitive action. Further, it has been instructed that the Inquiry Officers should scrupulously abide by the CVC and DoPT instructions on the subject and conduct hearings in Departmental Inquires on a day-to-day basis, and conclude the inquiry within the stipulated timeline of six months without fail.

Further, post-restructuring, all the officers are able to contribute more constructively in the disposals of pending DP matters. All efforts to bring down the pendency have been made.

Systems Improvement

Systems studies are carried out regularly by the Vigilance Directorate. Based upon the findings of the study, feedback and suggestions are given to the concerned wing of the Department. During the last year, a systems study was carried out by the Vigilance Directorate with regard to verification of the seized valuable items during raids by the I.T. Department. Verification of seized valuables in the lockers and strong rooms maintained by the various investigation directorates of all zones was carried out. During the inspections carried out by the investigation directorates, no major discrepancies have been found. In respect of some deficiencies noted, the rectifying measures are suggested.

2.9.5 Significant developments/policy decisions taken during the year for the development of a particular sector, including initiatives for improving delivery of public services and for ensuring inclusive growth:

2.9.5.1 Extent of IT usage

Income Tax Department has undertaken following reform initiatives in last few years by harnessing latest technology to enable a System driven working environment in the Department. These measures are aimed to introduce objectivity and reduce human interface between the taxpayer and the officials. The following initiatives have been taken:

Setting up of Tax Information Network;

- Taxnet project for networking of all its offices across the country;
- Setting up of Centralized Processing Center at Bengaluru
- Setting up of Centralized Processing Cell (TDS) at Vaishali
- E-filing of returns,
- Refund Banker Scheme to improve channel delivery of refunds;
- Sevottam Scheme for monitoring of dak and grievances;
- Dedicated Call Centre
- Comprehensive Website that consolidated all e-services etc.

2.9.5.2 Sensitive posts and rotation transfers

The Transfer Policy of the CBDT lays down the guidelines for transfer & posting of IRS officers. As per the policy, the officers posted in sensitive posts are transferred out on a regular basis.

2.9.5.3 Scrutiny of APARs

The CBDT is the custodian of the APArs. Any adverse remarks in APAR about integrity of any officer are communicated to the DGIT (Vigilance) for investigation and further necessary action.

2.9.5.4 Training and awareness campaigns conducted and proposed

Training courses are organized regularly for the field officers for updating their skills and knowledge about the Vigilance matters. The officers of the Vigilance Directorate visit NADT, Nagpur and field offices for imparting training. Training courses are organized regularly for the field officers for updating their skills and knowledge about the Vigilance matters. The officers of the Vigilance Directorate visit NADT, Nagpur and field offices for imparting training.

Presently, this office has started a new campaign/ initiative to boost the momentum of the officers by choosing employee of the month and awarding him a token/ memento.

2.9.6 Mechanism put in place to measure development outcomes of major schemes/ programmers implemented through the department/Division.

2.9.6.1 Probity

Steps to ensure probity in Government Servants:

In order to ensure probity in income Tax Department following steps have been taken.

i) (Review of Officers under FR 56(j) is now being done for all Officers in the age group of 50 to 60 years of age.

ii) In review meetings of FR56(j) not only IPR, APAR but also Secret note in integrity column, doubtful reputation etc. are made the basis of examination.

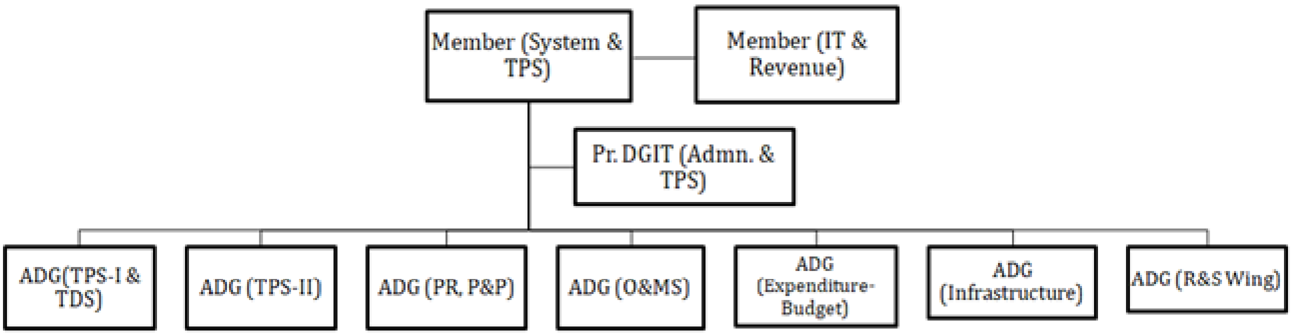
iii) Separate efforts are being made to bring comprehensive data updating on absconding/ resigned/ expired Officers.

iv) Offices of Pr. CCIT (CCA) have been asked to conduct review under FR 56(j) for grade B&C employees with due seriousness.

v) This exercise of review under Rule 56-(j) is being done regularly on quarterly basis for all employees (Group- 'A', 'B'& 'C').

2.10 PDGIT (Administration & Tax Payers Services)

The Organization chart of the Principal Directorate General (Administration & Taxpayer Services) is as under:



Highlights of the performance and achievements under key programmes being implemented by Pr. DGIT (Admn & TPS) during the year:

A. Directorate of Income-tax (TPS-I, TDS & BIFR):

i. Functions/Working of the Directorate of (TPS-I, TDS & BIFR):

Monitoring of taxpayer services in all Aayakar Sewa Kendras (ASKs) located across different Income Tax Offices across India.

a) In order to maintain sustained standards of Taxpayer Service Delivery and skilled personnel engaged in imparting Taxpayer services in ASKs, this Directorate regularly undertakes training of ASK Personnel and coordinates with Bureau of Indian Standards for accreditation (Certification of ASKs in terms of Standards of Public Service Delivery).

b) Monitoring of online grievance redressal system (e-Nivaran) and registering the feedbacks from the taxpayers/citizens whose grievances have been resolved.

c) Maintenance of TPS module/Mobile App "Aaykarsetu" on the lines of Digital India initiative, which provides extensive information about tax related queries/services.

d) Implementation and Monitoring of the Tax Return Preparer Scheme, in accordance with the provision of section 139B of the Income Tax Act, 1961 which codifies the function, code of conduct & duties and obligations of the TRP's.

e) Review of Citizen's Charter

f) Work related to TDS and BIFR Administration

ii. Performance and Achievements of Directorate of (TPS-I; TDS & BIFR):

The achievements of the Directorate of (TPS-I; TDS & BIFR) with respect to the key/flagship programmes are as under:

(a) Monitoring and Certification of ASK Centres:

The Directorate monitors the working of ASK centers and coordinates their accreditation from Bureau of Indian Standards. Presently, there are more than 400 ASK centres in the country out of which 190 have already been certified by BIS. It may be worthwhile to mention that the certification is not a onetime process and needs to be re-evaluated and re-certified after every three years. The process of re-certification is also under final stages. In addition to this, process has already been initiated to get 25 more ASKs certified during this financial year. It may therefore be seen, that the performance of ASKs has been monitored and maintained through the years, and through sustained efforts, every second ASK is now certified to have achieved the laid down standards of public service delivery.

The Directorate also envisages training programme for capacity building of the personnel posted in ASKs. The training programmes are being conducted in co-ordination with NADT, regional DTRTIs and all Pr. CCsIT Regions. The Directorate has achieved this RFD target for the Financial Year 2020-21 by the end of the 3rd quarter itself.

(b) Online grievance redressal system e-Nivaran:

'e-Nivaran' is an electronic grievance redressal system integrated with the ITBA application which is, the Department's internal online working platform. The paper grievances received through ASK centers are also digitized and integrated with e-Nivaran module.

In addition to the above, grievances received manually or through e-mail in the offices of the Hon'ble Prime Minister/ Finance Minister/Minister of State (Finance)/ Chairman/Members are also forwarded by CBDT to this Directorate. These grievances are also uploaded on e-Nivaran according to PAN jurisdiction. This Directorate is engaged in regular monitoring of the pendency and redressal of e-Nivaran grievances all over the country.

In order to record satisfaction data, this Directorate has also implemented a system of registering the feedback from the taxpayers/citizens whose grievances have been resolved.

(c) Launch of TPS module/Mobile App "AaykarSetu" on the lines Digital India initiative:

This Directorate has launched an e-platform for accessing the key tax payer services provided by the Department to the general public/taxpayers. The Tax Payer Services Module/Mobile App provides 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.

(d) Functions pertaining to TDS:

The Directorate is monitoring TDS collection, TDS Arrear and current demand collection, TDS related grievances/complaints, consolidation of data regarding prosecution and compounding, TDS surveys/spot verifications and outreach programmes and other TDS related functions. The Directorate also organizes All India TDS Conference every year to determine and evolve strategies to make TDS system more effective, and explore new areas which may be brought under the ambit of TDS/TCS.

iii. Significant initiatives taken during the year so far:

Achievement of RFD Targets: The Directorate is under process to achieve the stipulated RFD targets of audit of the ASK Centers and training of the officers/officials of the ASK Centers. Out of the RFD target of getting 25 ASK Centers audited, BIS audit of 22 ASK Centers has already been started. Further, out of the RFD target of getting 100 officers/officials of ASK Centers trained, training by different DTRTI's have already started and target is expected to be achieved by the end of the 3rd quarter of FY 2020-21.

B. DIRECTORATE OF INCOME-TAX (TPS-II):

i. Functions/Working of the office of the Directorate of (TPS-II)

The 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.

ii. Performance and Achievements of Directorate of (TPS-II)

In this financial year, the Directorate continues to do exemplary work by speedy disposal of public grievances. Despite the Covid - 19 pandemic, the Directorate has managed to keep the disposal percentage at 85% when compared to 90% last year. Due to constant follow up on CPGRAMS, this Directorate is able to get the grievances disposed expeditiously.

The actual data with respect to Grievance Disposal from 01.04.2020 to 31.12.2020 in respect of this directorate is as under:

Grievances As on 01.04.2020 including 4778 Brought Forward Grievances	Disposal upto 31.12.2020	Percentage of Disposal	Average time taken for disposal of each grievance
28953	24662	85.17%	70 days

C. DIRECTORATE OF INCOME-TAX (PR, P&P): The Directorate of Income-tax (Public Relations, Printing & Publications) is responsible for the Publicity and Public Relations, Printing and Publications and Implementation of Policy in the Income-tax Department all over India. The organization chart of the various wings of this Directorate is as under:

ADG (PR, P&P), CBDT

- Administration Wing
- Publicity Wing
- Public Relation Wing
- Printing & Publication Wing

i. Functions/Working of the office of the Directorate of (PR, P&P)

a) To carry out the advertisement campaign for the Income Tax Department in print, electronic media, internet, social media and outdoor publicity for bringing awareness amongst taxpayers about income tax provisions and statutory timelines.

b) Set up and operate Tax Payer Lounge at the Indian International Trade Fair, Pragati Maidan, New Delhi and also in other fair/exhibitions in India.

c) Running the Mobile App 'Aaykar Kutumb' (the digital version of AHB).

d) Bring out publications for internal use of Income Tax Department.

e) Updation, publishing and distribution of Administrative Hand Book containing information in respect of the CBDT and the Income Tax Department, and contact details of Senior Officers.

f) Design, publishing and distribution of New Year Calendar and table Calendar of Income Tax Department.

g) Publishing of Tax Payer Information Series in the form of booklets, brochures/pamphlets pertaining to various income & other direct taxes related issues.

ii. Performance and Achievements of Directorate of (PR, P&P)

a. The Publicity Wing of this Directorate is engaged in the following functions:

- To carry out advertisement campaigns for the Income Tax Department in print, electronic media, internet, social media (Facebook, Instagram, YouTube) for bringing awareness amongst taxpayers about Income Tax provisions and statutory timelines.
- To strategize, propose and carry out outreach

campaigns in order to disseminate information about the new initiatives of the Department.

b. The budget expenses involved in organising various campaigns of this wing are tabulated below. This is based on the Actual Data till 30th November, 2020:

Campaign	**Actual Cost (₹ In crore) (Approx.)**
Outstanding Carried out till 31.03.2020- On commitment basis for various Income Tax provisions and statutory timelines as per I.T. Act, 1961 which involves campaign through Prasar Bharati, BOC (earlier DAVP), and agencies.	6.25 cr.
Campaign for Print ad- Print Campaign has been carried out for various IT provisions and statutory timelines as per Income Tax Act, 1961 through BOC (earlier DAVP) only.	Nil
Campaign for AV ad-AV Campaign has been carried out for various IT provisions and statutory timelines as per Income Tax Act, 1961 through BOC (earlier DAVP) and Prasar Bharti.	₹ 5.48 Cr.
Awareness Campaign through other medium-Bills expenditure for various IT provisions and statutory timelines as per I.T. Act, 1961 which includes Setting up of Taxpayer Pavilion by the Department, Film on Income Tax Day and creative for TV and Radio, SMS campaign and social media.	₹ 0.66 Cr.

c. The budgetary Projections and Estimates till 31st March, 2021 with respect to various campaigns carried out by this wing is as under:

As per proposed Annual Action Plan for F.Y. 19-20, following campaigns are scheduled to be executed:

Campaign	Actual Cost (₹ In crore) (Approximately)
Forthcoming Print ad- Print Campaign scheduled to be carried out for various IT provisions and statutory timelines as per Income Tax Act, 1961.	2.00 cr.
Forthcoming AV Campaign- AV Campaign is scheduled to be carried out for various IT provisions and statutory timelines as per Income Tax Act, 1961 through BOC (earlier) DAVP, NFDC and PrasarBharati etc.	48.50 cr.
Forthcoming Awareness Campaign through other medium. The awareness campaign includes campaign on Taxpayer education/awareness, Advance Tax Due Date-15th March, 2020 through SMS, Advance Tax and Return Filing without levy of penalty Due Date-31st March, 2019 through SMS, setting up of Taxpayers Zones in small cities, participation in Trade Fair/Events, campaign through social media	3.45 cr.

iii. PR Wing of this Directorate is engaged in the following functions:

Public Relation Wing of this Directorate is primarily engaged in publishing of TPI brochures/Booklets/Administrative Handbook/Wall Calendar and Table Calendar. The calendars for 2020-21 would not be printed as per the guidelines of the Secretary (Co-ordination) Cabinet Secretary dated 14.02.2020. The Administrative handbook for 2020-21 will be published in e-pub 3.25 (digital) format. This year till 30.11.2020, this office has made the following expenses:

S.No	Description	No	Expenses till Nov. 2020	Expected expenses upto 31.03.2021
1	Maintenance of Virtual Reality Game	1	₹ 92,165/-	-
2	Translation of voice-overs of Virtual Reality Game	11	-	Approx. cost 9.5 Lakhs
3	Printing of TPI Series brochures	35 approx.	-	10 Lakhs Approx.
4	Publishing of Administrative Handbook 2021	1	-	Approx. cost 9 Lakhs
5	Brochures distributed in July 2020	13		Approx. cost 2 Lakhs

D. Directorate of Income-tax (Organization & Management Services):

i. Functions of Directorate of Income Tax (O&MS):

(a) To act as an internal management consultant to CBDT.

(b) Setting up of Aayakar Sewa Kendras across Income Tax Offices in the country.

(c) Compilation of CAP-I & CAP-II Reports on Pan India basis.

(d) Carrying out Management and Process studies.

(e) Nodal office for preparation of Results Framework Document (RFD)

ii. Performance and Achievements of Directorate of (O&MS)

Setting up of Aayakar Sewa Kendra:

Aayakar Sewa Kendra (ASK) is the single window system for implementation of Citizen's Charter of the Income Tax Department and a mechanism for achieving excellence in public service delivery. Details of setting up are as under:

From 01.04.2020 to 31.03.2021	Projection/Estimate from 01.04.2020 to 31.03.2021
44 ASKs were proposed to be set up during FY 2019-20. Owing to the pandemic, the execution is being taken up in this F.Y. 2020-21	44 ASKs are to be setup by 31-03-2021

In All 430 AayakarSewaKendras have been set up across all buildings of the Income Tax Department upto 31-03-2019.

iii. Significant initiatives taken during the year for development of public service delivery and for ensuring "inclusive growth".

- **Creation of a Centralized e-mail ID:**

This Directorate took an important step in the direction for improvement in the operational functioning of the Income Tax Department. In order to have constant inflow of suggestions and feedback in respect of day-to-day problems that are being faced by various stake holders with regard to the functioning of the Department, a dedicated official e-mail ID i.e. vision.doms@incometax.gov.in has been allotted to this Directorate. This e-mail ID is now functioning and is providing a smooth & easy platform to officers & staff at work place to put forward their grievances as well as solutions to problems faced by them. With the feedback, suggestions and problems of stakeholders which are coming through this e-mail, Department is getting better composite picture of its functioning. It is also providing an opportunity for smooth and efficient networking for solutions to the issues raised through it. Main aim of this e-mail ID i.e vision.doms@incometax.gov.in, is to achieve, greater employee satisfaction and consequently better delivery of services. Information in this regard has already been uploaded on IRS Officers online portal to make the field officers and staff aware of this facility. This mail is receiving letters from several Group-'A' & 'B' officers as well as Group-'C' officials. Issues raised through this e-mail are being promptly communicated to the concerned section of the Department for redressal.

E. Directorate of Income Tax (Infrastructure):

i. Functions performed by Directorate of Infrastructure

This Directorate is responsible for processing and examination of Infrastructure Proposals received from the field formations. Proposals pertaining to a wide variety of subjects such as purchase of land, ready build office & residential accommodation, construction of office(s) & residential buildings, Hiring/Rent revision of Office space, repairs & renovation works etc. are dealt with in this Directorate.

The field formations are also appraised / guided of various Circulars, OMs, Government of India guidelines, Rules & Regulations etc. in order to make appropriate proposals which can be forwarded for the consideration of Competent Authorities.

Many policy related matters viz. Operational Vehicles, Installations of LEDs, Solar power, 'Swachhata Action Plan' and infrastructure proposals under 1% incentive scheme with RFD related target areas are also handled by the Directorate.

ii. Achievements of Directorate of Infrastructure

During the year 2020-21(upto November, 2020), this directorate has effectively processed the sanction for the following important projects of the Income Tax Department:

- Purchase of ready built building at Raipur for total consideration of ₹ 30.26 crores.

- Acquiring lease hold rights of LIC Building at Vasundhara, Ghaziabad meant for e-assessment and CPC 2.0 Project for an amount of ₹ 34.75 crores.

- Acquisition of land measuring 5.02 acre for construction of Income Tax Office and Staff Quarters at Guntur, Andhra Pradesh for an amount of ₹ 20.89 crores.

- Renewal/revision of lease agreement for some floors of AIR India Building Nariman Point, Mumbai for the period upto May'2021 involving sum of ₹ 134.15 crs.

- Renewal of lease deed/agreement of hired office space and service block with free 284 parking slots in C-Block, Civic Centre Minto Road, New Delhi for further period of three years for an amount of ₹ 319.76 crores.

- Making payment to BSNL and MTNL for telecom services taken by the Income tax department under the project "Tarang".

- Procurement of 10342 laptops for the officers of the Department, through GeM involving total consideration of 67.00 Crores.

F. Directorate of Income Tax (Expenditure Budget):

The Directorate of Expenditure Budget is mandated to act as Nodal Authority in respect of all Budget and Expenditure Matters for Grant No. 32- Direct Taxes for the Central Board of Direct Taxes. The Directorate of Expenditure Budget monitored and ensured total utilization of funds under the **Revenue heads** upto 31.03.2020 to the tune of rs.6955.38 Crores **which is 98.72% of the allocated funds.** The total utilization of funds under the **Capital heads** was rs.227.34 Crores which was **96.75% of the allocated funds.** Total utilization of funds – both Revenue and Capital funds during the Financial Year 2019-20 upto 31.03.2020 (as per figures available from the Pr. Chief Controller of Accounts) was rs.7182.72 Crores out of allocated funds of rs.7275.64 Crores which works out to 96.75%.

(i) During F.Y. 2020-21 the total provision for the Income Tax Department under the Revenue head has been made at rs.7733.39 Crores whereas under the Capital Head is rs.332 Crore. Most of the funds have been allocated to various Budgetary Controlling Authorities [BCAs] as per their requirement.

G. Directorate of Income-tax (Research & Statistical Wing):

i. Functions performed by the Directorate

The Directorate of R & S is responsible for collection, compilation and dissemination of statistics on various aspects of Direct Taxes. Statistics are being collected from the field establishments i.e. from the offices of Chief Commissioners of Income Tax. Based on the statistics collected from the field establishments, this directorate prepares various periodical reports, which are used by the Central Board of Direct Taxes for monitoring and evaluation of existing policies and for formulation of new policies.

ii. Achievements of the Directorate of Income Tax (Research & Statistical Wing).

During the year, so far, this Directorate has prepared the following Statistical Reports. The details of the same are tabulated as under:

S. No.	Name of Report	Source of Data	Periodicity	Due Date of receipt
1.	Monthly Report/MTR on Disposal of Appeals Commissioners of Income Tax (Appeals)	ITBA (Presently 349 CIT(A))	Monthly	Workload, Disposal, Progressive Disposal, Pendency and Disputed Amount of Appeals with CIT(A)
2.	Quarterly Progress Report (QPR) on Tax Recovery Officer's Work	Field Formations (91 CCITs/DGITs)	Quarterly	End of Following Quarter
3.	Quarterly Progress Report (QPR) on Aggregation of Agricultural Income with Non Agricultural Income	Field Formations (92 CCITs/DGITs)	Quarterly	End of Following Quarter

S. No.	Name of Report	Source of Data	Periodicity	Due Date of receipt
4.	Quarterly Progress Report (QPR) on Appeals/writs & Other Matters before ITAT/High Courts/Supreme Court	@Field Formation (97 CCITs /DGITs) @collect also from ITAT Registry, Mumbai and O/o DG (L&R)	Quarterly	End of Following Quarter
5.	Quarterly Progress Report (QPR) on Write-off of Arrear Demand of ₹ 10,000/- and below	Field Formations (92 CCITs/DGITs)	Quarterly	End of Following Quarter
6.	Progress Report (QPR) on Income Tax, Corporation Tax & Other Taxes (Annually)	• DG Systems • DOMS • Field Formations (92 CCITs/DGITs)	Quarterly	October of following year
7.	Report on Direct Taxes for C&AG's report (Annual)	ITBA/Field Formation/ITAT, Mumbai Registry/O/o DG(L&R)	Annually	October of following year

iii. Mechanism put in place to measure development outcomes of majors schemes/ programmes.

In order to equip the department with a tool to measure the progress regarding various development schemes, the Results Framework Document (RFD) is drafted every year. The RFD is an agreement between Chairman, CBDT and the Responsibility Centres (which are attached Directorates of CBDT) vide which a set of targets are resolved to be achieved within a matrix of measurable success indicators. The RFD for the year 2020-21 was submitted in March, 2020.

iv. Initiatives taken with reference to Development of North Eastern Region and Sikkim including projects/schemes in operation and actual expenditure thereon.

2 ASKs are being setup in the current financial year at Kalimpong and Gangtok. A budget of ₹ 14.96 lacs has been sanctioned for setting up these 2 ASKs.

2.11 MEDIA CENTRE (M&TP)

The Media Centre disseminates information of public value relating to Direct Taxes through the Print and Electronic Media. The Commissioner of Income Tax (Media and Technical Policy) [CIT(M&TP)], CBDT is in-charge of the Media Centre, set up in the CBDT in August 2006. 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. A Social Media policy was 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 tax-payers resulting in expeditious resolution of grievances. The CBDT has 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. Thus, currently, the Twitter handle is being used not only for dissemination & promotion of the content of the ITD to twitter users but also for response management and Online Reputation Management. The Twitter account of the Department has more than 7,69,000 followers at present.

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.

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.

3. Central Board of Indirect Taxes & Customs (CBIC)

3.1 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 deals with the tasks of formulation of policy 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 under CBIC's purview. The Board is the administrative authority for its subordinate organizations, including Custom Houses, CGST Commissionerates and the Central Revenues Control Laboratory. The motto of CBIC is "DeshSevarth Kar Sanchay".

3.2 GOODS & SERVICES TAX (GST)

3.2.1 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 upon the amendment, the GST Council comprising of the Union Finance Minister, MoS, Finance and Finance Ministers of all States, is empowered with making all policy decisions on GST. 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.

3.2.2 GST has now completed three years replacing the complex indirect tax structure with a simple, transparent and technology-driven tax regime and thus integrated India into a single common market. The continuous simplification of procedures and rationalization of rate structures to make GST compliance easy for common man as well as the trade has helped in achieving economic integration of the country with a humane touch.

3.2.3 GST has completed more than 3 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 accommodate their requests so as to make India a favorable destination for investment and to enable India in achieving the Goal of "AtmaNirbhar Bharat". The outcome of these reforms can be seen from the significant jump of 14 ranks in India's ranking from 77th to 63rd place in World Bank Ease of Doing Business (EODB) report in 2019.

3.2.4 In order to continue this improvement, many more reforms have been taken by the Government in the past one year. These reforms are detailed below:

i. Registration process under GST has been simplified by **linking Aadhaar with registration.** Aadhaar authentication for certain category of new applicants have been made mandatory from 21.08.2020.

ii. Due date for **FORM GSTR-3B** from the month of January, 2020 onwards has been staggered for different taxpayers. For taxpayers with annual turnover of Rs. 5 crores, the due date would be 20th of the next month whereas for others it would be 22nd or 24th of next month depending upon the State of registration of taxpayers.

iii. In order to alleviate the burden of late fees on the taxpayers and to help them in filing their pending returns due over a long period of time, waiver in late fees has been granted for furnishing of **FORM GSTR-1** for the months from July, 2017 to November, 2019 to the taxpayers, if the same was furnished between 18.12.2019 to 17.01.2020. Further, late fee for **FORM GSTR-3B** for the tax period from July, 2017 to January, 2020 has been capped at Rs. 500 for taxable returns and waived for NIL returns, if the same is filed between **01.07.2020 to 30.09.2020.**

iv. In a significant move towards taxpayer facilitation, filing of NIL GST monthly return in **FORM GSTR-3B** through **SMS** has been enabled w.e.f. 08.06.2020 which would substantially improve ease of GST compliance for over 22 lakh registered taxpayers and also result in decongestion of the return filing portal. Similar SMS facility for filing NIL **FORM GSTR-1** has been enabled from 01.07.2020 and for FORM GST CMP-08 w.e.f. 15.10.2020.

v. GSTN is taking measures to increase the capacity of the portal to concurrently handle 3 lakh taxpayers from the present level of 1.5 lakh taxpayers.

vi. **Interest for delay in payment of GST** to be charged on the net cash tax liability w.e.f. 01.07.2017.

vii. For registrations cancelled till 12.06.2020, application for revocation of cancellation of registration allowed to be filed up to 30.09.2020.

viii. Instead of big bang approach of introducing new return system, it has been decided to continue with the existing return filing system of furnishing **FORM GSTR-1** and **FORM GSTR-3B** by making improvements in the existing system by linking the **FORM GSTR-1**and **FORMGSTR-3B** by 01.04.2021. Further, a new auto-generated inward supply statement in **FORM GSTR-2B** has been made available to the taxpayers from August 2020 onwards which would capture the details of imports/SEZ supplies, ISD invoices as well. Further, it has been proposed that Input Tax Credit available in **FORM GSTR-2B** would be auto-populated in **FORM GSTR-3B** by 01.01.2021.

ix. Simplification of Forms for Annual Return and reconciliation statement has been done. Due date for furnishing of annual return for FY 2018-19 has been extended till 31.12.2020. Further, relaxation from furnishing of Reconciliation Statement in **FORM GSTR-9C** for the FY 2018-19 has been given to taxpayers having annual aggregate turnover below Rs. 5 crores.

x. A facility has been provided to the registered person to transfer an amount from one (major or minor) head to another (major or minor) head in the electronic cash ledger from 21.04.2020.

xi. In order to reduce the fraudulent availment of refund in the name of dummy taxpayers by fraudsters, refund would be paid/disbursed only in a validated bank account linked with the PAN & Aadhaar of the registrant w.e.f. 01.01.2021.

xii. **E-invoice** has been introduced for taxpayers with turnover of Rs. 500 crores or more from 01.10.2020 for B2B transactions. The same will be extended for taxpayers with turnover of Rs. 100 crores or more from 01.01.2021. It would help tax authorities in combating the menace of tax evasion. This would also help in seamless flow of credit and invoice matching as envisaged in the GST regime. Further, it would help in real-time updation of data on the GSTN system and thereby, drastically reducing the time taken for filing of outward supply statement in **FORM GSTR-1.**

xiii. Provisions have been made in GST rules to specify QR code on tax invoices. It is proposed to implement the system of invoice with 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.

xiv. From 01.01.2021, a new scheme called **'Quarterly Return Monthly Payment Scheme'(QRMP)** is being introduced for taxpayers with turnover up to Rs. 5 crores. Taxpayers, opting for the said Scheme, will have to furnish return on quarterly basis with monthly tax payment.

xv. Requirement of filing **FORM GST ITC-04** for the period July, 2017 to March, 2019 has been waived subject to certain conditions.

xvi. A new facility called **'Know Your Supplier'** has been introduced on the portal so as to enable every registered person to have some basic information about the suppliers with whom they conduct or propose to conduct business.

xvii. A special procedure has been made for registered persons who are corporate debtors under the provisions of the Insolvency and Bankruptcy Code, 2016 and are undergoing the corporate insolvency resolution process, so as to enable them to comply with the provisions of GST Laws during the CIRP period.

xviii. Procedure for transition of registered person in light of bifurcation of State of Jammu & Kashmir into two Union territories has been notified. A special procedure has been made for registered persons in Dadra and Nagar Haveli & Daman and Diu consequent to merger of the UTs w.e.f. 26.01.2020.

xix. Due dates for furnishing **FORM GSTR-3B** for the month of July, 2019 to January, 2020 was extended till 24.03.2020 for registered persons having principal place of business in the Union territory of Ladakh. Similar extension was also given for furnishing FORM GSTR-1&FORM GSTR-7.

xx. **Bunching of refund claims has been allowed across financial years** to facilitate exporters.

xxi. In order to ensure that the benefits for exports are made available to only those exporters who earn foreign exchange, it has been provided for recovery of refund on export of goods where export proceeds are not realized within the time prescribed under FEMA.

xxii. 4 digits of HSN code to be mandatorily specified on invoice for suppliers with turnover up to Rs. 5 crores and 6 digits of HSN code to be mandatorily specified for suppliers with turnover more than Rs. 5 crores w.e.f. 01.04.2021.

3.2.5 Further, Government has also undertaken various relief measures for the trade to cope up with the difficulties faced during the **COVID-19** pandemic. Various

COVID-19 relief measures announced for GST are as follows:

i. For Composition taxpayers, the due date for furnishing **FORM GSTR-4** for FY 2019-20 was extended till 31.10.2020 and due date for payment of tax in **FORM CMP-08** for last quarter of FY 2019-20 was extended till 07.07.2020. Further, the time limit for opting of composition scheme for the FY 2020-21 was extended till 30.06.2020.

ii. No late fees for delayed furnishing of **FORM GSTR-3B** returns for the taxpayers if return furnished till the specified dates. Further, the amount of late fee payable has been capped at Rs. 500/- for each return for the tax period from February, 2020 to July, 2020, if the above returns are furnished by 30th September, 2020. The said cap is NIL if the tax liability is zero.

iii. Reduction of interest rate/Waiver of interest to be paid on delayed payment of tax in FORM GSTR-3B returns, if returns are filed by specified dates.

iv. 10% cap on availment of ITC in excess of ITC reflected in FORM GSTR-2A in **FORM GSTR-3B** specified in Rule 36(4)made applicable on cumulative basis for period of February to August, 2020 in the September 2020 return instead of on monthly basis

v. An **enabling section168A** has been inserted in the CGST Act to empower the government to extend the due date in case of force-majeure event. A notification has been issued using the said power, to extend the due date for compliance for almost all the provisions of Act. For almost all the provisions of Act, any time limit for completion or compliance of any action, by any authority or by any person, under the CGST Act, which falls during the period from the 20th day of March, 2020 to the 30th day of August, 2020 has been extended upto the 31st day of August, 2020

vi. Validity of **e-way bills** was extended till 30.04.2020 for those expiring between period 20.03.2020 to 15.04.2020. Further, validity of e-way bills was extended till 30.06.2020 for those expiring on or after 20.03.2020 and generated on or before 24.03.2020. Blocking of e-way bill was suspended from 20.03.2020 to 15.10.2020.

vii. Returns could be verified during COVID-19 period by taxpayers registered under Companies Act through electronic verification code (EVC) instead of Digital Signature.

viii. The amount of late fee payable has been capped at Rs. 500/- for non- furnishing of final return in **FORM GSTR-10** if the above returns are furnished between 22.09.2020 to 31.12.2020

ix. Time limit for completion or compliance of any action in respect of goods being sent or taken out of India on approval for sale or return for which such compliance falls during the period from the 20.03.2020 to the 30.10.2020 was extended till 31.10.2020.

x. Time limit for completion or compliance of any action in respect of Section 171 (NAPA provisions) for which such compliance falls during the period from the 20.03.2020 to the 29.11.2020 was extended till 30.11.2020.

xi. Furnishing of job work details in **FORM GST ITC-04** for the period from July, 2020 to September, 2020 has been extended till 30.11.2020.

3.3 Tax Research Unit (GST on Goods):

3.3.1 General policy direction as regards Customs duty rates to give impetus to economic growth:

3.3.1.1 In recent years, the Customs duty rate structure has been guided by a conscious policy of the government to-

- Incentivize domestic value addition under make in India initiative, which interalia 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 rates 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 also began in India.
- Provide level playing field to farmers with adequate import tariffs on agricultural produce.
- Have a graded duty structure so as to avoid duty inversion on value added products.
- Calibrate customs duty structure in such way that incentivizes investment in key areas like petroleum exploration, electronic manufacturing etc.

- Modulate customs duty rates so that strategic imports like defence goods not produced domestically are allowed imports at concessional duty.
- Ensure that the import of non-essential items is discouraged.
- Impose trade remedial duties, like anti-dumping duty, CVD, safeguard duty on dumped and subsidized imports causing injury to the domestic industry, while balancing the overall interests of the economy, including the downstream user industry in case of raw materials/inputs.
- 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 jewelry sector, textiles, pharma, leather goods, electronics, fisheries, agriculture have been benefitted by such initiatives relating to exports.

3.3.1.2 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 fibers 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, jewelry, including imitation jewelry, watches, toysattract higher BCD. Footwear, certain textile articles etc. attract BCD at the rate of 25%.
- Customs exemption have been reviewed to weed out such entries that are redundant, outdated or outlived their utility. On such review, around 80 exemptions are being withdrawn by making suitable amendment/rescission of relevant notifications.
- 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. Due to continuous streamlining of the rate structure, in majority of cases, Tariff Commission did not find any inversion. Appropriate corrections have been made in the few cases recommended by them. The inversion now being highlighted essentially emanates from FTA and ITA, the review of which lies in the domain of Department of Commerce.
- Health Cess was imposed on the import of Medical Devices at the rate of 5% of assessable value. This Health Cess shall be a duty of Customs. Health Cess shall not be imposed on medical devices which are exempt from BCD. Further, inputs/parts used in the manufacture of medical devices will also be exempt from Health Cess.
- A new Chapter VAA (a new section 28DA) has been incorporated in the Customs Act to provide enabling provision for administering the preferential tax treatment regime under Trade Agreements. The proposed new section seeks to specifically provide for certain obligation on importer and prescribe for time bound verification from exporting country in case of doubt. Pending verification preferential benefit shall be suspended and goods shall be cleared only on furnishing security equal to differential duty. In certain cases, the preferential rate of tax may be denied without further verification.
- Suggestions on review of existing customs duty exemption notifications, as well as customs laws and procedures were crowd-sourced using the MyGov e-governance portal. The suggestions received are being examined for suitable action.

3.3.2 The Goods and Services Tax:

3.3.2.1 GST on Goods

i. The GST rate on Mobile Phones and specified parts presently attracting 12% has been raised to 18% to address inverted duty rate structure.

ii. A uniform GST rate of 12% GST rate on all types of matches (Handmade and other than Handmade) has been notified (replacing the earlier rates of 5% on Handmade matches and 18% on other matches) to address divergent classification practice.

iii. A uniform GST rate of 12% on Polypropylene/ Polyethylene Woven and Non- Woven Bags and sacks, whether or not laminated, of a kind used for packing of goods (from present rates of 5%/ 12%/18%).

3.3.3 Central excise duty on Diesel and petrol

3.3.3.1 Excise duty rates: Diesel and petrol duty increases are depicted below

- The central excise duty on petrol and diesel was increased by Rs 10 per litre and Rs 13 per litre respectively with effect from 6th May, 2020 and is presently is as under:

Commodity	Duty rates applicable upto 05.05.2020 (Rs. per litre)				Duty rates applicable with effect from 06.05.2020 (Rs. per litre)			
	BED	SAED	RIC	Total	BED	SAED	RIC	Total
Petrol (unbranded)	2.98	10	10	22.98	2.98	12	18	32.98
Petrol (branded)	4.16	10	10	24.16	4.16	12	18	34.16
Diesel (unbranded)	4.83	4	10	18.83	4.83	9	18	31.83
Diesel (branded)	7.19	4	10	21.19	7.19	9	18	34.19

BED: Basic Excise Duty

SAED: Special Additional Excise Duty

RIC: Road and Infrastructure Cess

- The central excise duty was revised upwards as the revenue augmentation is made necessary for provisioning of fiscal resources for fighting the COVID-19 pandemic as well as needs of infrastructure development.
- Also, it is a conscious policy of the Government to reduce dependence on fossil fuels (which in any case are largely imported), incentivize new renewables like solar, wind and also to incentivize use of EVs. Therefore, there is considerable justification for imposing higher taxes on fossil fuels.

3.3.4 Other measures taken related to Covid-19

- Vide notification No. 20/2020-Customs dated 9th April, 2020, exemption from Basic Customs Duty and applicable Health cess was provided up to 30th September, 2020 for the following goods:

a. Artificial respiration or other therapeutic respiration systems (Ventilators),

b. Face masks, surgical Masks,

c. Personal protection equipment (PPE),

d. Covid-19 test kits, and

e. inputs for manufacture of the above items on actual user basis.

3.3.4.1 AMENDMENTS IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

	AMENDMENTS			
A.	**Tariff rate changes for Basic Customs Duty [to be effective from 02.02.2020] * [Clause 115(a) of the Finance Bill, 2020]**		**Rate of Duty**	
S. No	**Heading, sub-heading tariff item**	**Commodity**	**From**	**To**
		Food processing		
1.	0802 32 00	Walnuts, shelled	30%	100%
		Chemicals		
2.	3824 99 00	Other Chemical products and preparations of the chemical or allied industries, not elsewhere specified	10%	17.5%
		Footwear		
3.	6401, 6402, 6403, 6404, 6405	Footwear	25%	35%
4.	6406	Parts of footwear	15%	20%
		Household Items		
5.	6911 10 6911 90 20 6911 90 90	Tableware, kitchenware, water filters (of a capacity not exceeding 40 litres) and other household articles, of porcelain or china.	10%	20%
6.	6912 00 10 6912 00 20 6912 00 40 6912 00 90	Ceramic table- ware, kitchen-ware, clay articles and other household articles	10%	20%
7.	7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018)	10%	20%
8.	7323	Table kitchen or other household articles and parts thereof, of iron or steel, iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel, including pressure cookers pans utensils, misc articles such as iron & steel wool, polishing pads, gloves etc.	10%	20%

9.	7418 10	Table, kitchen or other household articles and parts thereof, of copper; pot scourers and scouring or polishing pads, gloves and the like, of copper.	10%	20%
10.	7615 10	Table, kitchen or other household articles and parts thereof, of aluminum; pot scourer and scouring or polishing pads, gloves and the like, of aluminum.	10%	20%
11.	8301	Padlocks and locks (key, combination or electrically operated) of base metal; clasps and frames with clasps, incorporating locks of base metals; keys for any of the foregoing articles, of base metals (other than lock of a kind used for automobiles.)	10%	20%
12.	9603	Brooms, brushes, hand operated mechanical floor sweepers, not motorized, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; Squeegees (other than roller squeegees).	10%	20%
13.	9604 00 00	Hand sieves and hand riddles.	10%	20%
14.	9615	Combs, hair-slides and the like, hairpins curling pins, curling grips, hair curlers and the like, other than those of heading 8516 and parts thereof.	10%	20%
15.	9617	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof other than glass inners	10%	20%
		Household appliances		
16.	8414 51 10	Table Fans	10%	20%
17.	8414 51 20	Ceiling Fans	10%	20%
18.	8414 51 30	Pedestal Fans	10%	20%
19.	8414 59 20	Blowers, Portable	10%	20%
20.	8509 40 10	Food Grinders	10%	20%
21.	8509 40 90	Other grinders and Mixer	10%	20%
22.	8509 80 00	Other Appliances	10%	20%
23.	8510 10 00	Shavers	10%	20%
24.	8510 20 00	Hair Clippers	10%	20%

25.	8510 30 00	Hair-removing appliances	10%	20%
26.	8516 10 00	Water heaters and immersion heaters	10%	20%
27.	8516 21 00	Storage heating radiators	10%	20%
28.	8516 29 00	Other electrical space heating apparatus	10%	20%
29.	8516 31 00	Hair Dryers	10%	20%
30.	8516 32 00	Other hair dressing apparatus	10%	20%
31.	8516 33 00	Hand Drying apparatus	10%	20%
32.	8516 40 00	Electric smoothing irons	10%	20%
33.	8516 60 00	Other ovens, cookers, cooking plates, boiling rings, grillers and roasters	10%	20%
34.	8516 71 00	Coffee and Tea Makers	10%	20%
35.	8516 72 00	Toasters	10%	20%
36.	8516 79 10	Electro-thermic fluid heaters	10%	20%
37.	8516 79 20	Electrical or electronic devices for repelling insects	10%	20%
38.	8516 79 90	Other electro-thermic appliances used for domestic purposes	10%	20%
39.	8516 80 00	Electric heating resistors	10%	20%
		Precious Metals		
40.	7118	Coin (of precious metal)	10%	12.5%
		Machinery		
41.	8414 51 40	Railway Carriage fans	7.5%	10%
42.	8414 51 90	Other fans with a self-contained electric motor not exceeding 125W	7.5%	20%
43.	8414 59 10	Air Circulator	7.5%	10%
44.	8414 59 30	Industrial fans blowers and similar blowers	7.5%	10%
45.	8414 59 90	Other industrial fans	7.5%	10%
46.	8414 30 00, 8414 80 11	Compressor of Refrigerator and Air conditioner	10%	12.5%
47.	8419 89 10	Pressure vessels	7.5%	10%
48.	8418 10 10	Commercial type combined refrigerator freezers, fitted with separate external doors	7.5%	15%
49.	8418 30 10	Commercial freezer of chest type, not exceeding 800lt capacity	7.5%	15%

50.	8418 30 90	Other chest type freezers	10%	15%
51.	8418 40 10	Electrical freezers of upright type, not exceeding 800 litre capacity	7.5%	15%
52.	8418 40 90	Other freezers of upright type, not exceeding 800 litre capacity	7.5%	15%
53.	8418 50 00	Refrigerating or freezing display counters, cabinets, show-cases and the like	7.5%	15%
54.	8418 61 00	Heat pumps other than ac machines	7.5%	15%
55.	8418 69 10	Ice making machinery	7.5%	15%
56.	8418 69 20	Water cooler	10%	15%
57.	8418 69 30	Vending machine, other than automatic	10%	15%
58.	8418 69 40	Refrigerating equipment/devices used in leather industry	7.5%	15%
59.	8418 69 50	Refrigerated farm tanks, industrial ice cream freezer	7.5%	15%
60.	8418 69 90	Others [like freezers of capacity 800 litres and more etc.]	7.5%	15%
61.	8515 (except 8515 90 00)	Welding and Plasma cutting machines	7.5%	10%
		Other Electronic goods		
62.	8504 40 (except 8504 40 21)	Static Converters	15%	20%
63.	8504 40 21	Dip bridge rectifier	10%	20%
64.	8517 70 10	Populated, loaded or stuffed printed circuit boards	10%	20%
		Automobile and automobile parts		
65.	8421 39 20, 8421 39 90	Catalytic Convertor	10%	15%
		Furniture Goods		
66.	9401	Seats and parts of seats (other than aircraft seats and their parts)	20%	25%
67.	9403	Other Furniture and parts	20%	25%
68.	9404	Mattress supports; Articles of bedding and similar furnishing	20%	25%
69.	9405	Lamps and lighting fittings including searchlights and spotlights and parts thereof; Illuminated signs, illuminated name plates and the like, having a permanently fixed light source, and parts thereof except solar lantern and solar lamps.	20%	25%

		Toys		
70.	9503	Tricycles, scooters, pedal-cars and similar wheeled-toys; dolls' carriages; dolls; other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds	20%	60%
		Stationary items		
71.	8304 00 00	Filing, cabinets, card-index cabinets, paper-trays, paper rests, pen trays, office-stamp stands and similar office or desk equipment, of base metal, other than office furniture of heading 9403	10%	20%
72.	8305	Fittings for loose-leaf binders or files, letter clips, letter corners, paper clips, indexing tags and similar office articles, of base metal; staples in strips (for example, for offices, upholstery, packaging), of base metal	10%	20%
73.	8310	Sign-plates, name-plates, address-plates and similar plates, numbers, letters and other symbols, of base metal, excluding those of heading 9405	10%	20%
		Miscellaneous		
74.	6702	Artificial Flowers	10%	20%
75.	7018 10 20	Glass Beads	10%	20%
76.	8306	Bells, gongs, statuettes, trophies and like, non-electric of base metal; statuettes and other ornaments of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal.	10%	20%
B.	**New entries added to the First Schedule [Clause 115(b) of the Finance Bill, 2020]**			
S. No.	**Tariff Item**	**Description**	**Tariff Rate**	**Effective rate**
1.	8414 51 50	Wall fans	20%	20%
2.	8529 90 30	Open cell for television set	15%	0%
3.	8541 40 11	Solar cells not assembled	20%	0%
4.	8541 40 12	Solar cells assembled in modules or made up in panels	20%	0%

3.3.4.1 OTHER PROPOSALS INVOLVING CHANGES IN BASIC CUSTOMS DUTY RATES IN RESPECTIVE

S. No	Heading, sub-heading tariff item	Commodity	From	To
		Animals		
1.	0101 21 00	Pure-bred breeding horses	30%	Nil
		Fuels, Chemicals and Plastics		
2.	27	Very low Sulphur fuel oil meeting ISO 8217:2017 RMG380 Viscosity in 220-400 CST standards/marine Fuel Oil 0.5% (FO), under the same conditions as available to IFO 180 CST and IFO 380 CST under entry at S. No. 139 of notification No. 50/2017–Customs dated 30.6.2017.	10%	Nil
3.	2713 12 10, 2713 12 90	Calcined Petroleum Coke	10%	7.5%
4.	2843	Colloidal precious metals; compounds of precious metals; amalgams of precious metals	7.5%	10%
5.	2916 12 10	Butyl Acrylate	5%	7.5%
6.	3907 99 90	Polyester Liquid Crystal Polymers (LCP) for use in manufacture of connectors	7.5%	Nil
7.	3920 10 99	Calendared plastic sheets for use in manufacturing of smart cards	10%	5%
		Paper Industry		
8.	48	a) Newsprint, if the importer, at the time of import is an establishment registered with the Registrar of Newspapers, India (RNI) b) Uncoated paper used for printing newspaper, if the importer, at the time of import is an establishment registered with the Registrar of Newspapers, India (RNI) c) Lightweight coated used for printing magazines, subject to end-use conditions	10%	5%
		Sports Goods		
9.	44	List of items allowed duty free import up to 3% of FOB value of sports goods exported in the preceding financial year is amended to include Willow	Applicable rate	Nil

		Precious Stones and Metals		
10.	7108	Gold used in the manufacture of semiconductor devices or light emitting diodes	Nil	12.5%
11.	7103	Rubies, emeralds, sapphires – unset and imported uncut	Nil	0.5%
12.	7103	Rough coloured gemstones	Nil	0.5%
13.	7103	Rough semi-precious stones	Nil	0.5%
14.	7103	Pre-forms of precious and semi-precious stones	Nil	0.5%
15.	7104	Rough synthetic gemstones	Nil	0.5%
16.	7104	Rough cubic zirconia	Nil	0.5%
17.	7104	Polished Cubic Zirconia	5%	7.5%
18.	7110	Platinum or Palladium used in manufacture of-, a) All goods, including Noble Metal Compounds and Noble Metal Solutions [2843] b) Catalyst with precious metal or precious metal compounds as the active substance [3815 12]	12.5%	7.5%
19.	7112	Spent Catalyst/Ash containing precious metal like gold from which such precious metal is retrieved subject to specified conditions.	12.5%	11.85 %
		Machinery		
20.	84	Goods specified in List 10 of Notification No. 50/2017 – Customs dated 30.6.2017, required for use in high voltage power transmission project	5%	7.5%
21.	8432 80 20	Rotary tillers/weeder	2.5%	7.5%
22.	84 or any other Chapter	Goods specified in List 14 of Notification No. 50/2017 – Customs dated 30.6.2017, required for construction of road like paver finisher, machines for filling up cracks in roads, mobile bridge inspection units etc.	Nil	Applicable BCD
23.	8501	Motors like Single Phase AC motors, Stepper motors, Wiper Motors etc.	7.5%	10%
		Electronic goods, parts thereof		
24.	74	Copper and articles thereofused in manufacturing of specified electronic items	Nil	Applicable BCD

25.	8504 40	Specified Chargers and power adapters	Applicable BCD	20%
26.	8517 70 10	PCBA of Cellular mobile phones (with effect from 01.04.2020)	10%	20%
27.	8517 70 90	Fingerprint readers for use in Cellular mobile phones	Nil	15%
28.	8517 70 90	Vibrator/Ringer of Cellular mobile phones (with effect from 01.04.2020)	Nil	10%
29.	8517 70 90	Display Panel and Touch Assembly of Cellular mobile phones (with effect from 01.10.2020)	Nil	10%
30.	8518 30 00	Headphones and Earphones	Applicable BCD	15%
31.	8518 90 00	Following parts of Microphone for use in manufacture of Microphone namely, a) microphone cartridge b) microphone holder c) microphone grill d) microphone body etc.	10%	Nil
32.	8538	Micro-fuse base, sub-miniature fuse base, Micro-fuse Cover and sub-miniature fuse cover for use in manufacture of micro fuse and sub-miniature fuse.	7.5%	Nil
		Automobile and automobile parts		
33.	2843	Noble metal solutions and noble metal compounds used in manufacture of catalytic converter and their parts	5%	Applicable BCD
34.	7110	Platinum or Palladium used in manufacturing of catalytic converter and their parts	5%	Applicable BCD
35.	84 or any other Chapter	(A) Parts of catalytic converter for manufacture of catalytic converters. (B) The following goods for use in the manufacture of catalytic converters and its parts, namely: - (i)Raw substrates (ceramics) (ii)Wash coated substrates (ceramics) (iii)Raw substrates (metal) (iv)Wash coated substrates (metal) (v)Stainless steel wire cloth stripe (vi)Wash coat	5%	7.5%

36.	8702, 8704	Completely Built Units (CBUs) of commercial vehicles (other than electric vehicles) (w.e.f. 01.04.2020)	30%	40%
37.	8702, 8704	Completely Built Units (CBUs) of commercial electric vehicles (w.e.f. 01.04.2020)	25%	40%
38.	8703	Semi Knocked Down (SKD) forms of electric passenger vehicles (w.e.f. 01.04.2020)	15%	30%
39.	8702, 8704, 8711	Semi Knocked Down (SKD) forms of electric vehicles- Bus, Trucks and Two wheelers (w.e.f. 01.04.2020)	15%	25%
40.	8702, 8703, 8704, 8711	Completely Knocked Down (CKD) forms of electric vehicles - Passenger vehicles, Three wheelers, Two wheelers, Bus and Trucks (w.e.f. 01.04.2020)	10%	15%
		Defence sector		
41.	73,84,85,87, 88,89,90,93	Exemption from import duty for specified military equipment, when imported by Defense PSUs andother PSUs for defence forces.	As applica ble	Nil

3.3.4.3 Pruning and review of customs duty concessions/ exemptions:

3.3.4.3.1 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 Notification No 50/2017-Customs	Description
1.	5	Tuna bait [0303]
2.	7	Goods upto an aggregate of ten thousand metric tonnes of total imports of Milk and cream, in powder, granules or other solid form in a financial year. [040210, 04022100]
3.	7A	Whey, concentrated, evaporated or condensed, liquid or semi-solid [0404 10 10]
4.	7B	Other Whey [0404 90 00]

5.	8	Butter Ghee, Butter Oil [0405]
6.	9.	Other cheese [0406 90 00]
7.	10	Pancreas (Products of animal origin, not elsewhere specified) [Chapter 5]
8.	11	Conch shell [0508 00]
9.	18	Bulbs or tubers, other live plants [0601 or 0602
10.	36	All goods other than meslin or wheat [1001]
11.	38	Meslin [1001]
12.	40	Maize upto an aggregate of five lakh metric tonnes of total imports of such goods in a financial year [1005 90]
13.	47	Sugar beet seeds [1209 10 00]
14.	56	Edible oils [1508, 1512, 1513, 1514,1515 or 1511 10]
15.	58	Refined vegetable oils of edible grade, in loose or bulk form (other than palm oil) [chapter 15]
16.	59	Vegetable oils of edible grade, in loose or bulk form (other than those specified against S. No. 58 and palm oil), imported for the manufacture of oil commonly known as "Vanaspati" or for refining. *Explanation*. -The expression "Vegetable oil" means- (a) in the case of cottonseed oil, oil having a free fatty acid content of at least 0.2%; and (b) in the case of any other vegetable oil, oil with free fatty acid content of at least 0.5%. [15]
17.	68	Crude sunflower seed or safflower oil upto an aggregate of one lakh and fifty thousand metric tonnes of total imports of such goods in a financial year [1512 11]
18.	69	Crude sunflower seed or safflower oil other than those specified against S. No. 68 [1512 11]
19.	72	Refined rape, colza or mustard oil upto an aggregate of one lakh and fifty thousand metric tonnes of total imports of such goods in a financial year [1514 19 or 1514 99]
20.	78	Margarine, animal or vegetable oils of edible grade [1517 or 1518]

21.	83	Glycerol, crude; glycerol waters and glycerol lyes, (other than crude glycerin) [1520 00 00]
22.	88A	Raw Sugar upto an aggregate of three lakh metric tonnes of total imports of such goods. Provided that the import of raw sugar in physical form is completed within sixty (60) days from the date of issue of the Tariff Rate Quota Allocation Certificate or license by Directorate General of Foreign Trade (DGFT) to the importer. Provided further that the importer shall convert the raw sugar into white/ refined sugar within a period, not exceeding thirty (30) days, from the date of filing of bill of entry or the date of entry inwards, whichever is later [1701]
23.	89	Dextrose Monohydrate [1702]
24.	92	Molasses resulting from extraction or refining of sugar [1703]
25.	93	Chewing gum whether or not sugar coated [1704 10 00]
26.	94	Food preparations, for infant use and put up for retail sale, of- (i) goods of headings 0401 to 0404, containing cocoa calculated on a totally defatted basis, in a proportion by weight of 5% or more but less than 10%; or (ii) flour, meal, starch or malt extract containing cocoa calculated on a totally defatted basis, in a proportion by weight of 40% or more but less than 50%. [1806 90]
27.	95	Preparations for infant use put up for retail sale [1901 10]
28.	98	preserved potatoes [2004 10 00]
29.	99	Peanut Butter [2008 11 00]
30.	105	Wine, for use as sacramental wine [22]
31.	108	Angostura bitters [2208]
32.	113	Fin fish feed [2301 20, 2309 90 32, 2309 90 39]
33.	115	Dietary soya fibre [2304]
34.	148	Naphtha, when imported by Ratnagiri Gas and Power Private Limited (RGPPL), for use in generation of electricity in the power plants of Ratnagiri Gas and Power Private Limited (RGPPL) at Dabhol, District Ratnagiri, Maharashtra [2710]

35.	149	Naphtha, when imported for generation of electrical energy by a generating company as defined in section 2(28) of the Electricity Act, 2003 (36 of 2003) to supply electrical energy or to engage in the business of supplying electrical energy [2701]
36.	152	Propane, Butane [27111200, 27111300]
37.	160	Electrical energy [2716 00 00]
38.	170	Phosphoric acid, for the manufacture of fertilizers[28]
39.	212	Japanese Encephalitis (JE) vaccine, imported by the Andhra Pradesh Government through UNICEF [30]
40.	220	Kyanite salts, in a form indicative of their use for manurial purpose [31]
41.	243	Isolated soya protein [3504]
42.	244	Colour positive unexposed cinematographic film in jumbo rolls and colour negative unexposed cinematographic film in rolls of 400 feet and 1000 feet [37]
43.	245	Instant print film [3701 20 00 or 3702]
44.	246	Cinematographic films, exposed but not developed [3704]
45.	247	Promotional material (like Trailers, making of film etc.) imported in the form of electronic promotion kits (EPK)/ beta cams (Any Chapter)
46.	263	The following polymers of ethylene, namely: - (i) Low density polyethylene (LDPE), (ii) Linear low-density polyethylene (LLDPE), (iii) High density polyethylene (HDPE), (iv) Linear medium density polyethylene (LMDPE), (v) Linear high-density polyethylene (LHDPE) [3901]
47.	264	All goods other than poly iso-butylene [3902]
48.	266	All goods [3903]
49.	274	Compostable polymer or bio-plastic used in the manufacture of bio degradable agro mulching films, nursery plantation pots and flower pots [39139090]
50.	275	Water blocking tape for use in the manufacture of insulated wires and cables falling under heading 8544 (except sub-heading 8544 11) [3919 90 90]
51.	278	Subbed polyester base, imported by M/s Hindustan Photo Films Manufacturing Company Limited, Udhagamandalam for the manufacture of medical or industrial X-ray films and graphic art films [3920]

52.	286	Patent leather [4114 2010]
53.	287	Raw furskins [4301], tanned and dried furskins [4302]
54.	386	Lead bars, rods, profiles and wire [7806]
55.	388	Zinc tubes, pipes and tube or pipe fittings [7907]
56.	389	Tin plates, sheets and strip, of a thickness exceeding 0.2 mm; tin foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials), of a thickness (excluding any backing) not exceeding 0.2 mm; tin powders and flakes [8007]
57.	398	Parts and components of the goods specified in List 10 required for use in high voltage power transmission project [Any chapter]
58.	401	All items of equipment including machinery and rolling stock, procured by or on behalf of Delhi Metro Rail Corporation Ltd. for use in- (i) Delhi MRTS Project Phase-I; and (ii) Specified corridors of Delhi MRTS Project Phase-II, comprising of the following, namely: - a) Vishwavidyalaya- Jahangirpuri; b) Central Secretariat-QutabMinar (via All India Institute of Medical Sciences); c) Shahdara- Dilshad Garden; d) Indraprastha-New Ashok Nagar; e) Yamuna Bank-AnandVihar-Inter State Bus Terminus; and f) Kirti Nagar-Mundka (along with operational Link to Shahdara- Rithala corridor) (Any Chapter)
59.	412	Goods specified in List 15 required for construction of roads [84 or any other chapter]
60.	447	The following goods required for manufacture of Optical disk drives (ODD), namely: - (i) Pick up assembly (ii) Digital signature procession integrated circuit (iii) DC motor (iv) LDO voltage regulator [84 or Any other Chapter]
61.	456	The following goods, namely: - (A) Sprinklers and drip irrigation systems for agricultural and horticultural purposes; (B) Micro Irrigation equipment [8424]
62.	457	Poultry incubators and brooders [8436 21 00]

63.	459	Parts for manufacture of printers fallingunder sub heading 8443 32 (except 8443 99 51, 8443 99 52, 8443 99 53) [8443]
64.	465	CD –Writers [8471]
65.	474	MP3 or MP4 or MPEG 4 player with or without radio or video reception facility [85]
66.	483	One set of pre-recorded cassettes accompanying books for learning languages and essential complement to such books/. [85]
67.	484	Audio cassettes, if recorded with material from books, newspaper or magazines, for the blind [85]
68.	515	Colour television picture tubes for use in the manufacture of cathode ray televisions [8540 11]

3.3.4.3.2 Customs duty exemptions which have been granted through certain other stand-alone notifications have also been reviewed. The following notifications, which have ceased to be relevant, are being withdrawn:

S. No.	Notification No.	Notification Subject
1.	13/2010-Customs dated 19.2.2010	Exemption to import of goods in relation to Commonwealth Games, 2010
2.	73/1999-Customs dated 8.6.1999	Exemption to import by Power Grid Corporation of India for the setting up of Rihand-Sasaram-Biharshariff HV DC Link Back-to-Back Station Project.
3.	205/1992-Customs dated 19.5.1992	Exemption to imports under Advance Customs Clearance Permit
4.	105/1999-Customs dated 10.8.1999	Exemption under SAARC Preferential Trade Agreement
5.	56/2006-Customs dated 7.6.2006	Exemption from Special additional duty to specified goods produced in Nepal
6.	22/2003-Customs dated 4.2.2003	This notification provides exemption to wool or woolen fabrics by Red Cross and Paper Money. [The entry related to Red Cross has been merged in notification No. 148/1994 – Customs dated 13.7.1994 and exemption to paper money will now be granted through notification No. 50/2017-Customs dated 30.6.2017. Accordingly, the notification No. 22/2003-Customs is being rescinded.]
7.	22/2007-Customs dated 1.3.2007	Preferential rates on certain CTH
8.	14/2004-Customs dated 8.1.2004	Water supply projects for industrial use exempted under Project Imports. This exemption will now be available through notification No. 50/2017 – Customs dated 30.6.2017

3.4 Tax Research Unit (GST on services)

GST on services - Measures taken for "Make In India" and "AatmNirbhar Bharat" during 2020-21

i. Extension of CGST exemption on services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India, was provided for one year i.e.upto 30.09.2021.

ii. GST exemption is provided on satellite launch services provided by ISRO, Antrix and NSIL which will help protect the native satellite industry utilize homegrown launch capabilities without the upfront GST burden and give it a level-playing field.

iii. Upfront amount payable in respect of service by way of granting of long term lease of (thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 20 per cent. or more ownership of Government to the industrial units or the developers in any industrial or financial business area was made exempted from GST.

iv. Reduction of CGST rate on Maintenance, Repair and Overhaul (MRO) services in respect of aircraft from 18% to 5% with full ITC is provided.

*** Central Indirect Taxes [GST/ Non-GST] Revenue: FY 2020-21 (April- November) [Provisional]:**

(In ₹ Crore)

S. No.	Indirect Tax (GST/Non-GST)	Actuals 2019-20 [P]	Revenue: April-November 2020 (Net) [P]
	1	2	3
1	Customs duty	1,09,283	62,095
2	Central Excise duty	2,39,452	2,35,433
3	ST (arrears)	6,029	1,088
Total (Non-GST)		**3,54,764**	**2,98,616**
4	CGST	4,94,071	2,45,183
5	IGST#	9,125	35,106
6	GST-Comp. Cess	95,553	50,815
Total (GST)		**5,98,749**	**3,31,104**
Total Net [GST+Non-GST]		**9,53,513**	**6,29,720**

Source: PrCCA, DG-System, CBIC (daily revenue report)

[P]=Provisional

Note: The CX (POL) revenue for November, 2020, was paid in December, 2020 has been taken into account.

Totals may vary on account of rounding off.

3.5 CUSTOMS

3.5.1 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 "AtmaNirbhar 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.

3.5.2 The Turant Customs initiative has been taken up aggressively by CBIC, DoR in 2020. The initiative boasts of Faceless, Paperless and Contactless Customs measures. The most noticeable among these are the automated clearances on imports implemented pan India from March, 2020 (which has de-linked goods registration from payment of duty); bringing more Participating Government Agencies (PGAs) [51 PGAs till May, 2020] on e-sanchit; enabling PDF copies of Bills of Entry and Shipping Bills from April, 2020 and June,2020 respectively; Contactless Customs measures for reducing physical interface with trade via measures such as setting up Turant Suvidha Kendras (TSKs), enabling simplified online registration, auto debit of bonds etc; and a Faceless Assessment on import pan India was launched on 31.10.2020

3.5.3 The streamlined scheme launched for promoting 'Make in India' by allowing manufacturing in Customs-bonded warehouse with single point approval, digital account keeping and simplified compliance requirements, has been further strengthened by allowing manufacture as well as other operations in a Customs- bonded Warehouse and Special Warehouse. For this, **Manufacture and Other Operations in Special Warehouse Regulations, 2020** issued vide Notification No.75/2020-Customs (N.T.) dated 17.08.2020 by CBIC provide clarity on eligibility, process, operations and documentation requirements for units operating under Section 65 and licensed under Section 58A of the Act. The scheme is streamlined with clear and transparent procedures, documentation and compliance requirements.

3.5.4 CBIC is already working in collaboration with 'Invest India' to promote the scheme and facilitate the investors. This will play a critical role in promoting investments into India and enhancing ease of doing business.

3.5.5 It is also pertinent to mention that CBIC has undertaken various steps to open up new trade routes and Land Customs Stations, especially for the facilitation of trade of our neighboring countries during the challenging times of COVID-19 pandemic by way of issuing notifications such as:

(i) Notification No. 101/2020-Customs (N.T.) dated 16.10.2020 in relation to the road connecting Jaigaon Bazar in India and Phuentsholing in Bhutan and Asian Highway 48 connecting Torsha tea garden in India and Ahllay in Bhutan. This has greatly mitigated disruptions in the movement of goods between the two countries, particularly given the congestion of traffic on the Jaigaon-Phuentsholing route and the evolving COVID-19 situation in the region.

(ii) Notification No. 111/2020-Customs (N.T.) dated 11.12.2020 in relation to new Land Customs Stations and/or routes with respect to Bholaganj, Nalikata, Ryngku, Jogighopa, Badarpur, Kolaghat, Dhulian,Jayanagar and Nagarkata opening up border haats and new routes through waterways for augmenting trade with our land neighbours.

3.5.6 Moreover, Various steps were taken to streamline the functioning of the department through issuing guidelines regarding:

(i) Destruction of Narcotics & drugs substances of 12270 kg, 30296 bottles, 3549 tablets, valued at Rs.79 crores in International market, at all India level.

(ii) Disposal of 40039 Antique Coins, 1 Antiquity article Kamarband, 18 Antiquity Seals /stamps/ religious emblem valued at Rs.63.90 Crore, by handing over of same to the Minister of Tourism & Culture by the Hon'ble Finance Minister.

3.5.7 Brief on Single Window Project for last one year and those which are under process for implementation in near future.

i. **PGA eSANCHIT:** Single Window implemented PGA eSANCHIT on 16.11.2018 whereunder all the PGAs would upload the license/permit/certificate/other authorization (LPCOs) on eSANCHIT. An IRN generated for the LPCOs would be communicated to the beneficiaries (IEC holder) who can use the said IRN for making the LPCO available to the Customs for clearance of goods. This would eliminate physical interface between PGA, Customs and the beneficiaries. It will reduce the dwell time and cost of shipment. As of now, 52 PGAs are registered on ICEGATE for using eSANCHIT. Matter is under constant persecution with remaining 2 PGAs for them to register on ICEGATE.

ii. **Application Programme Interface (API):** For the PGAs which have their own system for issuing LPCOs, API has been implemented, wherein, the PDF document can be automatically uploaded on eSANCHIT from their system by connecting to CBIC's API Interface.

   a. Further the work is in progress for integrating the PGAs to transmit data elements of their LPCOs to CBIC. In this regard, the fields of LPCOs relating to more than a half century PGAs have been mapped and a common document is being standardized.

iii. **Compliance Information Portal:** Under Single Window Project, a single web-based source is being developed which will project all import/ export clearance related procedural steps, duties, fees and charges of any commodity related to Customs and other Regulatory Agencies/ Ministries on a single platform for both Trade and Officers. The portal is in final stage and is expected to be launched soon.

3.5.8 ICD/CFS related work:

- This office vide Circular No. 50/2020 dated 05.11.2020 has framed new Policy and Guidelines for setting up of Inland Container Depots (ICDs), Container Freight Stations (CFSs) and Air Freight Stations (AFSs).
- Further, this office vide Circular No. 44/2020-Customs dated 08.10.2020 has laid down procedures for inspection of ICDs/CFSs and AFSs.

3.5.9 Central Revenue Control Laboratory (CRCL)

- During 2020, out of 12 Revenue Laboratories, Eight (8) Laboratories namely New Delhi, Kandla, Vadodara, Mumbai, Kochi, Chennai and Vizag, Nhava Sheva have been granted NABL accreditation for chemical testing in accordance with ISO/IEC 17-25:2017 for defined scopes. A Circular No.46/2020 dated 05.11.2020 has been issued on expanding the scope of Revenue Laboratories.
- A proposal for recognizing CRCL, New Delhi as the Regional Customs Laboratory has been approved by the WCO secretariat.

3.5.10 Non - Intrusive Inspection System:

i. Procurement of Container Scanners: Indian Port Association has procured eight (08) Scanners and the Customs is under process of taking over the ownership of these scanners. The Proposals of procurement of one (01) Drive Through Rail Scanner and five (05) Mobile X-ray based Container Scanners for major airports is under process and likely to be completed by 2021.

ii. Procurement of 10 X-ray Baggage Inspection Systems: Admininstrative approval in respect of ten (10) XBISs has been conveyed to Directorate of Logistics, CBIC.

Moreover, efforts are being made for coordination with various Ministries/Stake Holders for early disposal of explosives/war like material lying in various Customs formations and Draft controlled delivery Regulation is under process of finalization.

3.6 CENTRAL EXCISE:

3.6.1 The Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS), was introduced w.e.f. 01.09.2019, vide the Finance Act (No.2), 2019 and remained operational till 30.06.2020. Further, to help the trade and industry in the newly formed UT of Jammu & Kashmir and UT of Ladakh, the Central Government has decided to extend the period for availing the scheme upto 31.12.2020 for eligible taxpayers from these UTs.

3.6.2 Till date, a total number of 1,33,466 taxpayers have availed the benefits of the Scheme and deposited a total amount of Rs.27,926.48 Cr (Pre-deposit / deposit of Rs.18,370.50 Cr. + Cash Deposit of Rs.9,555.98 Cr.

3.7 DRAWBACK:

Important items of work accomplished by the Drawback Division of CBIC during the period 01.01.2020 to 30.11.2020 are as follows:

a. Clarification regarding levy and collection of Social Welfare Surcharge (SWS) on imports under various reward/incentive schemes such as MEIS, SEIS etc. has been issued vide Circular No. 02/2020-Customs dated 10.01.2020. It has been clarified therein that SWS is not exempted and the same cannot be debited through duty credit scrips but has to be paid in cash.

b. All Industry Rates of Duty Drawback were examined and reviewed. The revised rates were made effective from 04.02.2020 vide Notification No. 07/2020-Customs (NT) dated 28.01.2020. Circular No. 06/2020- Customs dated 30.01.2020 was also issued explaining the said amendments.

c. In order to give effect to the recommendation of the GST Council in its 39th meeting, Notification No. 18/2020-Customs dated 30.03.2020 has been issued which extends the exemption from Integrated Tax and Compensation Cess upto 31.03.2021 on goods imported against AA/EPCG authorizations.

d. Clarification regarding incidence of National Calamity Contingent Duty (NCCD) for calculation of Brand Rate of duty drawback has been issued vide Instruction No. 05/2020-Customs dated 12.05.2020. It has been clarified that incidence of NCCD, where applicable, is required to be factored in calculation of Brand Rate of Duty Drawback.

e. During outbreak of COVID-19 pandemic, many representations were received from various Export Promotion Councils to extend the validity of Export Performance Certificates for import. Accordingly, Notification No. 23/2020-Customs dated 14.05.2020 has been issued to further amend Customs Notification No. 50/2017-Customs dated 30.06.2017 so as to extend the period of validity of existing Export Performance Certificates for FY 2019-20 up to 30.09.2020.

f. To enhance ease of doing business, Gopalpur Port [INGPR1] was notified vide Notification No. 25/2020-Customs dated 21.05.2020 for the purpose of allowing export and import under AA, EPCG, MEIS, SEIS and other such schemes.

g. To mitigate the hardship caused by the Covid-19 pandemic to trade and industry, a special drawback disposal drive from 09.04.2020 to 30.04.2020 was taken up vide Instruction 03/2020-Customs dated 09.04.2020. Further, Instruction No. 07/2020-Customs dated 28.05.2020 was issued launching a special drive for quick disposal of applications for fixation of Brand Rate of Duty Drawback.

h. Issues raised in representations and feedback received from trade relating to All Industry Rates of Duty Drawback that were made effective from 04.02.2020 were examined and resolved by amendments made effective vide Notification No. 56/2020-Customs (N.T.) from 15.07.2020. This included revision of All Industry Rates of Duty Drawback for gold jewellery, silver jewellery & articles. Circular No. 33/2020- Customs dated 15.07.2020 was also issued explaining the said amendments.

3.8 PERFORMANCE AND ACHIEVEMENT OF DIRECTORATE GENERAL OF PERFORMANCE MANAGEMENT (DGPM):

(A) 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. The monthly reports in Part V in the three streams of Central Excise, Customs & Service Tax are downloaded from MIS web-based utility, compiled and analyzed.

The Monthly Performance Report for Central Excise, Customs and Service Tax covers Key Areas viz. Adjudication, Call Book, Provisional Assessments, Refund-Rebate & miscellaneous. The reports are compiled on the basis of the data of all the Zones and DG-GI/DRI and every month a note containing our analysis and comments on the performance of various Zones on the above-mentioned Key Areas is sent to all the Members. A copy is also marked to the Chairman. The analysis indicates top Zones comprising of 80% of the pendency in each of the Key Area.

(B) INSPECTION OF FIELD FORMATION:

The 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 field Commissionerate is required to send its compliance to ensure that the shortcomings are removed in a time bound manner.

CBIC has revised the norms of frequency for inspection of field formation Central Excise, Customs and Service Tax vide BMB No. 32/2010 dated 12.05.2010. As per the new norms, 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 shall be inspected each year by either DGPM or jurisdictional Chief Commissioners. For this DGPM shall form annual inspection plan allocating Commissionerates for inspection to DGPM or Chief Commissioner. Accordingly, an annual plan has been prepared for the year 2020-21 during which 107 GST Commissionerate and 57 Customs Commissionerate are scheduled to be inspected both by DGPM and the Zonal Chief Commissioners.

3.9 IMPLEMENTATION OF e-OFFICE IN CBIC OFFICES BY DGPM

The Office Memorandum issued by CBIC vide F.No.:296/03/2019-Cx.9, dated 14/10/2019 has designated and appointed the office of DGPM as "Nodal Office" for coordination with NIC, training facilitations, obtaining requisite approvals and working on the feedbacks as a part of preparation for e-Office implementation in the offices of CBIC.

e-OFFICE is a" Mission Mode Project" under "Digital India Programme" and implemented across Pan INDIA.

In this regard, the basic data about existing and potential user strength was collected from Authoritative sources viz. HRD site. This data was further provided to NIC to assess and plan the user's strength in NDC-BBSR. On the basis of this data TWO INSTANCES with a capacity of 25,000 users's each were formed. Instance (1) consists of All Directorates (except DGGI) and All Customs Zones and Eight CGST Zones. Instance (2) consists of DGGI and Twelve CGST Zones.

With Board's Administrative and Financial approval by IFU for the Proforma Invoices procured from NICSI, an autonomous body of NIC, AGCR was requested for making e-payment to NIC.

As a part of training facilitation, interviews with technical experts from NIC were conducted and Project Engineers, Project Lead and Project Manager were selected for **"Roll- Out Team"** and Technical Manager, Deployment Leads and Deployment Engineers were selected for **"Deployment Team"**

While working on Feedback from Zonal Offices, the e-office team remained telephonically in touch with zonal offices and attended office seven days a week even when Pandemic Induced Lockdown was in place.

Different Committees were constituted to handle and solve any operational / technical snag in e-office implementation. The Committees were:

- **Project Implementation Committee.**
- **Project Steering Committee.**
- **Project Validation Committee.**
- **System Administration Committee.**

In addition to above, WhatsApp groups were created to address the issues of EMD Managers, Master Trainers, Instance I, II and other users besides above to address any issues faced by users in e-Office implementation. Worked constantly on the feedback from Commissionerates and immediately initiated remedial measures as and when required through the aforesaid teams.

CBIC was regularly updated about every development in the process of preparedness for e-office roll out finally culminating in its PAN INDIA Launch on 15th June, 2020 by Chairman, CBIC. Thereafter, the process to bring all offices of CBIC Live on e-Office was initiated.

As on date all the offices under CBIC, a total of 433 distinct organizations viz. CGST-225, Customs formations -81 and Directorates - 127 have been made live. It is evident that almost all Zones/Organizations have completely adopted to working electronically on the application which is encouraging. Instructions have been given to all the CBIC officers to mandatorily open new files on e-Office and gradually migrate old and current physically files on e-Office which DGPM regularly monitors. The feature of inter-instance movement has also been activated to allow sending the files between users of different instances and MOF (i.e. Users of the Board). The option of mail alerts already exists and can be activated by the users. The feature of SMS Alert is at the final stage.

DGPM would be regularly attending to the following:

i. Monitoring progress of e-files & migration of files.

ii. Resolving doubts & queries related to e-Office functioning.

iii. Training of field formations.

iv. Coordination with DG Systems and NIC.

v. Up gradation of e-Office version.

3.10 PERFORMANCE AND ACHIEVEMENT OF DIRECTORATE GENERAL OF HUMAN RESOURCE DEVELOPMENT (DGHRD)

3.10.1 Performance and achievements of HRM-I Wing during the year 2020-21 (up to November 2020): During the year 2020, following major initiatives have been taken by DG (HRM):

(i) **Implementation of SPARROW CBIC** (Smart Performance Appraisal Report Recording Online) for Group 'B' and 'C' Officers & staff: Central Board Of Indirect Taxes & Customs (CBIC) became one of the first Central Government Departments to implement SPARROW on a large scale for Group 'B and 'C' cadres for recording of Annual Performance Appraisal Report (APAR) of around 50,000 Group 'B'& 'Ç' personnel. In addition to promoting digitisation and reduction in paper work it is going to help immensely in timely filing of APAR and improved cadre management across the country. For its smooth implementation, dedicated e-mails, help-lines are also provided for officers. Further, trainings were also given to Master Trainers in the Zones for smooth implementation within the Zones. Over 80000 APARs have been generated for the APAR cycle 2009-10.

(ii) **Cadre Restructuring Proposal:** As per DoP&T vide OM F. No. I.11019/9/2018-CRD dated 25.05.2018, the proposal of Cadre Restructuring of CBIC was formulated based on wide stakeholder consultation including recognized Staff Associations. Following an in-principle approval by the Board and feedback on the report received from all stakeholders Supplementary Report to the Cadre Restructuring was prepared, which was approved by the Board. Based on Board's approval, proposal for DoPT was prepared and submitted to the Board.

(iii) **Recruitment Rules:** Recruitment Rules for the posts of Senior Private Secretary and Administrative Officer have been notified.

(iv) DPC:

- Following Regular DPCs have been effectuated/ accomplished during the year 2020 (up to November, 2020):
  - Apex grade (Vacancy Year 2021)
  - HAG [Vacancy Year 2019 (Supplementary) and 2020]
- Proposals of DPC for the grade of HAG and HAG+ for the Vacancy Year 2021 have been submitted to Board.

(v) e-Pratiniyukti (Online Deputation Module): A single window, online Deputation Module for receipt and processing of deputation applications/ cadre clearance of Group 'A' IRS (C & CE) officers has been launched on 28.08.2020 and implemented w.e.f. 01.09.2020. 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 & CE) officers on one platform for faster processing and streamlining the deputation cadre clearance procedure. The endeavor is to complete the deputation cadre clearance processing in around 8 working days' time, under an automated environment. The main objective of the module is to bring complete transparency and ensure time-bound processing/ accountability in deputation cadre clearance process of IRS (C & CE) officers. SOP has been issued with prescribed timelines for all stakeholders.

(vi) SPARROW SEVA: Earlier, there was no proper mechanism to accept requests regarding updation of information in SPARROW-IRS and SPARROW-CBIC. Requests were received through various modes viz. post, some through emails (mostly, from emails other than gov.in), telephone and sometimes over WhatsApp. In many cases, the request had to be returned for lacking proper details/ not in proper format. In order to make the procedure/ system of handling such requests/ problems/ glitches related to SPARROW, an online utility, viz. CBIC SPARROW SEVA has been launched w.e.f. 01.05.2020 for taking various requests regarding Officers' details/ particulars updation, change/ assignment of roles of Custodian/ Alternate Custodian and for reporting/ flagging any issues/ glitches/ problems to DGHRD SPARROW Team pertaining to SPARROW-IRS and SPARROW-CBIC.

Projections till March 2021

a) Regularization in the grade of JTS & STS for 2002-2006 Batch IRS Officers

b) Monitoring of movement of Cadre Restructuring proposal to DoP&T

c) Notification of Revised/Amended Recruitment Rules for all grades, as required, with due approval of DoPT & UPSC.

d) Undertake review of performance parameters as already indicated in the APAR formats and to make necessary changes as required so as to keep them relevant and updated.

3.11 PERFORMANCE AND ACHIEVEMENT OF DIRECTORATE GENERAL OF TAXPAYER SERVICES (DGTS):

Publicity Activities till 30.11.2020 in F.Y. 2020-21

a) Hon'ble Finance Minister in her budget speech for FY 2019-20 announced legacy dispute resolution scheme. The Scheme was initially available from 1st September, 2019 till 31st January, 2020 with due date of payment under the Scheme at 30th June, 2020. In this regard 02 newspaper advertisements were published in English, Hindi & Vernacular, across the country.

b) In order to commemorate the successful completion of the 25 years & Indian Customs online initiatives and facilitation towards smooth clearance of goods, two Short-films on 25 years of Indian Customs EDI System (ICES), along with its logo were produced and distributed to all CC Customs Zone.

c) To ensure greater public awareness about the various roles and initiatives of Indian Customs, this Directorate has prepared 2 TV Commercial on Indian Customs, showcasing its role & functions. These 2 TV Commercial will place and enhance the conception of broader role of Indian Customs in the public domain. For wider public outreach, these TVCs were prepared in English, Hindi and 10 vernacular languages and circulated across the zonal offices.

d) GST regime completed 03 successful years on 01.07.2020, 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 3 years of GST along with a logo and 06 creatives, circulated to field formations and social media platforms.

e) DoPT has initiated iGOT2.0 (Integrated Government Online Training), an e-Learning Management System, to undertake capacity building initiatives for Government officials. NACIN along with 06 Central Training Institutes (CTIs), has been on-boarded by DoPT in the first phase of iGOT2.0 Project, as a Champion CTI. For this purpose, the Board has mandated DGTS to head a task force to oversee the Content Design and Production with the help of Instruction Design Agency (IDA). DGTS has completed the production of 04 e-learning modules in collaboration with NACIN.

f) The officers of CBIC during resting times of COVID-19 left no stone unturned to ensure seamless supply of essential commodities and facilitation of passengers coming from Vande Bharat Flights at various airports and through Operation Samudra Setu at ports. At the same time, they also maintained a hawk-eyed vigil to thwart act of economic offenders as well as narcotics smugglers, to ensure the economic sovereignty and security of the country. Beside above, officers of CBIC also rose to the occasion and carries out relief activities to people in need. In order to catalogue the efforts of CBIC officers, this Directorate came out with a booklet to this effect.

g) For educating and increasing taxpayers awareness in an effective manner, DGTS Zonal units conducts regular webinars along with field formations and trade organization (FICCI, ASSOCHAM, CII, etc.),. Some of the topics covered are:

- Customs initiatives on Atmanirbhar Bharat project, related to inbond manufacturing
- CAROTAR Rules, 2020
- Inbond Manufacturing u/s 65 of Customs Act, 1962
- Authorized Economic Operators
- Overview of GST Registration, Returns & Refunds
- Overview of CBIC SQM IS 15700:2018 Certification procedures
- Guidelines and procedures for Sevottam Certification DGTS has organized more than 60 Webinars in a span of last 7 months time.

Publicity Activities to be undertaken in the latter part of the F.Y.2020-21

1. Publicity of Quarterly Return and Monthly Payment (QRMP) Scheme along with other decisions taken by the 42nd GST Council.
2. Publicity of Mera Bill MeraAadhikar (MBMA) Scheme.
3. Production of further modules in the iGOT project.
4. Publicity of any major decisions taken by the GST Council or initiatives undertaken by CBIC in the later course 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 30.11.2020)

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 235 Creatives were released through social media sites Twitter and Facebook covering varied topics related to COVID 19; Trade Friendly Initiatives by CBIC; contribute to PM Cares Fund; Earth Day; Special Refund and Drawback Drive to Benefit MSMEs; ensuring liquidity during lockdown; Turant Customs; CBIC Is Providing Essential Supplies to Over 130 Countries during COVID 19; Internal Trade Facilitation Measures under GST To Fight COVID-19; Indian Customs Facilitating Operation Samudra Setu; eOffice Goes Digital Across CBIC Formations; Trade Facilitation Ensuring Ease of Doing Business; SABKA VISHWAS (legacy dispute resolution) SCHEME, 2019; Growth in e way bill data shows revival in economy; 40th GST Council Meeting; Benefits of In-Bond Manufacturing Scheme; Revised Procedure for Import of Pets; Trade Friendly Initiatives by CBIC; Social media Analytics of CBIC Twitter Handle; DRI Seizures; CAROTAR 2020 Brochure; Celebrating 3 years of GST-Web banner and Collage; 25 years of ICES System; International Passengers- Baggage Rules, Swachhata Book 2020; 60th WCO Newsletter; Newsletter on Customs Clearance amidst COVID-19 infection, etc.

(Projection till 31.03.2021)

Social Media Campaign on QRMP (Quarterly Return Monthly Payment) Scheme, decisions of 42nd GST Council Meeting and upcoming GST Council Meeting, to aware the general public of the Frauds in the name of Customs ; Videos on CBIC Initiatives such as, SCMTR (Sea Cargo Manifest and Transshipment Regulations), QRMP Scheme under GST,etc.; Webinars to support CBIC Schemes and initiatives; Editing and Creative Design support for digital publications of the department; Periodical Social MediaReports; Capacity building activities for internal stakeholders.

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:

<u>Taxpayer Information Publications:</u>

<u>Till 30.11.2020</u>

Civil List, 2020 (As on 01.01.2020); CRCL Brochure; Service Quality Manual-2019; Citizens' Charter; Duty Drawback Schedule,2019;

<u>Projection from 01.12.2020 to 31.03.2021</u>

DGHRD posters; SS and WS Booklet; Sampark , 2021; Civil List 2021; Pocket Sampark 2021

<u>Significant developments/policy decisions taken during the year for the development of a particular sector, including initiatives for improving delivery of public services and for ensuring "inclusive growth";</u>

The Directorate has carried out media campaigns highlighting enhanced ease of doing business as part of e-governance/online initiatives like ICEGATE & ACES.

3.12 PERFORMANCE AND ACHIEVEMENT OF DIRECTORATE GENERAL OF SYSTEMS & DATA MANAGEMENT:

i. **SEZ Duties development (e Payment):** ICEGATE has enabled SEZ users to make payments using ICEGATE payment gateway to pay IGST and Customs duties through this portal developed by DG Systems. This portal is an API enabled portal leading to settlement and accounting on real time basis.

ii. **CBIC-DGFT API Integration:** CBIC has integrated with DGFT for sharing details of IEC, SB and BE through API on a real time basis. This has removed the lag faced by the importers/ exporters for transmission of data across the systems promoting paperless and seam less interaction.

iii. **Development work BE (Bill OF Entry) Amendment Messages:** Utility for filing amended bills of entry through email and web has been made available for the EXIM trade, which was earlier done through visiting service centre.

iv. **Development of Multiple Enquiries on ICEGATE Portal:** To promote transparency multiple enquires were developed to provide user business related information. Few of them were:

" PAN based entity type registration

" Query Raised by Customs Officer

" Query Replied by User

" Details of Bond and Bank Guarantee available

v. **Online Bank Account Management Module:** Users can now update their bank account details and custom location online through ICEGATE for Government Incentive disbursal & Authorized Dealer Code registration. The facility is available for any registered user.

vi. **Help Desk 2.0:** ICEGATE has improved features for end users with an automated IVR set up where user selects his category and gets his tickets locked. Also, a new Client Relationship Management Tool (CRM) has been set up which provides call history of users for a better resolution.

vii. **Redevelopment of SEZ Services:** Description: Ministry of Commerce & Industry (MOCI) and Ministry of Finance, have taken joint initiative to exchange important information between SEZ Online System and Electronic Data Interchange (EDI) System of Central Board of Excise and Customs (CBIC) to supplement and facilitate SEZ Import & Export transactions.

CRM integration with HPSM: ensuring one platform is provided to agents to take calls and log tickets and not toggle.

CRM Dashboard - WIP to ensure all the stakeholders have real time view of Voice calls and related parameters (category, user type, type of tickets). These fields were already part of the daily reports circulated during peak and non-peak hours.

Integrated customized IVR with CRM is a feeder to agents taking calls. They have the first-hand information available of the end user calling ensuring call AHT is reduced.

Single Window Functionality: SW PGA Query reply functionality is developed for the IEC & CHA Holder. These users can reply to the queries raised by the Customs Officers for Bills of Entry. This feature is available to the IEC &CHA Holder post login into ICEGATE.

Custom Transit Declaration: it allows the movement of goods under transit from their point of entry into the Union to their point of clearance, where both the customs and national fiscal obligations will then be taken care of. To make ease of doing business Custom transit Declaration (CACHA51) message integration has been done.

Redevelopment of SCMTR Services: As per the new regulations under Sea Cargo Manifest and Transhipment Regulations 2018, the Authorized Sea Carrier (ASC)/ Authorized Sea Agent (ASA) shall submit an Arrival Manifest electronically, prior to departure from the last port of call to the Indian Port of call and submit a Departure Manifest electronically before departure from the Indian Port of call.

Redevelopment of PCS Services: ICEGATE and PCS (Port Community System) is already integrated for the exchange of port activity related messages through SFTP. New development id to bring existing messages and new information exchange required under new SCMTR provisions via API mechanism. Following are the expected benefits:

- Bilateral message exchange using APIs between ICEGATE and PCS on near real time basis.
- To reduce time-lags, bring in significant process efficiencies, a robust system to automate and report on the operational processes.
- API Integration with PCS to ease out the Direct Port Delivery (DPD) & Direct Port Entry (DPE) process by using real-time information.

Deferred Duty PSUs: Facility to allow deferred duty for PSU user. For Child User the solution development is under progress.

CSM Go Live-Container Scanner module: Description: The module has been created to standardize the integration of Container scanners at different locations (standalone systems) with CBIC via APIs. Also, to actualize the use of this data in most efficient manner for effective risk assessment. An API based integration approach has been taken to receive Container Scanner Input files from RMS, send them to various Container Scanners at different locations, receive their output and subsequently update the details in ICES and e-SANCHIT through REST APIs. So far the integration has been successfully done and made live on the following locations:

1. Kamarajar (Ennore), 2. Hazira, 3. JNPT, 4. JNPT NSCIT, 5. Vishakhapatnam, 6. Kolkata, 7. Paradeep, 8. Pipavav

E-Payment Initiatives: CBIC e-payment platform has been designed as a single payment gateway for to provide e-Payment as-a-Service for multiple CBIC applications, by enabling a new duty collection simply by making configuration changes. The platform currently offers NEFT/ RTGS payment mode by integrating with duty collecting organizations, RBI and Pr. CCA via event driven generic APIs. It is integrated with Principal Controller of Accounts (Pr. CCA) for real time reconciliation and accounting of the revenues. In FY 20-21, SEZ application was on boarded onto the Platform for SEZ duty collections through NEFT/ RTGS mode. Integration with ECCS for facilitating courier duties is under progress.

CDF module in e-BR (Electronic Baggage Receipt):

- Launch of Currency Module at all international airports.
- Launch of Offline Module for CDF (Currency Declaration Form) to capture historical CDF data at all international airports.
- Enablement of Monitoring of e-BR Website through SI Tool.
- Addition of newly commissioned Airports like Indore International Airport in the e-BR Application.
- Providing access to Project EDW to a copy of e-BR Database to develop Analytical Reports.
- Following modules are under development and are likely to be completed in the current financial year:
- CDF@LCS Module (Land Customs Station).
- Offline Module for BR and CSD (Currency Seized/ Detained).
- Reporting Module for BR, CDF, CSD.
- Export Certificate Module in e-BR Application.
- integration of CBIC e-Payment Platform with e-BR.

CENTRAL HOSTING OF APIS (Advanced Passenger Information System):

- Finalization of requirements and infrastructure for Central Hosting.
- Firewall installation at Delhi Airport and its connectivity to CBIC Network.
- Cable Laying at Delhi Airport to establish connectivity from BoI to CBIC DC.
- Enabling of server access to NIC Team and resolving issues related to it.

- Establishing connectivity from BoI to APIS Servers in CBIC DC.
- Conducting PoC to finalise of mechanism for Historical Data Transfer.
- Ensuring availability of infrastructure at Airports to run APIS application from AIOs.
- Enabling Pilot Testing of APIS Application for a pre decided list of Airports.

Registration MODULE IN GST: Registration being the primary requirement for GST administration, always remains an area of focus by Systems Directorate. With a view to achieve the twin objectives of GST administrating and taxpayer facilitation, following functionalities were implemented during the year 2020-21:

- UIN core and Non-core amendment deployed to production on 20.05.2020. This facilitates the UIN holders to file amendment application w.r.t. their registrations.
- GSTP Non-Core amendment deployed in production on 25.06.2020: This facilitates GST practitioners to file their non-core amendment, which is auto approved by system.
- Implementation of Aadhaar Authentication for registration: As per the amended provisions of CGST Rules, applicants for registration have to undergo Aadhaar authentication, failing which registration is granted only after physical verification of the principal place of business declared by the applicant. It was deployed in production on 21.08.2020.
- Restoration of rejected revocation of a cancelled registration: This facility was developed to implement the Order in Appeal passed in favor of the taxpayer after his application for revocation of cancellation of his registration was rejected by the proper officer. It was deployed in production w.e.f. 18.9.2020.

Critical Policy Support

- As desired by Hon'ble FM, monthly Surge Report for imports is being shared every month.
- An extensive analysis on all FTAs signed by India was done for Board for aiding the RCEP negotiation.
- Post-Covid analysis was done for Board and other Ministries specifically for MoC and MoH (analysis on critical drugs, APIs, Covid material- Essential Drugs import data was sent on daily basis to MoH and Board post-Covid outbreak)
- China situation extensive analysis done for Ministry for eg. Alternative sources, Top companies and products analysis, etc.
- Post-Covid Exim tracker is being shared on weekly basis.
- Customs revenue scenario analysis was undertaken.
- Trend analysis of top 100 imports into India was done.

Third-party Data Analysis

- CBDT data analysis was carried out to identify mismatch between the Gross Value of Services declared in ST returns and gross value of services declared in ITR/TDS returns.
- New MoU with expanded data exchange protocol signed with CBDT and proposal for MoU with MCA & MoRTH forwarded.
- MoU signed with NATGRID. 9 use cases were finalized for CBIC-NATGRID data exchange; 2 use-cases were implemented and successfully tested for PoT (Proof of Technology) with dummy data. Now, requisite data is being shared with NATGRID.

Analysis support to Commissionerates/Directorates

- On basis of network analytics on the over invoicing by exporters/ chain of exporters forwarded by EDW to DGGI, a case was successfully booked.
- A data analysis was undertaken to compare IGST taken during import vs GSTR3B credit claimed, and the same was shared with Chennai GST team for further dissemination to our GST field officers.
- Safeguard/anti-dumping duty impact assessment was done using Community Detection technique A/B testing and NLP. The results were shared with DRI.
- Extensive GSTR1 vs 3B and GSTR8 vs 3B cumulative comparison analysis done for all taxpayers and significant results shared with field formations with granular details.
- Entire ACES-GST backend data was analyzed for wrong pin code mapping, wrong jurisdictions, missing returns and shared with ACES-GST for corrections.

Advanced Analytics

- ML based taxpayer clustering was done based on email, contact information and address for effective KYC.
- Risk-profiling of exporters claiming IGST refund was carried out leading to issue of Board Circulars and SoP.

- ML based GST Filing Behavior Analysis was done on GSTR 3B filing.
- CHA Profiling analysis/network analysis and Vanishing Importer analysis for Hong Kong, Thailand, Sri Lanka and Brazil.
- NLP based text analytics as done for ticket analysis.

Tickets of Smartview:

From 1st Jan 2020 to 29th Dec 2020, total around 1500 tickets has been raised from all over CBIC and Non - CBIC organizations and average time for completing the request is around 5-6 Hrs.

Significant developments / policy decisions taken during the year for the development of a particular sector, including initiatives for improving delivery of public services and for ensuring "inclusive growth":

Migration of ECCS

The ECCS application was migrated from ECI Data Center to CBIC Data Center on 29th June, 2020.

Following issues were successfully addressed after ECCS migration:

i. Common bucket size for all ICTs has been reviewed and changed as per workload.

ii. Additional work flow option has been provided to AC/DC (under Dashboard menu)

iii. Archival storage setup for Document data completed.

iv. Access to achieved document data through application UI has been deployed.

Rollout of ECCS application at 11 ICTs

ECCS has been planned to roll out at the other 11 notified ICTs in phased manner after the provisioning of required infrastructure and preparedness by the respective Custodians.

ECCS Trade helpdesk

The ICEGATE Helpdesk has been leveraged to address the queries/grievances raised by importers/ exporters/individuals. For the trade helpdesk, a separate email id **viz eccs.tradehelpdesk@icegate.gov.in** and a dedicated toll free telephone number 1800-3010-1000 have been made operational. The email Id and number have been displayed over ECCS website.

Development of ECCS website

New ECCS website was developed by TCS team under the guidance of WZU, Systems team under the supervision of Pr. DG, Systems. The ECCS website has been made live on 29.06.2020 and the URL of ECCS website i.e. **https://courier.cbic.gov.in** has also been placed over CBIC website.

The Enterprise Data Warehouse (EDW)

The Enterprise Data Warehouse (EDW) is transforming to a new generation data platform to leverage the capabilities of data science and advance analytics and a new contract was awarded by CBIC to M/s. IBM for maintenance of existing Enterprise Data Warehouse (EDW) as well as setting up and maintenance of Project 'Project 360(now project ADVAIT) for a total period of 8.5 years.

Development of GST Backend Modules

A. Dispute Settlement & Resolution:

The Dispute Settlement and Resolution Module covers the entire spectrum of work flow activities involving investigation, issue of Show Cause Notices / statement of demands, adjudication, appeals, review, revision till recovery in the life cycle of a dispute.

B. Audit

Audit under GST is the process of examination of records, returns and other documents maintained by a taxable person. The purpose is to verify the correctness of the turnover declared, taxes paid, refund claimed and input tax credit availed, etc. and to assess the compliance with the provisions of GST.

The Audit Module is in the process of development by M/s Wipro and is expected to be available for User Acceptance Testing (UAT) by March'2021 and expected to be rolled out during FY 2021-22.

C. E-Way Bill related functionalities

Unblocking of E-Way Bill facility is the main functionality under the E-Way Bill Module. Phase-1 of unblocking has been completed in the financial year 2019-20. **Phase-2 of unblocking of E-Way Bill was launched on 27.11.2020,** which includes online filing of application in EWB-05 by the taxpayer, issue of personal hearing notice by the Tax Officer, filing of reply by the taxpayers and issuing of Order in EWB-06 by the Tax Officer.

Other functionalities such as, Search, View of E-Way and making available the State Wise Block/Unblock list to the Tax Officers are under process and will be rolled out shortly for CBIC officers.

D. Mobile Application for Departmental officers

Phase-1: SRS of Phase-1 of the Mobile Application for Departmental Officers was signed off on 16.01.2020. The User Interface (UI) screens in respect of functionalities other than the 14 MIS reports was approved on 15.05.2020 and the UI screens in respect of the 7 graphical reports has been approved on 22.09.2020.

Phase-2: Pan India working group has finalized the requirements for Phase-2 in the month of July, 2020 and the same has been communicated to the vendor i.e. M/s. Wipro. Discussion on SRS for Phase-2 is under process and is expected to be completed by December,2020.

Mechanism put in place to measure development outcomes of major schemes / programs implemented through the Department/Division:

Regular meetings are being conducted to review the progress made under the projects of DG Systems. Parallelly, monthly reports are sought from the projects & also various field formations.

Monitoring Framework:			
S. No.	**Hierarchy of levels for monitoring**	**Frequency of Monitoring**	**Medium of monitoring (dashboard/meeting)**
1	Board Members	Monthly	Dashboard/Meeting
2	Director General of Systems	Weekly	Dashboard/Meeting
3	Additional Director General	Weekly	Meeting
4	Additional Director, Joint Director & Deputy Director	Daily	Meeting

Initiatives taken with reference to the development of North-Eastern Region and Sikkim including projects/schemes in operation and actual expenditure thereon:

Total of 5 Customs sites situated in the North-East region have been converted from Non-EDI to EDI Platform and handholding is being done.

A separate report outlining the policy decisions and activities undertaken along with total budget provisions earmarked under various schemes and amount released:

Migration of ECCS: The budget provisions earmarked for the Migration of ECCS to CBIC Data Center and application support is Rs. 7.45 Crores (Plus taxes).

EDW project-Total budget of Rs. 40 Cr. (including taxes) was allotted to 'EDW project' for the F.Y. 2020-21. This section has already spent Rs. 32.92 cr. (including tax) till 08.12.2020.

ICES Advisories issued on the policy decisions for activities are:

i) Advisory issued for the implementation on IT platform of PDF copies of e-OOC and e-Gatepass consistent with Board's Circular 19/2020 dated 13.04.2020 on the electronic communication of PDF copies of Bill of Entry as well as the Gatepass.

ii) Advisory issued for the implementation on IT platform of enabling of Officer Interface for processing IGST Refunds in certain cases.

iii) Advisory issued for the implementation on IT platform of enabling of Turant Customs - rollout of Phase I of Faceless Assessment.

iv) Advisory issued for the implementation on IT platform of enabling of Implementation of Turant Customs - Phase II of the Faceless Assessment.

v) Advisory issued for the implementation on IT platform of enabling of Implementation of Unclaimed Cargo Module in ICES with respect to procedure for expeditious disposal of Un-Claimed/ Un-cleared/ Seized/ Confiscated goods.

vi) Advisory issued for the implementation on IT platform of enabling of Implementation of Turant Customs - All India roll-out of Faceless Assessment, the roll-out of Faceless Assessment at an all-India level in all ports of import and for all imported goods.

vii) Advisory issued for the implementation on IT platform of enabling of Manufacturing and other operations in a Warehouse Regulations (MOOWR) and waiver of interest.

viii) Advisory issued for the implementation on IT platform of enabling of Capturing additional details for Certificate of Origin (COO) as per Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 in Bill of Entry. These Regulations apply to import of goods into India where the importer makes claim of preferential rate of duty in terms of a trade agreement.

ix) Advisory issued for the implementation on IT platform for enabling Bank Approval online request pendency monitoring where the online request from exporters for registration/modification of their Bank account details for purpose of remittance or for availing export benefits can be approved without their physical presence.

x) Advisory issued for the implementation on IT platform of Operationalization of MEIS rewards issued by DGFT in ICES against e-Commerce exports made through Courier or foreign post offices.

4. Revenue Headquarters Administration

4.1 Administration

The Department of Revenue looks after matters relating to all administration 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. Income Tax Settlement Commission (ITSC)

j. Authority for Advance Ruling for Income Tax and Central Excise, Customs & Service Tax

k. National Committee for Promotion of Social and Economic Welfare

l. Financial Intelligence Unit, India (FIU-IND)

m. Adjudicating Authority under Prevention of Money Laundering Act

n. 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 and ITSC

" Chairman, Vice-Chairman and Members of AARs for Customs / Central Excise and Income Tax

" 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 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 and carrying out international cooperation with competent authorities in foreign jurisdictions. Unlike in many other countries, in India, the Directorate of Enforcement 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 the Directorate of Enforcement 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, the Directorate of Enforcement 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.

4.2.1.2 The Directorate of Enforcement is also entrusted with the implementation and enforcement of the Foreign Exchange Management Act (FEMA) which relates to violation of foreign exchange laws. The Directorate of Enforcement initiates investigations and issues Show Cause Notices (SCN) in cases where the allegations of contravention of provisions under FEMA are noticed. These SCNs upon adjudication results in imposition of penalty as well as confiscation of currency/property involved.

4.2.1.3 The Directorate of Enforcement has also recently 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 where the total amount involved in the economic offence is more than 100 crore.

4.2.2 Organizational Structure

4.2.2.1 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 two Special Directors. There are five Regional Offices located at Chandigarh (Northern Region), Chennai (Southern Region), Delhi (Central Region), Kolkata (Eastern Region) and Mumbai (Western Region) each headed by a Special Director. In addition, there is a Headquarters Investigation Unit (HIU) headed by a Special Director. Currently, there are six Additional Directors posted at Headquarters Office, Chandigarh, Chennai, Kolkata and Mumbai.

4.2.2.2 There are twenty-two zonal offices, headed by Joint Directors, located at Ahmedabad, Bangalore, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Jalandhar, Kolkata, Kochi, Lucknow, Mumbai, Panaji, Patna and Srinagar and thirteen sub zonal offices located at Allahabad, Bhubaneswar, Dehradun, Indore, Jammu, Kozhikode, Madurai, Nagpur, Ranchi, Raipur, Shimla, Surat, Vishakhapatnam.

4.2.2.3 The Legal Wing of the Directorate of Enforcement comprises of Deputy Legal Advisors and Assistant Legal Advisors. In addition, other Law Officers/ Legal Consultants/Counsels are also appointed/ empaneled from time to time.

4.2.2.4 The organizational structure of the Directorate of Enforcement is presented in the following Table:

Northern Regional Office at Chandigarh

S. No.	Zonal Office	Sub-Zonal Office	Territorial Jurisdiction
1&2	Chandigarh-I&II (CDZO)	-	Haryana, Himachal Pradesh, Uttarakhand, UT of Chandigarh
3	-	Shimla (SHSZO)	Himachal Pradesh
4	-	Dehradun (DNSZO)	Uttarakhand
5	Jalandhar (JLZO)	-	Punjab
6	Srinagar (SRZO)	-	Jammu & Kashmir
7	-	Jammu (JMSZO)	Jammu & Kashmir (6 Districts)
8	Jaipur (JPZO)	-	Rajasthan

Central Regional Office at New Delhi

S. No.	Zonal Office	Sub-Zonal Office	Territorial Jurisdiction
1	Delhi-I, II (DLZO)& CR	-	Delhi
2	Lucknow (LKZO)	-	Uttar Pradesh
3	-	Allahabad (Varanasi) (ALSZO)	Uttar Pradesh (34 Districts).
4	Patna (PTZO)	-	Bihar & Jharkhand
5	-	Ranchi (RNSZO)	Jharkhand

Eastern Regional Office at Kolkata

S. No.	Zonal Office	Sub-Zonal Office	Territorial Jurisdiction
1&2	Kolkata-I&II (KLZO)	-	West Bengal, Odisha, Sikkim, UT of Andaman & Nicobar Islands
3	-	Bhubaneswar (BBSZO)	Odisha
4	-	-	Sikkim
5	Guwahati (GWZO)	-	Assam, Meghalaya, Arunachala Pradesh, Nagaland, Manipur, Mizoram and Tripura
6	-	Agartala (AGSZO)	Tripura
7	-	Aizwal (AZSZO)	Mizoram
8	-	Imphal (IMSZO)	Manipur
9	-	Itanagar (ITSZO)	Arunachal Pradesh
10	-	Kohima (KHSZO)	Nagaland
11	-	Shillong (SGSZO)	Meghalaya

Western Regional Office at Mumbai

S. No.	Zonal Office	Sub-Zonal Office	Territorial Jurisdiction
1&2	Mumbai-I&II \ (MBZO)	-	Maharashtra
3	-	Nagpur (NGSZO)	Maharashtra (24 Districts)
4	Ahmedabad (AMZO)	-	Gujarat, Madhya Pradesh, UTs of Daman & Diu, Dadra & Nagar Haveli
5	-	Surat (STSZO)	Gujarat (07 Districts)
6	-	Indore & Bhopal (INSZO)	Madhya Pradesh
7	Panaji (PJZO)	-	Goa and Chhattisgarh
8	-	Raipur (RPSZO)	Chhattisgarh

Southern Regional Office at Chennai

S. No.	Zonal Office	Sub-Zonal Office	Territorial Jurisdiction
1&2	Chennai-I&II (CEZO)	-	Tamil Nadu & UT of Puducherry
3	-	Madurai (MDSZO)	Tamil Nadu (14 Districts)
4	Bangalore (BGZO)	-	Karnataka
5	-	Mangalore (MGSZO)	Karnataka (15 Districts)
6	Kochi (KCZO)	-	Kerala & UT of Lakshadweep
7	-	Kozhikode (KZSZO)	Kerala (7 Districts)
8	Hyderabad (HYZO)	-	Andhra Pradesh & Telangana
9	-	Vishakhapatnam (VKSZO)	Andhra Pradesh (9 Districts)

4.2.2.5 The location of offices of the Directorate of Enforcement 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 International Cooperation

4.2.3.1 When proceeds of crime related to offence committed in India, is transferred in foreign jurisdictions, or when accused person(s) has escaped from India, after committing the offence of money laundering or part of it or the offence itself has been committed outside the country or the witnesses and other material evidence are available in another country, it may be necessary to gather information or conduct formal investigation abroad.

4.2.3.2 Generally, the basis for seeking Mutual Legal Assistance from a Contracting State is the Mutual Legal Assistance Treaty in Criminal Matters (MLAT). As of now, India has signed MLAT with 40 countries. Mutual Legal Assistance can also be sought on the basis Multilateral Treaties, such as, United Nation Convention against Corruption (UNCAC) or United Nation Convention on Transnational Organized Crime (UNCTOC). Where there is no such treaty the request can be made on the basis of mutual assurance of reciprocity. These requests are normally made through the Special Courts under section 57 of the PMLA although under the MLAT or the multilateral treaties, the requests need not be routed through the Courts.

4.2.3.3 If an order of attachment/freezing/confiscation has been issued by the officers of the Directorate of Enforcement and the said property is suspected to be in a foreign jurisdiction, the Special Court may issues a letter of request to a court or an authority in the foreign jurisdiction for execution of such order.

4.2.3.4 The Directorate of Enforcement also provides assistance to foreign jurisdictions and investigates the offence of money laundering by carrying out necessary inquiries if a request is received from a Court or authority in the said foreign jurisdiction. It may also attach, seize, freeze, or confiscate the property in India derived or obtained, directly or indirectly, by any person from the commission of an offence under the corresponding law committed in the foreign jurisdiction if a request is received from a Court or authority in the said foreign jurisdiction.

4.2.4 Performance of Directorate of Enforcement in the area of PMLA

The work done by Directorate of Enforcement 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 (up to 30.11.20)	Total
No. of cases recorded (ECIR)	1437	221	209	178	111	200	148	195	562	244	3505
No. of PMLA Prosecution Complaints (PC) filed	38	11	55	69	74	101	103	216	51	58	776*
No. of Provisional Attachment Orders (PAOs) issued	131	65	130	166	105	180	196	181	160	82	1396
No. of PAOs confirmed	108	52	57	138	117	118	179	187	144	28	1128
Value of Assets under attachment (Rs. in crore)	1215	2358	1773	3657	2000	11032	7432	15490	28815	5776	79550
Value of assets under PAO confirmed by Adjudicating Authority (Rs. in crore)	9601	326	1395	2151	2952	9189	5086	13175	7449	4301	46985
	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"										
	***Further, 146 Supplementary PCs have been filed in 107 cases**										

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
2017-18	5837	368	38
2018-19	9175	519	24
2019-20	10668	335	41
2020-21 (till 30.11.2020)	7048	314	36

Table 3: Money Laundering Investigation (ECIR) under different categories of offences (as on 30.11.2020)				
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	496	21	146.27
Offences against the State	IPC 121-121B	24	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	63	20	199.02
Offences related to Cheating, Fraudulent Deeds and Disposition of Property, Forgery etc. (IPC 417-488)	Bank fraud	474	130	40389.70
	Siphoning of Government Funds	145	60	806.26
	Ponzi Scheme/ Duping of Investors	175	68	13954.30
	Others	785	161	7722.15
Offences relating to Currency Notes and Bank Notes	IPC 489A-489B	142	07	5.62

Offences related to Illicit Arms Trafficking	Arms Act, 1959	35	13	836.76
Offences relating to unlawful activities of individuals and associations and dealing with terrorist activities	Unlawful Activities Prevention Act, 1967, Explosive Substances Act,1908	97	27	175.67
Offences relating to wildlife including poaching, smuggling and illegal trade in wildlife and its derivatives	Wildlife Protection Act,1972	19	04	120.20
Offences relating to Trafficking in person	Immortal Traffic Prevention Act, 1956, Juvenile Justice (Care & Protection of Children) Act, 2000	12	03	4.79
Offences related to corruption in government agencies and public sector businesses in India.	Prevention of Corruption Act, 1972	733	216	13714.40
Offences relating to smuggling and fraudulent commercial activities in the antiques & sculptures	Antiquities & Art Treasure Act, 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	12	03	258.27
Offences relating to evasion of duty or prohibitions imposed under the Customs Act.	Customs Act, 1962	24	05	88.27
Offences relating to bonded labour and child labour	Bonded Labour System (Abolition Act), 1976 and Child Labour (Prohibition and Regulation) Act, 1986	03	01	0.11
Offences relating to Copyright and Trademark	Copy Right Act, 1857 and Trade Marks Act, 1999	07	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	11	04	15.89
Offences relating to emigration and passport violations	Emigration Act,1983, Foreigners Act, 1946 and Passport Act,1967	14	02	52.78
Offences where the categorization of the predicate offence is not evident/other offences		220	25	959.25
Total		**3505**	**776**	**79550**

4.2.5 Performance of Directorate of Enforcement in the area of FEMA

The work done by Directorate of Enforcement 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)**
2017-18	3627	791	868	178.80
2018-19	2661	844	769	1905.18
2019-20	3360	718	574	704.60
2020-21 (up to 30.11.2020)	1989	273	204	665.03

Table 5: Number of summons issued and searches conducted under FEMA		
Financial Year	**Number of summons issued**	**Number of searches conducted under FEMA**
2017-18	4156	126
2018-19	6102	151
2019-20	6838	142
2020-21 (till 30.11.2020)	2241	29

4.2.6 Performance of Directorate of Enforcement in the area of FEOA

As on 30th November, 2020, the Directorate of Enforcement has filed application under FEOA against eleven persons. Out of which 06 persons have already been declared as Fugitive Economic Offenders (FEOs) by the Competent Courts. Hon'ble Special Court has ordered for confiscation of properties to the tune of Rs. 329.66 Crore in respect of one of the accused. Hearing for confiscation of properties in respect of other declared FEOs is under progress in the Competent Courts.

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 33 persons, out of which RCN has been published in respect of 19 persons. A total of 29 Extradition requests have been sent to various countries in respect of 21 individuals. The year wise details are presented in the following Table:

Table 6: Red Corner Notice (RCN) and Extradition		
Financial Year	**No. of RCN requests made**	**No. of Extradition requests made**
2015-16	02	-
2016-17	-	-
2017-18	07	05
2018-19	17	18
2019-20	03	04
2020-21 (till 30.11.2020)	04	02

4.2.8.1 The Directorate of Enforcement gives special focus on investigation of terror financing cases. The terrorism cases under UAPA are investigated and prosecuted by the National Investigation Agency (NIA) under the NIA Act, 2008. However, the State Police Authorities also investigate the terrorism cases under UAPA and also under various provisions of the IPC.

4.2.8.2 The focus of investigation by the Police Authorities are normally on criminal investigation such as from where the arms have been received, how the conspiracy has been hatched, who was the mastermind, what was the plot, what was the motive, who were involved etc.

4.2.8.3 The Directorate of Enforcement, after a reference is made to it by the police authorities, carries out the financial investigation, including from where the funds have been received, how the funds were layered into the banking channels, and if not through banking channels, whether it was from Hawala or Barter Trade or Trade Based Money Laundering. It also investigates, how and to whom the funds were distributed and if the funds have been invested in some property, whether the property still exits or is liquidated. Once the property is identified, the Directorate of Enforcement provisionally attaches the property and then takes possession after confirmation by the Adjudicating Authority. If the property is liquidated, equivalent amount of property, whether in India or abroad, is attached.

4.2.8.4 During investigation of cases related to terror financing by the Directorate of Enforcement, it has been found that the terrorists uses a number of methods of funding including the following :

- Banking channels by receipt of foreign remittances
- Authorized money transfer services such as Western Union
- Hawala Payments
- Donations to NPOs/Social Welfare Organizations
- Barter Trade
- Fake Indian Currency Notes

4.2.8.5 It may be noted that Barter Trade was allowed between India and Pak Occupied Kashmir, across the Line of Control. This mode of trade was being misused by the Pakistan based elements for illegal inflow of narcotics, weapons and Fake Indian Currency Notes. Huge seizures of narcotics have been effected from concealments in the trucks being used in the name of trade across LOC. Besides, invoice manipulation was being used for generating cash for terror funding. Therefore, the Barter Trade has been suspended by the Government of India, pending strict regulatory mechanism in April, 2019.

4.2.8.6 In terror financing cases, the Directorate of Enforcement has a very important role both in tracing the proceeds of crime and its laundering by the terrorists. The Directorate of Enforcement not only attaches the Proceeds of Crime and takes possession of the same but also files Prosecution Complaints against the terror accused under the PMLA.

4.2.9 Other Initiatives

Other initiatives taken by the Directorate of Enforcement includes the following:

(a) A Vigilance Awareness Week was also organized by the Directorate during 27th October, 2020 to 2nd November, 2020 to create awareness among staff to check corruption at every level so that a corruption free society could be attained.

(b) International Day of Yoga was celebrated on 21st June, 2020 by all the offices of this Directorate. All the officers / officials of the Directorate participated with enthusiasm and zeal.

(c) To mark the 70th anniversary of Constitution Day, year long activities were undertaken by the Directorate like displaying of Fundamental Duties at the entrance of all offices including Headquarters Office. Essay and quiz competition on various topics were organized.

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 2020-21 (from 01 April 2020 to 30 November 2020)

i. Collection of information (01 April 2020 to 30 November 2020):

a. 85,59,974 Cash Transaction Report (CTRs) received.

b. 9,47,152 Suspicious Transaction Reports (STRs) received.

c. 1,14,866 Counterfeit Currency Reports (CCRs) received.

d. 5,30,460 NPO Transaction Report (NTRs) received.

ii. Analysis and dissemination of information (01 April 2020 to 30 November 2020):

a. 38,288 STRs processed.

b. 37,741 STRs disseminated.

iii. Collaboration with domestic Law Enforcement and Intelligence Agencies (01 April 2020 to 30 November 2020):

a. Regular interaction and exchange of information.

b. Received 210 requests for information from intelligence and Law Enforcement Agencies.

c. Provided information in 284 cases requested by the agencies.

iv. **Regional and global AML/CFT efforts (01 April 2020 to 30 November 2020):**

a. 87 requests received from foreign FIUs.

b. 268 requests sent to foreign FIUs.

v. **Increasing awareness about money laundering and terrorists financing (01 April 2020 to 30 November 2020):**

a. 1 Programme for training REs was conducted in which 800 participants participated.

b. 6 Review meetings at FIU-IND were held in which 52 participants participated.

c. 4 Training Programmes for training LEAs were conducted in which 240 participants participated.

d. 1 meeting with LEAs was conducted in which 15 participants participated.

vi. **Strengthening legislative and regulatory framework:**

a. Regular interaction with the Department of Revenue and Regulators.

b. Suggestions received from stake holders or through Department of Revenue for amendments to the Prevention of Money Laundering Act, 2002 and the PML (Maintenance of Records) Rules, 2005 were dealt with.

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. Initiation of Project FINnet 2.0

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/ retain 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 posts of Chairperson & Member are tenure post after retirement from erstwhile job.

4.5 Financial Action Task Force

4.5.1 History/ Background:

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.

4.5.2 FATF and India:

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).

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 in the year 2020-21 based on the revised standards of FATF (40 recommendations and 11 Immediate outcomes). 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.

4.5.3 Functions of FATF Cell, DoR:

i. Consequent to the decision taken by the Cabinet Secretariat, work relating to FATF and the related Inter-Ministerial Coordination had been transferred form Department of Economic Affairs (DEA) to Department of Revenue (DoR) (vide GOI Gazette Notification dated 9th Nov, 2017).

ii. FATF Cell was constituted in DoR in 2017.

iii. Coordination or work related to FATF Secretariat is the main function of FATF Cell. As part of this, FATF coordinates with agencies of India's ML/TF infrastructure namely ED, FIU-IND, RBI, SEBI, IRDAI, MHA, NIA, MEA etc.

iv. The Cell receives, circulates and discusses various papers/ 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.

v. The FATF cell also nominates Indian delegates for foreign deputation concerning plenary/ meetings namely plenaries and other important meetings of FATF, APG and EAG. Officers of the FATF Cell also participate in these meetings and the delegation takes part in the multilateral discussions on various issues.

vi. Currently, the FATF Cell is coordinating the work related to India's upcoming mutual evaluation. JS (Revenue) is the National Coordinator and Director (FATF) is the Deputy National Coordinator for the Mutual evaluation exercise.

vii. 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 ML/TF NRA.

viii. An Inter- Ministerial Coordination Committee has been constituted under the Chairpersonship of Revenue Secretary under s.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).

ix. An AML/ CFT Joint Working Group has been created under the chairpersonship of Additional Secretary (Revenue) for enhancing operational co-ordination among all stakeholders.

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. CBN has combined sanction strength of 1104 post.

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.

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 notified Precursor Chemicals 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. Issue of licenses for manufacture of synthetic Narcotic Drugs.

v. Performing the functions of Competent National Authority (CNA) for issue of Export Authorizations and Import Certificate for Export/ Import of Narcotic Drugs & Psychotropic Substances and issue 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 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, Central Excise, Customs, State Police, State Excise and various other 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 2020-21 for the export/import of Precursor Chemicals is as under:

Number of NOC issued	From 01.04.2020 to 30.11.2020	From 01.12.2020 to 31.03.2021 (Projected)
For export of Controlled Substance	1036	600
For import of Controlled Substance	654	320
No. of Pre-export Notifications issued	769	600
No. of Pre-export Notification received	690	300
Number of Stop Shipments /suspended (Import)	44	NA
Number of Stop Shipments /suspended (Export)	13	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 769 PENs (during the period from 01.04.2020 to 30.11.2020 to the competent authority of various importing countries, for verifying the legitimacy of the transactions. On the initiative, taken by the 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 for the export/import of narcotic drugs /psychotropic substances is as under -

Particular	Psychotropic Substances		Narcotic Drugs	
	From 01.04.2020 to 30.11.2020	From 01.12.2020 to 31.03.2021 (Projected)	From 01.04.2020 to 30.11.2020	From 01.12.2020 to 31.03.2021 (Projected)
No. of Export Authorization Issued	3727	2000	282	80
No. of Import Certificate issued	357	200	103	40

Number of Manufacturing license, issued/ renewed, for manufacture of synthetic narcotic drugs and number of Registrations for import of poppy seeds issued, are as under:

Quota Allocation issued during 01.04.2020 to 30.11.2020	No of Manufacturing license issued during 01.04.2020 to 30.11.2020	No. of Registration certificates issued for import of poppy seeds during 01.04.2020 to 30.11.2020
220	9	Nil

Projected figures for the period from 01/12/2020 to 31/03/2021 is as under

Quota Allocation	No. of Manufacturing license	No. of Registration certificates for import of Poppy seeds
250	20	250

As per Rule 67 E (2) of NDPS Rule 1985, CBN issues allocation of narcotic drugs, during this year, mainly allocation was issued for Codeine Phosphate to 81 companies for quantity of 86960 kgs, whereas 51 companies have been issued allocation for 7514 kgs of medicinal opium.

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.

Details of disposal of drugs during the year 2019 and 2020 is as follows:

S. No.	Narcotics Drugs/Psychotropic	2019		2020	
		No. of Cases	Quantity	No. of Cases	Quantity
1	Opium	42	1186.360 kgs	21	199.00kgs
2	Opium Mix water	-	42.040 kgs	-	-
3	Heroin	22	64.260 kgs	3	9.422kgs
4	Morphine	01	1.000kg	-	-
5	Charas	04	13.220 kgs	-	-
6	Poppy straw/Poppy Husk	11	8041.730kgs	2	21.150kgs
7	Ganja	1	3.450kgs	-	-
8	Alprazolam	1	110000tabs	-	-
9	Acetic Anhydride	2	42.000kgs & 5.500lts	1	141.000kgs
10	Nitrazepam	1	2.475 kgs	-	-
11	Tramadol Inj.	1	245nos. or 490 ml	-	-

During the calendar year 2020, several seizures and destruction of illicit opium poppy cultivation, under NDPS Act, were affected by Central Bureau of Narcotics and details thereof are as follows:

Seizure effected by CBN during the year 2019 & 2020

Type of Drug/ Substance		2019	2020 (upto November 2020)
Opium	Quantity (In kgs.)	152.74	361.180
	Cases	6	10
		42.040 Op. Sol.	
Morphine	Quantity (In kgs.)	0.65	-
	Cases	1	-
Heroin	Quantity (In Kgs)	1.760	1.515
	Cases	4	3
Ganja	Quantity (In kgs)	176.1	18.000
	Cases	1	1
Charas	Quantity (In kgs.)	.63	-
	Cases	1	-
Poppy Straw/Husk	Quantity (In kgs.)	3087.650	1732.360
	Cases	18	17
Diazepam	Quantity (No of inj.)	20475	15
	Cases	-	-
Buprenorphine	Quantity (In kgs.)	-	-
	No. of Inj	81528 inj	1192470 tab
	Cases	-	1
Pentazocine	Quantity (In kgs.)	73904 inj	3 inj
	Cases	-	-
Codeine Phosphate Cough Syrup	Quantity (No. of bottles	9746 bottles	21876bottles
	Cases	-	-

Alrazolam Tab	Quantity (No. of tablets)	1098307 tablets	316670 tabs + 02.000kgs
	Cases	-	4
Zolpidem Tartrate	Quantity (No. of tablets)	30600 tabs	-
	Cases	-	-
Zolpidem	Quantity (No. of tablets)	-	4755 tablets
	Cases	-	-
Clonazepam	Quantity (No. of tablets)	5000 tablets	129180 tablets
	Cases	-	1
Clobazam	Quantity (No. of tablets)	-	6850 tablets
	Cases	-	-
Nitrazepam	Quantity (No. of tablets)	12350 tab	-
	Case	-	-
Tramadol	Quantity	840006 tabs & 352496 Caps	2064229 tablets & 1240 capsules
	Case	-	1
Tramadol Inj	Quantity (No. of Injection	5903	390 ampules
	Cases	2	-
Lorazepam	Quantity (No. of tablets)	-	5005 tablets
Methyl Phenidate	Quantity (No. of tablets)	-	600 tablets
Chlordiazepoxide	Quantity (No. of tablets)	-	3933 tablets
Oxazepam	Quantity (No. of tablets)	-	43110 tablets
Phinobarbitone	Quantity (No. of tablets)	-	2000 tablets
Unlabelled injections said to be Buprenophine inj.	Quantity (No of Inj.)	-	704 ampules
Illicit Poppy Cultn	Quantity	750 Sqm	0.2839 hect.
	cases	1	2

Details of Destruction of illicit opium poppy cultivation and cannabis in 2019 & 2020:

Year	State	Area Destroyed (in hect.)	Total Area destroyed (in Hect.)
2019	Arunachal Pradesh (Feb)	Lohit -495 Namsai-195	848
	Uttarakhand (May)	Uttarkashi-158	
2019	Kullu (13th Aug to 5th Sept)	135 (cannabis)	135
2020	Arunachal Pradesh (26.02.2020 to 06.03.2020)	Lohit- 2580 Namsai-600	3180

Number of persons convicted/ acquitted in CBN cases, decided by various Courts, during the financial year 2020-21 (upto November, 2020) 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 (%)
2020-21	664+2*	48	3	3	667+2*	50%

*foreigners

Number of cases, decided by various Courts, during the financial year 2020-21 are as under (upto November,2020):

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 (%)
2020-21	531	25	3	1	533	75%

4.6.1.5 During the crop year 2019-20, a quantity of 289 Metric Tons of opium at 70° consistency (225 Mt at 90° consistency) was procured. The average yield per hectare (in kgs) at 70° consistency on the basis of results received from Madhya Pradesh, Rajasthan and Uttar Pradesh units for the crop year 2019-20 was 65.385, 65.973 & 38.693 respectively. The All-India average yield during 2019-20 was 65.619 kg/hectare at 70° consistency. The figures are for crop year 2019-20 as the crop cycle for the cultivation of opium is 1st October to 30th September.

4.6.1.6 Gender Issues/ Empowerment of Women:

NACIN Bhopal has conducted online one day training on 02.12.2020 on Gender Sensitization, Gender Mainstreaming, Overview of Sexual Harassment of Women at Workplace.

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 2020-21.

i. 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.

ii. World Drug Day, 2020 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 organized 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 Indirect Taxes 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 2020-21 are as follows:

GOVERNMENT OPIUM AND ALKALOID FACTORIES (GOAF)

I. PERFORMANCE OF GOAF FOR THE FINANCIAL YEAR 2020-21

(Provisional)

Sl. No.	Particulars	Unit	Actual Production April to November, 2020	Estimated Production from December,2020 to March,2021
A	**PRODUCTION**			
1	Drying of opium for Export at 90°C	KG.	--	--
2	a) Morphine Sulphate	KG.	287.450	0.000
	b) Codeine Phosphate (C.P.)	KG.	8212.483	5369.800
	c) Pure Thebaine	KG.	470.200	294.100
	d) Noscapine BP	KG.	2276.375	1382.600
	e) Pholcodine	KG.	89.700	90.000
	f) Papavarine S.R.	KG.	1491.300	584.700
	g) IMO Powder	KG.	5700.000	6300.000
	h) IMO Cake	KG.	0.000	5000.000
	Total (2) (a to h)	**KG.**	**18527.508**	**19021.12**
3.	Codeine Phosphate Imported for Domestic Market	KG.	0.000	11000.000

Sl. No.	Particulars	Actual Sales April to November, 2020		Estimated Sales from December,2020 to March,2021	
		Quantity (in Kg.)	Amount (Rs. in Crore)	Quantity (in Kg.)	Amount (Rs. in Crore)
B	**SALES**				
1	Export of opium for at 90°C	100.000	0.05	2400.000	1.35
2	a) Codeine Sulphate	0	0	0	0
	b) Morphine Sulphate	429.000	1.78	0	0
	c) Codeine Phosphate (Indigenous Production & Imported)	16653.800	76.10	17629.200	80.50
	d) Dionine I.P.	8.000	0.10	15.000	0.15
	e) Pure Thebaine	538.000	4.62	209.000	0.95
	f) Noscapine BP	222.000	0.80	1600.000	5.70
	g) Pholcodine	24.500	0.18	175.500	1.29
	h) Papavarine S.R.	2000.000	0.53	280.000	0.09
	i) IMO Powder (Dom. Sales+Export)	7791.000	10.17	5462.000	5.22
	j) IMO Cake (Domestic Sales+Export)	3303.750	3.37	2000.250	2.04
	Total 2 (a to j)	**30970.050**	**97.65**	**27370.950**	**95.94**
	Grand Total (1+2)	**31070.050**	**97.70**	**29770.950**	**97.29**

C. (a) COUNTRY WISE EXPORT OF OPIUM AT 90°C (excluding IMO Powder & Cake) FOR THE FINANCIAL YEAR 2020-21 (UPTO NOVEMBER, 2020)

(Quantity in Kgs)

	Unit	USA	France	Switzerland	Sri Lanka	Total
1	Ghazipur	--	--	--	--	--
2	Neemuch	--	--	100.000	--	100.000
	Total	--	--	100.000	--	100.000

(b) COUNTRY WISE EXPORT OF OPIUM AT 90°C (excluding IMO Powder & Cake) FOR THE FINANCIAL YEAR 2020-21 (FROM DECEMBER, 2020 TO MARCH, 2021)

(Quantity in Kgs)

	Unit	USA	France	Switzerland	Sri Lanka	Total
1	Ghazipur	--	--	--	--	--
2	Neemuch	1400.000	900.000	--	100.000	2400.000
	Total	1400.000	900.000	--	100.000	2400.000

D. (a) REVENUE RECEIPTS (ON REALISATION BASIS) FOR THE FINANCIAL YEAR 2020-21 (UPTO NOVEMBER, 2020)

(Rs. in crore)

		Opium Factory	Alkaloid Works	Total
1	Ghazipur	0.05	23.87	23.92
2	Neemuch	0.05	77.48	77.53
	Total	**0.10**	**101.35**	**101.45**

(b) REVENUE RECEIPTS (ON REALISATION BASIS) FOR THE FINANCIAL YEAR 2020-21 (FROM DECEMBER, 2020 TO MARCH, 2021)

(Rs. in crore)

		Opium Factory	Alkaloid Works	Total
1	Ghazipur	0.05	31.63	31.68
2	Neemuch	1.25	65.62	66.87
	Total	**1.30**	**97.25**	**98.55**

II. <u>ACHIEVEMENT OF CCF ORGANISATION UP TO THE MONTH OF NOVEMBER, 2020 WITH COMPARATIVE DATA OF PREVIOUS YEAR i.e. 2019 FOR THE SIMILAR PERIOD</u>

Provisional

Sl. No.	Particulars	Unit	Actual Production April to November		% age increase over previous year
			2019-20	2020-21	
(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.	211.550	287.450	35.88%
	b) Codeine Phosphate	KG.	13946.800	8212.483	-41.12%
	c) Pure Thebaine	KG.	735.100	470.200	-36.04%
	d) Noscapine BP	KG.	2136.600	2276.375	6.54%
	e) Pholcodeine	KG.	0	89.700	100.00%
	f) Papavarine S.R.	KG.	2082.450	1491.300	-28.39%
	g) IMO Powder	KG.	7400.000	5700.000	-22.97%
	h) IMO Cake	KG.	0.200	0.000	-100.00%
	Total (2)	KG.	**26502.700**	**18527.508**	-30.09%
3.	Import of Codeine Phosphate				
	i) For Domestic Market	KG.	0	0	---

B.	**SALES**				*Provisional*
Sl. No.	Particulars	2019-20 April to November		2020-21 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 accrual basis	1295.399	0.68	100.00	0.05
2	Domestic Sale of Drugs : (on actual basis)				
	a) Codeine Sulphate	0	0	0	0
	b) Morphine Sulphate	194.475	0.80	429.000	1.78
	c) Codeine Phosphate (Indigenous & Imported)	18341.402	83.82	16653.800	76.10
	d) Dionine I.P.	0	0	8.000	0.10
	e) Pure Thebaine	857.000	3.89	538.000	4.62
	f) Noscapine BP	275.001	0.99	222.000	0.80
	g) Papavarine S.R.	0	0	24.500	0.18
	h) Pholcodine	63.000	0.46	2000.000	0.53
	i) IMO Powder (Domestic sale + Export)	4938.060	5.24	7791.000	10.17
	j) IMO Cake (Domestic sale + Export)	2845.340	2.90	3303.750	3.37
	Total (2)	**27514.278**	**98.10**	**30970.050**	**97.65**
	Grand Total (1+2)	**28809.677**	**98.78**	**31070.050**	**97.70**

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
2019-20						
Ghazipur	--	--	--	--	--	--
Neemuch	403.609	891.790	--	--	--	1295.399
Total	**403.609**	**891.790**	**--**	**--**	**--**	**1295.399**
2019-20						
Ghazipur	--	--	--	--	--	--
Neemuch	--	--	100.000	--	--	100.000
Total	--	--	**100.000**	**--**	**--**	**100.000**

D: COMPARATIVE REVENUE RECEIPTS ON REALISATION BASIS (upto November of each Financial Year)

(Rs. in Crores)

			(Provisional)
Unit	**Opium**	**Alkaloid**	**Total**
	Factories	**Works**	
2019-20			
Ghazipur	0.08	35.43	35.51
Neemuch	0.07	70.97	71.04
Total	**0.15**	**106.40**	**106.55**
2020-21			
Ghazipur	0.05	19.63	19.68
Neemuch	0.05	77.48	77.53
Total	**0.10**	**97.11**	**97.21**

4.6.2.2 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.

4.6.2.3 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.

4.6.2.4 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 Director General, CEIB 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 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);

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; and

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.

4.7.1.4 The details of the activities of CEIB are as under:

A. Trainings on Intelligence and other relevant areas:

i. 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.

ii. It was through earnest efforts of CEIB that a new course on 'Techniques of Handling Digital Evidence using Digital Forensics', conducted by the National Academy of Direct Taxes, Nagpur materialized during the year 2019-20. This year CEIB has been successful in persuading NALSAR Hyderabad into conducting virtual 3 days training on legal aspects.

iii. The training calendar for the FY2020-21 is published on the website of CEIB for faster dissemination of information. In this year, details of the training programmes conducted by the Bureau so far are as under:

Sl. No.	Name of the Course/Training	Institute Conducted Course/Training	Date/Duration of the Course/Training	No. of Participants Attended Training
1.	Trade Based Money Laundering	State Bank Institute of Consumer Banking, Hyderabad	20th to 21st July,2020 (Online)	32
2.	Banking Operations & Fiscal Laws	State Bank Institute of Consumer Banking, Hyderabad	17th to 19th August, 2020 (Online)	15
3.	Investigating Economic Crime in Securities Market	National Institute of Securities Markets, Navi Mumbai	12th to 15th October, 2020 (Online)	51
4.	Legal Aspects and Legal Matters	NALSAR University of Law, Hyderabad	09th to 11th November, 2020 (Online)	17

B. Implementation of COFEPOSA Act, 1974

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 detained under the COFEPOSA Act. Several court cases filed against the detention orders have been decided in favour of the Government.

4.8 STATE TAXES

There are two State Taxes Sections in the Department of Revenue:

a) State Taxes-I

b) State Taxes-II

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) incorporated for providing IT platform for the GST. Apart from the above, Union Territories Goods and Services Tax (UTGST) Act, 2017 and GST Settlement of Funds Rules, 2017 are other subject matters of the Section. Brief description of the same is as under:

4.8.1 Goods and Services Tax Settlement of Funds Rules, 2017:

The Goods and Services Tax Settlement of Funds Rules, 2017 have also been notified on 27th July, 2017, which, layout the procedure to be followed for the settlement of funds between the Centre and the States on account of cross-utilisation of input tax credit between IGST and SGST / UTGST, and apportionment of IGST. A total amount of Rs. 2,84,542 crore have been settled from IGST between April, 2020 and December, 2020 and distributed among Centre and States/ UTs. This included Rs. 1,25,750 crore IGST amount released to States/ UTs (SGST/UTGST) and Rs. 1,58,793 crore to Centre (CGST).

4.8.2 Special Purpose Vehicle for Goods & Services Tax Network (GSTN):

Goods and Services Tax Network (GSTN) was set up as a non-government, not-for-profit private limited company on 28th March, 2013, in order to provide IT infrastructure and services to the Centre and State governments, tax payers and other stakeholders. With the approval of Union Cabinet and the recommendations of GST Council, GSTN is in the process of being converted into a fully owned Government company.

4.8.3 Indian Stamp Act, 1899:

The Indian Stamp Act, 1899 (2 of 1899) is a fiscal statute laying down the law relating to tax levied in the form of stamps on instruments recording transactions. Briefly, the scheme relating to stamp duties, provided for in the Constitution is as follows: -

i. Under Article 246, stamp duties on documents specified in Entry 91 of the Union List in Schedule VII of the Constitution (viz. bills of exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts) are levied by the Union but under Article 268, each State, in which they are levied, collects and retains the proceeds (except in the case of Union Territories in which case the proceeds form part of the Consolidated Fund of India). At present duty is levied on all these documents except cheques.

ii. Stamp duties on documents other than those mentioned above are levied and collected by the States by virtue of Entry 63 in the State List in the 7th Schedule of the Constitution.

iii. Provisions other than those relating to rates of duty fall within the legislative power of both the Union and the States under Entry 44 of the Concurrent List in the Schedule-VII of the Constitution.

The Indian Stamp Act, 1899 has recently been amended in respect of security market instruments. The said amendments propose to create the legal and institutional mechanism to enable states to collect stamp duty on securities market instruments at one place by one agency (through the Stock Exchanges or Clearing Corporations authorized by the stock exchange or by the Depositories) on one Instrument. A mechanism for appropriately sharing the stamp duty with relevant State Governors based on state of domicile of the buying client is also proposed.

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:

4.8.4 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 known as

Compensation cess is being levied on luxury & demerit goods and proceeds of such cess is being credited to a separate Public Account fund known as Compensation Fund. GST compensation amounting to Rs. 49513.48 crore for the period July, 2017 to March, 2018, Rs. 82343.28 crore for the period April, 2018 to March, 2019 and Rs. 165302 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. During the current FY, only Rs. 40,000 crore has been released to all States/ UTs so far to meet partly the bi-monthly compensation due for April & May, 2020 as GST Compensation Fund was not adequate to meet the full compensation for period April-May, 2020. Further, the balance GST compensation for the period April-May, 2020 and GST compensation for the period June-November, 2020 is pending to all States/UTs.

iii. The issue of shortfall in GST compensation cess collection and pending GST compensation to States has been discussed and deliberated in GST Council meeting held in October, 2020 and accordingly, in order to meet the shortfall in GST compensation to be paid to States, Central Government has decided to borrow Rs. 1.1 lakh crore under the Special Window in appropriate tranches. The amount so borrowed will be passed on to the States as a back-to-back loan to help the States to meet the resource gap due to non-release of compensation due to inadequate balance in the compensation fund. All States have decided to take benefit of this assistance to tide over the temporary resource gap.

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 filed 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 and four Members.

4.9.1.3 During the period 01.01.2020 to 30.11.2020 in total 939 Appeals (474 in PMLA, 99 in NDPSA, 09 in SAFEMA, 151 in FEMA and 206 in PBPT) were filed and in addition 1892 Miscellaneous petitions (1281 in PMLA, 104 in NDPSA, 11 in SAFEMA, 273 in FEMA and 223 in PBPT) were filed during the said period. Total 30 appeals (22 in PMLA and 03 in NDPSA, Nil in SAFEMA, 05 in FEMA and Nil in PBPT) were disposed of during the said period.

4.9.2 Competent Authority under SAFEMA/ NDPS

4.9.2.1 The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property Act, 1976 (SAFEMA), 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.

4.9.2.2 SAFEM 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 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 are given in **Appendix 'A'**.

Appendix 'A'

FORFEITURE OF ILLEGALLY ACQUIRED PROPERTY UNDER NDPS AND SAFEMA 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 (Jan 20 to Nov-20)	33	26	1418.66	40	1,30,148.41	150.08

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 authority established in the year 1982 with an objective of hearing appeals 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 heard by the Tribunal ever since the promulgation of the Finance Act, 1994. The Tribunal is also having appellate jurisdiction over Anti Dumping Duty matters under the Customs Tariff Act and the special bench presided by the President of the Tribunal hear 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 eight regional benches are situated at Mumbai, Kolkata, Chennai, Bangalore, Ahmadabad, Allahabad, Chandigarh and Hyderabad. The Tribunal is headed by the President who is a retired judge of High

Court. The composition of a Bench consists of a Judicial Member and a Technical Member and it is called a Division Bench. Mumbai has three Benches, Delhi has three Benches, Chennai and Bangalore have two Benches each and rest of the places have one Bench each totaling to 16 Judicial Members and 16 Technical Members. The Bench is constituted by separate order of the President periodically. To expedite the disposal of small cases with financial stake up to Rs. 50,00,000/- (Fifty Lakh 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 ramification.

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 through video conferencing on Jitsimeet which is an open source video platform. This facility has been implemented in all the nine benches and substantial number of cases have been disposed. The listing is done on a request made by the parties. It has been noticed that pre-deposit has not been made by many appellants while filing of appeals during the pandemic time. Hence it has been decided to list such matters and require the parties to produce proof of pre-deposit. This has prevented unfair advantage of parties.

4.10.2.2 Despite various constraints including several vacancies of Members and subordinate staff, the appeals are disposed in a consistent manner. A sample statement showing institution and disposal of appeals of the current financial year is given below:

Year	Institutions	Disposal	Total Pendency as on 1.11.2020
April 2020 to October 2020	3077	2538	74575

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 of Hon'ble Rachna Gupta, Member (J), 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 the Members are entitled for travel by Business class, they 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 have been 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,2020)	No. of applications disposed of (upto November, 2020)	Duty Settled (Rs. in crores) (upto November, 2020)
163	198	121.80

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 09.06.99 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 Application Settled	Duty settled (Rs. in Crore)
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 (Up to Nov.20)	163	18	198	121.80
Total	20520	3167	17196	6377.46

4.11.2 Income Tax Settlement Commission

4.11.2.1 The Income Tax Settlement Commission (ITSC) was set up in pursuance of the recommendations of the Wanchoo Committee (1971) w.e.f. 01.04.1976. It is an Alternate Disputes Resolution (ADR) body within the realm of Direct Taxes for settlement of Income Tax and Wealth Tax cases. The main objective for setting up of this commission was to give a statutory basis for settlement of cases in the interest of revenue. The Settlement Commission was established as a forum of mediation in place of litigation. The aim was to move the conflicting parties to a consensus than subjecting them to adversarial procedure inherent in regular administration of justice. This was envisaged as an institution for statutory arbitration.

4.11.2.2 The objective behind this institution is aptly summarized in the oft-quoted passage from the report of the Wanchoo Committee as under:

"This, however, does not mean that the door for compromise with an errant tax payer should forever remain closed. In the administration of fiscal laws, whose primary objective is to raise revenue, there has to be room for compromise and settlement. A rigid attitude would not only inhibit a one-time tax evader or an un-intending defaulter from making a clean breast of his affairs, but also unnecessarily strain the investigational resources of the Department in cases of doubtful benefit to revenue, while needlessly proliferating litigation and holding up collections".

4.11.2.3 The Settlement Commission has seven benches as under: -

(i) One Principal Bench and Two Additional Benches at New Delhi.
(ii) Two Additional Bench at Mumbai.
(iii) One Additional Bench at Kolkata.
(iv) One Additional Bench at Chennai.

4.11.2.4 The Commission comprises Members who are appointed by the Central Government from amongst the persons of integrity and outstanding ability, having special knowledge of and experience in problems relating to the direct taxes and business accounts.

4.11.2.5 Each bench has three Members. The Principal is presided over by the Chairman and each Additional Bench is presided over by Vice Chairman. The Chairman is of the rank of a Secretary to Government of India. The Vice-Chairman and the Members are of the rank of an Additional Secretary to the Government of India. Members of the Commission are appointed from the serving Chief Commissioners of Income Tax or of equivalent rank. The senior most Member of every Bench, other than the Principal Bench is called Vice-Chairman of the respective Bench. The Chairman in the Principal Bench is appointed from amongst the serving Members of the Commission having a minimum remaining service of six months on the date of notifying the vacancy for the post of Chairman of the Commission.

4.11.2.6 An assessee is required to make an application to the Settlement Commission in the prescribed form to get his case settled. He has to disclose Additional Income not disclosed before the assessing officer and the Additional Tax Payable on the Additional Income should be more than Rs. 50 lakhs in search cases and Rs. 10 lakhs in other cases. The applicants are required to pay the Additional Tax together with the interest before filing the application in the Settlement Commission. The Commission then decides upon the admissibility of the application and in case of admitted applications, the Commission carries out the process of Settlement in a time bound manner by giving opportunity to both the parties. An Application filed before the Commission, if admitted, is required to be disposed of by the Settlement Commission within 18 months from the date of filing of the application. The Commission has wide power of granting immunity from penalty and prosecution under the Income Tax Act, 1961 and Wealth Tax Act, 1957, which in usual course, would involve prolonged litigation between the department and the taxpayer. An order passed by the Commission is final and conclusive. At present the benefit of the Settlement mechanism can be availed by a tax payer only once in life-time, who has made the first application as on or after 1st June, 2007. Further details about the Commission are available on its Website.

4.11.2.7 A statement showing the number of Application files and disposal of is as under:

Disposal and Pendency of cases u/s 245 D (4)				
FY	**Pendency of the cases at the Beginning of the year**	**Addition during the year**	**Disposal during the year**	**Pendency of the cases at March end**
F.Y.2016-17	598	519	541	576
F.Y.2017-18	576	478	384	670
F.Y.2018-19	670	403	461	612
F.Y. 2019-20	612	512	384	840
2020-21 (till October, 2020)	840	35	115	760

4.11.3 Authority for Advance Rulings

4.11.3.1 With a view to avoiding dispute in respect of assessment of Income-tax liability in the case of non-residents (and also specified categories of residents), a Scheme of Advance Rulings has been incorporated in Chapter XIX-B of the Income-tax Act. The Authority for Advance Rulings (AAR) pronounces rulings on the applications of the non-resident/residents and such rulings are binding both on the applicant and the Income-tax department. Thus, the applicant can avoid expensive and time consuming litigation on any question of law or fact which might arise from normal Income-tax assessment proceedings. Similar provisions for obtaining an advance ruling are contained in Chapter V-B in the Customs Act, 1962. The scheme of Advance Rulings allows eligible persons to seek clarity on tax liability before venturing into a particular taxable activity. Pursuant to the Finance Act, 2017, the AAR constituted under Income Tax Act 1961 is acting as AAR for Customs legislations. However, this Authority has been converted into an Appellate Authority for ruling under the Customs Act passed by the new Authority named Customs Authority for Advanced Rulings created under Finance Act, 2018.

4.11.3.2 There are three benches of the Authority - Principal Bench at Delhi having jurisdiction over applicants residing in the Union territory of Delhi and non-residents who do not have offices in India, NCR Bench at Delhi having jurisdiction over northern and eastern States and Mumbai Bench having territorial jurisdiction covering central and southern States.

4.11.3.3 The Authority for Advance Rulings has also been notified vide Notification dated 17.03.2005 (as amended by Notification dated 07.06.2005) as Central Sales Tax Appellate Authority to settle Inter-State disputes falling under Section 6A read with Section 9 of the Central Sales Tax Act, 1956. It started functioning as CSTAA w.e.f. 01.03.2006 vide Notification dated 03.02.2006.

4.11.4 National Institute of Public Finance and Policy (NIPFP)

4.11.4.1 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 contribution 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.

4.11.4.2 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.

4.12 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 14.5.2015) 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.

4.12.2.5 FTT 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.

4.13 NATIONAL COMMITTEE FOR PROMOTION OF SOCIAL AND ECONOMIC WELFARE

4.13.1 The Government of India constituted the National Committee for Promotion of Social & Economic Welfare in 1992 for recommending the projects for promotion of sports, social and economic welfare, pollution control, etc. received from Trusts/ Institutions, to the Central Government for Notification under Section 35 AC of Income Tax Act, 1961. The funding of the approved projects is through donations on which the donors are entitled to 100% deduction under the Income Tax Law.

4.13.2 The National Committee for Promotion of Social and Economic Welfare is constituted by the Central Government for a term of (03) three years and consists of 14 Members including its Chairman. The Government appoints former Chief Justice of India as Chairman of the Committee and other 13 persons of public eminence, hailing from various walks of life, as Members of the Committee. So far 9 such Committees have been constituted, all headed by a retired Chief Justice of India.

4.13.3 In this context, it may be stated that Section 35AC of IT Act, as amended by the Finance Act, 2016, provides that no deduction under this section shall be allowed in respect of any assessment year on or after 1st April, 2018. Accordingly, the benefit of deduction under Section 35AC of Income tax Act was available only up to previous year ending 31.3.2017 (Assessment year 2017-18) in respect of payment made to association or institution already approved by the National Committee for carrying out any eligible project or scheme and as such no deduction u/s 35AC is available after 31.3.2017 (F.Y.).

4.13.4 In view of above, the 9th National Committee for Promotion of Social and Economic Welfare was reconstituted and subsequently notified on 31st March, 2017 and the extended tenure is till 31st March, 2020. The composition of the Committee is as follows:

S. No.	Name of the Committee Members	Designation	Place
1.	Justice Mr. R.C. Lahoti, former Chief Justice of India	Chairman	Noida, Uttar Pradesh
2.	Shri Amardeep Singh Cheema	Member	Batala, Punjab
3.	Shri Amiya Kumar Sharma	Member	Guwahati, Assam
4.	Shri Baldev Chowdhary	Member	Lucknow, Uttar Pradesh
5.	Smt. Chetna Sinha	Member	Satara Maharashtra
6.	Shri D.R. Mehta	Member	Jaipur, Rajasthan
7.	Shri Enrico Piperno	Member	Kolkata, West Bengal
8.	Shri Habib A. Fakih	Member	Mumbai, Maharashtra
9.	Prof. Naladi Samuyelu	Member	Guntur, Andhra Pradesh
10.	Dr. Naresh Gupta	Member	New Delhi
11.	Shri Sanjiv Kumar Arora	Member	New Delhi.
12.	Smt. Shameema Raina	Member	Srinagar, J&K.
13.	Smt. Shashikala Vamanan	Member	Chegalpattu, Tamil Nadu.
14.	Shri Vinayak Lohani	Member	Kolkata, West Bengal

4.13.5 The functions and procedures of the National Committee are governed by Rules 11-F to 11-O of the Income Tax Rules, 1962. The procedure of filing the application and the manner in which the applications are to be considered and decided by the National Committee are enumerated in Rules 11-L and 11-M of the Income Tax Rules, 1962. The projects/schemes of the institutions/ organizations recommended by the National Committee and accepted by the Central Government are notified in the Official Gazette. In cases where the National Committee does not recommend the scheme or project for approval, the decision of the Committee is communicated to the applicants by the Secretariat of the National Committee.

5. Integrated Financial Unit (IFU)

Integrated Finance Division of the Department of Revenue is under the direct supervision of Addl. 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 Addl. 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, 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 2020-21 was prepared. RE 2020-21 and BE 2021-22 ceiling has been finalized and communicated by the Budget Division, Department of Economic Affairs.

The Details of RE 2020-21 and BE 2021-22 in respect of all the three grants are as below:

(Rs. in crore)

Grant	Gr. No.	2020-21		2021-22
		BE	RE	BE
D/o Revenue	31	272250.83	272454.75	201512.64
Direct Taxes	32	8065.39	7694.00	8532.34
Indirect Taxes	33	8258.50	7582.47	21359.27

5.4 Integrated Finance Division has taken the following steps/initiatives in 2020-21:

(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 to 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; 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. The Division is headed by a Director (OL) and operates through four Official Language Sections; each headed by an Assistant Director (OL) and supervised by two Deputy Directors (OL). The Division deals with matters relating to implementation of Official Language Policy of the Union and takes follow up action 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. 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 two subordinate offices of Department of Revenue located in New Delhi. 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 07 sections of Headquarters and 07 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 Honourable 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, 2020 to 30 September, 2020. 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 2020-21, 01 JSA/ 01 JTO/ 5 MTS and 5 Stenographers were nominated for training in Hindi typing and Hindi stenography respectively in the courses run by the Central Hindi Training Institute, Ministry of Home Affairs.

Department of Official Language conducted 5 days online training programme on 'Kanthasth- a memory based translation software' in October, 2020. 5 Senior Translation Officers and 2 Junior Translation Officers of this department participated in the training programme.

7. Implementation of the Right to Information Act, 2005

7.1 Revenue Headquarters

In order to facilitate dissemination of information under the provisions of the Right to Information Act, 2005, Department of Revenue has initiated the following action:

(i) During the year, the Department continued efforts towards full implementation of the Right to Information Act, 2005. As per instructions of Department of Personnel & Training (DOP&T) on suo-motu disclosure, details of the Department's functions along with its functionaries etc. have been placed on the RTI portal of the Department's website (https://dor.gov.in/rti/revenue-headquters) as required under section 4(1) of the RTI Act.

(ii) Meeting to discuss the strategy for conducting the Sample Audit held on 04.02.2020 at Central Information Commission (CIC) was attended by Director (NC).

(iii) In regards to the Third-Party Audit, the self-appraisal form submitted 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.

(iv) To facilitate contactless and paperless filing of RTI Application/Appeals, the RTI online portal (www.rtionline.gov.in) has been very convenient in this regard. The replies to the RTI Application and Appeals are uploaded on the portal which may be viewed exclusively by the Applicant/ Appellant.

(v) The following table indicates the number of RTI Applications and Appeals received in the financial year 2020-21 up to 30.09.2020:

Type	No. of Applications received during the year 2020-21 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	69	37	0	35
Online RTI Applications	2824	2410	1	306
Offline Appeals	7	0	0	9
Online Appeals	97	47	0	35
Total fee received offline u/s 7(1) is Rs. 380/- Additional fee received offline u/s 7(3) is Rs. 434/-				

7.2 Central Board of Indirect Taxes & Customs (CBIC):

7.2.1 Directorate General of Taxpayer Services (DGTS):

7.2.1.1 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.

7.2.1.2 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.

7.2.1.3 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.

7.2.1.4 PUBLICATIONS

The Directorate brought out following publications at the behest of CBIC and other formations:

7.2.1.5 Taxpayer Information Publications:

i. Till 30.11.2020

Civil List, 2020 (As on 01.01.2020); CRCL Brochure; Service Quality Manual-2019; Citizens' Charter; Duty Drawback Schedule,2019;

ii. Projection from 01.12.2020 to 31.03.2021

DGHRD posters; SS and WS Booklet; Sampark, 2021; Civil List 2021; Pocket Sampark 2021

7.3 Central Board of Direct Taxes (CBDT):

7.3.1 Directorate of Systems

7.3.1.1 Project Name: Project Name: CPC, Bengaluru

The CPC has put in place proper administrative mechanism to deal with the applications filed under Right to Information Act 2005 with a CPIO who handles the applications and dispose of the same in a time bound manner and an appellate authority who adjudicates the applications filed before him. RTI applications to CPC can be filed through online mode also.

7.3.2 Vigilance

i. Mandatory information as stipulated in Section 4 of the RTI Act has been displayed on the weblink of DGIT (Vig) at www.incometaxindia.gov.in. Monthly disposal is also being displayed on the weblink as desired by the DoP&T. Quarterly Report is uploaded timely on the website of the CIC.

ii. Details of RTI applications for the period April 2020 to Nov. 2020.

Item	Disposal
RTI Applications	170
RTI First Appeals	33

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 off 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 Customs, Excise & Service Tax Appellate Tribunal (CESTAT):

The Central 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.

7.6 Income Tax Settlement Commission (ITSC):

The Settlement Commission is very sensitive to the implementation of the RTI Act, 2005. In the all seven Benches including Principal at New Delhi. The JDI/ADI and Administrative Officer has been designated as CPIO under the said Act. The Secretary and Director of Income Tax (Investigation) who is equivalent to the Joint Secretary to the Government of India in each Bench has been designated as Appellate Authority under the said Act.

7.7 Authority for Advance Rulings (AAR):

Replies to the RTIs received in this office are given promptly by the CPIO and the Appellate Authority has been appointed in this office under the RTI Act.

8. E-governance activities

8.1 Central Board of Indirect Taxes & Customs (CBIC):

8.1.1 Drawback:

To promote paperless transaction and improve delivery of public services, section 51B has been inserted in Customs Act, 1962, so as to provide for creation of an electronic duty credit ledger in the customs automated system and for the manner of its utilisation. The duty credit maintained in the electronic duty credit ledger may be used towards making payment of duties payable under this Act or under the Customs Tariff Act, 1975 (51 of 1975) in such manner and subject to such conditions and restrictions and within such time as may be prescribed.

8.1.2 Directorate General of Taxpayer Services (DGTS):

The Directorate has carried out media campaigns highlighting enhanced ease of doing business as part of e-governance/online initiatives like ICEGATE & ACES.

8.1.3 Directorate General of Systems & Data Management:

E-Office has been initiated in DG Systems for facilitation of e-governance activities at DG Systems, New Delhi. Meetings are being held virtually through Web-ex VPN accounts have been provided to all officers to facilitate 'work from home' as required.

The initiatives/projects of DG Systems are aimed at propagation of E-Governance initiatives by leveraging technology and to promote trade facilitation. Various initiatives/projects undertaken during the year 2020-21 are:

8.1.3.1 Sea Cargo Manifest & Transhipment Regulations (SCMTR, 2018)

Advance intimation of the cargo destined for India or leaving India allowing pre arrival processing of documents and Customs procedures is intended under SCMTR. This involves electronic exchange of information in real time from various stakeholders involved in Customs logistics chain.

8.1.3.2 EDI enablement of remote Customs stations at land borders and bringing them on board the Customs EDI Systems

EDI enablement of remote Customs stations at land borders and bringing them on-board the Customs EDI Systems is under process. During the year, five(05) Customs locations have brought on EDI platform. As on date, there are total 251 Customs sites which are working on EDI platform.

8.1.3.3 ICETAB

ICETAB provides the shed officers mobile access to the ICES application. The aim is to facilitate the Shed officers in the examination of cargo and help them submit their examination report in ICES immediately on completion of the examination. With the use of ICETAB, the entire examination process is expected to become paperless and significantly faster.

8.1.3.4 IGST Refunds Process enable for Courier SBs in ICES

Module for automated processing of IGST refunds for exports through courier shipments has been enabled in Customs EDI Systems.

8.1.3.5 Streamlining of UQCs in Bills of Entry and Shipping Bills

Many importers and exporters use Unit Quantity Codes(UQCs) like BGS, BTL, BOX, CTN, GGR, HPT, KPC, ODD and DRM etc. which are neither stipulated in the Customs Tariff Act nor prevalent in the normal business transactions. These non-convertible/ inappropriate UQCs lead to a poor quality of data capture and related implications. To overcome this issue, Board had undertaken an exercise towards standardization of Unit Quantity Codes (UQCs) for purposes of export/import declarations filed on EDI and the same has been implemented in the declarations filed with the Customs Systems.

8.1.3.6 Container Scanning Module

RMS has been selecting containers for scanning at some major ports based on the IGMs filed by the Shipping Lines. The scan images of these containers and the remarks/verdict of the scanning officer will be recorded in the scanning machine and will be transmitted back to RMS and ICEGATE. The images will get stored in the eSanchit application. The remarks will also specify whether the container is suspicious or not and the specific quadrants that the shed officer may like to check during examination and conduct a more targeted examination accordingly.

8.1.3.7 Tariff Related Quota (TRQ)

A provision has been enabled in the Customs Automated System for certain category of goods as mentioned in CBIC's notifications 28/2020 dated 23.06.2020 and 40/2020 dated 28.10.2020 where concessional rate for BCD has been notified for certain items provided that the quantity of total imports of such goods in a financial year do not exceed the tariff rate quota (TRQ) quantity. DGFT would issue TRQ licenses to eligible importers for these commodities. The IEC and quantity based TRQ licenses will be transmitted by DGFT electronically to ICEGATE.

8.1.3.8 Operationalization of MEIS rewards in ICES issued for e-Commerce exports

DGFT had started issuing MEIS scrips for e-Commerce exports made through Courier or foreign post offices. The same have been operationalized in ICES.

8.1.3.9 Operationalization of RoSCTL scheme in ICES

RoSCTL scheme has been operationalized in the System. All the Shipping Bills where RoSL is opted by the exporter are being transmitted to DGFT for issuance of RoSCTL scrips. The scrips are issued by DGFT and transmitted electronically to ICEGATE exactly like MEIS. Like MEIS, the RoSCTL scrips also have to be registered only when transmitted electronically from DGFT. No manual registration is required. Further, since RoSCTL scrip is also paperless and transferable like MEIS, the ownership of the scrip must be verified from the DGFT's portal when the same is used in imports for duty payment.

8.1.3.10 Manufacturing and other operations in a Warehouse Regulations (MOOWR) and waiver of interest

Section 61 of the Customs Act, 1962 prescribing no interest on Ex-Bond Bills of Entry filed for clearing the goods for home consumption from a Section 65 warehouse has been enabled in Customs System.

8.1.3.11 Unclaimed Cargo Module in ICES

A new module has been developed in ICES for monitoring expeditious disposal of Un-Claimed/ Un-cleared/ Seized/ Confiscated goods.

8.1.3.12 Capturing additional details for Certificate of Origin (COO)

As per Customs (Administration of Rules of Origin under Trade Agreements) Rules, facility has been enabled in Customs System.

8.1.3.13 Temporary import of Durable containers

A facility has been given to Importer to avail the benefit of duty exemption while importing the non-standard durable container with a condition to execute a re-export bond.

A facility has been enabled for Remote Filing of Cargo Transit Document (CTD) for Nepal bound cargo under ICES

8.2 Central Board of Direct Taxes (CBDT):

8.2.1 Computerisation initiatives:

Through comprehensive computerization initiatives, the department has enabled end-to-end e-delivery services that inter alia include:

- Faceless Assessment
- E-Payment of taxes
- E-filing of TDS statements
- E-Processing of TDS statements
- E-view of tax credits
- E-filing of Income Tax Returns
- E-Processing of Income Tax Returns
- E-Matching of tax Credits
- E-tracking of processing of the Income Tax Returns
- E-Delivery of Refunds
- E-tracking of Refunds

Therefore, the present initiatives of the department have made it possible to comply with the tax obligations without visiting the Income Tax Office on anywhere, anytime basis. This is reflected in the latest initiatives of the Department regarding e-Assessment, e-Nivaran and e-Appeal. Thus, the tax payers can participate in scrutiny assessment proceedings using e-Assessment facility, get their grievances redressed through e-Nivaran and file appeals online through e-Appeal.

8.2.2 Directorate of Income-tax (Research & Statistical Wing):

The 12th report of 2nd ARC is aimed at Citizen Centric Governance. The advent of modern technology has brought in the concept of E-Governance. The setting up of ASKs is a step towards these directions. Besides providing a Citizen Centric Governance, all communications, as well as returns received in ASK Centres mandate a timely disposal, which can be monitored and reviewed at the highest level. This ensures that a robust architecture of e-Governance is installed and sustained in the Income Tax Department. So receipt and distribution and disposal of Dak is being done electronically and is being monitored by superiors at regular intervals.

Online compilation and collation of various statistics of the Income Tax Department in the form of monthly CAP-I and CAP-II reports is also being done.

8.2.3 Project Name: e-Filing of Income Tax Returns

The e-Filing project is an eminent e-governance and e-delivery measure taken by the Income Tax Department for providing web- enabled services to the taxpayers. The project aims at enabling e-filing of Income tax returns, audit reports and other Forms prescribed under the Income Tax over Internet directly by taxpayers and through e-return intermediaries (ERIs). The project also provides other web-enabled services to facilitate public private participation in the filing of returns.

The e-Filing portal https://incometaxindiaefiling.gov.in provides following personalized services to the taxpayer:

- Filing of Income Tax Return/Forms
- TDS Statement submission
- PAN Aadhaar Linking
- Rectification uploads and status after processing
- Refund Re-issue Request
- Request for Intimation u/s 143(1) and 154
- Tax Credit Mismatch Summary
- View Form 26AS
- Add/Register as Representative
- e-Vault Additional Security Option
- Login through Net Banking
- Verification and Validation of Contact details of Taxpayers
- Submitting Response to Outstanding Tax Demand
- e-Nivaran – Grievance Submission for multiple entities
- Schematron Implementation – ITR Validation Rule engine
- Electronic Verification Code for filing of ITRs (EVC)
- e-PAN
- e-Proceedings

The dedicated help desk deals with query or grievance related to e-Filing. The portal also provides help and static content 'in Hindi' for users.

e-Filing of ITRs: Electronic filing of IT returns over the internet picked up from AY 2006-07 and the number of returns filed electronically has risen from around 4 Lakh in FY 2006-07 to 677.90 Lakh in FY 2019-20. For FY 2020-21, 285.13 lakhs are filed as on 31st October 2020. The progressive achievement of e-filing scheme is as under:

Financial Year	Number of e-returns (in lakhs)	Growth	Other forms	Growth
2006-07	4	-	-	-
2007-08	22	450%	-	-
2008-09	48.5	120%	-	-
2009-10	52.5	8%	-	-
2010-11	91.56	74%	-	-
2011-12	164.12	79%	-	-
2012-13	214.87	31%	-	-
2013-14	296.81	38.67%	22.81	-
2014-15	341.73	15.13%	33.96	48.84%
2015-16	433.43	26.83%	46.61	37.25%
2016-17	528.68	21.97%	59.95	28.62%
2017-18	674.74	27.63%	75.64	26.17%
2018-19	668.09	0.99%	87.48	15.65%
2019-20	677.9	1.45%	93.1	7.04%
2020-21 (up to 31/10/2020)	285.13	NA	58.41	NA

Filing Growth (AY Split)			
ITR Forms	**AY 2019-20**	**AY 2018-19**	**Increase %**
ITR – 1	3,16,88,039	3,11,66,957	1.67%
ITR – 2	46,24,455	46,12,120	0.27%
ITR – 3	1,00,43,804	1,21,49,205	-17.33%
ITR – 4	1,34,79,576	1,43,75,902	-6.23%
ITR – 5	13,21,871	15,03,185	-12.06%
ITR – 6	7,59,774	8,92,103	-14.83%
ITR – 7	2,00,391	2,40,114	-16.54%
Total	**6,21,17,910**	**6,49,39,586**	-4.35%

The total number of returns filed in FY 2019-20 is 6.77 Crore, as against 6.68 Crore returns filed in FY 2018-19. The apparent decrease in the number of ITRs filed during FY 2019-20 pertaining to earlier years was due to the Covid situation towards the end of the FY 2019-20, which has presented difficulties to the assessees in filing the returns of income with-in the given deadline. Thus, in order to facilitate the assessees, due date for filing the returns of income for the AY 2019-20 has been extended by the Department to 30-11-2020. Further, an amendment in Section 139(5) of the Income-tax Act, 1961 was brought in Finance Act, 2017, w.e.f. 01.04.2018, which mandated that a revised return could be furnished only up to the end of the relevant Assessment Year. For FY 2020-21, the number of returns filed till 31st October 2020 is 2.85 Crore, the reduction is due to shifting of due date for filing ITR.

New Registered Users: There has been significant growth in the New PANs getting registered on the e-filing site, showing increased use of the e-Filing and other facilities through the e-Filing website. The number of registered users of the e-Filing portal as on 31st October 2020 is 9.63 Crores.

e-Filing of Audit reports and other forms:

Other Forms	FY 2019-20	FY 2018-19	FY 2017-18
Total Forms Filed	96,12,346	87,48,259	75,64,025

For FY2020-21, number of other forms filed as on 31st October 2020 is 49,28,858.

Total Forms available for e-Filing

FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
97	87	82	81

e-verification of ITR-V using EVC:

Electronic Verification Code has enabled the tax payers and auditors to verify the Income Tax Returns and Audit Certificates without digital signature, saving them the cost and time for sending paper verification to the Department. As on 31st March 2020, 4,11,23,151 ITRs and other Forms were e-Verified using Internet Banking, ATM OTP, Aadhaar OTP, D Mat Account and Bank Account. As on 31st October 2020, 1,86,71,498 ITRs are e-verified for FY 2020-21.

E-Nivaran: E-Nivaran is the online grievance redressal system of the Income Tax Department. All types of Grievances such as PAN application, processing, assessment, appeals, TDS etc., can be filed by tax payers. It is a cent percent paperless system, where communication is enabled through, e- mail, SMS also. Apart from Income Tax Department network, other related agencies such as NSDL, UTIITSL, SBI Refund Banker etc are also roped in the scheme. CPC-ITR, CPC-TDS and E- Filing Portals also address grievances filed by the tax payers. Grievances filed with CPGRAMS will also be integrated soon.

IEC 2.0: The e-filing project and Centralized Processing Center are integrated and the new portal and platform processing of ITRs and Forms is ready for implementation in the FY2020-21. The technology refresh and improved features as to business processes will be very beneficial for the taxpayers. More self-service options and faster processing of ITR will be achieved by the new project.

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 web site 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 Income Tax Settlement Commission (ITSC):

This Commission has its own official website i.e. itscindia.gov.in. All the officers and staff members have been provided the personal computers. Salary and other dues are being paid to the officers of the Commission through electronic transfer system.

8.6 Authority for Advance Rulings (AAR):

Cause list, Rulings, Orders and Tender Notices are regularly uploaded in the official website. All purchases are made through GeM Portal. The salaries of the staff disbursed through PFMS-EIS.

8.7 Directorate of Enforcement:

The initiatives taken by the Directorate of Enforcement for e-Governance in the recent past are summarized below

- Directorate of Enforcement, Headquarters office and Zonal offices have their own LAN which is connected to NICNET, WAN, Directorate of Enforcement HQ and Zonal offices are using the office automation tolls like Microsoft Office to accomplish the day-to-day activities like preparing letter, excel sheet and graphs.
- All the payments like salaries, reimbursements, payment to vendors etc. are being paid through Public Finance Management System (PFMS).
- An Employee Information System (EIS) has been initiated which is a web-based application to store, process and generate the various reports of an employee. It provides the information of an employee such as present post, place of posting, date of joining in Directorate of Enforcement, date of birth and retirement, next date of promotion and post, information of sanctioned post, working post and vacant post at the Directorate and its subordinate offices.
- An Expenditure Monitoring System (EMS) has been developed to capture the details of budget estimates, budget allocation and monthly expenditure by the various offices of the directorate.
- All the ‘issue of items’ to officers and staff of Directorate of Enforcement in Headquarters office is via Epurti. Procurement via Gem (Government E Marketplace) is also incorporated.
- FTS (File Tracking System) has been reconfigured to meet the requirement of the Directorate. A new instance of data base and application has been created on the existing server.

8.8 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 2020-21, various activities were undertaken by the Department, viz. Swachhata Pakhwada campaign from 01st Sept. 2020 to 15th Sept. 2020; many activity documents and images have been uploaded on the web portal of the Ministry of Drinking Water and Sanitation. The Department has been monitoring the implementation of Swatchhta Action Plan of all field formations of Central Board of Direct Taxes (CBDT) and Central Board of Indirect Taxes and Customs (CBIC). During 2020-21, 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 including staircases and all the rooms/ halls and placing appropriate warning signs to avoid accidents during cleaning activities including cleaning of toilets and adjoining areas using disinfectors with necessary provisioning of soap, toilet paper, hand dryer, dustbins and necessary items. In addition to the normal swacchata special emphasis was given to proper sanitization of offices 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 & FW from time to time. Sufficient steps were taken to sanitize the rooms/ open areas, etc on routine basis. Staff cars allocated to senior officers were also sanitized regularly to prevent spread of COVID-19. Collection of all obsolete equipment and removal thereof, viz. newspapers/ magazines, old computers & peripherals through e-waste auction and general waste through normal auction, disposal of old cars/ vehicles after following due procedure under provisions of GFR, 2017. Renovation work to create better working ambience has been done in several rooms with a view to optimization of office space. Weeding/ recording diver was also undertaken and simultaneously digitization/ scanning or old records/ files were carried out through a hired private company targeting optimization of office space. As a step towards maintaining of cleanliness, this building has already been declared a 'Tobacco Free Zone' wherein a penalty of Rs. 200/- is imposed to defaulting staff/ visitors. Due to the Covid-19 pandemic, it was not possible to gather the staff/ officers for pledge/oath taking ceremony and other activities. However, the activities relating to Swacchata were undertaken during Swachhata Action Plan 2020-21 covering Revenue Headquarters as well as the field offices of CBDT & CBIC.

9.2 Central Board of Indirect Taxes & Customs (CBIC):

9.2.1 HRM-II wing of Directorate General of Human Resource Development (DGHRD)

Launched by the Government on 02.10.2014, a nationwide drive was initiated by CBIC. Swachhta fund was utilized in spreading awareness among employees and citizens. The HRM-II wing of DGHRD has been mandated to monitor Swachhta related activities undertaken by the field formation.

(a) As per the directions of Government of India, every Ministry/Department had undertaken some suggested activities to commemorate 150th Birth Anniversary of Mahatma Gandhi for a period of two years from 2nd October, 2018 to 2nd October, 2020. Swachhta cell, through regular communications, had continuously encouraged all the formations of CBIC to undertake the suggested activities.

(b) Swachhta Hi Sewa and SwachhtaPakhwada, a fortnightly programme comprising of various swachhta related activities to be undertaken by the formations of CBIC has been successfully organized and monitored by the SAP cell from time to time. Reports from various field formations has been taken and a compiled report has been sent to the DOR. Apart from this, Swachhta cell organized numerous activities like swachhta cycle rally, slow cycling competition, swachhta quiz, shramdaan, plantation of sapling, nukkadnatak etc. at public places to spread awareness about cleanliness.

(c) Swachhta Awards, given for every financial year, is an initiative by CBIC to motivate its formations to undertake swachhta related activities. The field formations under CBIC undertook numerous Swachhta related activities and successfully implemented various Swachhta projects like :

- Installation of 05 Rain Water Harvesting structures in office premises/school to deal with "Water Supply" issue,
- Installation of 09 Organic Waste Composter Machines & Sewage Treatment Plants for effective solid waste management.
- Under the "Swachhta Action Plan", nearly 200 schools across the country were adopted by the formations under CBIC for undertaking cleanliness works. More than 50 Government Schools were chosen for improvising the sanitation facilities by way of renovation/construction of toilets. Apart from this, various other works were undertaken in schools/institutions like installation of solar panel, renovation/ beautification of school premises so as to create hygienic study environment, plantation, cleaning works, development of small parks/playgrounds, provision of clean drinking water by way of installation of RO plants, water purifiers; supply of items like mosquito repellants, benches/desks, sanitation kits, jute bags, stationery items etc.
- An effective methodology has been developed by CBIC formations for Liquid Waste Management by channelizing the waste water, of ACs in the office premises, into a common duct line/through piping system and utilizing this waste water for gardening/plantation purposes.
- The CBIC formations have undertaken special cleanliness drives in the office premises/departmental quarters through disposal of general waste/e-waste in an effective manner and renovation/ beautification of various office premises across the India. The formations have successfully implemented more than 100 projects of Clean and Green Office out of which few worth mentioning are installation of hanging/vertical gardens in and outside office premises, development of useful resources from waste for office beautification, redesigning of gardens, development and utilization of unused dumped space in office etc.
- "Creation of Sanitation Infrastructure for personal hygiene" is one of the major achievements of CBIC under Swachhta Action Plan wherein nearly 20 formations have successfully installed the sanitary pads vending machines and Incinerators in offices as well as in various Govt. Schools/NGOs/ different institutions. Sanitary pads were also distributed in different schools, anganbadis, slum areas and to the poor women of society.
- Apart from above mentioned outreach activities for general masses and office staff, the task of sensitizing the people in and outside office regarding Swachhta and harmful uses of plastics has been done by the DGHRD and all other CBIC formations through various speeches, seminars, cycle rallies, nukkadnataks and distribution of jute/ cotton bags/t-shirts, steel water bottles among office staff and among the general public.

9.3 Narcotics Control (NC):

i. Office celebrated "Swachhata Pakhwada" from 01st September to 15th September 2020 and report was sent to The Deputy Director (HRM-II), Directorate General of Human Development, New Delhi.

ii. Temple situated in office premises was beautified, cleaned, painted and tree plantation was done under Swacch Bharat Abhiyan, Circles were drawn to maintain social distancing inside temple.

iii. Colorful wall mounted Swachhta Slogans on Cleanliness, Hygiene, Antipolythene were fixed in difference location of office premises.

iv. "Voluntary Labour Contribution towards cleanliness campaign" was done by office staff on time-to-time basis.

v. During COVID-19 situation, temple and other portions in the office premises were cleaned & sanitized regularly and cleanliness drive was started and is still continue to clean each section of CBN Hqrs., Gwalior.

9.4 Directorate of Enforcement:

Swachch Bharat Abhiyan launched by the Hon'ble Prime Minister on 2nd October, 2014 is being vigorously followed by Directorate of Enforcement. On 2nd October, 2020, a pledge ceremony was organized across all offices of the Directorate of Enforcement where all the officers and staff members took pledge to keep our nation 'Swachch'. 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 2019									
						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	3684	566	287	498	2003	292	145	471	1681	274	142	N/A		
Group B	54244	34129	5493	2624	4721	146	16	4	50	1730	353	164	55	18	7
Group C	26342	11033	2555	853	1947	211	38	13	66	307	66	9	0	0	0
Total	**86595**	**48846**	**8614**	**3764**	**7166**	**2360**	**346**	**162**	**587**	**3718**	**693**	**315**	**55**	**18**	**7**

Annexure - I

Organization: Central Board of Direct Taxes (CBDT)

Group	Number of Employees				Number of appointments made during the previous calendar year										
					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	4355	683	381	640	74*	11	5	19	-	-	-	N.A.	N.A.	N.A.	N.A.
Group B	2733	607	167	430	0	0	0	0	248	42	7	4	2	0	0
Group C	31331	5981	2140	6733	717	125	43	237	1433	222	89	84	12	3	18
Total	**38419**	**7271**	**2688**	**7803**	**791**	**136**	**48**	**256**	**1681**	**264**	**96**	**88**	**14**	**3**	**18**

* Recommendation received from DoP&T of the candidates selected through Civil Services Examination 2019. Offer of Appointment are yet to be issued by CBDT. These 74 numbers are not included in column 2 to 5 above.

** i) Hon'ble High Court vide order dated 03.12.2019 in SCA No. 16209/2019 filed by P.C. Chauhan restrained the Department to take action ignoring the Seniority list 05.02.2018 as the Department vide letter dated 27.05.2019 had withdrawn the SL dated 05.02.2018. Hence, no adhoc appointment could be made in ACIT grade.

ii) Hon'ble Supreme Court vide order dated 15.04.2019 directed to maintain status-quo in the matter of reservation in promotion & own merit. Hence, regular promotion in ACIT could not be done by the department.

Annexure - I

Organization: Revenue Head Quarter

Group	Number of Employees				Number of appointments made up to November 2020									
					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	40	9	2	-	-	-	-	-	1	-	-	-	-	-
Group B	314	51	49	47	-	-	-	-	1	-	1	-	-	-
Group C	288	81	25	60	1	-	-	-	12	3	-	-	-	-
Total	**642**	**141**	**76**	**107**	**1**	-	-	-	14	3	1	-	-	-

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	21*	03	-	00	-	-	-	-	-	-	-	-	06	01	-	-
Group B	03	-	-	01	-	-	-	-	-	-	-	-	01	-	-	-
Group C	07	02	-	02	-	-	-	01	-	-	-	-	-	-	-	-
Total	**31**	**05**	**-**	**03**	**-**	**-**	**-**	**01**	**-**	**-**	**-**	**-**	**07**	**01**	**-**	**-**

* 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, 21 posts are filled as on 30.11.2020.

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	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	12	5	2	-	-	-	-	-	-	-	-	-	-	-
Total	14	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	5	1	-	1	-	-	-	-	-	-	-	1	-	-
Group B	11	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	22	4	1	2	-	-	-	-	-	-	-	1	-	-
Total	**38**	**5**	**1**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**-**	**-**

Annexure - I

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	1	0	0	1	-	-	-	-	-	-
Group B	32	16	3	13	0	0	0	0	-	-	-	-	-	-
Group C	99	38	9	52	3	0	2	1	-	-	-	-	-	-
Total	134	55	12	67	4	0	2	2	-	-	-	-	-	-

Annexure - I

Organization: Customs & Central Excise 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	15	4	0	0	0	-	-	-	0	-	-	0	0	0
Group B	7	1	0	1	0	-	-	-	0	-	-	0	0	0
Group C	12	2	0	2	0	-	-	-	0	-	-	2	0	0
Total	34	7	0	3	0	-	-	-	0	-	-	2	0	0

Annexure - I

Organization: Central Bureau of Narcotics

Groups	Number of Employees as on 30.11.2020				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	9	1	1	1	-	-	-	-	-	-	-	-	-	-
Group B	208	39	17	25	0	0	0	0	1	0	0	0	0	0
Group C	251	48	29	57	0	0	0	0	0	0	0	0	0	0
Total	**468**	**88**	**47**	**83**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**

Annexure - I

Organization: Directorate of Enforcement

Groups	Number of Employees (As on 30.11.2020)				Number of appointments made during the previous financial year i.e. 2019-20 (from 01.04.2019 to 31.03.2020)									
					By Direct Recruitment				By promotion			By Deputation		
	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	327	22	06	19	04	01	-	01	17	05	01	23	-	-
Group B	544	57	25	72	-	-	-	-	-	-	-	57	-	-
Group C	430	44	07	37	11	-	02	03	01	01	-	54	-	-
Total	**1301**	**123**	**38**	**128**	**15**	**01**	**02**	**04**	**18**	**06**	**01**	**134**	**-**	**-**

Annexure - I

Organization: National Institute of Public Finance and Policy

Group	Number of Employees as on November, 2020				Number of appointments made during the previous 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	29	1	-	3	3	-	-	-	-	-	-	-	-	-
Group B	14	-	-	1	-	-	-	-	2	-	-	-	-	-
Group C	19	4	-	5	-	-	-	-	-	-	-	-	-	-
Total	62	5	-	9	3	-	-	-	2	-	-	-	-	-

Annexure - I

Organization: Authority for Advance Rulings

	Number of Employees				Number of appointments made during the previous calendar year									
					By Direct Recruitment				By Promotion			By Other Methods		
Group	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
A	9	2	1	-	-	-	-	-	-	-	-	-	-	-
B	14	-	-	-	-	-	-	-	-	-	-	-	-	-
C	24	6	1	5	-	-	-	-	-	-	-	-	-	-
TOTAL	47	8	2	5	-	-	-	-	-	-	-	-	-	-

Annexure - I

Organization: Income Tax Settlement Commission

Group	Number of Employees				Number of appointments made during the previous calendar year									
					By Direct Recruitment				By Promotion			By other Methods		
	Total	SCs	STs	OBCs	Tota l	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	45	2	1	-	-	-	-	-	-	-	-	-	-	-
Group B	62	6	1	2	-	-	-	-	-	-	-	-	-	-
Group C	98	10	3	9	-	-	-	-	1	-	-	-	-	-
Total	**205**	**18**	**5**	**11**	-	-	-	-	**1**	-	-	-	-	-

Annexure - II

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 2019)

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'	14	42	52	45	45	0	0	2	0	3	2	310	19	0	1	2
'C'	22	39	42	119	119	0	1	2	1	0	0	86	31	0	0	2
Total	**36**	**81**	**94**	**164**	**164**	**0**	**1**	**4**	**1**	**3**	**2**	**396**	**50**	**0**	**1**	**4**

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.

Annexure -II

Organization: Central Board of Direct Taxes (CBDT)

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**
IRS (IT) Group 'A'	4355	6	20	62	1	2	1	4*	1	2	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
'B'	2733	34	13	74	6	6	6	2	0	0	0	4	3	5	122	0	0	2
'C'	31331	128	130	609	94	116	131	443	4	2	10	26	25	32	625	14	9	25
Total	**38,419**	**168**	**163**	**745**	**101**	**124**	**138**	**449**	**5**	**4**	**11**	**30**	**28**	**37**	**747**	**14**	**9**	**27**

* Recommendation received from DoP&T of the candidates selected through Civil Services Examination 2019. Offer of Appointment are yet to be issued by CBDT. These 4 numbers are not included in column 2 to 5 above.

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'	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	314	2	3	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	288	1	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**642**	**3**	**3**	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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'	21*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**31**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* 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, 21 posts are filled as on 30.11.2020.

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'	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**14**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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'	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**38**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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'	15	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	7	0	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	12	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**34**	**0**	**1**	**0**	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure - II

Organization: Central Bureau of Narcotics

Group	Number of employees as on 30.11.2020				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'	9	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	208	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0
'C'	251	1	1	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**468**	**1**	**1**	**6**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**

Annexure -II

Organization: Directorate of Enforcement

Group	Number of Employees (As on 30.11.2020)				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'	327	-	-	-	-	-	01	01	-	-	01	-	-	-	-	-	-	-
'B'	544	-	-	01	-	01	01	-	-	-	-	-	-	-	-	-	-	-
'C'	430	-	-	04	01	02	02	01	-	-	01	-	-	-	-	-	-	-
Total	**1301**	**-**	**-**	**05**	**01**	**03**	**04**	**02**	**-**	**-**	**02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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'	29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure -II

Organization: Authority for Advance Rulings

GROUP	No. 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'	9	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	24	6	1	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**47**	**8**	**2**	**5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure -II

Organization: Income Tax 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'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure - III

Summary of important observations included in Audit Reports presented to Parliament during 2020

1. Central Board of Indirect Taxes and Customs (CBIC)

Details of the Paras/PA reports submitted and on which ATNs are pending:

S.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 the Audit but have not been submitted by the Ministry to PAC
1	2020-21	116	NIL	18	21

2. Central Board of Direct Taxes (CBDT)

General Functioning:

(i) Acknowledging the importance of Comptroller and Auditor General (C&AG) and Public Accounts Committee of Parliament in providing checks and balances, each observation of the C&AG by way of Draft Paragraphs (DPs) and System Appraisals is thoroughly examined by the Audit & Public Accounts Committee (A&PAC) Section of CBDT in the Ministry. The replies/ comments of the Ministry are compiled in consultation with the field authorities and then furnished to the C&AG and the PAC, as the case may be.

(ii) The Performance Audit Reports and draft paras reported by the C&AG and the report of PAC on the subjects selected by the PAC are also examined by (A&PAC) Section of CBDT in the Ministry and Action Taken Notes (ATNs) are prepared and furnished to the C&AG till they are finally settled.

Performance:

(iii) During the year, compliance Report No. 11 of 2020 [Tabled before Parliament on 30/07/2020] having 393 draft paras were dealt. Besides draft paras, there were six (VI) chapters / long draft paras involving multiple illustrated cases. Initial replies in 159 draft paras as well as chapters were sent. It may be mentioned here that all 393 draft para cases are in process of settlement to the satisfaction of the C&AG during the year. In addition to above performance Audit Report no. 14 of 2020 was also tabled before parliament on 23/09/2020 which deals with various issues on subject search & seizure assessment in Income tax department.

(iv) Report No 136 containing 8 Paras submitted to PAC. One PAC case [Report No.11] has been partly sent to PAC, remaining 2 paras are in process.

Internal Audit:

(v) A statement of Internal Audit Objections with revenue effect is given below:

Objection Raised/Settled & Balance pending for the period 01.04.2020 to 31.10.2020:

	Number of objections up to 31/10/2020	Amount (Rs in Lakh)
Opening Balance as on 01/04/20	35,575	1,408,712
Raised	3,755	281,742
Total	**39,330**	**1,690,454**
Settled	2,388	92,920
Outstanding	36,942	**1,597,534**

(vi) Meetings with CAG Office and Zonal Matters: Meetings have been held regularly under the chairmanship of the CIT (A&J) for monitoring the settlement of audit paras. All the Zonal matters including complaints / grievances have been regularly attended with active use of CPGRAMS portal. Grievances received manually/ on emails are also regularly attended to for prompt redressal.

3. Integrated Finance Unit (IFU)

3.1 Integrated Finance Unit Headquarters (IFU-HQ)

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

3.2 Integrated Finance Unit - Direct Taxes (IFU-DT)

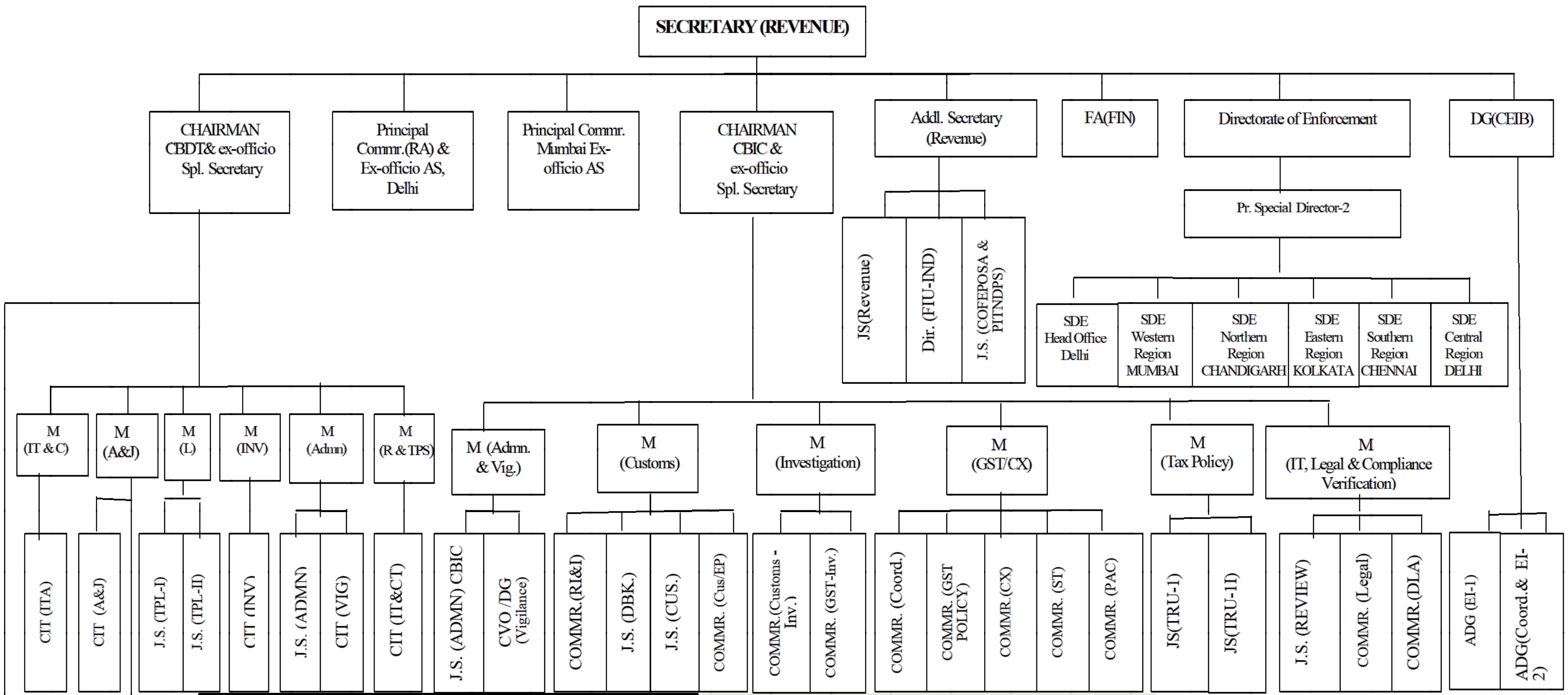
S. No.	Year	No. of Para/ PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Para/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
1.	2013	0	0	0	0
2.	2014	0	0	0	0
3.	2015	0	0	0	0
4.	2016	0	0	0	0
5.	2017	418	0	0	0
6.	2018	33	0	0	0
7.	2019	8	17	0	0
Total		**459**	**17**	**0**	**0**

3.3 Integrated Finance Unit - Indirect Taxes (IFU-EC)

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. POLICY AND APPROACH TO DISINVESTMENT OF CPSEs

Government has changed the mandate of Department of Disinvestment from 'Disinvestment to Investment Management' of CPSEs w.e.f 14.4.2016. Consequently, the name of the Department has been changed to Department of Investment and Public Asset Management (DIPAM). The current disinvestment policy of the Government comprises the following aspects:-

(i) Disinvestment through minority stake sale in listed CPSEs through SEBI approved methods to achieve wider public ownership of CPSE shares, improve the efficiency of companies through accountability to its stake holders and to meet minimum public shareholding norms of 25 % as per SEBI regulations.

(ii) Strategic Disinvestment by way of sale of substantial portion of Government shareholding in identified CPSEs up to 50 per cent or more, along with transfer of management control.

(iii) Efficient management of Government's investment in CPSEs by adopting a comprehensive approach for addressing inter-linked issues such as leveraging of assets to attract fresh investment, capital restructuring, financial restructuring, etc.

(iv) Asset Monetization: Idle assets lying with CPSEs (and other organizations) points to economic inefficiency and misallocation of scarce resources that drag down the growth momentum. In order to release such idle assets and make them available for productive use, the Government is actively pursuing Public Asset Management Policy which includes monetization of surplus land and non-core assets through;

✓ *Monetization of assets of companies under strategic disinvestment*

✓ *Monetization of assets of entities other than those under disinvestment*

✓ *Monetization of enemy shares/ lands*

VI. DISINVESTMENT PERFORMANCE

The various modes of disinvestment are:

1. Initial/Further Public Offer (IPO/FPO)
2. Exchange Traded Fund
3. Offer for sale (OFS)
4. Buyback of shares
5. Strategic sale of CPSEs including mergers and acquisition of CPSE(s) within public sector space

1. 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:

(i) 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.

(ii) *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 six years 13 CPSEs have been listed which yielded Rs 27,067 crore

During the current financial year, IPO of Mazagaon Dock Limited (MDL) and IRFC have been listed successfully yielding Rs 443 crore and 1541 crore, respectively. While other PSEs namely KIOCL (FPO), Rail Tel, WAPCOS are in the process of listing (As on 15.02.2021).

2. 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 six years, disinvestment proceeds of Rs 40,276 crore were realized from buyback of shares by 35 CPSEs.

During FY 2020-21 buyback of shares of RITES, Kudremukh Iron Ore Company Ltd., (KIOCL), National Thermal Power Corporation Limited (NTPC) and National Minrral Development Corporation (NMDC) have been carried out through which GoI realized Rs. 2770 crore. The buyback of shares of CPSEs namely GAIL, EIL and NALCO etc. are in process during current FY 2020-21 (As on 15.02.2021).

3. 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:

(i) simple to execute
(ii) market-driven
(iii) Govt. continues to retain management control
(iv) Cost-effective
(v) Time efficient (completed in 2 trading days)
(vi) Transparent allocation based on price-parity basis.

Achievements : After listing, further disinvestment by OFS mechanism yielded Rs 71,943 crore through 37 transactions in last six years. This included the largest OFS of over Rs. 22,000 crores in case of Coal India Limited in January, 2015.

During the current financial year (till 15.02.2021), **OFS** of HAL, BDL and IRCTC and SAIL have been concluded yielding Rs 4924 crore, Rs 771 crore and Rs 4474 and Rs. 2738 crore respectively, making these companies compliant/near compliant to SEBI's Minimum Public Shareholding norm of 25%.

4. 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 launched 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.

5. Strategic Disinvestment

Strategic Disinvestment implies substantial sale of Government shareholding of a CPSE along with transfer of management control. The policy of strategic disinvestment is followed in respect of the CPSEs which are not in 'priority sector'. For this purpose, NITI Aayog has been mandated to identify CPSEs for Strategic Disinvestment. NITI Aayog identifies such CPSEs based on the criteria of (i) National Security; (ii) Sovereign functions at arm's length, and (iii) Market Imperfections and Public Purpose. Strategic disinvestment of CPSEs is being guided by the basic economic rationale 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; and would thus add to the GDP of the country.

In 2016-17, the Government gave a new impetus to the policy for strategic disinvestment/privatization. Initially, a number of smaller size loss making CPSEs were taken up for strategic disinvestment. However, following a calibrated approach, the Government has recently taken up strategic sale/privatisation of large CPSEs such as Air India, *Bharat Petroleum Corporation Limited (*BPCL), Container Corporation of India (CONCOR) and Shipping Corporation of India (SCI). The procedure for Strategic disinvestment was also completely revamped in October 2019 for making it result oriented and expeditious. The process now follows a multilayered decision-making mechanism at the level of Inter Ministerial Group (IMG), Core Group of Secretaries on Disinvestment (CGD) and Alternate Mechanism (AM) comprising Ministers.

Further, Independent External Monitor (IEM) mechanism comprising Ex Chief Justice of India, Ex CAG of India and Ex CVC has been constituted to provide oversight of the strategic disinvestment issues and grievances.

Status:

Based on the recommendations made by NITI Aayog since 2016, the Government has 'in principle' approved strategic disinvestment in 34 cases (some cases include subsidiaries and some cases include only units/plants) including 31 cases being handled by DIPAM. Out of these cases, strategic disinvestment transactions have been completed in 8 cases; 4 CPSEs are identified for closure; 2 cases are held up due to litigation; and remaining 20 transactions are at various stages. Details are given at **Annexure 1**.

Achievements.

During the last three years the Government strategically sold its stake in 8 CPSEs (HPCL, REC, DCIL, HSCC, NPCC. NEEPCO, THDC and Kamrajar Port) which resulted in a yield of Rs. 66,721 crore.

- ✓ Hindustan Petroleum Corporation Ltd. (HPCL) – acquired by ONGC - Rs 36,915 Crs.
- ✓ Hospital Services Consultancy Corporation (HSCC) - acquired by NBCC- Rs 285 Crs.
- ✓ National Projects Construction Corpn. (NPCC)- acquired by WAPCOS- Rs79.80 Crs.
- ✓ Dredging Corporation (DCIL)- acquired by 4 ports- Rs 1049 Crs.
- ✓ Rural Electrification Corporation (REC)- acquired by PFC- Rs 14,500 Crs.
- ✓ THDC India Limited (THDCIL) – acquired by NTPC- Rs.7500 crs.
- ✓ North Eastern Electric Power Corporation Limited (NEEPCO)- acquired by NTPC-Rs.4,000 crs.
- ✓ Kamrajar Port (KPL)- acquired by Chennai Port Trust- Rs 2383 crs.

Status of Strategic sale in major ongoing cases

In some cases namely CEL and Units of SAIL (Salem Steel Plant and Bhadrawati Steel Plant) transactions are in advanced stage. Strategic disinvestment of BPCL and Air India have entered the second stage of the process with receipt of multiple expressions of interest from interested parties. Revised PIM/EoI in respect of Pawan Hans Limited has been issued, after previous attempts were not successful. PIM/EoIs for SCI has also been issued EoIs in respect to NINL, CONCOR are at advance stages and shall be floated after approval of competent authority.

6. Trends in Disinvestment

Disinvestment receipts (2014-15 to 2020-21)

Year	RE (Rs. Crores)	Receipts (Rs. Crores)	No. of Transactions
2014-15	26,353	24,349	8
2015-16	25,313	23,997	9
2016-17	40,000	46,247	21
2017-18	1,00,000	1,00,057	36
2018-19	80,000	84,972	28
2019- 20	65,000	50, 299	15
	Total	**3,29,921**	**105**

Disinvestment transactions (2020-21) (as on 15.02.2021)

Sl. No.	Name of CPSEs	Type of Disinvestment	Receipts (Rs. in Crore)
1	Mazagaon Dock Limited	IPO	443
2	Indian Railway Finance Corporation Ltd.	IPO	1541
3	Hindustan Aeronautics Ltd.	OFS	4924
4	Bharat Dynamics Ltd.	OFS	771
5	Indian Railway Catering and Tourism Corpon. Ltd.	OFS	4474 (including employees OFS)
6	Steel Authority of India Ltd.	OFS	2738
7	RITES Limited	BB	173
8	KIOCL	BB	156
9	NTPC Ltd.	BB	1065
10	NMDC Ltd.	BB	1376
11	Others	-	1838
	Total		**19499**

VII. NEW INITIATIVES

1. Bharat Bond ETF

- A well-developed bond market is essential to raise resources for capital expenditure and infrastructure development. Bharat Bond ETF, the first instrument of its kind based on high quality public sector bonds, filled a major vacuum that existed in this area.
- First issue (Two series of Bonds -3 Year & 10 Year) was launched in December 2019. The issue was oversubscribed and raised Rs 12,400 Cr for CPSEs for capital expenditure. BHARAT Bond ETF Tranche II NFO was launched on 14th -17th July, 2020 and received a resounding success with 39,272 applications amounting to Rs.10,992 crore, oversubscribed by more than 3.7 times against the base issue size of Rs. 3,000 crore in both 5 and 11 years category i.e., BBETF – 2025 and BBETF - 2031.The NFO collections for BBETF - 2025 was deployed among eight CPSE issuers during July 27-31, 2020 and the NFO collection for BBETF - 2031 was deployed among eight CPSE issuers during July 27, 2020 to Aug 7, 2020.
- The first two tranches received huge response from all sections of investors especially retail investors. Retail investors in India aren't normally able to participate in bond markets due to liquidity and accessibility constraints. But Bharat Bond ETF has given opportunity to retail investors to access bonds with smaller amount (as low as Rs. 1,000) while providing long term resources for public sector. Regular issues of Bharat Bond ETF would result in reduced borrowing costs for CPSEs. It will also deepen the bond market in the long run.

Benefits of Bond ETF to investors

- Bond ETF will provide safety (underlying bonds are issued by CPSEs and other Government owned entities), liquidity (tradability on exchange) and predictable tax efficient returns (target maturity structure).
- It will also provide access to retail investors to invest in bonds with smaller amount (as low as Rs. 1,000) thereby providing easy and low-cost access to bond markets.
- This will increase participation of retail investors who are currently not participating in bond markets due to liquidity and accessibility constraints.
- Tax efficiency compared to Bonds as coupons from the Bonds are taxed at marginal rates. Bond ETFs are taxed with the benefit of indexation which significantly reduces the tax on capital gains for investor.

Bond ETF Benefits for CPSEs

- Bond ETF would offer CPSEs, CPSUs, CPFIs and other Government organizations an additional source of funds for meeting their borrowing requirements apart from bank financing and bunched up bond market access through private placement.
- It will expand their investor base through retail and HNI participation which can increase demand for their bonds. With increase in demand for their bonds, these issuers may be able to borrow at reduced cost, bringing down their cost of borrowing over a period of time.
- Further, Bond ETF trading on the exchange will help in better price discovery of the underlying bonds.
- Since a broad debt calendar to assess the borrowing needs of the CPSEs would be prepared and approved each year, it would inculcate borrowing discipline in the CPSEs at least to the extent of this investment.

Developmental impact on Bond Markets

- Target Maturity Bond ETF is expected to create a yield curve and a ladder of Bond ETFs with different maturities across calendar years.

- This will provide an option to CPSEs to borrow and investors to invest in different maturity buckets over a period of time.
- Secondary market trading of ETF units on the exchange will also create demand for underlying bonds
- ETF will increase the transparency in bond markets through ETF trading market enabling investors to see live prices.
- ETF is expected to create new eco-system – Market Makers, Index providers and awareness amongst investors - for the launching new Bond ETFs in India.
- New regulatory environment will be created allowing many other AMCs to start Bond ETFs.
- This is expected to eventually increase the size of bond ETFs in India leading to achieving key objectives at a larger scale – deepening bond markets, enhancing retail participation and reducing borrowing costs.

2. Asset Monetization

Many CPSEs/ PSUs/ other government organizations have huge unutilized or under-utilized assets including land and buildings. A significant amount of government/public money is locked in these assets. Unlocking the capital value tied up in these assets through sale or lease will generate revenue for the government. The proceeds can be reinvested to create additional assets or improve existing infrastructure or any other purpose. Asset monetization can thus kick-start the investment cycle which has been identified as the major constraint for achieving a higher economic growth in India.

In order to release such idle assets and make them available for productive use, the Government is actively pursuing the policy of monetization of Public Assets. The *Asset Monetization Framework* under DIPAM has been laid down in February 2019. This has enabled monetization of non-core assets in (i) CPSEs under strategic disinvestment (ii) CPSEs under closure (iii) Other CPSEs and (iv) Immovable enemy property. CPSEs are being also encouraged to use new instruments like ReIT, InVIT and TOT for raising resources through their assets.

3. Sale of Enemy Property

Enemy Property Act, 1968 provides for vesting of enemy property in Custodian of Enemy Property of India (CEPI). The CEPI Act was amended in 2017, making way for the sale of enemy property (including enemy equity shares). Government approved sale of moveable enemy shares and institutional framework for sale of immoveable enemy properties in 2018-19. Accordingly, some of the movable assets (shares) were sold which yielded an amount of Rs 2660 crore so far.

VIII. Dividend Payments by CPSEs

The work related to dividends has been transferred from Department of Economic Affairs to DIPAM from this Financial Year onwards. Accordingly, the Department is holding consultations with the CPSEs and Administrative Ministry/ Departments for finalizing the dividend payouts to the Government for 2020-21. An Inter-Ministerial Committee namely Committee for monitoring of Capital Management and Dividend in CPSEs (CMCDC) for discussing/approving proposals relating to capital management/restructuring and dividend payouts, including exemption proposals of CPSEs has been set up. An advisory regarding Consistent Dividend Policy for ensuring predictability in dividend payments by CPSEs has also been circulated to all CPSEs.

IX. 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 in Appendix II.

X. 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.

XI. 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.

XII. E-GOVERNANCE

DIPAM's New Website

DIPAM has launched its new website on 19th Nov 2020 having new looks and features that would be more informative, interactive and user friendly. The new website has included all the mandate of the DIPAM and the relevant details of transactions viz Strategic Disinvestment, Minority Sale, Asset Monetization and Capital Management. All the documents which are connected to the various transactions ranging from guidelines, circulars, RFP, EoI, and receipts are highlighted into the new website. The website has a new feature of displaying Market updates and Market Cap of the listed CPSEs. Now anyone by a click of the button can find out the market cap value of any CPSE, the number of shares GoI is holding and the closing day share price. This provision has been included by a means of shared API by the BSE.

The new website has a counter on the home page to demonstrate the receipts DIPAM and GoI has obtained out of various transactions. This would give the user a clear view of the disinvestment efforts done by the department. The new website also has the social media updates from twitter and all the updates are displayed live on the home page. The new look of the website gives smooth maneuvering feasibility to the user to move across various sections of the website. The website also has a link to the department intranet based dashboard which would be functional very soon. The new website platform is Java based and it has been hosted on NIC cloud by incorporating all security features.

Use of e-Office

Following web-based monitoring systems are in place:

1. Rajya Sabha Question, Answer Monitoring System.
2. Public Grievance information system
3. Centralized Tender/Procurement Monitoring System. Tenders are regularly put on the website and e-Publishing in e-procurement portal is being done regularly.
4. Representations of Reserved Categories in Posts and Services in Government of India (RRCPS) Monitoring System (SC/ST Commission Portal).
5. APAR Monitoring system for IAS Officers (JS level & above), CSS/ CSSS Officers
6. Cadre Management System (for CSS Officers).
7. Pension Portal
8. RTI Annual Return Information Systems.
9. Quarterly Rolling Plan
10. Data Portal (Data.gov.in)

XIII. REDRESSAL OF PUBLIC GRIEVANCES

The Department is using the Centralized Public Grievance 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 Director of Public Grievances for the purpose.

Internal Complaints Committee on Sexual harassment of women employees

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).

XIV. VIGILANCE MACHINERY

A Joint Secretary has been designated as part-time Chief Vigilance Officer in the Department.

XV. 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 1 Deputy Director and 8 other Under Secretaries have been designated as Central Public Information Officers under Section 5(1) of the Act, in respect of subjects handled by them.

(iv) Directors/ 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.

XVI. 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 prescribed timelines for disposal of transaction related bills to avoid delay and any scope of corruption as also to promote good governance.

XVII. AUDIT PARAS/OBJECTIONS

No CAG or PAC paras/Objections are pending in the Department.

XVIII. 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 2020-21			Revised Estimates 2020-21		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
32 - Department of Investment & Public Asset Management	...	132.11	132.11	...	92.49	92.49

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, units and Joint ventures, for which Government has given 'in-principle' approval for strategic disinvestment.

a) Transactions Completed

S.No.	Name of CPSE
1.	Hindustan Petroleum Corporation Limited (HPCL)
2.	Rural Electrification Corporation Limited (REC)
3.	Hospital Services Consultancy Corporation (HSCC)
4.	National Projects construction corporation (NPCC)
5.	Dredging Corporation of India Limited (DCIL)
6.	THDC India Limited (THDCIL)
7.	North Eastern Electric Power Corporation Limited (NEEPCO)
8.	Kamrajar Port Limited (KPL)

b) CPSEs under consideration for closure

9. Hindustan Fluorocarbons Limited (HFL)*
10. Scooters India Limited #
11. Bharat Pumps & Compressors Limited@
12. Hindustan Prefab Limited (HPL)

* CCEA approved closure of the CPSE on 22.01.2020
\# CCEA approved closure of the CPSE on 20.01.2021
@ CCEA approved closure of the CPSE on 09.12.2020

c) Transactions held up as cases under litigation

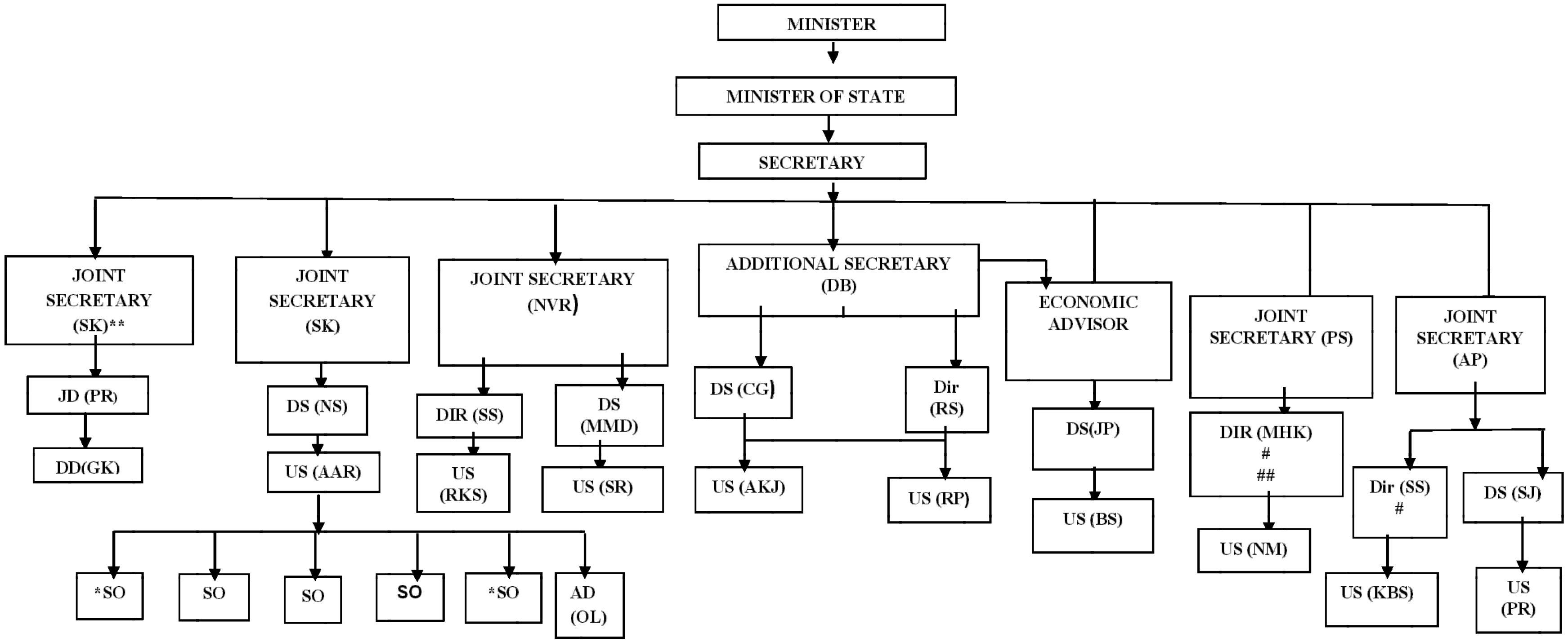
13. Hindustan Newsprint Limited
14. Karnataka Antibiotics & Pharmaceuticals Limited

d) Transactions in process

S.No	Name of CPSE
15.	Project & Development India Limited
16.	Engineering Project (India) Limited
17.	Bridge and Roof Co. India Limited
18.	Plants/Units of Cement Corporation of India Limited (CCI)
19.	Central Electronics Limited
20.	Bharat Earth Movers Ltd. (BEML)
21.	Ferro Scrap Nigam Limited (sub.)
22.	Nagarnar Steel Plant of NMDC
23.	Alloy Steel Plant, Durgapur; Salem Steel Plant; Bhadrawati Steel Plant, Durgapur: - Salem Steel Plant; Bhadrawati units of SAIL
24.	Pawan Hans Limited
25.	Air India and its five subsidiaries and one JV.
26.	HLL Lifecare Limited
27.	Indian Medicines Pharmaceuticals Corporation Limited (IMPCL)
28.	Various Units of India Tourism Development Corporation Limited (ITDC)
29.	Hindustan Antibiotics Limited (HAL)
30.	Bengal Chemicals & Pharmaceuticals Limited (BCPL)
31.	(a) Bharat Petroleum Corporation Ltd(except Numaligarh Refinery Limited) (b) BPCL stake in Numaligarh Refinery Limited to a CPSE strategic buyer.
32.	Shipping Corporation of India Limited (SCI)
33.	Container Corporation of India Limited (CONCOR)
34.	Nilachal Ispat Nigam Limited(NINL)

Appendix- I

ORGANISATIONAL STRUCTURE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT



* Vacant posts
** Officers with additional charge
# Dir (MHK) and Dir (SS) shall report to JS (AP) w.r.t. IT etc and Railways respectively
The work related to the maintenance of NIC/Dashboard, DIPAM has been allocated to Dir (MHK).
Link OFFICERS: (1) JS(PS)><JS(AP), (2) JS(SK)><EA(AR), (3) JS(NVR)><AS(DB)
Link OFFICERS: (1)Dir(SS)><DS(SJ), (2) Dir(RS)><DS(CG), (3)Dir(SS)><DS(MMD), (4) Dir(MHK)>JD(PR), (5) JD(PR)>DS(JP), (6) DS(JP)>Dir(MHK), (7) DS(NS)>DS(SJ)

Appendix- II

Representation of SCs, STs, OBCs in respect of Department of Investment & Public Asset Management

Groups	Number of employees				Number of appointments made during the previous calendar year									
	(as on 31.03.2020)				By Direct Recruitment				By promotion			By Deputation		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
A	34	6	0	1	0	0	0	0	0	0	0	0	0	0
B	22	4	1	1	0	0	0	0	0	0	0	0	0	0
C	12	5	0	4	0	0	0	0	0	0	0	0	0	0
Total	68	15	1	6	0	0	0	0	0	0	0	0	0	0

Representation of the persons with disabilities in DIPAM

Groups	Number of employees				By Direct Recruitment							Promotion						
	(as on 31.03.2020)				No. of vacancies reserved			No. of appointments made				No. of vacancies appoointment reserved No. of made			No. of appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
A	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	22	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	68	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 and Managing Director of SBI, Chairman and the Managing Director and Chief Executive Officers and Executive Officers of Nationalised Banks, salary allowances and other terms and conditions of Whole Time Directors of Public Sector Banks (PSBs). Constitution of Boards of Directors of RBI and 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 and the Price Chits and Money Circulation Schemes (Banning) Act, 1978, etc., Banning of Unregulated Deposit Schemes 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) 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 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; Pradhan Mantri Jan Dhan Yojana (PMJDY), Mission Office. All matters related to Stand Up India (SUI).

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's Secretariat., 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.

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 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.

1.17 Industrial Finance-I(IF-I)

Administration of the “Export-Import Bank (EXIM Bank) Act, 1981”; All issues relating to EXIM Bank, IIFCL and IFCI Ltd. including appointment of Whole Time Directors (WTDs), Non-official Directors (NoDs) and Government Nominee Directors; Appointment of Statutory Auditor in EXIM Bank; Laying of annual reports of IIFCL, EXIM Bank, IFCI Ltd. and IIBI Ltd.; Policy issues related to All India Financial Institutions/ Financial Institutions etc.; Scheme for financing viable infrastructure Projects (SIFTI) of IIFCL; Administration of the Partial Credit guarantee Scheme; Administration of the Special Liquidity Scheme; Sectoral issues related to credit and stress for all sectors except Textile, MSMEs and Housing; Winding up of IIBI Ltd. and other related matters; Project Monitoring Group (PMG) meeting; Media and Publicity work of the Department; All matters related to IDFC Ltd. and IDFC First Bank. 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. Project Monitoring Group (PMG) Meeting.

1.18 Industrial Finance-II (IF-II)

Administration of National Housing Bank Act, 1987, Small Industries Development Bank of India Act, 1989, State Financial Corporation Act, 1951. Operational, Policy and Budgetary Matter relating to Small Industries Development Bank of India (SIDBI) and National Housing Bank (NHB). Matters related to NHB and Housing Finance. Matters related to winding up of Board for Industrial and Financial Reconstruction (BIFR) and Appellate Authority for Industrial and Financial Reconstruction (AAIFR). Matters related to credit to Micro, Small and Medium Enterprises (MSMEs), Trade Receivables Discounting System (TReDS), National Credit Guarantee Trustee Company Limited (NCGTC), Emergency Credit Line Guarantee Scheme (ECLGS), Credit Guarantee Fund for Factoring (CGFF), CGFMU, CGFSI, CGTMSE, CGFF. MLIs, Credit Guarantee Scheme and other related matters on the subject. Citizens Charter of NHB and SIDBI. Credit Aspects of Government Sponsored Schemes – Prime Minister Employment Generation Programme (PMEGP), Employment Generation Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Swarna Jayanti Gram Swarozgar Yojana (SGSY) and other poverty alleviation programmes and other related matters. 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 Educational Loans including Vidyalakshmi Portal. All matters related to Pradhan Mantri Mudra Yojana (PMMY). Matter related to psbloansin59minutes portal.

Micro Finance (IF-II) - Matters related to Micro Finance Institutions and Legislation thereon, Self Help Groups as well as NABARD’s Micro Finance, etc.

1.19 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 and IRADI/RBI. Inquiry into complaints against GMs/EDs and CMDs of PSBs/FIs/ PSICs/PFRDA and 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. 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.

1.20 Debts Recovery Tribunals (DRT)

Administration of the Recovery of Debts and Bankruptcy Act, 1993 (RDB Act), Establishment of Debts Recovery Tribunals/Debts Recovery Appellate Tribunals (DRATs) under RDB Act, filling up of the posts of Chairpersons, Presiding Officer, Registrars and Recovery Officers, and monitoring filling up of other posts in DRTs/ DRATs; Budget provisions, monitoring etc. relating to DRTs/DRATs.

Administration of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), including legal cases thereof and ease of doing business, appointment of Registrar/MD & CEO of the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) and Central Know Your Client Records (CKYCR) Registry matters.

1.21 Insurance-I (Ins.-I)

Administration of LIC Act, 1956. Administration of IRDA Act, 1999. LIC Business -Review of the performance of LIC. Laying of Reports of LIC in Parliament. Opening/ winding up of branches of LIC in India. Appointment of Auditors for LIC. Administration of PP Act in LIC and references relating to Estate matters in LIC. Foreign operations/ subsidiaries of LIC. References on Social Security Schemes and other life insurance schemes. Review of performance and making budgetary provisions for various GOI funded schemes such as Janashree Bima Yojana, Shiksha Sahayog Yojana, Varishatha Bima Yojana and Framing rules and Implementation of social security schemes viz. PMJJBY & PMSBY. Convergence of life and personal accident insurance schemes to PMJJBY & PMSBY. Managing Mission Office for monitoring & implementation of PMJJBY & PMSBY. All Government sponsored/ supported schemes in insurance except crop insurance schemes. Senior Citizens' Welfare Fund. Other Social Security Group Insurance Schemes under LIC. Central Government Employees Group Insurance Scheme. Postal Life Insurance Scheme. All Government sponsored/ supported schemes in life insurance. Any other life insurance or social security products/ scheme proposals. Others: Appellate Authority constituted under Section 110H of the Insurance Act, 1938.

Coordination work relating to the following Committees: Committee for the Welfare of Women; Committee for the Welfare of SC/ST; Estimates Committee, Committee on Subordinate Legislation.

Appointments- LIC - Selection & appointment of Chairman/ MDs, LIC, appointment of Directors on the Board of LIC, appointment of ex-officio members on the subsidiaries of LIC; Permission for foreign deputation/ tour of Chairman and MDs of LIC; Permission for commercial Employment after Retirement for Chairman/ MDs, LIC and other executives of LIC; IRDA - Appointments of Chairperson and Members of IRDA; Service condition of Chairman, Members and employees of IRDA; Budget and Funds of IRDA; Other matters relating to Brokerage agencies, entry of new companies and regulations of IRDA.

Service Matters (LIC) - Service matters, rules and regulations, representations on service matters by employees in LIC, Service matters of Development Officers/ Agents/Intermediaries; Wage Revision/ Bonus/ VRS in LIC / Public Sector General Insurance Cos; Implementation of Pension Scheme/ policy matters on commercial employment. Citizen's Charter of Life Insurance Corporation Ltd.

Institute of Actuaries of India - Administration of the Actuaries Act, 2006, Framing of Rules / regulations under the Actuaries Act 2006. Constitution of Quality Review Board, Appellate Authority, nominations on the council of IAI.

1.22 Insurance-II (Ins.-II)

Insurance Sector Reforms - All matters relating to reforms in insurance sector; Reforms related amendments to Insurance Act, 1938, GIBNA, 1972, Implementation of Law Commission Reports.

Appointments - Policy issues concerning selection of Chief Executives in the PSU insurance companies including AICL and GIC; Appointment on the Boards of public sector non-life companies including AICL; Foreign deputation of Insurance executives; permission for Chief Executives of non-life companies including AICL.

General Insurance: Review of the performance of General Insurance Companies including AICL; Matters relating to Insurance Schemes of Public Sector General Insurance Companies including AICL and audit paras thereon; Computerization of public sector general insurance companies; References relating to Surveyors and Agents of non-life PSICs; Foreign operations of public sector general insurance companies; Reference relating to Re-insurance, Third Party Administrators, Tariff Advisory Committee; Opening/ winding up of branches ; Administration of War Risk (Marine Hull) Reinsurance Schemes, 1976; Reference from RBI on permission for release of foreign exchange for insurance policy abroad; Laying down of Annual reports of General Insurance Companies/ GIC/ AICL; Administration of PP Act in non-life insurance companies and references relating to Estate matters in those companies. Opening and winding of branches of PSGICs. I-card for staff and executives of Insurance Companies. Service matter, rules and regulations of PSGICs, including GIC & AICIL. Matters related to crop insurance. FDI in Insurance Sector.

Coordination- Work relating to Budgeting, Tax proposals, Budget Announcements relating to insurance, Annual Report, Economic Survey, India Reference Annual, Economic Editors Conference, PMO/ Cabinet References, CII & FICCI, within Insurance Division, matter related to e-payments in Insurance Companies, computerization of Insurance Companies. Party Administrators, Tariff Advisory Committee; Opening/ winding up of branches; Administration of War Risk (Marine Hull) Reinsurance Schemes, 1976; Reference from RBI on permission for release of foreign exchange for insurance policy abroad; Laying down of Annual reports of General Insurance Companies/ GIC/ AICL; Administration of PP Act in non-life insurance companies and references relating to Estate matters in those companies.

Grievances - Public grievances against services provided by Public Sector Insurance Companies including GIC, AICL and other than on service matters; Periodical meetings of Public Grievances Officers of public sector insurance companies; Functioning of internal public grievances redressal machinery in public sector insurance companies; Functioning of external redressal machinery like Consumer Courts, Ombudsmen, Lok Adalats, MACT and Courts etc; Appellate Authority constituted under Section 110H of the Insurance Act 1938.Citizen's Charter of Non-Life Insurance Companies.

Framing of rules, appointment and service matter related to Insurance Ombudsman. WTO multi-lateral/ bilateral agreements; Inter-Government agreement between India and any other country. Matters related to IIISLA & NIA Pune.

Committees:- Standing Committee on Finance; Committee on Subordinate Legislation; Petitions Committee; Committee on Public Undertaking (COPU).

1.23 Pension Reforms (PR)

Coordinating and introducing pension reforms; policy matters with regard to the National Pension System (NPS) and the Atal Pension Yojana (APY). The administration of the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013, and the administrative matters relating thereto viz. framing Rules under PFRDA Act, 2013 processing appointments of Chairperson and Board member of PFRDA, Budget and Funds of PFRDA and providing legislative and policy prescriptions to PFRDA.

Implementation and monitoring of the National Pension System (NPS), Swavalmban Scheme and the Atal Pension Yojana, including extension of its coverage to State Governments, private sector, and unorganised sector.

1.24 IT Cell

Work related to development and maintenance of DFS website, information technology, Fintech, Digital India Initiatives, e-office, adoption and promotion of digitization in various activities pertaining to financial services and putting in place cyber security measures for safety of digital assets of the sector. The division functions in close association with NIC in performance of these activities.

1.25 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.

1.26 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 of banking

Public Sector Banks (PSBs), the mainstay of the Indian banking industry, and PSB-sponsored Regional

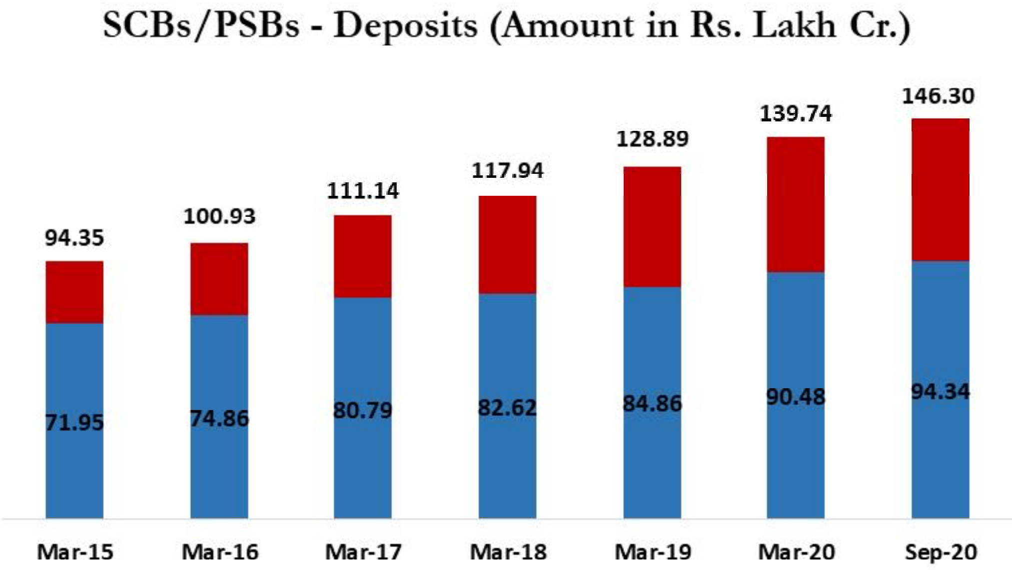
Rural Banks (RRBs) have dominant market presence and constitute the major proportion of the bank network of Scheduled Commercial Banks (SCBs). PSBs play an important role in fuelling investment needed for the country's economic development, with a share vis'-a-vis', that of SCBs, being —

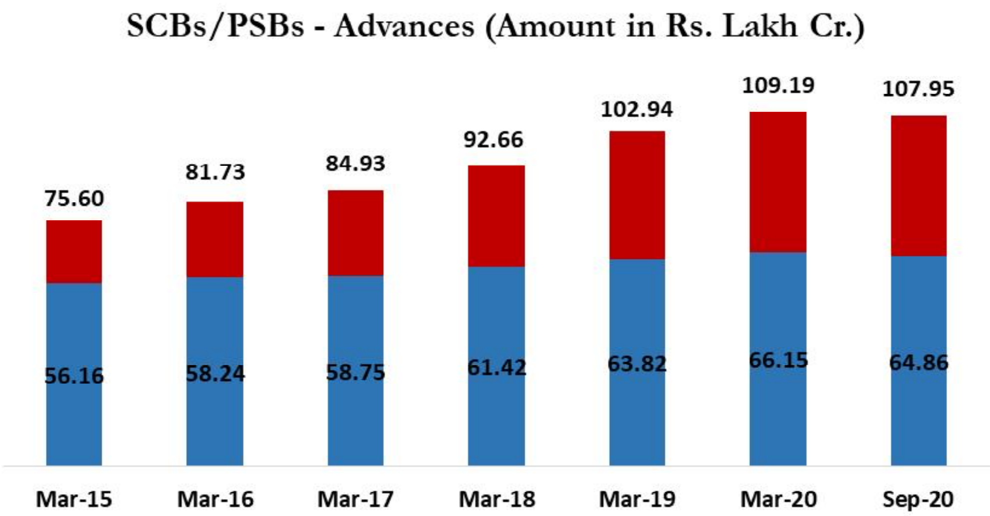
(i) over 65 percent of deposits;

(ii) 60 percent of outstanding credit, and

(iii) 71% of total branches and 65% of ATMs.

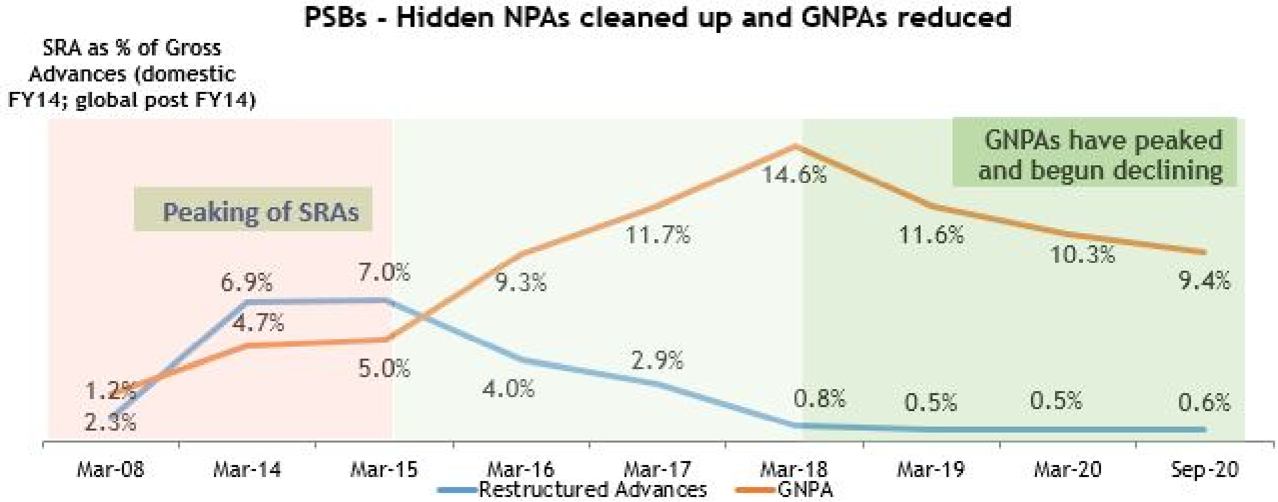
In absolute terms, PSBs have a total deposit of Rs.94.34 lakh crore and total advances amounting to Rs.64.86 lakh crore, as on 30.9.2020.

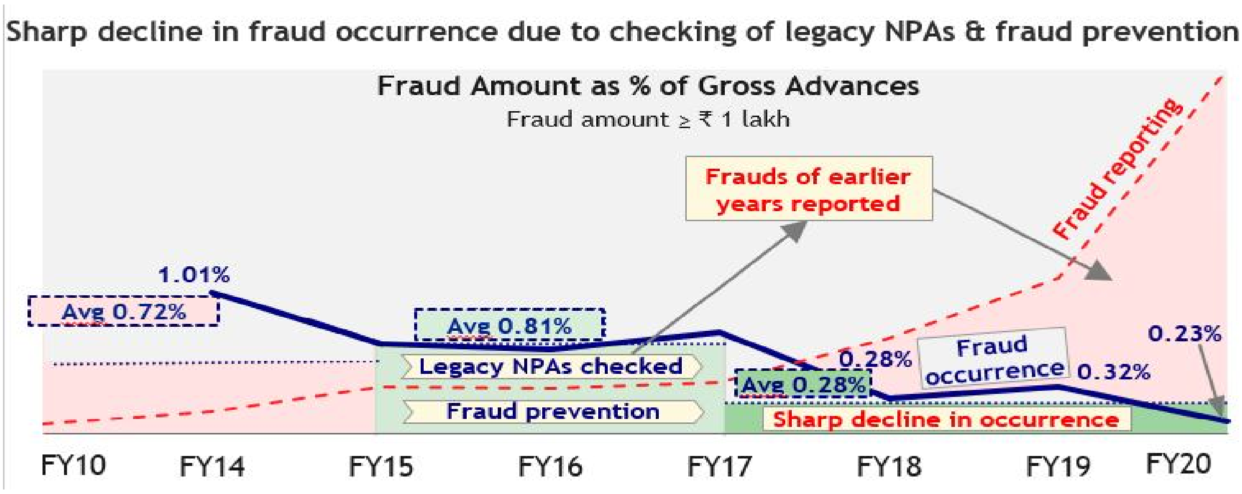




PSBs in India have played a pivotal role in transforming the Indian economy from one characterised by low savings and credit-to-GDP rates of 11.2% and 12.2% respectively at the time of bank nationalisation to current levels of 30.1% and 56% respectively, powering India's growth story. However, over the first half of the last decade, they witnessed excessive build-up of stress in their loan portfolios, although this remained hidden till transparent recognition of stressed loans as NPA began in 2015. As per Reserve Bank of India (RBI) data, aggregate gross advances of PSBs increased from Rs.18,19,074 crore as on 31.3.2008 to Rs.52,15,920 crore as on 31.3.2014. As per RBI inputs, the primary reasons for spurt in stressed assets have been observed to be, *inter alia,* aggressive lending practices, wilful default/loan frauds/and economic slowdown. Further, extant guidelines which permitted restructuring ended on 31.3.2015.

Thereafter, transparent recognition was done through Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealing high incidence of non-performing assets (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. Further, all such schemes for restructuring stressed loans were withdrawn in the financial year (FY) 2017-18. As a result of Government's strategy of recognition, resolution, recapitalisation and reforms, their gross NPAs have since declined from Rs. 8,95,601 crore as on 31.3.2018 to Rs. 6,09,129 crore as on 30.9.2020. The status of Standard Restructured Assets (SRA) is as under.





2.1 Comprehensive banking reforms

Comprehensive steps have been taken under the Government strategy to reduce NPAs of PSBs, affecting change in credit culture, including, *inter-alia*, the following:

(a) the Insolvency and Bankruptcy Code (IBC) fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners and debarring wilful defaulters from the resolution process and debarring them from raising funds from the market.

(b) the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 being amended to make it more effective, with provision for three months' imprisonment in case the borrower does not provide asset details, and for the lender to get possession of mortgaged property within 30 days.

(c) suits for recovery of dues being filed by banks before Debts Recovery Tribunals (DRTs) and six new DRTs being established to expedite recovery.

Further, the Government announced an unprecedented Rs.2.11 lakh crore recapitalisation in October, 2017, through infusion of capital by the Government and raising of capital by banks from the markets. In the budget for FY 2020-21, Rs.20,000 crore was provided for capital infusion in banks, of which Rs.5,500 crore has been infused. Till date, Government has infused Rs.2.7 lakh crore in PSBs since October, 2017 and an additional amount of Rs.1.63 lakh crore has been mobilised by banks from FY2017-18 till December, 2020.

A PSB Reforms Agenda in January, 2018 for publically reported, independently measured and benchmarked reforms was pursued through a unique Enhanced Access & Service Excellence (EASE) Reforms Index that enabled objective and benchmarked progress on all key areas in PSBs — *viz.*, governance, prudential lending, risk management, technology- and data-driven banking, and outcome-centric HR.

Root causes of weaknesses in PSBs have been systematically addressed through the annual EASE Reforms Index for FY19 and FY20 (EASE 1.0 and EASE 2.0). These have equipped Boards and leadership for effective governance, instituted risk appetite frameworks, created technology and data-driven risk assessment and prudential underwriting and pricing systems, set up loan management systems for faster processing and tracking, introduced Early Warning Signals (EWS) systems and specialised monitoring for time-bound action in respect of stress, put in place focussed recovery arrangements, and established outcome-centric HR systems.

Specific steps taken over the last two years include, *inter alia*, the following:

(1) *Tech-enabled, smart banking*

(i) Setting up of Loan Management Systems and Centralised Processing Centres, resulting in retail loan disbursement turnaround time reducing from 31 days in the fourth quarter (Q4) of FY2017-18 to 10 days in Q4 FY 2020-21.

(ii) Systematic improvement effected to mobile and Internet banking

a. Number of services offered, customer-friendliness, and local language customer-interface of PSBs, having business greater than Rs.5 lakh crore, has improved significantly, compared to their private sector counterparts, having comparable business.

b. Enabled by improved functionality, increase in the share of the six largest PSBs in the mobile banking transactions of the largest 10 Indian banks by business size from 49% in Q4 FY2018-19 to 57% in Q4 FY2019-20.

(iii) Launch of PSBloansin59minutes.com and adoption of the Trade Receivables Discounting System (TReDS) for digital lending for MSMEs and retail.

(a) TReDS platform

To resolve the problem of delayed payment of receivables of MSMEs, RBI had granted ‘in-principle’ approval to three entities [*viz.*, Receivables Exchange of India Ltd. (RXIL), Axis Bank Ltd. and Mynd Solutions Pvt. Ltd.] on November 24, 2015 for setting up/ operationalization of Trade Receivable Discounting Systems (TReDS) Platforms.

Advantages of the platform are as below:

(1) An online platform such as TReDS allows the seller multiple factors (financiers) to choose from.

(2) The process of uploading an invoice is paperless and the seller does not require uploading the documents multiple times.

(3) The process allows the seller to choose from a variety of interest rates and that too without any collateral.

(4) The lowest interest rate allows the seller to get the best deal in the most transparent manner.

(5) It saves MSMEs from visiting multiple banks to avail credit at the best rate.

The following initiatives have been taken for operationalisation of TReDS Platform.

(1) All three entities approved by RBI, i.e. Receivables Exchange of India Ltd. (RXIL), Axis Bank Ltd. and Mynd Solutions Pvt. Ltd. have been operationalized in the year 2017 and started operations in their exchanges.

(2) As on 01.01.2021,12,05,024 invoices to the tune of Rs.28,181.97 crore have been discounted since inception.

(3) Further Ministry of MSME has issued a notification on 02.11.2018, making it mandatory for all CPSEs and Corporates with a turnover of more than Rs.500 crore to be on-boarded on TReDS.

(4) All MSMEs exempted from paying onboarding fee till Mar, 2021.

(5) DFS is monitoring the operations made by three exchanges on weekly basis.

(b) PSB 59 minutes platform

Features

The*psbloansin59minutes* portal was launched on November 02, 2018 with a view to facilitate in-principle approval of loans of upto Rs.1 crore to small and medium businesses without human intervention, using independent data such as GST returns, IT returns and bank statements to judge the credit withdrawal of the business. The portal has provision for Bank URL for each Bank which can be used by it for its own customer digital on boarding as well as renewal. The portal has been instrumental in getting more MSMEs into the formal banking sector.

Initiatives

The scope of this portal has now been enlarged by enhancing to maximum loan amount from Rs.1 crore to Rs.5 crore of funding. In addition to Public Sector Banks, seven Private Sector Banks and one Co-operative bank have been unboarded on the portal for MSME customers. The portal has now also been extended to cover retail loan products of Banks i.e., Home Loan, Auto Loan and Personal Loans. Loans under Pradhan Mantri Mudra Yojana (PMMY), Bank of Baroda's ''One District-One Product' and State Bank of India's (SBI) ''Dealer Financing Scheme (e-DFS)'' are also live on the platform.

Status as on *31.12.2020*

Number of Loans sanctioned	Amount Sanctioned (Rs.in Crore)	No. of Loans Disbursed	Amount Disbursed (Rs. in Crore)
2,21,683	71,131	2,07,726	58,665

(iv) Adoption of a comprehensive agenda for smart, tech-enabled banking for FY2020-21, under which, *inter alia*—

a. State Bank of India has initiated straight-through processing of loans to micro-enterprises through eShishu Mudra platform, and other larger PSBs have initiated steps in this regard.

b. Most PSBs have put in place advanced queue management systems in transaction-intensive branches, with single-window operations, to reduce customer waiting and transaction time.

c. A few PSBs have introduced centralised processing hubs for faster time-bound processing and app-based loan application and offers for agricultural loans.

d. Larger PSBs are providing customer-need driven credit offers through analytics.

e. Larger PSBs are instituting an integrated account management framework for large corporates, with single-point relationship manager for seamlessly meeting their requirements across business verticals within the bank.

(2) Monitoring of loans

Institution of comprehensive, automated Early Warning Systems (EWS) in banks, with ~80 EWS triggers, use of third-party data and workflow for time-bound remedial actions, to proactively detect stress and reducing slippage into NPAs.

(3) *Risk management*

(i) Institution of technology- and data-driven Risk Scoring and Scrutiny systems in banks that comprehensively factor in third-party data and non-financial risk factors and provide for higher scrutiny of high-risk cases.

(ii) Institution of risk appetite frameworks in banks and improved adherence to risk-based pricing.

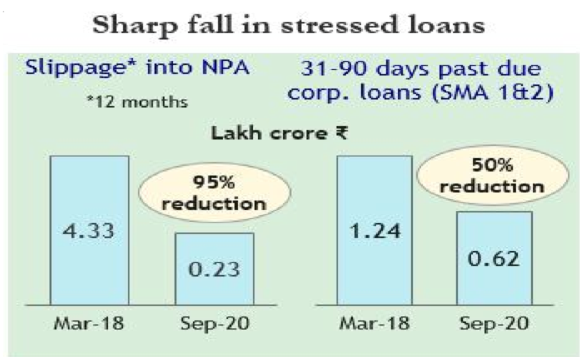
(iii) Adoption of improved credit policies that provide for improved consortium lending, ring-fencing of cash flows, and disbursement arrangements.

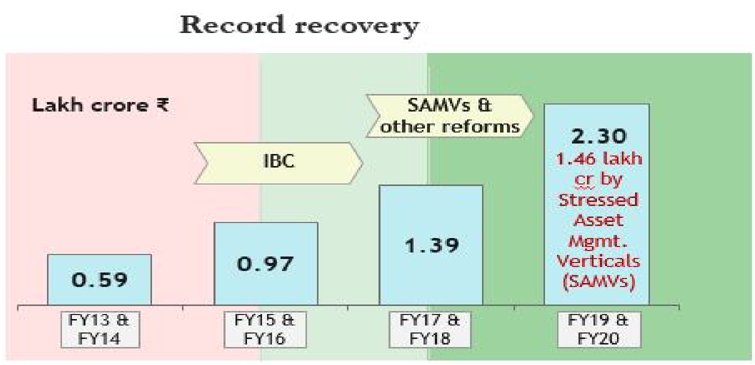
(iv) Empowerment of bank Boards to recruit the bank's Chief Risk Officer from the market, on market-linked compensation.

(4) *Resolution and recovery*

(i) Significant extension of the erstwhile stressed asset resolution framework and building in incentives for early adoption of a resolution plan through RBI's revised prudential framework on stressed assets, issued on 07.06.2019.

(ii) Setting up of stressed assets management verticals for focussed slippage prevention, recovery arrangements and time-bound action in respect of large-value stress accounts.





(iii) Putting into place one-time settlement platforms and portals, e-Bक्रय platform for online auction of stressed assets, and eDRT for online recovery case management.

The following key initiatives have been taken in this regard in DRTs:

a. In pursuance of Section 19A of the RDB Act, 1993 the e- filing rules have been framed and notified vide Notification dated 23.01.2020. The said rules provide for the procedure to be followed for filing of pleading in electronic form before the DRTs and DRATs. It also prescribes for the uploading of information by the DRTs and DRATs. Total 1830 cases were e- filed during the period 24.1.2020 to 06.07.2020

b. *e-DRT Project*- 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 through the National Informatics Centre (NIC). 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.

c. 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 present COVID -19 outbreak, since physical hearings are not being held at present. Till 31.10.2020, 39383 cases were heard through VC.

d. As per data made available by DRTs, a total number of 29863 cases (Original Applications) involving Rs.38,74,302 crore approximately were disposed of by 39 DRTs during period 1.04.2019 to 31.03.2020.

Details of e-Bक्रय are as below:

a. In coordination with the Indian Banks' Association (IBA) and Allahabad Bank, the Department of Financial Services got a common landing platform developed with property search features and navigational links to all the PSB e-auction sites in February, 2019.

b. The property details on e-Bक्रय website https://ibapi.in are structured and segregated for an enhanced user experience through seamless single-window access to information by search across banks or limited to a selected bank, based on the type of location of the property.

c. In the second phase, a common e-auction portal, for all the PSBs was developed, with access through eBक्रय site and e-auctions hosted by MSTC Ltd. The project was launched by Hon'ble Finance Minister on 28.12.2019.

(5) *Governance*

(i) Board empowerment including through—

a. entrustment of final appraisal of MD and other senior executives.

b. power to decide on institution of CGM level, recruitment of CRO from the market, setting sitting fees, etc.

c. peer reviewing non-official directors.

(ii) Introduction of non-executive chairmen.

(iii) Strengthening of the Board committees system.

(iv) Effective use of non-official directors, by giving them mandate to play role akin to independent director, and institution of their peer evaluation and training.

(v) Increased management strength on the Board (additional Executive Director).

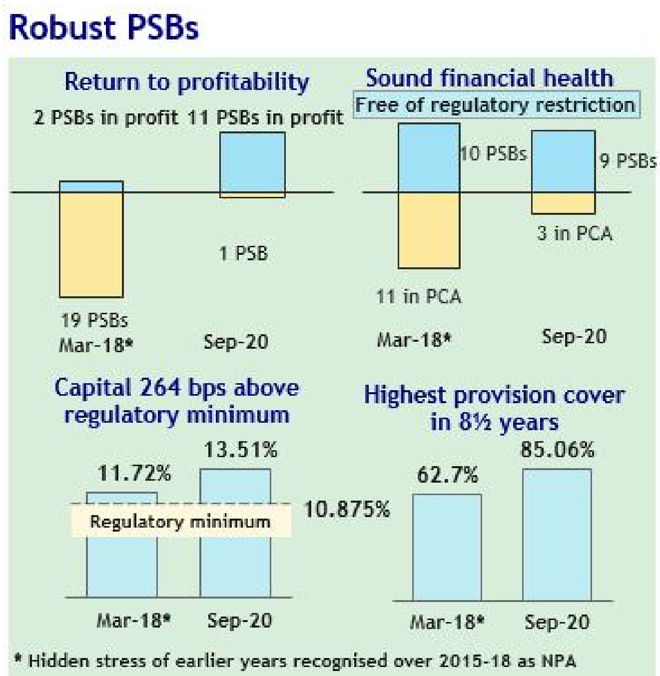
2.2 Turnaround in performance of PSBs

Since the institution of comprehensive reform in the second half of FY2017-18 following the completion of recognition of legacy stress as NPA, PSBs have returned to profitability with sound financial health and durable technology-enabled systems to prevent recurrence of past weaknesses. This is reflected in–

(1) Gross NPAs have reduced from Rs.8.96 lakh crore in March, 2018 to Rs.6.09 lakh crore in September, 2020;

(2) Record recovery of Rs.2.54 lakh crore has been effected since March, 2018 till September, 2020;

(3) Occurrence of frauds has declined sharply, from an average of 0.72% of advances during FY 2009-10 to FY2013-14 and peak of 1.01% in FY2013-14 to 0.23% in FY2019-20;



(4) Reduction in the number of PSBs placed under RBI's Prompt Corrective Action framework from 11 to 3;

(5) As many as 11 PSBs out of 12 reporting profits in the first 6 months of FY2020-21, amounting to Rs.14,688 crore;

(6) The Capital to Risk-weighted Assets Ratio (CRAR) being 264 basis points above the regulatory minimum of 10.875%, at 13.51% in September, 2020; and

(7) The highest provision coverage ratio in over $8^{1/2}$ years at 85.06% in September, 2020.

2.3 Amalgamation of Public Sector Banks

Over the last five years, PSBs have not only cleaned up legacy stress and addressed underlying systemic weaknesses, but have emerged stronger as a result of comprehensive and institutionalised EASE reforms. To further leverage the positive impacts brought about though reforms and with the aim of enhancing the efficacy of the banking sector by creating strong and efficient banks by leveraging economies of scale and synergies for, *inter alia*, operational efficiencies, thrust on adoption of technology for efficient banking and greater financial capacity to support economic growth through lending, Vijaya Bank and Dena Bank were amalgamated into Bank of Baroda in 2019 and Oriental Bank of Commerce and United Bank of India into PNB, Andhra Bank and Corporation Bank into Union Bank of India, Syndicate Bank into Canara Bank, and Allahabad Bank into Indian Bank, in 2020.

2.4 Regional Rural Banks

2.4.1. Revitalizing Regional Rural Banks (RRBs)

The RRBs were established with the objective of creating an alternative channel to rural credit structure to facilitate credit support to farmers for meeting their cultivation and other related needs. As on 31st March, 2020, 45 RRBs are operating through a network of 21,847 branches (21,871 branches as on 31st March, 2019) covering 696 districts. All branches of RRBs are on CBS Platform. Keeping in view the increased requirement of Agri. Sector and to meet the challenges ahead, the Government decided in 2015 to increase the authorised capital of RRBs to Rs.2000 crore from Rs.5 crore.

2.4.2 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 initiated the amalgamation process of RRBs in 2017-18 on the basis of their location within a State. As a part of this process, during 2019-20 16 RRBs were amalgamated into 8 RRBs in seven States of Assam, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Tamil Nadu & Uttar Pradesh, thereby bringing down the number of RRBs to 45 as on 31st March, 2020 from 53. Furthermore, amalgamation of Baroda Uttar Pradesh Gramin Bank, Kashi Gomti Samyut Gramin Bank and Purvanchal Gramin Bank in the state of Uttar Pradesh has been effected to form Baroda UP Bank with effect from 1st April, 2020 thereby bringing the total no. of RRBs to 43. It is expected that amalgamation of RRBs will bring about better efficiency of scale, higher productivity, robust financial health of RRBs, improved financial inclusion and greater credit flow to rural areas.

2.4.3 Capital Infusion for Improving CRAR

On the recommendation of EFC, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 25.03.2020, gave its approval for continuation of the process of recapitalisation of Regional Rural Banks (RRBs) by providing minimum regulatory capital to RRBs for another year beyond 2019-20 i.e. up to 2020-21 for the RRBs which are unable to maintain minimum CRAR of 9%. The CCEA also approved utilisation of Rs.670

crore (which includes Rs.470 crore allocated in RE 2019-20 and Rs.200 crore allocated in BE 2020-21) as Central Government Share for the scheme of Recapitalisation of RRBs.

During 2019-20, Government of India has released their share amounting to Rs.700.50 crore (out of allocation of Rs.235 crore in BE 2019-20 + Rs.470 crore in RE 2019-20) as recapitalisation assistance to 12 RRBs.

2.4.4 Pension Scheme for Employees of RRBs

Consequent upon adoption of RRB Pension Scheme & Regulations, 2018 by the Board of Directors of all RRBs and publication /notification of the Regulations in the Gazette of India, all RRBs have started the payment of pension to eligible pensioners/family pensioners.

2.4.5 Financial Performance of RRBs

(Amount in Rs. crore)

	As on	
	31st March 2020	30 September 2020
Owned Funds	34,663	36,284
Deposits	4,78,737	5,01,873
Loans & Advances	2,98,214	3,10,244
Non-Performing Assets (NPAs)	31,106	29,569

2.4.6 Profitability and Accumulated Losses

During 2019-20, 26 RRBs earned profit of Rs.2,203 crore. However, 19 RRBs incurred losses during the year aggregating to Rs.4,411 crore. Therefore, RRBs as an entity incurred a net loss of Rs. 2,208 crore during 2019-20.

2.5 Role of Banks during the COVID-19 pandemic

During the COVID-19 pandemic period, banks ensured uninterrupted and seamless banking facilities including electronic payments even during the lockdown. Large scale cash transfers were effected as part of implementation of PMGKY and Atmanirbhar Bharat Package.

To mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic and to ensure continuity of businesses, Government, on 24.03.2020, announced certain relief measures in view of COVID-19 outbreak and followed it up on 12.05.2020 with the Aatmanirbhar Bharat Abhiyan stimulus package, a post pandemic economy plan aimed at helping the economy recover from the impact of Covid-19, the details of which followed the announcement in five daily tranches. RBI too announced relief regulatory packages for COVID-19 on 27.03.20 and 23.05.2020. With the Government and RBI working in tandem, as part of these COVID-19 packages, the comprehensive measures undertaken to support and boost the economy, include, *inter alia*, the following:

(1) Liquidity support—

i. reduction in cash reserve ratio by 100 basis points (bps) releasing primary liquidity of around Rs.1.37 lakh crore, uniformly across the banking sector.

ii. reduction in liquidity coverage ratio from 100% to 80% easing the liquidity position.

iii. reduction of 115 bps in policy repo rate reducing interest burden on borrowings and a 155 bps reduction in reverse-repo rate to induce banks to on-lend surplus funds to productive sectors of the economy.

iv. conducting of targeted long-term repo operations (TLTRO) repo auctions of up to 3-year tenor for a total amount of Rs.1 lakh crore for investing in corporate bonds, CPs and NCDs with concession in MTM guidelines.

(2) Lending has been promoted by enabling ease of credit through—

i. Providing concessionary credit to PM-KISAN beneficiaries, including fishermen and animal husbandry farmers, through Kisan Credit Cards.

ii. Providing additional emergency working capital funding for farmers, including small and marginal farmers, through additional refinance support through NABARD.

iii. Providing a Rs.5000 crore special credit facility to PM SVANidhi beneficiaries enabling easy access to working capital by street vendors whose livelihoods have been adversely impacted due to COVID-19.

iv. Providing additional emergency credit line of up to 20% of outstanding credit to business entities banking with PSBs and having outstanding credit of up to Rs.50 crore and turnover of up to Rs.250 crore, and the scheme has been extended to individuals who already had loans for business purposes.

v. Providing of additional loan facility by PSBs as emergency relief to their existing borrowers, without additional margin, security or processing fee.

vi. Providing interest subvention for MUDRA-Shishu loans.

vii. Scheme for restructuring of loans to MSMEs.

viii. Facilitating revival of real sector activities and mitigating the impact on ultimate borrowers by providing a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard.

ix. Extending the credit linked subsidy scheme for housing for middle income group till March 2021.

(3) Support to existing debtors across the economy and regulatory relief to the banks has been enhanced through¯

(i) grant of a moratorium of six months on payment of all term loan instalments falling due between 01.03.2020 and 31.08.2020, without asset classification downgrade.

(ii) deferment of recovery of interest on working capital during the moratorium period and allowing repayment of accumulated interest as funded interest term loan till March 2021.

(iii) exclusion of the moratorium period for purposes of classifying an overdue loan account as a non-performing asset (NPA).

(iv) concessions in timelines for resolution to be adhered to by lenders under RBI's Prudential Framework on Resolution of Stressed Assets, with extension of resolution timelines to exclude the period from 01.03.2020 till 31.08.2020.

(v) increasing the threshold of default under section 4 of Insolvency and Bankruptcy Code from Rs.1 lakh to Rs.1 crore with the intention to prevent triggering of insolvency proceeding against MSMEs.

(vi) increasing the maximum permissible period of pre- and post-shipment export credit sanctioned to 15 months, for disbursements made till 31.07.2020.

(vii) grant of ex-gratia payment of difference between compound interest and simple interest for six months of moratorium (01.03.2020 to 31.08.2020) to borrowers in specified loan accounts for providing relief to distressed/vulnerable small borrowers having certain specified categories of loan accounts, such as loan accounts pertaining to MSME loans, education loans, housing loans, consumer durable loans, credit card dues, auto loans, personal loans to professions and consumption loans, in the context of the ongoing global pandemic.

3. Financial Inclusion

The Government initiated the National Mission for Financial Inclusion (NMFI) namely, Pradhan Mantri Jan Dhan Yojana (PMJDY) in August, 2014 to provide universal banking services for every unbanked household, based on the guiding principles of banking the unbanked, securing the unsecured, funding the unfunded and serving unserved and underserved areas.

3.1 Access to banking

3.1.1 Banking Service Points: PMJDY aimed at providing banking service 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. Following tables show the number of bank branches, ATMs.

Table showing the number of bank branches of Scheduled Commercial Banks

As on	Rural	Semi-Urban	Urban	Metropolitan	Total
31.03.2016	48,263	37,575	24,010	25,459	**135,307**
31.03.2017	49,857	38,996	25,054	26,478	**140,385**
31.03.2018	50,807	39,617	25,377	26,434	**142,235**
31.03.2019	51,545	41,028	26,318	27,056	**145,947**
31.03.2020	52,313	42,244	27,233	28,028	**149,818**
30.09.2020	52,412	42,382	27,382	28,072	**150,248**

Source: RBI

Table showing 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#
30.09.2020#	120263#	113981	234244#

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 53.94 lakh in September, 2020.

3.1.2 Performance of PMJDY

Major achievements of PMJDY are as under: **(Numbers in Crore)**

As on	PMJDY Accounts (in Crores)	Breakup by Gender		Breakup by Geography		Deposits in PMJDY Accounts (in Rs. Crore)
		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
As on 06.01.2021	**41.60**	**18.56**	**23.04**	**30.60**	**14.24**	**1,35,740**

(i) A total of 41.60 crore Jan-Dhan accounts have been opened till 06.01.2021 under PMJDY, with a deposit balance of Rs.1,35,740 crore. The average deposit balance is approx. Rs.3263 per PMJDY account.

(ii) There are 23.04 crore (55.38%) women Jan-Dhan account holders, with about 27.36 crore (65.77%) accounts opened in rural and semi-urban areas.

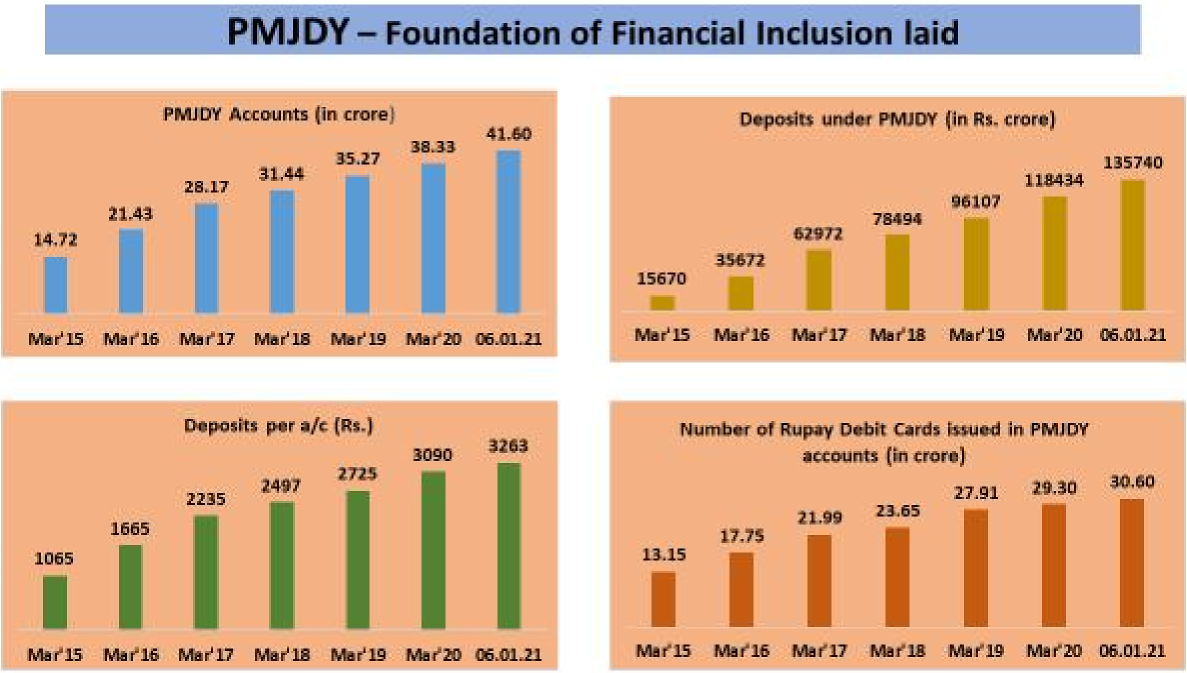
(iii) Approximately 30.60 crore RuPay cards with an inbuilt accidental insurance of Rs.1 lakh (Rs.2 lakh for accounts opened after 28.8.2018) coverage have also been provided to PMJDY account holders.

(iv) Presently, as on 06.01.2021, 31.71 crore beneficiaries have also been enrolled under PMSBY and PMJJBY. Taking into account the premium of Rs.12 per annum & Rs.330 per annum for PMSBY and PMJJBY respectively, eligible beneficiaries under these 2 schemes can get accidental and life insurance cover of Rs.4 lakh at an average premium of less than Rs.1 per day.

(v) Out of total operative accounts opened under PMJDY, 84.10% 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.

(vi) A digital pipeline of Jan-Dhan Aadhaar Mobile (JAM) has been laid by 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.

Major trends under PMJDY in terms of opening of accounts, deposit balance, average deposit balance, etc. over the time are as under:



3.1.3 With a view to further deepening the financial inclusion interventions in the country, PMJDY has been extended beyond 14.08.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" with added emphasis on usage of accounts by enhancing Direct benefit (DBT) flows through these accounts, adoption of social security schemes, promoting digital payments, etc. Some other modifications were also made to the existing schemes as under:

(i) Existing Over Draft (OD) limit of Rs.5,000 revised to Rs.10,000;

(ii) No conditions attached for OD upto Rs.2,000;

(iii) Age limit for availing OD facility revised from 18-60 years to 18-65 years; and

(iv) The accidental insurance cover for new RuPay card holders raised from existing Rs.1 lakh to Rs.2 lakhs to new PMJDY accounts opened after 28.08.2018.

3.1.4. Also, Jan Dhan Darshak, 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 06.01.2021, there are 1.67 lakh branches, 4.43 lakh BCs (including IPPB-BCs) and 2.08 lakhs ATMs mapped by the banks. Further, as per data uploaded by the banks on JDD app, out of the 5.54 (5,53,804) lakh mapped villages on the app, 5.53 lakh (5,53,119) (99.89%) villages are having branch or BC within a distance of 5 kilometers.

4. Key Schemes

4.1 Pradhan Mantri Mudra Yojana

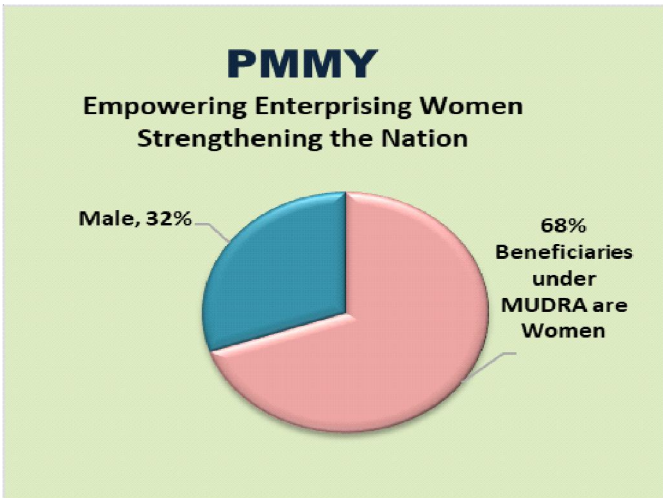
An important aspect of financial inclusion is enabling the flow of credit to small businesses. In pursuance of the announcement in the Union Budget 2015-16, the Pradhan Mantri Mudra Yojana (PMMY) launched on 8th April, 2015 and the Micro Units Development Finance Agency (MUDRA) Ltd. was established as a wholly owned subsidiary of SIDBI. For achieving sustained expansion in the flow of credit to the non-corporate small business sector, loans up to Rs.10 lakh without collateral are extended to borrowers under PMMY. These loans are extended through partner Member Lending Institutions (MLIs) – such as Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Micro-Finance Institutions (MFIs). In turn, MUDRA Ltd. offers refinance to MLIs for PMMY loans extended by them.

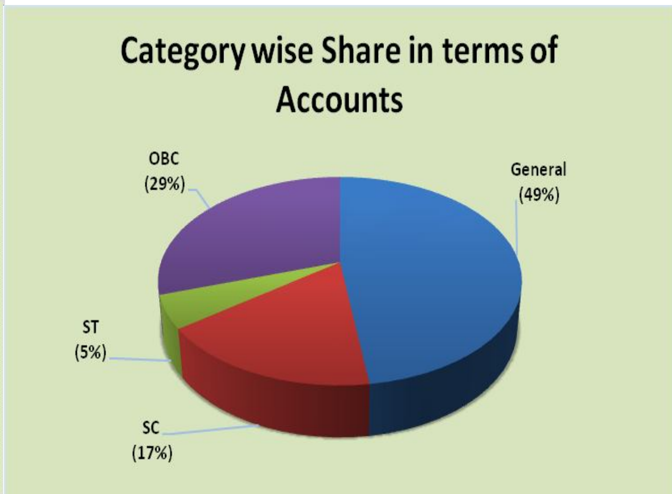
The loans under PMMY are categorized as Shishu (up to Rs.50,000), Kishore (Rs.50,000 to Rs.5 lakh) and Tarun (Rs.5 lakh to Rs.10 lakh). Activities allied to agriculture and services supporting these (excluding crop loans, land improvement such as canals, irrigation, wells) have also been included under PMMY from April, 2016. PMMY credit rose from Rs.1,37,449 crore in

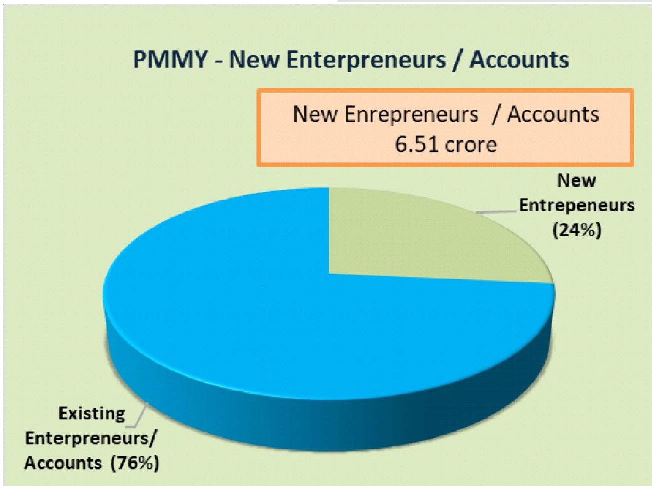
2015-16 to Rs.3,37,465 crore in 2019-20. More than 27 crore loans were extended of which 88% loans were under SHISHU Category, 68% loans to Women & 51% loans to SC/ST/OBC. During 2020-21, till 15.01.2021, 2.80 crore loans were sanctioned amounting to Rs.1,71,594 crore. Since the inception of the scheme, 27.28 crore loans have been sanctioned amounting to Rs.14,02,436 crore.

Pradhan Mantri Mudra Yojana (Year-wise data)

PMMY	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (as on 15.01.21)	Total (as on 15.01.2021)
No. of Accounts (in crore)	3.49	3.97	4.81	5.99	6.22	2.80	27.28
Loan Target	1,22,188	1,80,000	2,44,000	3,00,000	3,25,000	3,50,000	1521188
Loan Amount Sanctioned (Rs. in crore)	1,37,449	1,80,528	2,53,677	3,21,722	3,37,465	1,71595	1402436







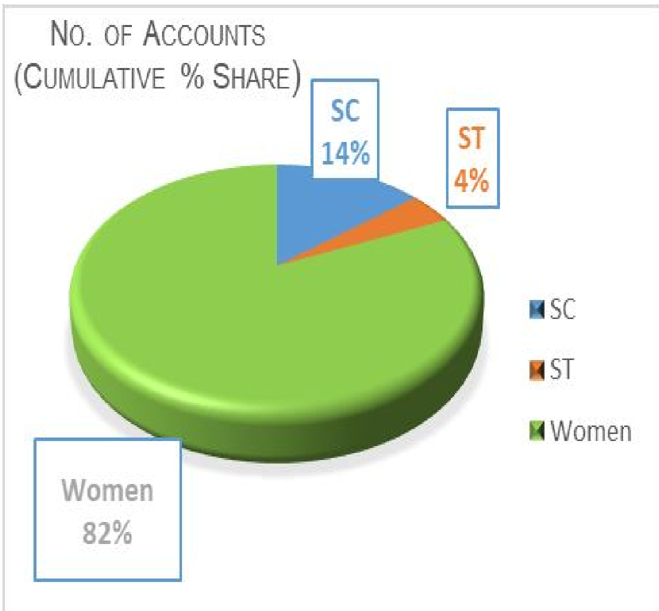
4.2 Stand Up India Scheme

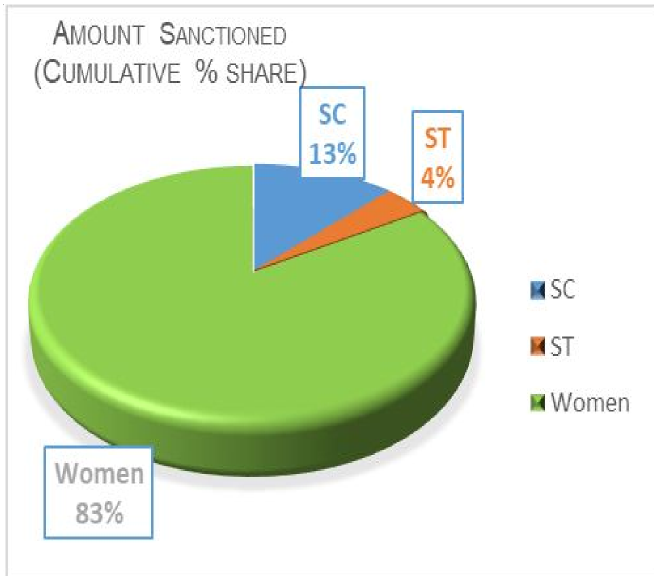
Government of India launched the Stand Up India scheme on 5th April, 2016. Stand Up India scheme aims to promote entrepreneurship amongst women, SC & ST category i.e those sections of the population understood to be facing significant hurdles due to lack of advice/ mentorship as well as inadequate and delayed credit. The Scheme intends to leverage the institutional credit structure to reach out to these underserved sectors of the population in starting Greenfield enterprise. The Scheme facilitates bank loans between Rs.10 lakh to Rs.1 crore to at least one Scheduled Caste/ Scheduled Tribe borrower and at least one Woman borrower per bank branch of Scheduled Commercial Banks for setting up Greenfield enterprises in trading, manufacturing and services sector. To extend collateral free coverage, Government of India has set up the Credit Guarantee Fund for Stand Up India (CGFSI). The scheme is built on the concept of providing handholding support to those borrowers who might have a project in mind but lack the confidence and capability to start a new enterprises. Stand Up India Scheme also envisages extending handholding support to potential borrowers. It also provides for convergence with Central/State Government schemes. Applications under the scheme can also be made online, on the Stand Up India portal *(www.standupmitra.in).*

Performance under Stand Up India Scheme (Amount. in Rs. Crore)								
Date	SC		ST		Women		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.
08.01.2021	14880	3049.70	4397	934.87	85955	19594.27	105232	23578.84

The total number of SC/ST and Woman borrowers extended loans under Stand Up India scheme and the total sanctioned amount as on 08.01.2021 and since inception are tabulated below.

Stand Up India as on 08.01.2021 (cumulative)



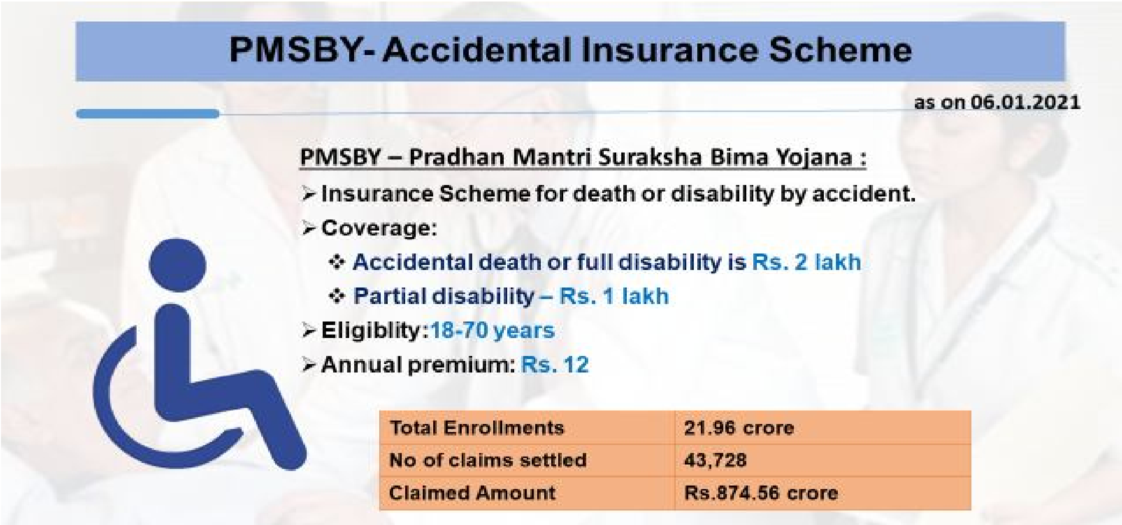


4.3 Social Security Schemes

In order to move towards creating a universal social security system for all Indians, especially the poor and the under-privileged, three ambitious Jan Suraksha Schemes or Social Security Schemes pertaining to Insurance and Pension Sector were announced by the Government in the Budget for 2015-16. The schemes were launched on 9th May, 2015, for providing life & accident risk insurance and social security at a very affordable cost namely (a) Pradhan Mantri Suraksha Bima Yojana and (b) Pradhan Mantri Jeevan Jyoti Bima Yojana and (c) Atal Pension Yojana.

4.3.1 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 on or before 31st May for the coverage period 1st June to 31st May on an annual renewal basis. Aadhar would be the primary KYC for the bank account. The risk coverage under the scheme is Rs.2 lakh for accidental death and full disability and Rs.1 lakh for partial disability. The premium of Rs.12 per annum is to be deducted from the account holder's bank / Post office account through 'auto-debit' facility in one installment. The scheme is being offered by Public Sector General Insurance Companies or any other General Insurance Company who are offering the product on similar terms with necessary approvals and tie up with Banks and Post Offices for this purpose. As on 6th January, 2021, the cumulative enrolment by banks, subject to verification of eligibility criteria, is about 21.96 crore under PMSBY and 43,728 claims of Rs.874.56 crore have been disbursed.



4.3.2 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. Aadhar would be the primary KYC for the bank account. The life covers of Rs.2 lakhs is available for a one year period stretching from 1st June to 31st May and is renewable. Risk coverage under this scheme is for Rs.2 Lakh in case of death of the insured, due to any reason. The premium is Rs.330 per annum which is to be auto-debited in one instalment from the subscriber's bank / Post office account as per the option given by him on or before 31st May of each annual coverage period under the scheme. The scheme is being offered by LIC and all other life insurers who are offering the product on similar terms with necessary approvals and tie up with Banks and Post Offices for this purpose. To facilitate all those getting enrolled under PMJJBY for the first time during the middle of the policy period, payment of pro-rata premium has been allowed at a considerable low premium, as below, based on enrolment month:

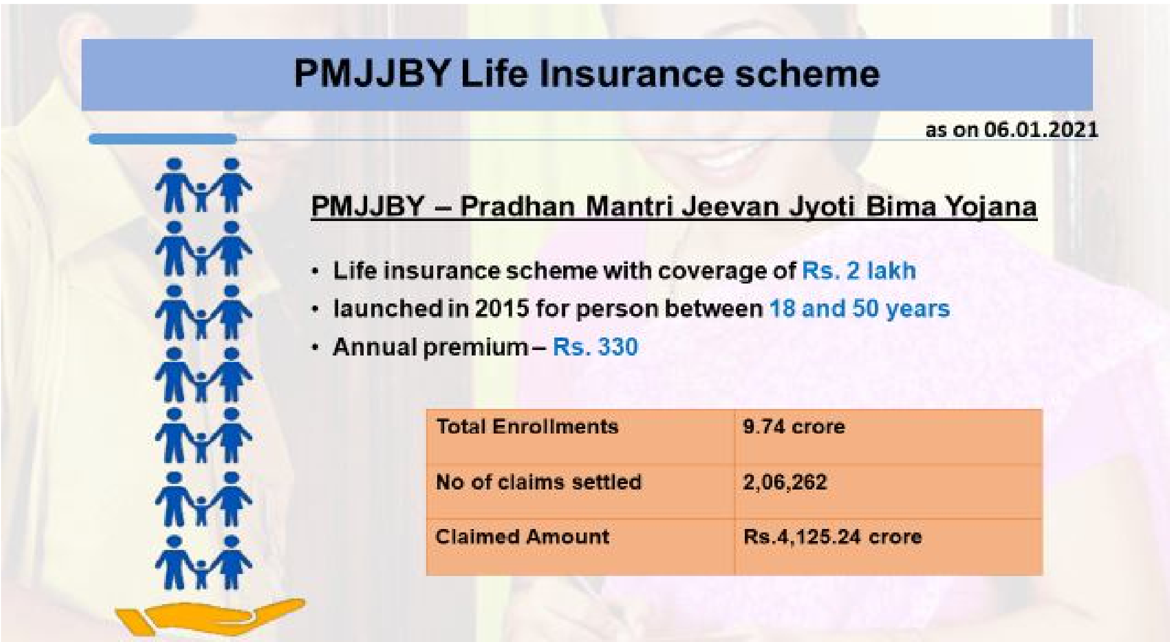
(i) June/July/August –Annual premium of Rs.330 payable.

(ii) September/October/November–3 quarters of premium@Rs.86.00,i.e. Rs.258 payable.

(iii) December/January/February– 2 quarters of premium @Rs.86.00 i.e. Rs.172 payable.

(iv) March, April & May – 1 quarterly premium @ Rs.86.00 payable.

As on 6th January, 2021 the gross enrolment by banks, subject to verification of eligibility criteria, is about 9.74 crore people under PMJJBY and 2,06,262 claims of Rs.4125.24 crore have been disbursed.



4.3.3 Atal Pension Yojana

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.1000 to Rs.5000 (in multiples of Rs.1,000) 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.

The key features of APY are as under:

(1) APY is primarily focused on workers in the unorganised sector, however, all citizens of the country in the eligible category may join the scheme.

(2) Any Indian citizen between 18-40 years of age can join through their savings bank account or post office savings bank account.

(3) 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.

(4) 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.

(5) The subscribers in the eligible age, who are not income-tax payers and who are not covered under any statutory social security scheme, are entitled to receive the co-contribution by Central Government of 50% of the total prescribed contribution, up to Rs.1000 per annum, and this will be available for those eligible subscribers, who join APY before 31st March, 2016. The Central Government co-contribution shall be available for a period of 5 years, i.e., from Financial Year 2015-16 to 2019-20.

(6) 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.

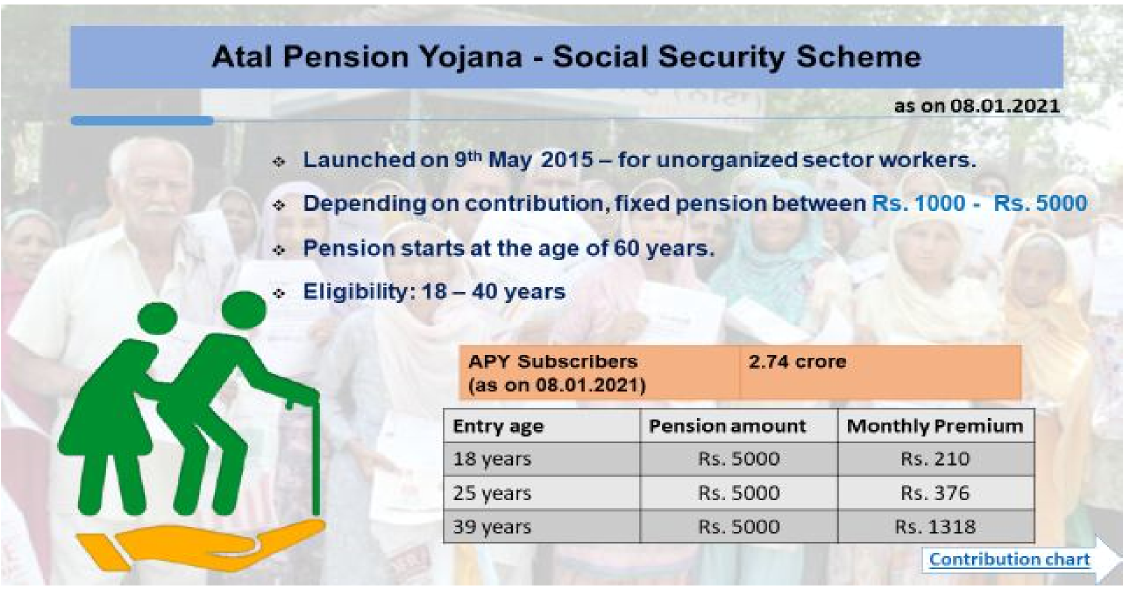
(7) The contributions can be made at monthly / quarterly / half yearly intervals through auto debit facility from savings bank account/ post office savings bank account of the subscriber. The monthly / quarterly / half yearly contribution depends upon the intended/ desired monthly pension and the age of subscriber at entry.

(8) Major measures/steps undertaken under the APY Schemes include outreach, financial literacy, improved digital features, including the APY app on the Unified Mobile Application for New-age Governance (UMANG) platform. The exercise of mapping of APY subscriber's enrolment data as per Local Government Directory (LGD) data has been completed and reporting of the same on PRAYAS platform started.

Category wise number of enrolments under APY As on 28th November, 2020)

Category of Banks	Number of Subscribers
Public Sector Banks	1,88,93,269
Private Banks	17,49,875
Small Finance Bank	20,333
Payment Bank	5,58,308
Regional Rural Banks	50,17,360
District Co-op Banks	52,552
State Co-op Banks	4,955
Urban Co-op Banks	19,159
Department of Posts	3,13,450
Total	**2,66,29,261**

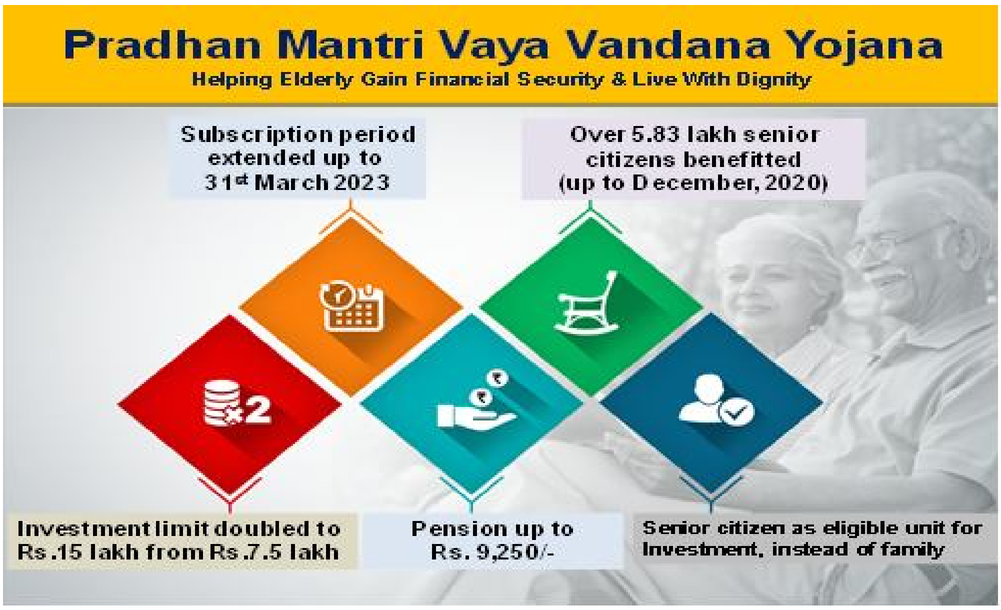
As on 8th January, 2021, the number of subscribers under APY is more than 2.74 crore. It is expected that more than 70 lacs subscribers shall register under APY during the FY 2020-21; reaching an overall subscriber base of 3.00 crores by March, 2021.



4.3.4 Pradhan Mantri Vaya Vandana Yojana

Government had launched the Pradhan Mantri Vaya Vandana Yojana (PMVVY) in 2017 to provide social security during old age and to protect elderly persons aged 60 and above against a future fall in their interest income due to uncertain market conditions. The scheme is being implemented through Life Insurance Corporation of India (LIC). This scheme was first extended up to 2020 and has further been extended for another three years i.e. up to 31st March 2023.

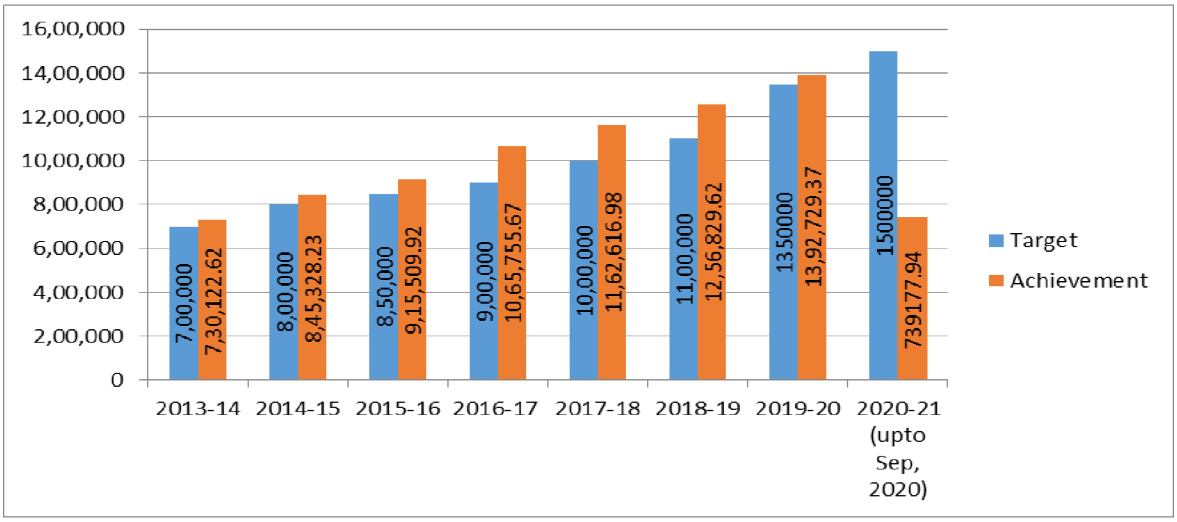
The scheme enables old age income security for senior citizens through provision of assured pension/ return linked to the subscription amount based on government guarantee to Life Insurance Corporation of India (LIC). PMVVY offers an assured rate of return of 7.40% per annum for the year 2020-21 for policy duration of 10 years. In subsequent years, while the scheme is in operation, there will be annual reset of assured rate of return with effect from April 1st of the financial year in line with applicable rate of return of Senior Citizens Saving Scheme (SCSS) up to a ceiling of 7.75% with fresh appraisal of the scheme on breach of this threshold at any point. The differential return, i.e. the difference between return generated by LIC and the assured return would be borne by Government of India as subsidy on an annual basis. Pension is payable at the end of each period during the policy tenure of 10 years as per the frequency of monthly/quarterly/ half-yearly/yearly as chosen by the subscriber at the time of purchase. Minimum purchase price under the scheme is Rs.1,62,162/- for a minimum pension of Rs.1,000/- per month and the maximum purchase price is Rs.15 lakh per senior citizen for getting a pension amount of Rs.9,250/- per month. The scheme is being implemented through Life Insurance Corporation of India (LIC). A total number of 5,83,208 subscribers are benefited under the scheme as on 31st December, 2020.



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.13,50,000 crore for 2019-20, agriculture credit to the tune of Rs.13,92,729 crore was disbursed, registering 103.17 % achievement. As on 30.09.2020, Rs.7,39,177.94 crore was disbursed (Provisional) against target of Rs.15,00,000 crore registering 49.28 % achievement. The year-wise Agriculture Credit against target is as under:

(Rs. In crore)



* *Data is provisional* *Source: ENSURE Portal of NABARD*

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 Public Sector 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.

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, which were languishing for want of resources. RIDF, with 37 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 crore in 1995-96 (RIDF I) to Rs.29,848 crore in 2020-21 (RIDF XXVI). As against the allocation of Rs.29,848 crore made during 2020-21 for RIDF under Tranche XXVI, sanctions to the tune of Rs.23,634 crore were accorded to various State Governments (Projected/estimated to be Rs.29,848 crore by 31st March, 2021).

The aggregate allocation till 30.11.2020 has reached Rs.3,78,348 crore, including Rs.18,500 crore 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 diverse positive socio-economic developmental outcomes in rural areas. These projects have brought about an improvement in quality of rural life and 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 crore 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.44,984.48 crore has been made for the STCRC (Refinance) Fund during 2020-21. As on 20.11.2020, Rs.17,772.31 crore has been utilised out of STCRC (Refinance) Fund during 2020-21.

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 crore 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. Allocation under STRRB Fund was at Rs.9,996.55 crore during 2020-21. As on 20.11.2020, Rs.4,206.62 crore has been utilised out of STRRB(Refinance) Fund during 2020-21.

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.14,923.80 crore to this fund during 2020-21. As on 20.11.2020, Rs.6,969.59 crore has been utilised out of LTRCF during 2020-21.

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 crore to Rs.30,000 crore and to increase it beyond Rs.30,000 crore 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 2020-21, equity support of Rs.1,000 crore has 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 30.11.2020 in respect of NABARD is Rs.15,080 crore.

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 30th November, 2020, against the total estimated amount of Rs.77,908 crore for the 99 identified projects, sanctions have been accorded by NABARD under LTIF to the tune of Rs.71,067.83 crore for 99 identified projects, Rs.10,465.52 crore for the Polavaram Irrigation project, Rs.1,378.61 crore for North Koel Reservoir Project, Rs.485.35 crore for Shahpurkandi Dam and Rs.826.17 crore for Relining of Sirhind and Rajasthan Feeder. The cumulative amount released against sanction of 99 identified projects stood at Rs.38,726.52 crore. Similarly, for Polavaram Irrigation project, North Koel Reservoir Project and Shahpurkandi Dam Project, cumulative releases stood at Rs.7664.15 crore, Rs.721.22 crore and Rs.119.52 crore, respectively.

5.7.2 Pradhan Mantri Awaas Yojana- 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 30th November, 2020 stands at Rs.51,975 crore and Rs.34,940.53 crore 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 Household 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 crore, out of which Rs.15,000 crore was to be raised through borrowing from NABARD. As on 30th November, 2020, the cumulative sanction and release by NABARD under SBM -G stands at Rs.15,000 crore and Rs.12,298.20 crore respectively.

5.7.4 Micro Irrigation Fund

Micro Irrigation Fund with a corpus of Rs.5,000 crore 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 30th November, 2020 stands at Rs.3,805.68 crore and Rs.1,754.60 crore respectively. This will facilitate in expanding micro irrigation to an area of 12.565 lakh ha. involving 10.06 lakh farmers.

6. Priority Sector Lending (PSL)

The objective of priority sector lending (PSL) has been to, inter-alia, ensure access to credit for vulnerable sections of society have adequate flow of resources to those segments of the economy which have higher employment 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 issued in the month of September, also aim to encourage and support environment friendly lending policies/schemes announced under Aatma Nirbhar Bharat package to help achieve Sustainable Development Goals (SDGs).

The new features of the revised PSL guidelines, inter-alia, include higher weightage for lending to identified 184 credit deficit districts, enhancement in the share of Small & Marginal Farmers and Weaker Section. New sector like making Compressed Bio Gas (CBG), Solar projects, credit for startups engaged in Agriculture & allied activities and MSME have eligible under PSL.

Credit limit has also been enhanced in case of sector like renewable energy sector, Health Infrastructure (including Ayushman Bharat) and education loan.

6.1 Salient features of the revised PSL guidelines

(1) 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.

(2) 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.

(3) Credit to new sector like Compressed Bio Gas (CBG), Solar projects, credit for start-ups (up to Rs.50 crore) engaged in Agriculture & allied activities and MSME have been made eligible under PSL.

(4) 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.

(5) Credit limit has also been enhanced in case of sector like renewable energy sector, Health Infrastructure (including Ayushman Bharat) and education loan.

6.2 The outstanding priority sector advances of Public Sector Banks was Rs.23,62,471 crore as on 31st March, 2019 and Rs.23,63,854 crore as on 31st March, 2020. Advances to agriculture by PSBs amounted to Rs.9,81,107 crore as on 31st March, 2020 constituting 16.49 percent of ANBC. For the quarter ended September, 2020* total outstanding priority sector advances of public sector banks is Rs.23,93,696 crore and outstanding towards agriculture under priority sector is Rs.10,46,807 crore.

(Provisional figures as reported by banks to RBI.)*

6.3 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 17.08.2015 and circulated to Banks. The main features of the revised Model Educational Loan Scheme are as under.

(1) Provision for charging of differential interest rates based on status of collateral, employability and reputation of institutions.

(2) Relaxation in margin and security for loans guaranteed by NCGTC.

(3) Extension of repayment period (after moratorium) up to 15 years for all loans.

(4) Uniform one year moratorium for repayment after completion of studies in all cases.

(5) 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.

6.3.1 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.

6.3.2 Performance of Education Loans

The total outstanding education loans of Public Sector Banks (PSBs) as on 31st December, 2020 stood at Rs.75,381.27 crore in 19,83,251 accounts.

6.3.3. 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:

(1) Information about Educational Loan Schemes of Banks;

(2) Common Educational Loan Application Form for Students;

(3) Facility to apply to multiple Banks for Education Loans;

(4) Facility for Banks to download Students' Loan Applications;

(5) Facility for Banks to upload loan processing status;

(6) Facility for Students to email grievances/queries relating to Educational Loans to Banks;

(7) Dashboard facility for Students to view status of their loan application;

(8) 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.

6.3.4 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.

(1) Educational loan disbursed/availed after 1st April, 2009 from Scheduled Banks which follow IBA Model Educational Loan Scheme;

(2) Students belonging to economically weaker sections, i.e, whose parental income from all sources do not exceed Rs.4.5 lakhs per annum;

(3) 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.

Exim Bank offers a comprehensive range of lending and service / advisory programmes, aimed at aiding the globalisation efforts of Indian companies. This enables the Bank to promote inclusion of a large cross-section of Indian exporters, in the opportunities being thrown up by globalization. Exim 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.

As on 30th November, 2020, Exim Bank, with the support of Government of India, has extended 311 Lines of Credit aggregating USD 31.55 billion to various countries across Asia, Africa, LAC, CIS and Oceania region. As on 30th November, 2020, the Bank has sanctioned an aggregate amount of USD 2.88 billion for 30 projects. The bank has also given in principle commitments for an aggregate amount of USD 2.38 billion supporting 19 projects out of which approx. USD 32 million is likely to get sanctioned till end of March, 2020.

As on 30th November, 2020, under BC-NEIA, Bank has already disbursed USD 145 million during current FY. As on November 30, 2020, the Bank's net loans and advances stood at Rs.96,492 crore, while the non-fund portfolio of the Bank was at Rs.15,058 crore. The total business portfolio of the Bank, which stood at Rs.215,923 crore as on November 30, 2020, is estimated at Rs.230,000 crore as on March 31, 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 through the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called India Infrastructure Finance Company Ltd (IIFCL), broadly referred to as SIFTI. The organization gives overriding priority to Public-Private-Partnership (PPP) projects. IIFCL has been registered with the Reserve Bank of India as Non-Banking Finance Company – Infrastructure Finance Company (NBFC-IFC) since September 2013. The authorized and paid up capital of the company as on 31stMarch, 2020 stood at Rs.10,000 Crore and Rs.9,999.92 Crore, respectively.

Activities of IIFCL are governed by Board of Directors, which has various sub-committees as per the Companies Act 2013, such as Management Investment Committee, Risk Management Committee, Audit Committee, Corporate Social Responsibility (CSR) Committee etc. IIFCL, being a Government-entity, is covered under the provisions of the RTI Act 2005.

IIFCL has set up three wholly-owned subsidiaries as follows:

(a) IIFC(UK)

(b) IIFCL Asset Management Company Limited (IAMCL)

(c) IIFCL Projects Limited (IPL)

IIFCL provides long term financing to viable infrastructure projects through a product mix of Direct Lending (SIFTI), Takeout Finance, Refinance and Credit Enhancement.IIFCL has played an instrumental role in the promotion, development and financing of infrastructure sector. On a standalone basis, till 30thNovember, 2020, IIFCL has made Cumulative Gross Sanctions of Rs.1,44,872 Crore under Direct lending, Takeout Finance and Refinance schemes. This includes Cumulative Gross Sanctions of Rs.91,757 Crore to 503 projects under Direct Lending. The Company has made Cumulative Disbursements of Rs.74,274Crore, including disbursements of Rs.15,765 Crore under Refinance and Rs.15,413 Crore under Takeout Finance till November, 2020.

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 61.02% 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 Housing Bank

7.4.1 Operational Highlights during FY 2019-20 (01.07.2019 to 30.06.2020)

(1) Subscribed Equity share capital of NHB stood at Rs.1,450 crore as on 30.06.2020.

(2) Outstanding Loans & Advances (net) of NHB stood at Rs.81,750 crore as on 30.06.2020, registering a growth of 17% Y-o-Y *(Rs.69,805 outstanding as on 30.06.2019).*

(3) The total assets of the Bank increased by 19% during the same period from Rs.75,590 crore at June, 2019 to Rs. 90,160 crore at June, 2020.

(4) Disbursements of Rs.31,258 crore were made during the period as compared to Rs.25,177 crore during FY 2018-19; an increase of 24%.Thirty-one new and small HFCs and five Small Finance Banks (SFBs) were brought under the refinance umbrella during the year

(5) With refinance focus on HFCs, NHB's disbursement to HFCs during FY 2019-20 witnessed 27% rise Y-o-Y from Rs. 21,736 crore in FY 19 to Rs.27,551 crore in FY 20. This includes refinance support to 30 HFCs with a loan base of less than Rs.1,000 crore.

(6) Overall exposure of the Bank to HFCs went up by 29% during the period from Rs.50,145 crore at June, 2019 to Rs.64,653 crore at June, 2020.

(7) The total disbursement during the year includes Rs.4,888 crore under Affordable Housing Fund(AHF) benefiting 36,565 households. The cumulative disbursement under AHF till 30.06.2020 was Rs.12,582.79 crore benefiting 1,73,741 households. Further an amount of Rs.302 crore was disbursed to promote efficient green residential housing in India, under a line of credit from AFD.

(8) To obviate the liquidity issues faced by HFCs during H2 of FY19, NHB introduced a special Liquidity Infusion Facility (LIFt) Scheme for HFCs. Under this scheme, refinance assistance of Rs.9,244 crore has been extended to thirty-six HFCs during the year 2019-20.

(9) Further, as a COVID relief measure, a Special Refinance Facility (SRF) was launched in April, 2020 as announced by the Hon'ble Finance Minister under Atmanirbhar Bharat package. Under the scheme, refinance assistance of Rs.9,537 crore was extended to the PLIs during the period April to June, 2020.

(10) Both the above schemes were special dispensations, over and above the regular refinance extended by NHB to HFCs and other PLIs.

(11) Cumulatively, NHB has made disbursement of Rs.2,67,962 crore*(till 30.06.2020)*.

(12) Subsidy of Rs.7,571.74 crore was disbursed during July, 2019 to June, 2020 under PMAY-CLSS (Urban) benefitting 3,31,924 households with a cumulative disbursement of Rs.21,632.67 crore benefitting 9.55 Lakh households under the scheme.

(13) Till 30.06.2020, subsidy of Rs.8.36 crore was disbursed under Rural Housing Interest Subsidy Scheme (RHISS) benefitting 2,733 households.

7.4.2 Financing (during the half-year ended 31.12.2020 (01.07.2020 to 31.12.2020)

(1) During the half year ended 31.12.2020 refinance of Rs.20,898 crore was sanctioned to 48 PLIsincluding 42 HFCs. Of this, Rs.9,213 crore was disbursed to 45 PLIs including 41 HFCs.

(2) This includes disbursement of Rs.2,367 crore under AHF during the half-year towards 28,942 dwelling units.

(3) The Bank added 9 HFCs and 3 Banks under its refinance umbrella during this period.

(4) Bank launched Additional Special Refinance Facility (ASRF) scheme with an aim to meet the supplementary liquidity requirements of the HFCs/PLIs due to COVID-19 disruptions and extended moratorium period.

(5) As at December, 2020, apart from full utilisation of Rs.10,000 crore under SRF, additional SRF of Rs.3,927 crores was disbursed.

(6) Total refinance support by HFC during the pandemic period i.e., since March, 2020, is Rs.38,064 crore.

7.4.3 Promotion & Development (as on 31.12.2020)

(1) As part of research initiatives, National Housing Bank (NHB) initiated a Study on the impact of changes in Stamp Duty and Registration Charges on Residential Property, and suggest a revenue neutral model for enabling "Affordable Housing for All" which was undertaken by Indian Institute of Management, Bangalore (IIMB). The report is available at the websites of Ministry of Housing (MoHUA) and NHB.

(2) Under PMAY-CLSS (Urban), subsidy amounting to Rs.3,508.44 crore was released benefitting 1.58 lakh households (Rs.1,950.78 crore to 0.84 lakh households under EWS/LIG and Rs.1,557.66 crore to 0.74 lakh households under MIG).

(3) Till 31.12.2020, NHB as a CNA released subsidy of Rs.25,141.11 crore to PLIs benefitting 11.13 lakh households (Rs.17,209.13 crore to 7.36 lakh households under EWS/LIG and Rs.7,931.98 crore to 3.77 lakh households under MIG).

7.5 Small Industries Development Bank of India (SIDBI)

Small Industries Development Bank of India has been established under an Act of the Parliament in April 02, 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 co-ordination of the functions of the various Institutions engaged in similar activities.

7.5.1 Operational Highlights during FY 2019-20 and 2020-21

During FY 2021, the operations of the Bank have been towards supporting MSMEs to sail through the challenging times of COVID 19 pandemic. To help MSMEs during this crisis, the Bank has undertaken several initiatives through Direct Finance, Institutional Finance, Fund of Funds and Promotion and Development operations. Further, the Bank has continued to be a trusted agency for implementing several Government of India initiatives towards quick response to COVID 19.

The Asset Base of the Bank continued its growth momentum by clocking a healthy Y-o-Y growth of 20.3%, and stood at Rs.1,87,539 crore as at end of FY 2020. The Asset Base stood at Rs.1,61,288 crore as at end of H1 FY 2021 as compared to Rs.1,67,883 crore as at end of H1 FY 2020.

Net profit recorded a growth of 18.6% to Rs.2,314.5 crore in FY 2020 from Rs.1,952.2 crore in FY19. Net profit for H1 FY 2021 registered 55.6% growth as compared to H1 FY 2020 and stood at Rs.1,534.5 crore.

7.5.2 Financing during FY 2019-20 and 2020-21

The MSME financing agenda of the Bank is discharged through the twin interventions of (i) Direct Lending, disseminated through demonstrative lending products to fill existing credit gaps and (ii) Indirect Lending is done through Banks, NBFCs, New Age Fintechs, SFBs and MFIs, which creates a multiplier effect and provides a larger reach. The Loans and Advances of the Bank crossed the milestone of Rs.1.5 lakh crore in FY 2020, registering Y-o-Y growth of 21.4%, and stood at Rs.1,65,422 crore as at end of FY 2020. As at end of H1 FY 2021 Loans and Advances stood at Rs.1,42,937 crore, which is at 99% level of Rs.1,44,348 crore as at end of H1 FY 2020, despite COVID pandemic.

Under Indirect Finance, the Bank has 193 live customers as on November 30, 2020, which includes 47 Banks, 68 NBFCs and 78 MFIs. Outstanding under Indirect Finance was Rs.1,32,215 crore as on September 30, 2020. During FY 2021, in order to provide liquidity support to MSME sector during COVID pandemic, the RBI has provided a Special Liquidity Facility (SLF) of Rs.15,000 crore. Under the aforesaid fund, the Bank has sanctioned Rs.5,700 crore to 16 Banks, Rs.5,016 crore to 62 NBFCs, Rs.2,717 crore to 40 MFIs and Rs.213 crore directly to 448 MSMEs, aggregating sanctions of Rs.13,646 crore as on December 22, 2020.

The direct finance portfolio of the Bank registered Y-o-Y growth of 10.9% and stood at Rs.9,867 crore as on March 31, 2020. The relentless efforts to support MSMEs during pandemic has resulted in 8% growth over March 31, 2020 in direct finance portfolio as on September 30, 2020 reaching Rs.10,666 crore. The Bank introduced scheme viz. SIDBI Assistance to Facilitate Emergency response against corona virus (SAFE) and SAFE PLUS with concessional interest rate of 5% p.a. to provide financial support to MSMEs during pandemic. Under these schemes, 390 number of loans amounting to Rs.170 crore have been sanctioned, out of which Rs.156 crore has been disbursed with turnaround time of 1.73 days.

In order to deliver "affordable credit" to the small entrepreneurs, especially women, at the bottom of the pyramid, the Bank under Prayaas scheme, sanctioned 10,925 cases with a total disbursement of Rs.126.55 crore as on October 31, 2020.

The Bank is implementing agency for Fund of Funds for Start-ups (DPIIT) and ASPIRE Fund (MoMSME). Under Fund of Funds, the Bank has cumulatively assisted 140 AIFs with a cumulative sanction of Rs.6,154.71 crore and disbursements of Rs.2,848.13 crore as on March 31, 2020.

7.5.3 Promotion & Development

The Promotional and Developmental initiatives of the Bank are undertaken under the four guiding themes of Sampark, Samwad, Suraksha, Sampreshan (4S), to address various non-financial challenges of the MSME sector. Under mission Swavalamban, the Bank has undertaken a slew of initiatives to handhold and support aspiring entrepreneurs in their journey to become job creators. The Bank focused on information dissemination on entrepreneurship and encouraged youth through Swavalamban info series, Swavalamban walls and clubs and a thematic metro station at Hauz Khas in the national capital. Under its unique initiative of state outreach programme, the Bank organized 10 programmes to deeply engage with state governments on issues facing MSMEs and to promote onboarding of MSMEs on digital platforms and mapping of good practices of one state to others. Swavalamban Silai school initiatives of the Bank has created 1000 *silai* schools in 10 districts benefiting 1,000 women. These women beneficiaries started their own schools and further enrolled more women, taking the total enrolled to 3,273 women. Phase 2 of the initiatives has also commenced during FY 2021, under which 700 schools are to be set-up in 14 districts. Among other initiatives, the Bank organized a Swavalamban Bazar for micro-entrepreneurs, launched Swavalamban Crisis Responsive Fund (SCRF) for free onboarding of 10,000 MSMEs on the TReDS platforms by March 2021,Swavalamban Utsav for women who benefited under SIDBI's MahilaUdyamiSashaktikaran Project (MUSP), Swavalamban Idea Lab for supporting business ideas and Swavalamban Sankalp programme in collaboration with DICCI, SIDBI ET India MSE Awards, apart from establishing 100 Swavalamban Connect Kendras for handholding aspiring entrepreneurs.

The Bank has undertaken several initiatives to address information asymmetry through a bouquet of Knowledge Products viz MSME Pulse, CriSidEx, Microfinance Pulse, Fintech Pulse and Industry spotlight. MSME Pulse is available in 8 vernacular languages apart from Hindi & English.

7.5.4 Digital Interventions

The Bank has undertaken slew on initiatives to make credit access to MSMEs a digital delight. Udyamimitra portal, a comprehensive digital platform for MSME aspirants to access credit has 380+ lenders and 8.75 lakh+ registrations as on December 15, 2020. On digital online portal, PSBLoansin59minutes, as on November 30, 2020, 2.62 lakh MSMEs have obtained in-principle approval from the lenders out of which 2.17 lakh MSMEs have obtained final sanction. Other key notable digital initiatives include Asset Restructuring Module- ARM-MSME, automated/ online Do-it-Yourself web-portal for MSMEs to self create their restructuring proposal/ financial viability projections and MSME

Saksham, Joint credit awareness initiative of SIDBI & TransUnion CIBIL to enable the MSMEs to be loan-ready.

7.5.5 SIDBI as Nodal/ Implementing agency for Government scheme

The Bank is Implementation partner of the PMSVANidhi scheme, and the scheme portal/IT Platform and a Mobile App has been integrated with the Udyamimitra portal managed by the Bank. Under scheme, 30 lakh applications received, 16.05 lakh sanctioned, and 11.05 lakh disbursed, as on December 15, 2020. Under, Interest Subvention Scheme for MSMEs 2018, the Bank has settled claims of Rs.604.69 crore to 59 institutions benefitting 9.58 lakh MSMEs as on March 31, 2020. In FY 2021, Rs.220.31 crore released to 41 institutions as on October 30, 2020.

Under Interest Subvention Scheme for MUDRA-Shishu Loans, the Bank has settled an aggregate claims of Rs.140.94 crore to 56 MLIs benefitting over two crore beneficiaries as on October 30, 2020. Further, in respect of Partial Credit Guarantee offered by GOI to PSBs, the Bank has been delegated the work for evaluation of proposals emanating from eligible banks for execution of guarantees, keeping record of transactions and determination of guarantee headroom, examination of claims and monitoring of recoveries in account for which guarantee has been invoked.

The Bank has been assigned the nodal agency role by the Government of India for implementing various Government subsidy schemes, such as CLCSS, TUFS, IDLSS, FPTUFS, TEQUP and MSME-CDP Scheme. Cumulatively, the Bank has facilitated the release of subsidy to the tune of Rs.3,427.08 crore, to 40,692 MSMEs, as on March 31, 2020.

7.6 Credit Guarantee Trustee Company Ltd.(NCGTC)

NCGTC was incorporated on March 28, 2014, as a wholly owned Government of India company, under Companies Act, 1956, with the approval of the Union Cabinet. It has a paid-up capital of Rs.10 crore NCGTC was established to operate the Credit Guarantee Funds for Educational loans, Skill Development and any other fund that may be set up in future.

NCGTC is responsible for the day to day operations and implementation of all credit guarantee schemes. NCGTC generates resources through charging of management fee from the funds/schemes it operates. Currently, NCGTC operates various credit Guarantee schemes under implementation by Central Ministries such as Ministry of Skill Development & Entrepreneurship, Ministry of Human Resource Development (Department of Higher Education) and Ministry of Finance (Department of Financial Services). A single trustee set up for operating Govt. supported Credit Guarantee funds was envisaged to bring in operational and cost efficiency and achieve economies of scale through sharing of resources. It has also enabled in developing expertise on risk management, fund management and compliances.

Currently, Credit Guarantee Fund for Skill Development (CGFSD), Credit Guarantee Fund for Education Loans (CGFEL), Credit Guarantee Fund for Factoring (CGFF), Credit Guarantee Fund for Micro Unit (CGFMU), Credit Guarantee Fund for Stand-up India (CGFSI) and Emergency Credit Line Guarantee Scheme (ECLGS) Fund are being handled by NCGTC.

8. Significant Initiatives to support credit to lending institutions

8.1 Partial Credit Guarantee Scheme (PCGS) for NBFCs/ HFCs/ MFIs:

PCGS was issued on 11th December 2019, with the approval of the Union Cabinet, for providing guarantee to Public Sector Banks (PSBs) limited to first loss of upto 10% of fair value of assets being purchased by the banks or Rs.10,000 crore, whichever is lower, for purchasing high-rated pooled assets from financially sound Non-Banking Financial Companies (NBFCs)/Housing Finance Companies (HFCs) fulfilling the eligibility criteria prescribed under the Scheme.

As part of the Aatmanirbhar Bharat Abhiyan, the existing Partial Credit Guarantee Scheme was extended on 20th May 2020, with the approval of the Cabinet, to cover portfolio guarantee of up to 20% of first loss for purchase by PSBs of Bonds or Commercial Papers (CPs) with a rating of AA and below (including unrated paper with original/ initial maturity of up to one year) issued by NBFCs/ HFCs/Micro Finance Institutions (MFIs).

The amount of overall guarantee provided under the extended Scheme shall be limited to 10% of fair value of assets or 20% of the face value at crystalized Portfolio Level of the Bonds/CPs being purchased by the Purchasing Banks under this Scheme, or an overall amount of Rs.10,000 crore taking into account all the guarantees provided under the Scheme to all Purchasing Banks, whichever is lower.

The existing Scheme was launched following the Budget announcement of 2019-20 with the objective that the purchase of pooled assets enabled by Government guarantee support under the Scheme, will help address temporary liquidity/cash flow mismatch issues of otherwise solvent NBFCs/HFCs without them having to resort to distress sale of their assets for meeting their commitments.

The extension of the existing Scheme to cover purchase by PSBs of Bonds or Commercial Papers (CPs) with a rating of AA and below (including unrated paper with original/ initial maturity of up to one year) issued by

NBFCs/ HFCs/ MFIs (in case of MFIs, Bonds/ CPs with MFR rating equivalent) will address their liability side and also enable availability of additional liquidity for on lending. Since NBFCs, HFCs and MFIs play an extremely significant role in sustaining consumption demand as well as capital formation in small and medium segment, it is required that they continue to get funding without disruption. As of 8th January, 2021, proposals for purchase of asset pools worth Rs.11,798.78 crore have been in principle approved for issuance of Guarantee. Out of this, Guarantee has been executed for asset pool amounting to Rs.9000.53 crore (i.e. for Guarantee amount of Rs. 900.53 crore). Further, Banks have purchased portfolio of bonds/CPs of Rs.23,242 crore (Provisional). The timeline for purchase of portfolio of bonds/CPs expired on 31.12.2020.

8.2 Special Liquidity Scheme (SLS) for NBFCs/ HFCs

As part of the Aatmanirbhar Bharat Abhiyan, the Union Cabinet on 20th May, 2020 approved the Special Liquidity Scheme for Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) to improve their liquidity position. Under the Scheme, a Special Purpose Vehicle (SPV) *viz.* SLS Trust has been set up under SBICAP which would issue interest bearing special securities guaranteed by the Government of India, to be purchased by Reserve Bank of India (RBI) only. The proceeds thereof would be used by the SPV to acquire the debt of at least investment grade of short duration (residual maturity of upto 3 months, and can be extended for the same or for a reduced period upto the date of maturity) of eligible NBFCs / HFCs. The SPV would issue securities as per requirement subject to the total amount of securities outstanding not exceeding Rs.30,000 crore to be extended by the amount required as per the need.

The Scheme was designed by Department of Economic Affairs, which also obtained approval of the Cabinet. The Scheme is being implemented by Department of Financial Services. The Scheme's operational guidelines, as framed by DEA, were issued by DFS on 29th May, 2020. SPV in form of SLS Trust was formed. DFS issued Guarantee in favor of RBI on 30th June, 2020. The validity of the Scheme expired on 30.09.2020 and a total of Rs.7,125.51 crore was disbursed by SLS Trust by way of 28 instruments to 23 NBFC/HFC. SLS Trust has received the repayment of principal and interest amounting to Rs.7,249.60 crore by 31.12.2020 for all instruments and there has been no default. The Scheme ended on 31.12.2020.

9. Insurance Sector

9.1 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.

9.2 Role of the Department of Financial Services in Insurance

The Department of Financial Services deals with policy and legislative matters as well as monitoring of the performance of both life and general insurance segments of the public sector insurance industry. It is also the administrative division for the Insurance Regulatory and Development Authority of India (IRDAI). The name 'Insurance Regulatory and Development Authority' was changed to 'Insurance Regulatory and Development Authority of India' through the Insurance Laws (Amendment) Act, 2015.

9.3 The Public Sector Insurance Companies operating in the sector.

(1) Life Insurance Corporation of India

(2) National Insurance Company Limited

(3) The Oriental insurance Company Limited

(4) United India Insurance Company Limited

(5) The New India Assurance Company Limited

(6) General Insurance Corporation of India – GIC Re (Re-Insurer)

(7) Agriculture Insurance Company of India Limited – Specialised Insurer (Company floated by Public Sector general insurance companies along with NABARD)

(8) ECGC Limited – Specialised Insurer (Government of India enterprise for export credit guarantee)

9.4 Legislative Framework governing the Insurance Sector

The Department is responsible for policy formulation and administration of the following Acts in the insurance sector:

(1) The Insurance Act, 1938

(2) The Life Insurance Corporation Act, 1956

(3) The General Insurance Business (Nationalisation) Act, 1972

(4) The IRDA Act, 1999

(5) The Actuaries Act, 2006

(6) The Securities and Insurance Laws (Amendment and Validation) Act, 2010.

The Government promulgated an Ordinance namely - the Insurance Laws (Amendment) Ordinance, 2014 on December 26, 2014 to make amendments to the Insurance Act, 1938, the General Insurance Business (Nationalization) Act, 1972 and the Insurance Regulatory and Development Authority Act, 1999 in accordance with the Insurance Laws (Amendment) Bill 2008 as reported by the Select Committee of the Rajya Sabha. The Ordinance was replaced by the Insurance Laws (Amendment) Act, 2015. With the coming into force of the Insurance Laws (Amendment) Act, 2015, the foreign investment cap in an Indian Insurance Company has gone up from 26 per cent to 49 per cent with the safeguard of Indian ownership and control.

9.5 Reforms in the Insurance Sector

The insurance sector was opened up for private participation with the enactment of the Insurance Regulatory and Development Authority Act, 1999. The Authority consist of a Chairperson, not more than five whole-time members and not more than four part-time members. As on March 31, 2020, Authority has Chairman, three full-time members and three part-time members. The Authority is functioning from its Head Office at Hyderabad, Telangana. The core functions of the Authority as mentioned in Section 14 of Insurance Act include (i) licensing/registration of insurers and insurance intermediaries; (ii) financial and regulatory supervision; (iii) regulation of premium rates; and (iv) protection of the interests of the policyholders.

With a view to facilitate development of the insurance sector, the Authority has issued regulations on protection of the interests of policyholders; obligations towards the rural and social sectors; micro insurance and registration of agents, licensing/registration of corporate agents, brokers and third party administrators. IRDAI has also laid down the regulatory framework for registration of insurance companies, maintenance of solvency margin, investments and financial reporting requirements.

9.6 New entrants in the insurance industry

Since its opening up in 2000, the number of participants in the Insurance industry has gone up from 7 insurers (including the Life Insurance Corporation of India [LIC], four public-sector general insurers, one specialized insurer, and the General Insurance Corporation as the Indian re-insurer) in 2000 to 68 insurers by March 31, 2020. During the financial year (2019-20), two insurers, One Health insurer i.e. Reliance Health and one Re-insurer i.e. ITI Re have surrendered their Certificate of Registration. Hence, as on March 31, 2020, 68 insurers are operating in the life, general, health and re-insurance segments; of which 24 are life insurers, 27 are general insurers, 6 are standalone health insurers exclusively doing health insurance business and 11 are reinsurers including foreign reinsurance branches and Lloyd's India. Of the 68 insurers eight are in the public sector and the remaining 60 are in the private sector. Two specialized insurers, namely ECGC Limited and Agricultural Insurance Company of India Limited, one life insurer namely LIC of India, four general insurers and one reinsurer namely GIC are in public sector. 23 life insurers, 21 general insurers, 6 standalone health insurers and 10 reinsurers including foreign reinsurance branches and Lloyd's India are in private sector.

Registered Insurers and Reinsurers (As on 31.03.2020)

Type of Insurer	Public Sector	Private Sector	Total
Life	1	23	24
General	6	21	27
Standalone Health	-	6	6
Re-insurers	1	10	11
Total	**8**	**60**	**68**

9.7 Industry Statistics

Insurance Penetration and Insurance Density

The potential and performance of the insurance sector are generally assessed on the basis of two parameters, viz., Insurance Penetration and Insurance Density. The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (measured in US$ for convenience of international comparison).

Insurance penetration which was 2.71 per cent in 2001, increased to 3.76 per cent in 2019 (Life: 2.82 per cent and Non-Life: 0.94 per cent). Insurance Penetration in some of the emerging economies in Asia, i.e., Malaysia, Thailand and China during 2019 was 4.72, 4.99 and 4.30 per cent respectively. The Insurance density in India which was USD 11.5 in 2001 increased to USD 78 in 2019 (Life: USD 58 and Non-Life: USD 19). The insurance density in Malaysia, Thailand and China during the same period i.e. 2019 were USD 536, USD 389 and USD 430 respectively. Globally insurance penetration and density in 2019 were 3.35 per cent and USD 379 for the life segment and 3.88 per cent and USD 439 for the non-life segment respectively.

Life insurance industry

Post liberalization period has witnessed sharp growth in the insurance industry, more particularly in the life segment. Life insurance industry recorded a premium income of Rs.5.73 lakh crore during 2019-20 as against Rs.5.08 lakh crore in the previous financial year, registering a growth of 12.75 per cent (10.75 per cent growth in previous year).

The new business premium underwritten by the life insurers (total of first year premium and single premium) during 2019-20 was Rs.2.59 lakh crore as compared to Rs.2.15 lakh crore in 2018-19 registering a growth of 20.59 per cent as against 10.74 per cent during the previous year. In terms of linked and non-linked business, 14.50 percent of the new-business premium was underwritten in the linked segment during 2019-20 while 85.50 percent of the business was in non-linked segment as against 14.99 per cent and 85.01 per cent in the previous year. Of the new business premium underwritten, LIC accounted for Rs.1.78 lakh crore (68.76 per cent market share) and the private insurers accounted for Rs.0.81 lakh crore (31.24 per cent market share). The market share of LIC and private insurers was 66.20 per cent and 33.80 per cent respectively (new business premium) during the year 2018-19.

General insurance industry

The general insurance industry (including standalone health insurers) underwrote total direct premium of Rs.1.89 lakh crore in India for the year 2019-20 as against Rs.1.69 lakh crore in 2018-19, registering a growth rate of 11.49 per cent as against 12.47 per cent growth rate recorded in the previous year. The private sector (including standalone health insurers) had underwritten Rs.1.05 lakh crore as against Rs.0.93 lakh crore in the previous year achieving a growth rate of 13.57 per cent whereas the public sector (including specialized insurers) had underwritten premium of Rs.0.84 lakh crore as against Rs.0.77 lakh crore in the previous year with a growth rate of 8.97 per cent. The market share of the public and private insurers stood at 44.30 and 55.70 per cent during the year 2019-20 as against 45.33 and 54.67 per cent respectively in 2018-19. One of the benefits of opening up of the insurance sector has been the extension of health cover to a wider cross-section of the society. Health premium accounted for 30.10 per cent (Rs.56,865.13 crore) of the gross direct premium of the general insurance industry within India (including standalone health insurance companies) in 2019-20 (Rs.50,833.55 crore constituting 30.00 per cent in 2018-19).

9.8 Investments of the Insurance sector

As on March 31, 2020 the accumulated total investments held by the insurance sector was Rs.42.53 lakh crore as against Rs.38.47 lakh crore as on March 31, 2019, registering an increase of 10.54 per cent. Life insurers continue to contribute a major share with around 91.47 per cent of the total investments held by the insurance industry. Similarly, public sector insurers continue to contribute a major share of 76.79 per cent in total investments as on March 31, 2020 though investments by private sector insurers also are growing at a fast pace in recent years.

9.9 Rural and Social Sector Business

All the life insurers including LIC have fulfilled their rural sector obligations for the year 2019-20. The life insurers underwrote 64.96 lakh policies in the rural sector, viz., 22.49 per cent of the new individual policies underwritten (288.85 lakh policies) by them in 2019-20. LIC underwrote 21.37 per cent of the new individual policies and private insurers underwrote 26.02 per cent of the new individual policies in the rural sector. All life insurers except Sahara* life insurer, were compliant with their social sector obligations in terms of number of lives covered. All the public and private sector general insurance companies including standalone health insurance companies have fulfilled their obligations in the rural and social sector for the year 2019-20.

*(*Sahara India Life Insurance Co. Ltd. was directed not to underwrite any kind of new business from June 24, 2017 vide the IRDAI Order reference IRDAI/F&A/OR/FA/148/06/2017 under section 52 B (2) of the Insurance Act, 1938. Hence, Sahara India Life is not considered for Rural and Social Sector Obligations.)*

9.10 Micro insurance

In order to facilitate penetration of insurance to the lower income segments of population, IRDAI had notified the micro insurance regulations, 2005 which was further amended in 2015. They provide a platform to distribute insurance products, which are affordable to the rural and urban poor and hence promoting financial inclusion.

Micro insurance being a low price-high volume business, its success and sustainability depends mainly on keeping the transaction costs down. IRDAI (Obligations of insurers to Rural and Social sectors) 2015 promulgated under Section 32B and 32C of the Insurance Act, 1938 stipulate obligations of insurers in respect of rural and social sector, which has also contributed substantially to the development and promotion of micro insurance products in India.

In micro-insurance-life, the individual new business premium for the year 2019-20 was Rs.226.66 crore through 10.28 lakh new policies and the group business amounted to Rs.4426.45 crore premium for 1407.29 lakh lives. There were 90,574 micro insurance agents attached to life insurers at the end of FY 2019-20.

Total number of general insurance policies issued by Micro Insurance Agents (excluding of Standalone health insurers) were 1.33 lakhs in the year 2019-20. Gross direct premium under micro insurance business in general insurance sector for the year 2019-20 was Rs.21.27 crore through 4.26 lakh micro insurance policies. Health Insurance (excluding Personal Accident and Travel Insurance) premium procured by Micro Insurance agents was Rs.40.08 crore in the year 2019-20.

IRDAI has permitted PMFBY covering non-loanee farmers, to be solicited and marketed by Micro Insurance Agents under IRDAI (Micro Insurance) Regulations, 2015. Further, general insurance policies issued to Micro, Small and Medium Enterprises as classified in MSMED Act, 2006 under various lines of general insurance business will also qualify as general Micro Insurance business upto Rs.10,000 premium per annum per MSM enterprise.

9.11 Grievance Redressal

The IRDAI facilitates resolution of policyholder grievances by monitoring the insurers' policy of Grievance Redressal and takes several initiatives towards protecting the interests of the Insurance consumers. IRDAI has put in place the Integrated Grievance Management System (IGMS) as an online system for grievance management that is not only a gateway for registering and tracking grievances online but also act as an industry-wide grievance repository for IRDAI to monitor disposal of grievances by insurance companies. During 2019-20, the life insurance companies resolved 98.26 per cent of the complaints handled. The private life insurers resolved 99.95 per cent of the complaints reported, while LIC resolved 97.45 per cent of the complaints. The General insurance companies resolved 98.67 per cent of the complaints handled during the year 2019-20. The private General insurance companies resolved 99.89 per cent and public General insurance companies resolved 97.24 per cent of the complaints handled by them.

10. Pension Sector

10.1 National Pension System (NPS)

The National Pension System (NPS) was introduced by the Government of India with a view to provide adequate retirement income on cost effective basis. 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. As of now 29 State Governments have notified NPS for their employees. NPS has been designed giving utmost importance to the welfare of the subscribers with aim of maximising outreach. 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. There are a number of benefits available to the employees under NPS. Some of the benefits are listed below:

(1) NPS is a well designed pension system 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 and Annuity service providers. It is regulated by PFRDA which is a statutory regulatory body established to promote old age income security and protect the interests of NPS subscribers.

(2) 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.

(3) Tax Benefits presently available under NPS

(A) Tier I:

i. 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 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.**

ii. Interim/ Partial Withdrawal from NPS Tier I up to 25% of the contributions made by NPS subscriber is tax free.

iii. 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 and is exempted from GST.

(B) 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 years.

(4) Freedom of choice for selection of Pension Funds and pattern of investment to government employees as under

(a) Choice of Pension Fund: As in the case of subscribers in the private sector, the Government subscribers are also allowed to choose any one of the pension funds including Private sector pension funds. They could 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.

(b) Choice of Investment pattern: The following options for investment choices are offered to Government employees: -

i. Government employees who prefer a fixed return with minimum amount of risk have an option to invest 100% of funds in Government securities (Scheme G).

ii. Government employees who prefer higher returns have the options of two Life Cycle based schemes - Conservative Life Cycle Fund with maximum exposure to equity capped at 25% at the age of 35 years and tapering off thereafter (LC-25) or 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.

(5) 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.

(6) eNPS - PFRDA introduced eNPS online portal on 07.12.2015 whereby the Permanent Account Number (PAN) and savings bank account of new subscribers to NPS who are already customers of the banks are accepted as KYC with active participation of the banks acting as POPs for opening of accounts under NPS.

The status of NPS as on 28th November, 2020, is as under

Sector	No. of subscribers (in lakh)	Assets Under Management (in Rs crore)
Central Government	21.43	1,71,230.474
State Government	49.60	2,69,358.76
Corporate	10.66	55,461.91
All Citizen Model	14.11	17,854.07
NPS Lite *	43.12	4,251.05
Total	**138.92**	**5,18,156.53**

**(No fresh registration permitted w.e.f 01.04.2015)*

Major measures/steps undertaken under National Pension System (NPS)

UPI has been added as a mode of payment on eNPS platform, besides credit card, debit card and net banking A number of Annuity Literacy Programs across the country have been conducted for the prospective retiring subscribers and nodal offices for spreading awareness on seamless exits from National Pension System. NPS Lite subscribers have been enabled to make contribution online. Operational guidelines have been issued in respect of National Pension Scheme Tier-II Tax Saver Scheme, 2020 (NPS-TTS) on 7th July 2020. NPS subscribers have been allowed to continue with the Permanent Retirement Account number (PRAN), which is unique, after premature exit i.e. exit before the age 60 years. Eligible subscribers can open a new NPS account after closing their existing NPS account up to the age of 65 years.

(7) Initiatives undertaken during FY 2020-21 on account of Covid-19 pandemic.

(i) Partial Withdrawal Facility at the time of Covid-19- The Authority has declared “COVID-19” as a critical illness and hence the partial withdrawals have been permitted to fulfil financial needs of the subscribers as per the applicable exit regulations.

(ii) Aadhaar based offline paperless KYC verification process for NPS On-boarding- It has been decided to allow e-NPS/PoPs to utilize the Aadhar based offline paperless KYC verification process which eliminates the need for the prospective NPS subscribers (applicants) to provide the physical copy of Aadhar. A total of 51,603 PRAN were opened as on 23.11.2020 through ease on on-boarding process.

(iii) Processing of death claims requests under Atal Pension Yojana (APY) in view of Covid-19 pandemic- Considering the difficulties faced by Point of Presence under Atal Pension Yojana, in processing of death claim requests due to Covid-19 pandemic, the processing of death claim requests has been made easy. It has been advised that PoP-APY shall duly verify and attest the documents of death claim requests and submit the scanned copies of all requisite documents through their registered e-mail ID to NSDL-CRA.

(iv) To ensure proper service to subscribers, during lock-down announced by Government of India, Point of Presence (POPs) were advised to undertake their various activities as per the best available means, resources and in the transparent manner.

(v) D-remit- Vide Circular dated 12th May,2020, PFRDA had informed about the proposed launch of an additional option/mode of contribution namely Direct Remittance (D-Remit) wherein the existing NPS Subscribers under Government/ Non-Government/All Citizens Model would be able to deposit their voluntary contributions by creating a Virtual ID linked to their Permanent Retirement Account Number (PRAN). This facility enables the subscribers to get the same day NAV. As on November 25, 2020, total 55,608 virtual accounts have been created and a total 24.85 crore contributions have been collected since rollout of this facility on October 1, 2020.

(vi) Extension of timelines for activities under National Pension System (NPS) & NPS Lite-Swavalamban- Owing to disruption of various activities due to Covid-19, the Authority had allowed waiver of compensation to be paid to subscribers by POPs under NPS and NPS-Lite/ Swavalamban guidelines on account of non-adherence to TATs, up to 30.04.2020. These timelines were further extended till 30.09.2020.

(vii) NPS withdrawal process at the time COVID-19 pandemic- Vide Circular dated June 05, 2020 on the captioned subject, whereby considering challenges being faced by COVID-19 pandemic and requests received from various stakeholders, as a special case and one-time measure, a relaxation was given to Nodal Offices/POPs for accepting the scanned and self-certified images of exit documents through digital means to process the withdrawal requests of NPS subscribers. Extension of timelines till September 30, 2020 for Nodal Offices/POPs to accept the scanned and self-certified images of exit documents through digital means for processing the withdrawal request of NPS Subscribers.

(viii) OTP- based on-boarding- As part of mandate given to PFRDA to develop the pension sector and to increase the outreach of NPS, PFRDA has taken this step to ensure ease of NPS on-boarding in the interest of subscribers. Around 12,044 subscribers used paperless OTP based on- boarding process.

(ix) Relief to APY subscribers: Considering the outbreak of Covid-19, in order to reduce the financial obligations, the Auto Debit of the subscriber's contribution was stopped from April to June, 2020. Further, the penal interest to be charged to the APY subscribers on the deferred contribution received between July and September, 2020, was also waived off.

(8) Initiatives with reference to the development of North-Eastern Region & Sikkim including projects/ schemes in operation and actual expenditure thereon

Annuity Literacy Program (ALP) was held in Guwahati on September 20 & 21, 2019 with the participation of 550 subscribers and nodal officers of Govt of Assam. The same was also attended by representative of DFS, MoF. PFRDA shall resume ALP in more NE locations post resumption of normalcy affected due to Covid-19.

11. Measures Taken During the COVID-19 Pandemic.

11.1 Pradhan Mantri Garib Kalyan Yojana

(1) Financial assistance to women PMJDY Account holders - 20.6 crore women PMJDY account holders were financially assisted for Rs.500 per month for three months from April – June, 2020.

(2) Insurance scheme for health workers fighting COVID-19 - This scheme includes doctors, nurses, paramedics, and sanitation staff etc. who attend to COVID-19 patients while not considering their health risks. Rs.50 lakh insurance cover per person for the health workers involved in COVID-19 outbreak. As on 30.11.2020, 156 claims have been paid.

11.2 Atma Nirbhar Bharat Abhiyaan

Hon'ble Prime Minister announced a Special economic and comprehensive package of Rs.20 lakh crore - equivalent to 10% of India's GDP on 12th May, 2020. Following significant Agriculture-related measures were announced as part of the ANB package.

11.2.1 Emergency Credit Line Guarantee Scheme (ECLGS)

As part of the Aatma Nirbhar Bharat Abhiyaan and as a specific response to the COVID pandemic, the Union Cabinet in its meeting on 20.05.2020 had approved Emergency Credit Line Guarantee Scheme (hereinafter referred to as ECLGS 1.0) to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their business in the context of the disruption caused by the COVID-19 pandemic. The Scheme was launched on 23.05.2020.

ECLGS 1.0 - The ECLGS 1.0, provided a fully guaranteed and collateral free Guaranteed Emergency Credit Line (GECL) for eligible MSME units, business enterprises, individual loans for business purposes and interested MUDRA borrowers, which were less than or equal to 60 days past due as on 29.02.2020, up to 20 per cent of their entire outstanding credit as on 29.02.2020 through the Member Lending Institutions (MLIs), consisting of Scheduled Commercial Banks (SCBs), Financial Institutions (FIs) and NBFCs. All entities with outstanding credit of up to Rs.50 crore as on 29.02.2020 were eligible under the Scheme and the 100 per cent credit guarantee for credit extended under the Scheme is being provided by NCGTC. The loans provided under ECLGS 1.0 will have a 4-year tenor, with a 12-month moratorium on repayment of principal. Interest rates under the Scheme are capped at 9.25% for banks & FIs and at 14% for NBFCs.

ECLGS 2.0 - The Scheme has been extended through ECLGS 2.0 for the 26 sectors identified by the Kamath Committee and the health care sector. Entities with outstanding credit above Rs.50 crore and not exceeding Rs.500 crore as on 29.02.2020, which were less than or equal to 30 days past due as on 29.02.2020 are eligible under ECLGS 2.0. The eligible entities/ borrower accounts shall be eligible for additional funding up to 20 per cent (which could be fund based or non-fund based or both) of their entire outstanding credit (fund based only) as a collateral free Guaranteed Emergency Credit Line (GECL), which would be fully guaranteed by NCGTC. The loans provided under ECLGS 2.0 will have a 5-year tenor, with a 12-month moratorium on repayment of principal.

The scheme is valid till 31.03.2021 or till guarantees for an amount of Rs.3,00,000 crore is sanctioned under the GECL (taking into account both ECLGS 1.0 and 2.0), whichever is earlier. The Scheme seeks to help the eligible entities tide over the crisis caused by the Covid-19 pandemic and meet their operational liabilities. As reported by 12 Public Sector Banks, top 23 Private Sector Banks and 31 NBFCs, as on 1st January 2021, additional credit amounting to Rs.2.11 lakh crore has been sanctioned to over 87.16 lakh borrowers under ECLGS.

11.2.2 Partial Credit Guarantee Scheme

Rs.45,000 crore Partial Credit Guarantee Scheme (PCGS) 2.0 for NBFCs/HFCs/MFIs- Under Partial Credit Guarantee Scheme (PCGS) 1.0**,** approval was granted, in principle, on the recommendation of SIDBI for purchase of pool of assets of Rs.520.64 crore. Operational guidelines for **PCGS 2.0** were issued on 20.05.2020, extending the benefit to cover purchase of Bonds/Commercial Papers by PSBs from the NBFCs/ HFCs/MFIs. The revised guidelines issued on 17.08.2020 allowed additional 3 months till 19.11.2020 for building portfolios and increase ceilings for AA/AA- rated bonds from 25% to 50% of the total portfolio, to ensure availability of additional liquidity in the economy. The timeline for purchase of bonds or CPs was further extended up to 31.12.2020. A budgetary provision of Rs.500 crore made in the first supplementary demands for grants for 2020-21. As reported by Public Sector Banks, banks have approved purchase of portfolio of bonds/CPs under extended PCGS of Rs.23,242 crore (Provisional).

11.2.3 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 first tranche for immediate release of interest subvention benefit to the Member Lending Institutions (MLIs). An amount of Rs.1,232 crore has been allocated in the first Supplementary Demands for Grants. As on 01.01.2021, more than Rs.250 crore has been disbursed by SIDBI to MLIs for onward credit of subvention amount into the accounts of the borrowers.

*11.2.*4 Rs.30,000 crore Additional Emergency Working Capital Funding for farmers through NABARD

- New front loaded special refinance facility of Rs.30,000 crore sanctioned by NABARD during COVID-19 to RRBs and Cooperative Banks.
- This is over and above Rs.90,000 crore to be provided by NABARD through the normal refinance route during this year.
- As on 11.12.2020, Rs.25,000 crore has been disbursed out of this special facility.

- Balance amount of Rs.5000 crore under SLF allocated to NABARD by RBI for smaller NBCFCs and NBFC-MFI out of which Rs.650 crore has been disbursed by NABARD till 01.01.2021.

11.2.5 Rs.2 lakh crore credit boost to the farm sector by covering 2.5 crore PM- KISAN beneficiaries under Kisan Credit Card Scheme

As on 01.01.2021, a total number of 179.06 lakh KCC with KCC limit of Rs.1.65 lakh crore has been sanctioned under a special drive to saturate the farmers including KCC beneficiaries, dairy & fisheries farmers under the KCC scheme.

11.2.6 The **PM Street Vendor's Atmanirbhar Nidhi Scheme (PM SVANIDHI),** a Central Sector Scheme fully funded by MoHUA, provides a Special Micro-Credit facility as a working capital loan of up to Rs.10,000 to eligible urban street vendors. As on 31.12.2020, a total of 25,33,874 applications have been received by Banks, out of which 16,83,911 have been sanctioned. Further, credit against 12,28,497 applications has been disbursed.

11.2.7 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 crore. 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.

11.2.8 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. Operational guidelines for the scheme issued by DAHD have been shared with all banks and NABARD.

11.2.9 PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME)

A Centrally Sponsored Scheme namely 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.

12. Miscellaneous

12.1 Representations from SCs, STs, OBCs and PWDs.

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.

12.2 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 60 days and the petitioners are informed of the action taken, necessary instructions have been issued to PSBs and Insurance Companies.

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 60 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 two months. 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.

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. RBI has set up 21 Banking Ombudsmen across the country under Banking Ombudsmen Scheme 2006 and also set up 22 Ombudsman for Digital Transactions. Similarly, there are 17 Insurance Ombudsmen set up by IRDA. 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. Most of the grievances are related to issues related to ATM, Pension, Loan Applications, Bank transactions and fraud cases. As per CPGRAMS database the details of receipt, disposal and pending grievances during the period 01.04.2020 to 30.11.2020 in the banking and insurance sectors are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2020	% of Disposal as on 30.11.2020	Less than 60 days old	More than 60 days old
Banking	6353	120248	114550	12051	90.48%	11388	663
Insurance	271	12972	12394	849	93.59%	816	33
Total	**6624**	**133220**	**126944**	**12900**	**90.76%**	**12204**	**996**

Status of public grievances on PG Portal for the period 01.04.2020 to 30.11.2020:

Total Grievances received	Grievances Disposed Of	Balance	% of disposal as on	Average time of disposal
139844	126944	12900	90.76	16 days

Status of public grievances for the period 01/04/2020 to 30/11/2020 relating to social security schemes launched by the Government:

Name of the scheme	Total Grievance	Grievance disposed	Grievance pending	% of disposal
Atal Pension Yojana	56	48	8	85.71
Pradhanmantri Jan Dhan Yojana	1078	1013	65	93.71
Pradhan Mantri Mudra Yojna	1865	1644	221	88.15
Pradhan Mantri Suraksha Bima Yojana	193	155	38	80.31
Pradhan Mantri Jeevan Jyoti Bima Yojna	252	208	44	82.54

Status of public grievances received from PMO for the period 01.04.2020 to 30.11.2020:

Name of the Sector	Total Grievances	Grievances disposed	Grievances pending	% of disposal
Banking	50220	45970	4250	91.54
Insurance	4809	4448	361	92.49

As per CPGRAMS database, the details of receipt, disposal and pending grievances during the period 01.04.2020 to 30.11.2020 in respect of banking and insurance sectors for Covid-19 grievances are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2020	% of Disposal as on 30.11.2020	Less than 60 days old	More than 60 days old
Banking	54	12622	12460	216	98.30%	213	3
Insurance	8	936	927	17	98.20%	17	0
Total	**62**	**13558**	**13387**	**233**	**98.29%**	**230**	**3**

12.3 Vigilance

12.3.1 Organisations under Vigilance Section

(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 15th January, 2021, a total number of pending matters in the Special Court is 128 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 firms. 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 13375 cases were filed in the Special Court, which were defended/contested by the Custodian and 13262 cases have been disposed of by the Special Court, leaving a balance of 113 cases for their disposal as on 31st October, 2020. Similarly, a total of 509 appeals were filed in the Supreme Court, of which 471 cases have been disposed of, leaving 38 cases pending (31st October, 2020). As on 30th October, 2020, while the total outstanding liabilities of notified parties were for Rs.37,367 crore, the assets were only to the tune of Rs.4532 crore, out of which Rs.1118 crores are non-recoverable assets. Till 30th October, 2020, Rs.9,837 crore (approx.) has been recovered by the Custodian and out of these assets, Rs.6,423 crore in cash has been distributed to Income Tax Department, Banks etc.

Out of a total of 23.60 crore attached shares, 16.51 crore shares have been sold and a sum of Rs.3,351.32 crore realized. Out of the remaining 7.09 crore shares with current value of Rs.2009 crore, 5.56 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 crore. 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 30th October, 2020 is Rs.1335.25 crore.

12.3.2. Performance

(1) 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.

(2) During the period of 01.01.2020 to 31.12.2020 a total number of six (6) Additional Chief Vigilance Officers (CVOs) have been appointed in State Bank of India.

(3) 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.

(4) Vigilance Awareness Week was observed from 27.10.2020 to 02.11.2020.

12.4 Information Technology

The initiatives under 2020-21 for the Department of Financial Services are as below:

(1) Preparation and Implementation of Cyber Crisis Management Plan.

(2) Training programs for creating awareness about Cyber Security amongst officers and staff of DFS.

(3) Notification was issued for declaring information / structure of RTGS, NEFT and e-Kuber of RBI as Critical Information Infrastructure.

12.5 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 Tribess and Other Backward Classes up to 30.11.2020

Data source - Public Sector Banks/Public Finance Institutions/Public Sector Insurance Companies/RBI/PFRDA/IRDAI

Sl. No.	Group	Number of Employees (as on 31.12.2019)					Number of appointments/promotions made during the calender year 2020 (i.e. 01.01.2020 to 30.11.2020)														
							Appointment by Direct Recruitment					Appointment by Promotion					Appointment by Other Methods				
		Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	Group-A	446961	81190	36063	95118	150	8410	1203	522	2179	268	25869	5986	2642	7891	0	494	79	44	132	0
2	Group-B	26607	4080	1671	4720	236	82	13	6	12	2	39	8	5	10	0	6	2	0	0	0
3	Group-C	341166	62206	27057	74632	0	20542	2918	1337	5327	1259	7516	2115	641	1588	0	397	112	32	65	0
4	Group-D (Excluding Safai Karamchari)	101782	29191	7184	23100	1	309	58	9	100	11	988	239	31	217	0	151	55	19	32	0
5	Group-D (Safai	45965	19317	3071	9541	1	662	196	23	186	20	0	0	0	0	0	95	51	7	12	0
	Total	962481	195984	75046	207111	388	30005	4388	1897	7804	1560	34412	8348	3319	9706	0	1143	299	102	241	0

Annexure II

Department of Financial Services

Group-wise representation of Persons With Disabilities upto 30.11.2020

Data source - Public Sector Banks/Public Finance Institutions/Public Sector Insurance Companies/RBI/PFRDA/IRDAI

Sl. No.	Name of the organization	Number of Employees (as on 31.12.2019)					Number of appointments/promotions made during the calender year 2020 (i.e. 01.01.2020 to 30.11.2020)																		
							Appointment by Direct Recruitment									Appointment by Promotion									
							No. of vacancies				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
1	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	374838	2283	816	6497	15	75	170	94	68	1742	70	38	82	8	19	31	34	5	9353	215	53	459	1
2	Group-B	25905	4	0	31	1	1	2	2	0	3	1	1	1	0	0	0	0	0	732	2	1	9	0
3	Group-C	289871	2203	1037	4874	38	198	145	230	104	2145	249	39	175	9	64	17	73	0	2991	41	17	88	0
4	Group-D (Excluding Safai Karamchari)	92736	222	237	993	6	1	1	1	1	36	1	0	4	0	0	0	0	0	963	0	0	0	0
5	Group-D (Safai Karamcharies)	36716	101	148	546	4	0	0	0	0	26	0	1	6	0	0	0	0	0	0	0	0	0	0
	Total	820066	4813	2238	12941	64	275	318	327	173	3952	321	79	268	17	83	48	107	5	14039	258	71	556	1

Annexure III

Department of Financial Services

Summary of Audit Observations pertaining to DFS (As on 20.1.2021)

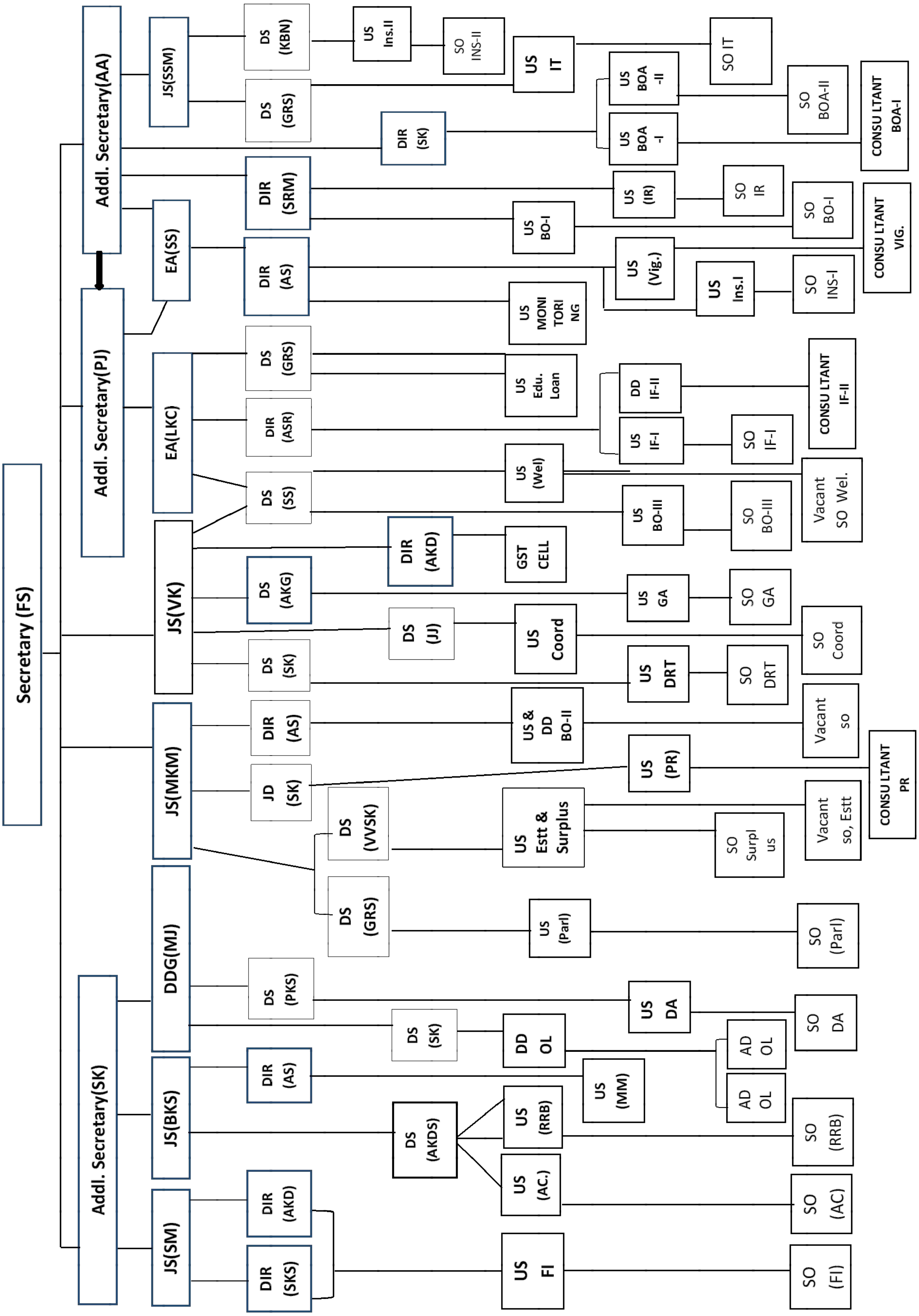
S.N.	Year	No. of Paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Para/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission 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	Nil

- 7 paras relate to Report No. 13 of 2020 (Performance Audit on 'National Pension System') has been tabled in the Parliament on 23.9.2020.

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	4	Nil	1	Nil
4.	2016-17	4	1	5	Nil
5.	2017-18	1	Nil	1	Nil
6.	2018-19	3	2	4	Nil
7.	2019-20	3	Nil	Nil	Nil

Organisational Chart of Department of Financial Services

As on 20.01.2021



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